LITEON®

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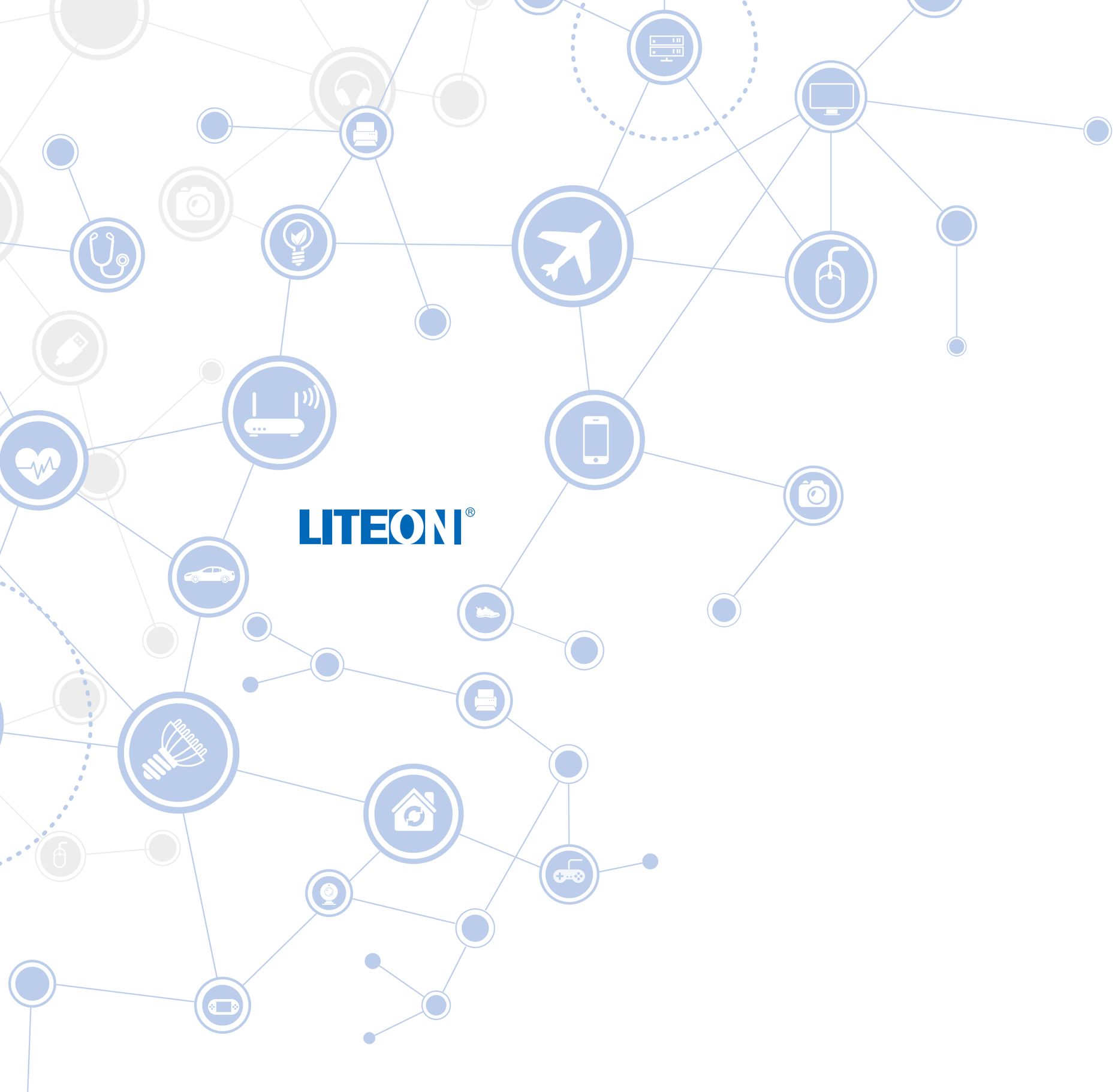
2015 ANNUAL REPORT

Lite-On Technology Corporation

Lite-On Group 40th Anniversary



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Lite-On Technology Corporation website:
www.liteon.com

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Members of Top Management

Raymond Soong

Chairman of Lite-On Group

Warren Chen

Vice Chairman and Group CEO of Lite-On Group

Business Philosophy

Spirit

- Passion
- Excellence
- Innovation
- Growth

Vision

A World-Class Excellent Company
Best Partner in Opto-Electronic, Eco-Friendly and Intelligent Technologies

- Corporate Citizenship: Globalization / Environmental protection / Social responsibility.
- Industry Leader: No.1 global market position.
- Profitability: Being up to the highest industry standard.
- Governance: Transparency/ Independence/ Fairness.
- Size of Organization: Over 10 billion US dollars in revenue.

Mission

Long-Term Mission: Become the Absolute #1 in Our Industry
Mid-Term Mission:

- Prioritize investment in energy saving, environmentally friendly and smart technologies; enhance product portfolio and profit
- Expand to emerging markets
- Excellent global time-to-market, time-to-volume capability; optimize global operation (industry #1 operation excellence)

Belief

- Customer Satisfaction
- Excellence in Execution
- Innovation
- Integrity

Letter to Shareholders

Dear Shareholders,

Despite the lower demand for products and services in the global information and communication industries in 2015, the Lite-On Group has been focusing on profits, steadying operations and increasing shareholders' return on equity as our operational strategies. We have shown an increase in profits through our ability to execute and compete. Cloud computing, LED lighting, automotive electronics, biomedical technology, and industrial automation were the five Internet of Things (IoT) applications that we concentrated on as we transformed ourselves. In each and every application area, we have consolidated business across areas and invested aggressively in resources, research and team to expand business. We have used One LiteOn's advantage as our new re-starting point. In 2015, LiteOn's global consolidated revenue amounted to NT$216.929 billion. As part of the overall revenue, non-PC-related products exceeded 60%. Our net profit after taxes was NT$7.223 billion for the year and our annual earnings per share (EPS) reached NT$3.11. This represented a yearly growth of 11%.

Operating Performance

All core products of LiteOn have continued to grow steadily in 2015. In recent years, we have been aggressively growing our non-PC areas. We are gradually seeing results in the cloud computing, high-end cameras and LED lighting areas. In 2015, they have not only grown steadily but will continue to be the growth areas and profit centers in 2016. The optoelectronic department benefited from the increase in market demand for LED lighting, consumer electronics and portable devices. It also benefited from increased production in camera modules and an increase market share in high-end smart phones. With the increase in demand for cloud application server power management systems and portable devices, our revenue in this area rose to a record high. In our core business groups, we saw an expansion in market share for high-end server casings and input devices (peripherals such as keyboards and mice), an increase in delivery of tablet PC peripheral applications and smooth delivery of the new laser models of multifunction machines. All the above contributed to continued growth in revenue for the information product division. Market demand for storage devices increased and gaming-related products rose nearly 10% in revenues.

The five IoT application areas of cloud computing, LED lighting, automobile electronics, medical biotechnology, and industrial automation were LiteOn's main focal points as it transformed itself. Development in new business areas has taken off and research and innovation have led into operations, scaling up and a new wave of growth momentum. In 2015, LiteOn successfully introduced data center power management systems by providing innovative and flexible cloud applications for critical infrastructure power management, remote backup, and remote monitoring as comprehensive solutions. Our electric car chargers have received technical and specification certifications from Europeran and American countries and our customers and product installations have increased substantially. In the area of LED lighting, LiteOn not only provided LED lighting products to car manufacturers around the world but is also zealously developing integrated optical censors in new application areas for monitoring heart rates, directions, environmental colors and gesture controls. With the development self-driving vehicles in full swing, LiteOn has built smart sensing modules to be used in various driving situations. In the area of intelligent manufacturing, after successfully developing 3D printing and scanning technology, we have led the industry in becoming the world's first company to build mobile phone antennas through 3D printing. Such antennas have been used with smartphones manufactured by international brand companies. Because they are produced completely without the process of plating and use green recyclable materials, the impact on the environment is greatly reduced and the customers have offered high praises. LiteOn's own biomedical technology brand, Skyla®, has successfully entered the global biotechnology healthcare market, developing automated biochemical analyzers and glycated hemoglobin analyzers. In March of 2016, we announced the establishment of the first overseas biotechnology research and development center in Singapore geared towards the emergency and remote care markets. This integrates our dual advantages of product design and product manufacturing and allows us to zealously develop highly competitive point-of-care products.

Corporate Social Responsibility

Nationally, LiteOn has received CommonWealth Magazine's Benchmark Enterprise Award nine consecutive years, the Taiwan Corporate Sustainability Award four times, and Global Views Monthly's Excellence in Corporate Social Responsibility Award eight times. Internationally, LiteOn has held a place on the Dow Jones Sustainability Index (DJSI) for five years in a row and a place on the Morgan Stanley Sustainability Report for two years in a row. We have also been featured on the A List in the Climate Disclosure Leadership Index (CDLI). Our highly transparent information disclosure measures earned us the highest ranking of A++ on the TWSE (Taiwan Stock Exchange) two consecutive years.

Future Outlook

As the technology industry of traditional hardware manufacturing rapidly crosses over to big data, smart LED lighting, automobile electronics, medical biotechnology, smart home systems, intelligent manufacturing, and IoT applications, there is need for careful integration with existing industries or a replacement of them. The global economic environment is facing a variety of uncertainties. As we cross our 40th anniversary threshold, what is most important to LiteOn is to face this new wave on a new starting point.

Looking ahead, LiteOn will continue to strengthen its production advantage and operational structure. We will eagerly participate in the development of new applications and use a multi-directional approach to create sustainable growth and achieve our developmental goals of transformation and advancement. With the advantages of an elite, world-class company, LiteOn is committed to becoming the best choice for a business partner for any global customer seeking innovative design, hardware manufacturing and applications in the areas of light, electricity, energy conservation and smart technology. We have efficiently integrated the eight business units of Mobile Mechanics, PID, Power Systems, Storage, MEC, CDSS, OPS and the New Business unit. This was a display of our institutional spirit of passion, excellence, innovation and growth as well as an exercise in flexibility and creativity for the One LiteOn team. We will eagerly seek out the next wave of growth and market opportunities to demonstrate One LiteOn's holistic productivity and competitiveness.

In the past 40 years, LiteOn has consistently faced a variety of challenges. In overcoming each challenge, it has grown and attained great results. We hope that this spirit can be sustained generation after generation, making LiteOn an asset for society and an ever-lasting and ever-growing Taiwanese enterprise. This will require the persistence and effort of each member of our team as well as the support and affirmation of every customer, supplier, business partner, shareholder and society at large. Together, we will build a centenarian corporation out of LiteOn.

Raymond Soong
Chairman of Lite-On Group

Warren Chen
Vice Chairman and Group CEO of Lite-On Group

Corporate Overview

2.1 COMPANY PROFILE

Established:	**1975/6/2**
Date of Listing:	**1983/1/26**
Company Code:	**2301**
Paid-in-Capital:	**NT$ 23.3 B (as of December 2015)**

About Lite-On Technology

Established in 1975, the Lite-On Group, a leading global organization and major player in optoelectronic components industry, envisions being "the Best Partner in Opto-electronic, Eco-friendly and Intelligent Technologies." The company serves customers from communication, computer, consumer electronics, LED lighting, cloud computing and automotive electronics.

For more than 40 years Lite-On has concentrated on establishing its unique competitive advantages in mass production. Through resource integration and management, the company maximizes the returns from a diverse product portfolio to realize excellent growth both in revenue and profits. Every product line at Lite-On is aimed to be the largest in Taiwan and global top 3 in terms of market size. As technology advances with time, Lite-On image business becomes the largest in Taiwan. It is also one of the top 2 suppliers of optical drives, the top 1 supplier of notebook power supplies and one of the top 2 keyboard suppliers in global markets. Lite-On is also the world's second largest supplier of power supplies, one of the top 3 camera module suppliers, the No. 1 supplier of LED street lights by market share in North America and also the top 1 supplier by volume in Taiwan. In 2014, Lite-On successfully completed the consolidation of nine subsidiaries under the "One Lite-On" program. The core business strategy remains focused on advancing resource utilization, using automation to optimize production and efficiency, and promoting lean production to transform the overall production process and productivity. In the long-term, the focus is on profitability, operation excellence and enhancing shareholder returns to lay down the foundation for a sustainable enterprise.

In recent years, Lite-On has actively moved beyond the information and communication technology industry into fields such as LED lighting, automotive electronics, medical and biotech, and cloud computing, which have generated a new wave of revenue growth. These include energy-saving products such as indoor/outdoor LED lighting and automotive LEDs; power management systems and solid state drive used in data centers; and automotive electronics; as well as energy storage products such as electric vehicle charging equipment, wireless charging and quick charging battery modules.

The global technology industry is now set to welcome a new wave of changes. Lite-On hopes to leverage our existing advantage as a world-class enterprise in this age of changes and challenges to become the best partner of global customers stimulating innovations and developing applications for opto-electronic, eco-friendly and intelligent technologies.

2.2 Lite-On Corporate Values

Customer Satisfaction, Excellence in Execution, Innovation, and Integrity are the guiding principles, commitments, and beliefs of Lite-On Technology. These values are applied throughout the company's daily business operations and management.

Customer Satisfaction

As the best partners for our customers, we attentively listen to their needs, mastering market trends and using our strong expertise to fulfill their goals.

Excellence in Execution

With outstanding execution, we dedicate ourselves to fulfilling our commitments to customers, while creating innovative competitive advantages.

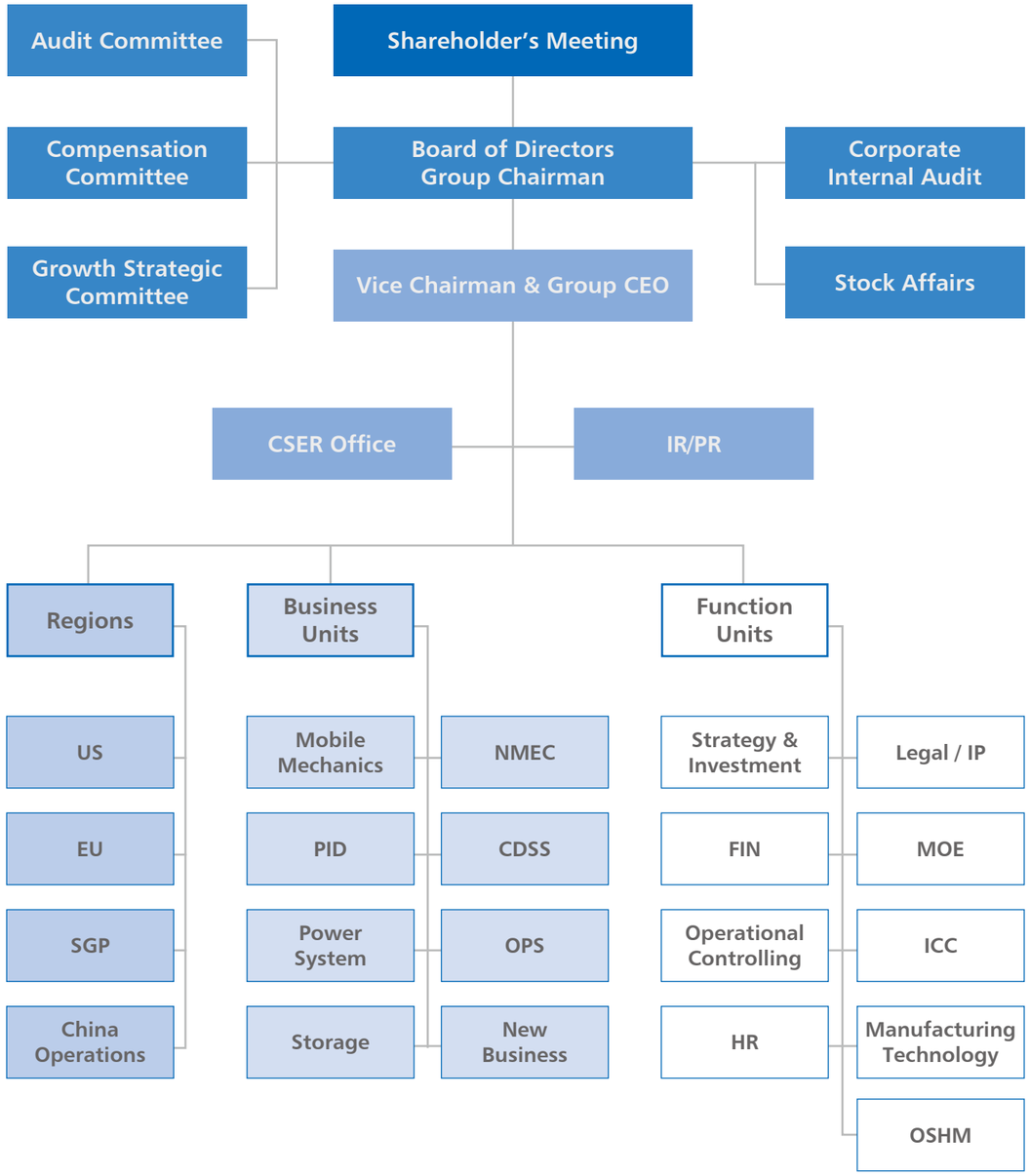
Innovation

With open minds and innovative technology, we are at the forefront of the mass production of next-gen technology.

Integrity

We emphasize integrity, transparency, and doing the right thing to earn the respect of our employees and trust of our customers and stakeholders to ensure solid and sustainable business operations.

2.3 Organization Chart



Corporate Governance

3.1 Introduction

Lite-On emphasizes transparent and effective corporate governance and has drafted a corporate governance framework and implemented practices in accordance with the Company Act, Securities and Exchange Act, and other relevant laws and regulations. The company continues to improve its management performance, while safeguarding the rights and interests of investors and other stakeholders.

Lite-On's corporate governance milestones:

1. In 2007, the company introduced the role of independent director to replace supervisors, and established its first Audit Committee. In 2008 and 2010, a Compensation Committee and a Growth Strategic Committee were established respectively under the board of directors.
2. Lite-On places high emphasis on the complete, timely, fair and transparent disclosure of information. In addition to publishing financial data, statements, annual reports and material information onto the Market Observation Post System (MOPS), Lite-On also makes this information accessible from its website for the convenience of local and foreign investors. (www.liteon.com)
3. The company will continue to pursue sound corporate governance and the transparency, timeliness, and fairness of financial information disclosure. In 2015, Lite-On was rated A++ by the Securities and Futures Institute during its Information Disclosure Evaluation. In 2016, Lite-On was rated top 5% in Corporate Governance Evaluation arranged by Taiwan Stock Exchange (TWSE).
4. In 2015, Lite-On's IMG site at Guangzhou and AE site at Kaohsiung both obtained Product Liability Insurance AAA Certification from ACE Group, the world's most creditworthy certifier. So far, twelve of the company's plant sites have obtained Product Liability Insurance AAA Certification, and Lite-On has set a goal for all plant sites to obtain AAA certification.

Lite-On's Board of Directors, Audit Committee, Compensation Committee and Growth Strategic Committee perform their duties in accordance with the "Board of Directors Meeting Rules," "Audit Committee Organizational Rules," "Compensation Committee Organizational Rules," and "Growth Strategic Committee Organizational Rules.

3.1.1 Major Resolutions of the General Meeting

The Company held a regular session of the General Meeting of 2014 on June 24th 2015 at the International Conference Center of Lite-On Technology Building located at No. 392, Rai Guang Road, 1/F, Neihu, Taipei. Major resolutions and the status of execution are shown below:

i. Adoption of 2014 Financial Statements
ii. Adoption of the Proposal for Appropriation of 2014 Earnings
iii. Proposal for dividends and employee bonuses payable in newly-issued shares of common stock for 2014
iv. Amendment to "Regulations Governing Loaning of Funds and Making of Endorsements/guarantees"
v. Amendment to "Rules and Procedures of Shareholders' Meeting"
vi. Amendment to "Regulations Governing Election of Directors"

All above resolutions have exceeded legal requirement of the voting numbers and been approved in the AGM.

3.1.2 Board of Directors

The company's directors are elected according to its "Director Election Policy," where candidates are nominated based on the system stipulated in Article 192-1 of the Company Act. The company is required by law to announce before the book closure date of its annual general meeting the period of directors' (including independent directors) nomination (no less than 10 days) and the number of directors (including independent directors) to be elected. The list of director candidates (including independent directors) needs to be reviewed by the board to make sure that all candidates are qualified (including independent directors) before the election commences during the annual general meeting.

The board consists of 11 members; all of whom are elected by shareholders. Board members currently include one Chairman; six institutional investor representatives from Lite-On Capital, Dorcas Investment Co. Ltd., Ta-Sung Inv Co. Ltd. and Yuan Pao Development & Inv. Co., Ltd.; one natural-person director; and three independent directors. These members come from a broad variety of backgrounds and experience, and are capable of fulfilling their duties. They have been given the duty to exercise proper governance of the board of directors, to supervise/appoint/instruct the management, and to oversee the company's financial, social, and environmental performance in ways that maximize stakeholders' interests.

Board members' backgrounds, education, concurrent roles at other companies etc and functioning of the board of directors as well as various functional committees have already been disclosed in the company's annual report. The annual report is accessible on the Market Observation Post System and from the company's website (www.liteon.com).

According to Lite-On's "Board of Directors Meeting Rules," board meetings are held at least once every quarter. A total of ten board meetings were held in 2015 (from January 1st, 2015 to April 30th, 2016) .

1. Major Resolutions of the Board Meetings
   Following are the important resolutions from the board during 2015/01/01-2016/04/30.
   (1) BOD resolutions on 2015/02/13
   - BOD approved the investment in China.
   - Interim Meeting of Board Approves the Acquisition of Equipment by Subsidiary Zhuhai Lite-On Mobile Technology Co., Ltd.

   (2) BOD resolutions on 2015/03/25
   - Board of Directors Resolution for dividend distribution.
   - Board of directors resolution for issuance of new share for capital increase.
   - Announcement of Donation to Lite-On Culture Foundation.
   - Lite-On Technology Corp. announced the results of it's operations for Y2014.
   - Board of Directors' resolution on the schedule and agenda of year 2015 shareholders' meeting.

   (3) BOD resolutions on 2015/05/13
   - Lite-On Technology Corp. announced the results of it's operations for Y2015 Q1.
   - Announcement of Lite-On Technology Corporation's Board of Directors Resolution for the disposition of assets to Lite-On Electronics(Guangzhou)Co., Ltd.

   (4) BOD resolutions on 2015/07/20
   - Announcement of the record date for 2014 dividend.
   - Lite-on Technology Corp.'s Board of Directors meeting approves plan to repurchase shares.

   (5) BOD resolutions on 2015/08/11
   - Lite-On Technology Corp. announced the results of it's operations for Y2015 H1.

   (6) BOD resolutions on 2015/09/18
   - BOD approved its subsidiary Lite-On Green Energy B.V.to dispose 100% shares of Romeo Tetti PV1 S.R.L.
   - Lite-on Technology Corp.'s Board of Directors approved to acquire real estate via auction process.

   (7) BOD resolutions on 2015/11/12
   - According to Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies Article 22 Paragraph 1 Section 3.
   - Announcement of the Board of Directors' resolution on capital reduction through cancellation of treasury stocks and the record date.
   - Lite-On Technology Corp. announced the results of it's operations for the first three quarters of Y2015.

   (8) BOD resolutions on 2015/11/19
   - Change in internal audit officer.

   (9) BOD resolutions on 2016/03/25
   - Board of Directors' resolution on the schedule and agenda of year 2016 shareholders' meeting.
   - Board of directors resolution for remuneration of employees and directors of 2015
   - Board of directors resolution for issuance of new share for capital increase.
   - Board of Directors Resolution for dividend distribution.
   - Announcement of Donation to Lite-On Culture Foundation.
   - Lite-On Technology Corp. announced the results of it's operations for Y2015.

   (10) BOD resolutions on 2016/04/27
   - Board of Directors' resolution the candidates' qualification for Directors and Independent directors of year 2016 shareholders' meeting.

2. The Board and the Functional Committees

The Board	Chairman	Raymond Soong	
	Vice Chairman	Lite-On Capital Inc.	Representative: Warren Chen
	Directors	David Lin	
		Dorcas Investment Co., Ltd.	Representative: Joseph Lin
		Ta-Sung Investment Co., Ltd.	Representative: Keh-Shew Lu
		Ta-Sung Investment Co., Ltd.	Representative: Rick Wu
		Yuan Pao Development & Investment Co., Ltd.	Representative: CH Chen
		Yuan Pao Development & Investment Co., Ltd.	Representative: David Lee
	Independent Directors	Kuo-Feng Wu, Harvey Chang, Edward Yang	

Audit Committee Since: 2007/06/21	Compensation Committee Since: 2008/08/27	Growth Strategic Committee Since: 2010/09/01
Chair Person: Kuo-Feng Wu **Members:** Harvey Chang, Edward Yang	**Chair Person:** Harvey Chang **Members:** Kuo-Feng Wu, Edward Yang	**Chair Person:** Edward Yang **Members:** Raymond Soong, Warren Chen, Keh-Shew Lu, David Lin

3. Board Meetings Attendance

The Board held 10 meetings (A) in the recent period of time (from January 1st, 2015 to April 30th, 2016) with the attendance of the directors specified as below:

Title	Name	Attend (sit in) in person (B)	Attend by proxy	Attendance rate (%)【B/A】
Chairman	Raymond Soong	10	0	100
Vice Chairman	Lite-On Capital Inc. Representative:Warren Chen	10	0	100%
Director	David Lin	8	2	80%
Director	Dorcas Investment Co., Ltd. Representative:Joseph Lin	8	2	80%
Director	Ta-Sung Investment Co., Ltd. Representative:Keh-Shew Lu	3	7	30
Director	Ta-Sung Investment Co., Ltd. Representative: Rick Wu	10	0	100%
Director	Yuan Pao Development & Investment Co., Ltd. Representative: CH Chen	9	1	90
Director	Yuan Pao Development & Investment Co., Ltd. Representative: David Lee	10	0	100%
Independent Director	Kuo-Feng Wu	9	1	90%
Independent Director	Harvey Chang	9	1	90%
Independent Director	Edward Yang	9	1	90%

Important Notice:

(1) Minutes of Board meetings where Article 14-3 of the Securities and Exchange Act is applicable and contained information on the objection or qualified opinions of the independent directors on record or in writing: none.

(2) The avoidance of the conflict of interest by the directors on relevant motions:

A. Three occasions, In the 9th session of the 23th Board Meeting, Director Mr. Raymond Soong, Mr. David Lin, Mr. Warren Chen and Mr. CH Chen avoided the discussion and did not vote the motion of donation to Lite-On Cultural Foundation.

B. In the 9th session of the 30th Board Meeting, Director Mr. Raymond Soong, Mr. David Lin, Mr. Warren Chen and Mr. CH Chen avoided the discussion and did not vote the motion of donation to Lite-On Cultural Foundation.

C. In the 9th session of the 31th Board Meeting, Director Mr. Raymond Soong, Mr. Warren Chen, Mr. Keh-Shew Lu, Mr. CH Chen, Mr. David Lee, Mr. Joseph Lin, Mr. Kuo-Feng Wu, Mr. Harvey Chang and Mr. Edward Yang avoided his own qualification discussion and did not vote the motion of the candidates' qualification for Directors and Independent directors of year 2016 shareholders' meeting.

(3) For strengthening and accelerating the growth strategy of the Company and the whole business group, the Company has established the Growth Strategic Committee in 2010. The Committee is authorized by Board of Directors to direct and review the Company and the Group's overall growth strategies, and to preview the important investment projects, and periodically reports the resolutions to the Board of Directors.

(4) The company will continue to pursue sound corporate governance and the transparency, timeliness, and fairness of financial information disclosure. In 2015, Lite-On was rated A++ by the Securities and Futures Institute during its Information Disclosure Evaluation. Meanwhile, Lite-On was rated top 5% in Corporate Governance Evaluation arranged by Taiwan Stock Exchange (TWSE).

3.1.3 Audit Committee

Chairperson: Independent Director Kuo-Feng Wu

Members: Independent Director Harvey Chang, Independent Director Edward Yao-Wu Yang

The Audit Committee consists entirely of independent directors. The duties of its three members are to assist the board of directors in reviewing the company's financial statements, internal control systems, audit practices, accounting policies, major asset transactions, and appointment/dismissal of external auditors, finance officers, accounting officers, and internal auditors so as to ensure compliance with government regulations.

Effective internal control systems and audit operations are the foundation of sound corporate governance. In order to maintain an effective internal control system, particularly in the area of risk management, financial and operational control, the Audit Committee regularly reviews reports submitted by internal auditors and assesses the independence of the company's financial statement auditors, thereby ensuring the utmost integrity in financial reporting.

According to Lite-On's "Audit Committee Organizational Rules," the Audit Committee meets at least once every quarter. A total of nine Audit Committee meetings were held (from January 1st, 2015 to April 30th, 2016).

(1) The operation of the Audit Committee

The Audit Committee held 9 meetings (A) in the recent period of time (from January 1st 2015 to April 30th 2016) with the attendance of the independence directors specified below:

Title	Name	Attend (sit in) in person (B)	Attend by proxy	Attendance rate (%)【B/A】(note)
Independent Director	Kuo-Feng Wu	8	1	89%
Independent Director	Harvey Chang	8	1	89%
Independent Director	Edward Yang	8	1	89%

Important Notice:

1. Issues stated in Article 14-5 of the Securities and Exchange Act of the ROC and other issues not passed by the Audit Committee but resolved by more than two-thirds of the directors: none.
2. The act of the avoidance of the conflict of interest by the independent director: none.
3. The communications between the independent director and the Chief Audit Officer and the certified public accountants:
   (1). The Chief Audit Officer reported to the Audit Committee on the establishment of and amendment to the internal control system.
   (2). The Chief Audit Officer reported to the Audit Committee on the conduct of internal audits and the findings.
   (3). The Chief Audit Officer reported to the Audit Committee on the annual audit plan and the implementation of the plan.
   (4). The Chief Audit Officer reported to the Audit Committee on the findings of each audit and the tracking of corrective actions and preventive actions.
   (5). The Chief Audit Officer provided information on the addition or amendment of laws governing securities and exchange to the Audit Committee.
   (6). The Chief Audit Officer presented to the Audit Committee the report on the conduct of special audits prescribed by the committee and the findings.
   (7). Before year start, the certified public accountants reported to the Audit Committee the valuation of independent , annual service contents and compensation.
   (8). The certified public accountants reported to the Audit Committee on the planning, implementation, and result of each period of the year.
   (9). The certified public accountants reported to the Audit Committee on the quarterly and the annual external audits
   (10). The certified public accountants reported to the Audit Committee on newly established statement of financial accounting standards and related laws on securities and exchange any time as needed.

(11). The certified public accountants reported to the Audit Committee in time when special issue occurs (no special issue occurred in 2014).

Note:

* If a specific independent director resigned before the end of the fiscal year, specify the date of resignation in the relevant field. The attendance (sit in) rate of such director or supervisor in Board meetings shall be based on the actual attendance to meetings during his term of office.
* If there is a newly elected independent director who filled in the vacancy of the relieved independent director, specify the names of and differentiate the old and new independent director, the date of office of the new independent director or the date of renewal. The attendance (sit in) rate of such independent director in Board meetings shall be based on the actual attendance to meetings during his term of office.

(2) The participation of the supervisors in the Board

The Company has established the Audit Committee on June 21 2007 to perform the functions of the supervisors as required by law.

3.1.4 The Compensation Committee

Chairperson: Independent Director Harvey Chang
Members: Independent Director Kuo-Feng Wu, Independent Director Edward Yang

The Compensation Committee was established in 2009 to strengthen corporate governance and align the company with international practices. The Compensation Committee has been authorized by the board of directors to supervise, review and decide the company's compensation policies.

Duties of the Compensation Committee extend beyond employees' incentives and bonuses, to cover performance appraisals and remuneration of directors and executive managers as well. Lite-On's Compensation Committee consists of three members; all of whom are chosen from independent directors to ensure objectivity, professionalism and fairness of the committee, while avoiding any conflicts of interest those members may have with the company.

The Compensation Committee reviews the company's remuneration policies and plans on a regular basis to ensure that they sufficient to attract, motivate and retain talent. The committee reviews the performance and remuneration of directors, the CEO and executives, and evaluates employee bonuses on a yearly basis.

3.1.5 The Growth Strategic Committee

Chairperson: Independent Director Edward Yao-Wu Yang
Members: Director Raymond Soong, Director David Lin, Director Warren Chen, Director Keh-Shew Lu

The Growth Strategic Committee was established in 2010 in an attempt to strengthen and accelerate the growth of the Lite-On Group. The committee is authorized by the board of directors to review growth strategies for the Company and the Group as a whole. It is also responsible for the preliminary assessment of all major investments of the Company and the Group. It reports its resolutions regularly to the board of directors.

The scope of responsibility of Lite-On's Growth Strategic Committee covers Lite-On Technology Corporation as well as its subsidiaries and certain business departments.
Committee members comprise five directors, all of whom are appointed by the board of directors.

A total of two Growth Strategic Committee meetings were held in 2015.

3.2 Anti-corruption

Lite-On upholds its reputation by obeying the laws and ethics of the countries in which it performs its business activities. We do not tolerate any violation of laws or ethics during our pursuit for sales, profits and performance targets. The company has proper measures in place to govern activities that are prone to risks of bribery, and regularly promotes employees' awareness on this issue as a means to prevent corruptive behaviors.

"Integrity" is one of our four core values. The company has implemented an Ethical Code of Conduct for Employees to help employees understand how to handle situations and issues encountered in daily work activities. This Code of Conduct has been included as part of orientation programs to give new recruits an understanding of the company's standards with regard to reputation, laws and ethics. The Ethical Code of Conduct for Employees contains the following ethical guidelines:

1. Gifts and hospitality:
   - 1.1 Company employees may not give or accept any gifts intended to improperly influence normal business or decisions. Company employees must immediately notify their supervisor or return any substantial gifts that they have received. If, however, a gift constitutes a small gift such as often exchanged in business contact, it shall not be subject to this restriction.
   - 1.2 Customers and company employees may engage in reasonable social activities within the course of the business contact in so far as such activities are clearly for business purposes and are respectable in tone. However, any excessively generous treatment shall require the prior consent of the employee's supervisor and a subsequent report to the supervisor. While dining is a necessary accompaniment of meetings between company employees and suppliers or customers, the principle of reciprocity should be emphasized.
   - 1.3 Company employees should avoid any improper actions, and absolutely may not give or accept any kickbacks in any form under any circumstances. While engaged in private shopping, company employees and their family members may not accept discounts from suppliers due to their relationship with this company, unless such discounts are given to all employees of this company.

2. Principles governing business-related payments:
   Any employee who discovers an irregularity affecting company assets or monies that may disrupt payments must immediately notify their supervisor. If the irregularity involves a supplier, the employee must notify the head of purchasing. No bribes of any kind may be given to any person; there are no exceptions to this rule. So-called bribes refer to payments given to certain persons to induce them to violate the rules of their employers or the laws of their country.
   - 2.1 Payments to suppliers: payments can only be made for goods or services provided by suppliers that an authorized procuring unit has verified to have complied with the company's standards.
   - 2.2 Payments to government officials: the company can not provide government officials of any country with payments that are prohibited in that country. Legitimate payments given to government officials must comply with all procedures specifically required by the company.
   - 2.3 Payments to consultants, wholesalers or distributors: payments to consultants, wholesalers and distributors must be equivalent to the value of the services they provide.
   - 2.4 Payments to customers: payments may not be directly or indirectly given to employees of any existing or potential customer with the intent of inducing them to take improper actions.
   - 2.5 Payments to others: payments may be made to persons who are not civil servants or customers in accordance with the procedures prescribed by the company, provided that such payments are not for ordinary commercial purposes as defined by the laws of the country where the payments take place.
   - 2.6 Payments outside the payee's place of domicile: paying expenses or salaries to an account in a country where the payee does not reside or do business (this may sometimes be termed "distributed expenses") is acceptable as long as this does not violate laws, and provided that the entire transaction does not compromise the company's ethical standards.
   - 2.7 Forgery of records: payments cannot be approved, executed, or accepted if part of the payment is intended or known to be used for purposes other than those stated on the records. When there is no disbursement explanation in the company's account books, all "kickback funds" or similar funds or account transfers are strictly prohibited.

In addition to establishing uniform standards that apply consistently to all employees, Lite-On has also emphasized on explaining the values of these ethical standards so that employees can understand how they are relevant to their daily activities and avoid conducts that may constitute violations against laws or the company's anti-corruption policy. Through uses of proprietary materials and structured courses, the company has been able to convey its governance guidelines and operating procedures to the comprehension of all employees. Course contents are presented in ways that are relevant to employees' work activities and real-life scenarios, with quizzes at the end of each module to help them learn. Furthermore, the company also has consultative services in place to clarify employees' queries regarding work ethics, anti-corruption guidelines, insider information, anti-trust, and EICC policies and practices, thereby securing the company's interests while protect employees from any illegal involvement.

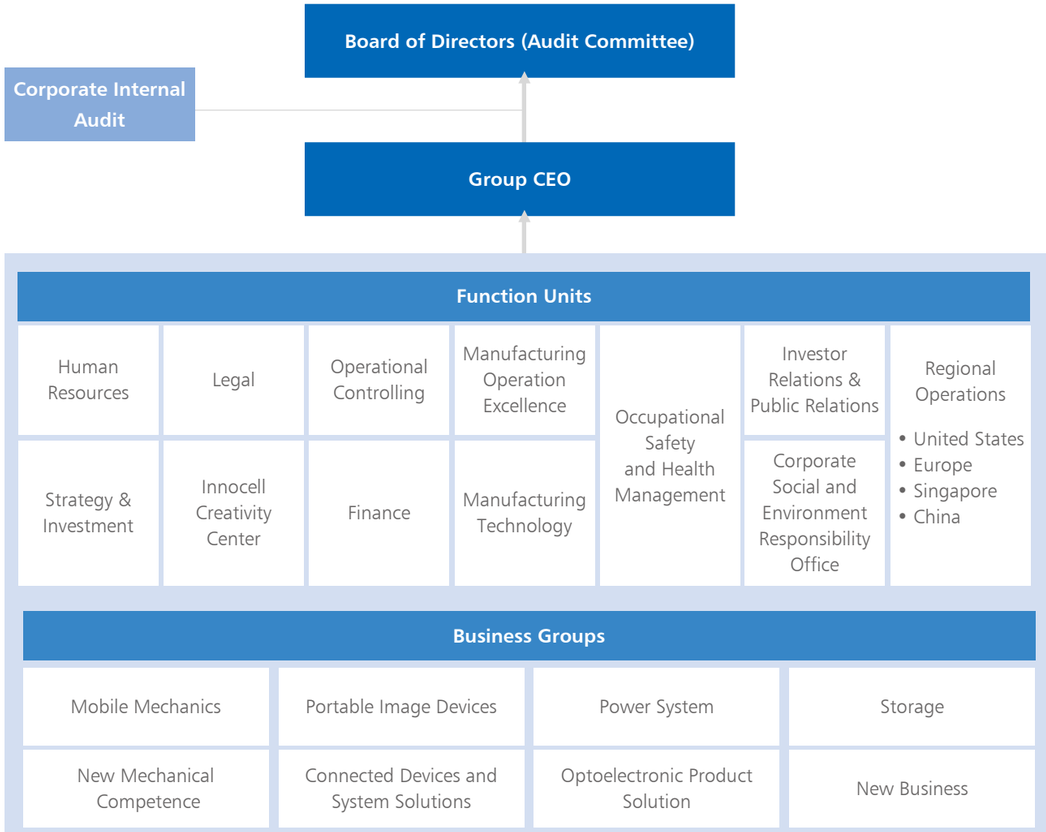
1. Based on the Ethical Code of Conduct for Employees, Lite-On has created online courses that inform employees of the various policies and practices the company has on anti-corruption. For new recruits, the company has arranged a series of online orientation that encompasses courses on "Employee Ethics and Anti-Corruption," "Material Insider Information," and "Anti-trust and Compliance;" all of which are related to corporate ethics and proper business conduct. In addition to establishing uniform standards that apply consistently to all employees, Lite-On also emphasizes through action the values of these ethical standards so that employees can appreciate how they are relevant to their daily activities and avoid conduct that may otherwise constitute violations against laws or company policy. Courses on "Material Insider Information" and "Anti-trust and Compliance" have been made compulsory for every employee to ensure consistent understanding to the company's ethics policies and principles. Lite-On has been active in providing anti-corruption training to indirect production workers.
2. In addition to organizing EICC (Electronic Industry Code of Conduct) workshops at locations where the company operates, the company has also created an online learning platform that trains employees on EICC values including: business integrity, avoidance of illegitimate gains, open information, respect for intellectual property, responsible advertising, fair trading, confidentiality, responsible minerals procurement, respect for privacy, and prohibition against retaliation.
3. Consultative services and channels: the company has a Legal Department that supports employees with legal counsel over the course of their business dealings with customers. In the occurrence of a major legal incident, the Legal Department will position itself at the frontline to resolve the matter with the employees involved, while making sure that the company complies with regulations and that the company's and employee's interests are protected.
4. Grievance and reporting channels: internally, the company has hotlines, e-mail and opinion letter boxes available for employees to raise complaints; externally, the company makes public disclosures on its CSR web page regarding any unethical or illegal conduct found over the course of its business. Grievance hotlines, e-mail, and mailboxes have been made available for outsiders to raise complaints or report their concerns. In 2015, Lite-On received one complaint concerning violation of business integrity in illegal activity, and the concerned incidence did not occur after the thorough investigation.

3.3 Corporate Risk Management

Lite-On has devoted itself to ensuring the economic, environmental and social sustainability for stakeholders including customers, shareholders, employees and the community et cetera. While taking steps to realize this goal, Lite-On adopts a robust risk management framework that identifies and controls the various risks of concern, so that said risk can then be transferred, mitigated, minimized or even eliminated entirely. This risk management framework is also one of the main reasons behind Lite-On's sustainable growth and outstanding performance.

The Risk Management Framework

Lite-On's risk management framework and internal control system allow it to take the initiative and respond to the risks associated with its operations in the most cost-effective manner. The Group CEO serves as the highest ranking officer in the company's risk management framework.



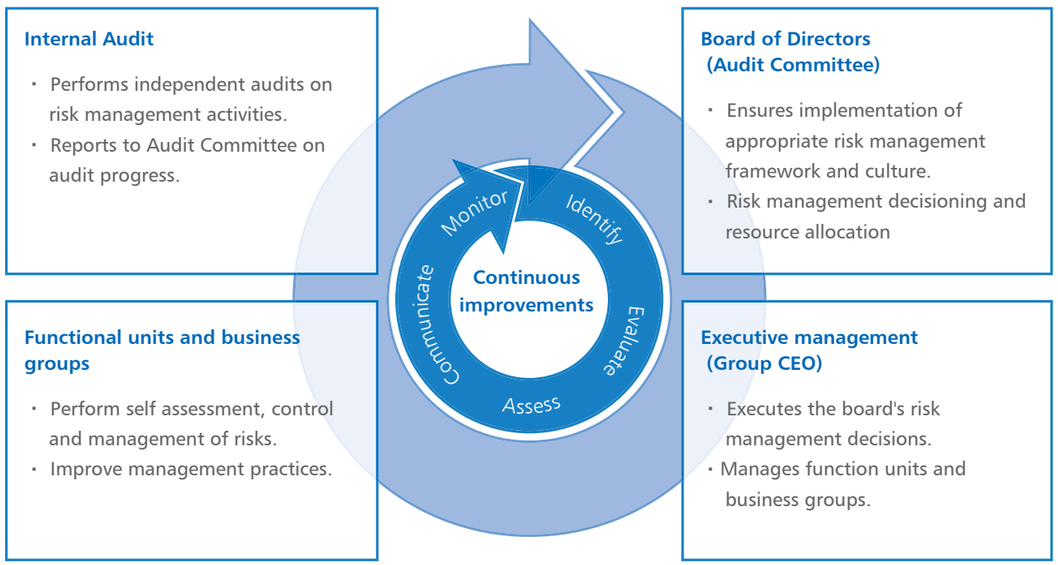
Risk Management Life Cycle

Based on experience accumulated throughout its long history, the company has been able to develop a comprehensive risk management framework with job functions and areas of responsibility clearly segregated for risk identification purposes. Risks identified within the organization are classified into "External Risks," "Operational Risks," and "Information Disclosure Risks." Each risk is further assessed and assigned a severity level of high, medium, or low, and mapped onto a risk map for ease of identification. This enables the organization to take further steps to transfer, accept, mitigate, and avoid the identified risks. By executing the PDCA cycle (plan, do, check, and act) the company is able to improve its control over various risk factors and reduce the chances of risks occurring and the impact they might have.

"External Risks" refer to external factors such as slow sales, competition, loss of market demand, change in consumer preferences, changes in technologies, new competing products, international incidents, economic recession, mergers and acquisitions, change in foreign currency control, election outcomes, extortion, noise, pollution, natural disasters, etc. "Operational Risks" refer to problems that are associated with the company itself, such as inability to deliver goods on time, defective goods, unresolved technical issues, high procurement costs, excess inventory, poor production design, plant malfunction, employee discipline, safety incidents, fire hazard, employment of child labor, forced labor, loss of data, information errors, financial reporting mistakes, etc.. "Information Disclosure Risks." refer to risks associated with the disclosure of public information as part of the company's operations, such as pricing failure, leakage of commercial confidentialities, unreliable financial forecasts, frequent adjustment of financial forecasts, failure to prepare quarterly/annual financial statements on time, failure to disclose required information, correction of errors etc. By setting key performance indicators (KPI) within the organization, Lite-On is able to assess whether key risks have emerged, and take necessary actions to transfer, accept, mitigate or avoid such risks. In order to minimize the possibility and degree of loss, the company adopts a risk management system that is even more proactive than insurance. Meanwhile, Lite-On is progressively implementing an "AAA Product Liability Control Project" as enhanced management over manufacturing and sales risk.

Occurrence	Risk Map		
High	• Operations (neglect of safety rules/loss of personal property) • Health and safety (lighting)	• Environment (chemicals) • Human resources (orders/child labor/work hour) • Finance (Electricity bills) • Business strategy (shareholder relations)	• Market risk (customers' needs and satisfaction)
Medium	• Operations (use of water/mistakes) • Human resources (hazardous jobs) • Environment (noise) • Finance (carbon tax)	• Safety and health (furnace temperature) • Human resources (work hours/ grievance channels) • Business (budget spending) • Operations (products and services)	• Politics (political development) • Health and safety (chemical corrosion) • Business (business performance) • Finance (liquidity) • Compliance (legal and reputation risks) • Strategies (business model/ organization)
Low	• Compliance (local environmental protection laws) • Human resources (protection of whistle-blowers)	• Business (pension) • Human resources (bribery) • Safety and health (substance exposure/fatigue/burns)	• Safety and health (safety of gas tanks) • Environmental safety (poisonous gas and fire) • Human resources (limitation of freedom) • Finance (derivatives)
Impact	Low	Medium	High

Continued improvement in risk management through PDCA cycle (see chart)



- **Risk Management Projects**

  In order to address external and operational risks of higher occurrence or impact, Lite-On has implemented a risk management plan throughout all plant sites that focuses on "Raising Safety Awareness," "Protecting Critical Assets," and "Establishing Safety Systems and Rules." Apart from raising risk awareness within Lite-On, the company has also executed a number of risk management projects that not only help identify dangers within various production centers, but also provides suggestions for future improvements. Through one project at a time, Lite-On is able to accomplish the overall goal of its risk management, and build a foundation for sustainable operations.

- **Raising Safety Awareness**

  The Risk Management Department arranges regular training and seminars featuring the use of case studies to help employees learn from past mistakes, and hence raise their awareness towards safety and risk management.

- **Protecting Critical Assets**

  Each year, the company conducts infrared tests on electrical appliances used in plant sites, and performs random checks on their risk management practices to identify areas of weakness and ways of minimizing foreseeable risks. Meanwhile, logistics operations are also inspected regularly to reduce logistics risks. All products that Lite-On offers to its customers undergo stringent internal quality control and are certified by third-party engineers who scrutinize everything the company does from product design, manufacturing to after-sale liabilities.

- **Establishing Safety Systems and Rules**

  Lite-On has been establishing a risk control and checking system since 2009 that aims to grade each property by level of associated risk, and thereby facilitate future assessments and management. Through regular inspections and improvements, Lite-On is able to optimize the risk profiles of its production sites, reducing the possibility of accidents and hence minimizing loss of workers, plant, equipment, raw materials, and operations.

The risk rating and audit system also helps reflect the risk status of various production sites. It reminds workers of the potential dangers present in the workplace, and allows quantifiable targets to be set and improved upon. In the short term, the system helps eliminate risks as soon as they are discovered; in the long run, it enables management to better plan its risk controls and implementation.

Lite-On will be introducing new business continuity management to make sure that the company can resume operations rapidly and remain competitive when facing any disaster. At the current stage, the company is focused on developing a Business Continuity Plan (BCP) that achieves the following benefits:

- Ensure business recoverability and sustainability; reduce overall operational risks and maintain competitiveness.
- Provide assurances to customers and secure or even expand market share.
- Protect the company's reputation and shareholders' interests.
- Reduce costs of supply chain management and create industry service value.

3.4 Information Regarding Board Members and Management Team

3.4.1 The profiles of the directors and the independent directors

2016/04/26

Title	Name	Date of appointment (office)	Tenure (year)	Date of initial appointment	Proportion of shareholding at the time of appointment		Proportion of shareholding at present		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Important experience (education)	Other positions of the company or other companies
					Quantity	%	Quantity	%	Quantity	%	Quantity	%		
Chairman	Raymond Soong	102.6.19	three	81.05.20	77,738,111	3.37%	78,908,736	3.38%	14,891,742	0.64%	0	0%	Honorary PhD in Management, National Chiao Tung University Chairman & Founder of Lite-On Group/Lite-On Cultural Foundation Member of Board of Councilors, the Doctorate College of Technology, South California (USC) Chief Engineer, Texas Instruments Taiwan Ltd.	Note 1
Vice Chairman	Lite-On Capital Inc.	102.6.19	three	90.04.19	14,817,672	0.64%	15,040,803	0.64%	0	0%	0	0%	Chemical Engineering, Chinese Culture University GCEO of Lite-On Group and CEO of Lite-On Technology Corp. President, Lite-On Electronic Co. Manufacturing Super-Intendant, Texas Instrument	Note 2
	Representative:Warren Chen			87.05.19	0	0%	8,627,361	0.37%	2,671,893	0.11%	0	0%		
Director	David Lin	102.6.19	three	87.05.19	8,783,494	0.38%	11,399,322	0.49%	519,331	0.02%	1,500,000 (trust)	0.06%	EMBA, Tulane University, USA Bachelor of Electrophysics, National Chiao Tung University GM of Texas Instruments Taiwan Ltd. President of Silitech Corporation CEO of Lite-On Group GCEO Lite-On Group and Lite-On technology Corp. Vice Chairman, Lite-On Group and Lite-On technology Corp.	Note 3
Director	Dorcas Investment Co., Ltd.	102.6.19	three	90.04.19	5,930,283	0.26%	6,019,584	0.26%	0	0%	0	0%	MBA, University of South California Bachelor, Dept of Mechanical Engineering, UCLA CEO, Dorcas Investment Co., Ltd.	Note 4
	Representative: Joseph Lin			96.06.21	0	0%	295,167	0.01%	0	0%	0	0%		
Director	Ta-Sung Investment Co., Ltd.	102.6.19	three	87.05.19	46,159,459	2.00%	46,854,554	2.01%	0	0%	0	0%	Bachelor, EE, National Cheng Kung University Master, EE, Texas Institute of Technology PhD, EE, Texas Institute of Technology Asian Regional President, Senior VP, Texas Instruments Director, VArmour Corp. Ltd.	Note 5
	Representative: Keh-Shew Lu			91.09.01	0	0%	0	0%	0	0%	0	0%		
Director	Ta-Sung Investment Co., Ltd.	102.6.19	three	87.05.19	46,159,459	2.00%	46,854,554	2.01%	0	0%	0	0%	Bachelor, Dept. of Commerce, Tamkang University; VP, Office of Group President, Lite-On Technology Corporation Director, Silitech Technology Corporation Supervisor, Leotek Corp Supervisor, Co-tech Copper Foil Corporation Supervisor, Lite-On IT Corporation.	Note 6
	Representative : Rick Wu			90.04.19	0	0%	993,068	0.04%	51,097	0%	0	0%		
Director	Yuan Pao Development & Investment Co. Ltd.	102.6.19	three	93.06.15	36,527,518	1.58%	39,277,570	1.68%	0	0%	0	0%	Bachelor, Dept of Mechanical Engineering, National Taiwan University Vice CEO, Texas Instruments Taiwan Ltd. Chairman, Co-tech Copper Foil Corporation Chairman, On-Bright Electronics Incorporated Co., Ltd.	Note 7
	Representative : CH Chen			93.06.15	0	0%	0	0%	0	0%	0	0%		
Director	Yuan Pao Development & Investment Co. Ltd.	102.6.19	three	93.06.15	36,527,518	1.58%	39,277,570	1.68%	0	0%	0	0%	Graduate Institute of Accounting, National Cheng Chi University; Director, representative of Dynacard Co.,Ltd. Director, representative of ADDtek Corporation CFO, Lite-On Semiconductor Corp.	Note 8
	Representative : David Lee			92.06.17	0	0%	6,484	0%	0	0%	0	0%		
Independent Director	Kuo-Feng Wu	102.6.19	three	96.6.21	0	0%	0	0%	0	0%	0	0%	Bachelor, Dept of Economics, National Chung Hsing University, Chairman, KPMG; Senior CPA, KPMG Director, Taipei CPA Association Executive Director, ROC CPA Independent Supervisor, Wistron Corporation, Supervisor, Darfon Corporation Vice Chairman, Financial Accounting Standards Committee, Accounting Research and Development Foundation, Convener, Accounting Practice Committee, Taiwan Accounting Association. Supervisor, Tynsolar Corporation. Chairman, International affairs committee of ROCCPA	Note 9

Title	Name	Date of appointment (office)	Tenure (year)	Date of initial appointment	Proportion of shareholding at the time of appointment		Proportion of shareholding at present		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Important experience (education)	Other positions of the company or other companies
					Quantity	%	Quantity	%	Quantity	%	Quantity	%		
Independent Director	Harvey Chang	102.6.19	three	96.6.21	0	0%	0	0%	0	0%	0	0%	MBA, The Wharton School, Pennsylvania State University; Bachelor, Dept of Geology, National Taiwan University; President and CEO, Taiwan Mobile; Senior VP and CFO, TSMC; Chairman, China Securities Investment Trust Corp. President, China Development Trust Co. Ltd. ; President, Grand Cathay Securities; Manager, Trust Dept, International Dept, Chiao Tung Bank; Manger, Banking Dept, Morgan Bank Taipei Branch; Associate Manger, Multinational Corporation Dept, Citibank Taipei.	Note 10
Independent Director	Edward Yang	102.06.19	three	96.6.21	0	0%	0	0%	0	0%	0	0%	Stanford Executive Program (SEP), Stanford University, USA; Master of EE, Oregon State University, USA; Bachelor of EE, National Cheng Kung University; Independent Director, Focal Tech. Independent Director, Silicon Storage Technology Independent Director, Pericom Semiconductor Commissioner, Advanced Research Advisory Committee, ITRI Commissioner, Research & Development Advisory committee, Institute for Information Industry Commissioner, Advisory Committee of Engineer Department, San Jose State University. VP and CTO, Personal System Product Division, HP Corporation; VP and CTO, Corporate System Product Division, HP Corporation; President, Singapore Network and Telecommunications Business Unit, HP Corporation; Managing Director, Monte Jade Science and Technology Association Managing Director, China Institute of Engineering; Managing Director, Information Service Association of R.O.C. Director, U-System Inc.	Note 11

Below notes of other positions of the company or other companies are only display public offering companies and important subsidiaries.

Note 1: Chairman, Lite-On Technology Corp., Lite-On Semiconductor Corp., DIODES,INC. and G-Pro Electronics (SH) Co., Ltd.
Chairman, representative of Silitech Technology Corp. and Co-tech Copper Foil Corporation.
Director, Lite-On Singapore Pte. Ltd., Lite-On Mobile Pte. Ltd., Actron Technology Corporation, DYNA International Holding Co.,Ltd., DYNA International Co., Ltd. and Lite-On Semiconductor(HK)LTD.
Director, representative of Lite-On China Holding Co. Ltd.(BVI), Silitech (BVI) Holding Ltd., Silitech (Bermuda) Holding Ltd., Silitech Technology Corp. Ltd., Silitech Technology Corp. Sdn. Bhd., Silitech (Hong Kong) Holding Ltd., Silitech Technologuy(Su Zhou) Ltd. and Xurong Electroinc (Shenzhen) Co., Ltd.

Note 2: Vice Chairman, representative of Lite-On Technology Corp.
Director, Lite-On Singapore Pte. Ltd. and Lite-On Mobile Pte. Ltd.
Director, representative of Lite-On Semiconductor Corp., Lite-On China Holding Co., Ltd. (BVI), Silitech Technology Corp., Silitech (BVI) Holding Ltd., Silitech (Bermuda) Holding Ltd., Silitech Technology Corp. Ltd., Silitech Technology Corp. Sdn. Bhd., Silitech (Hong Kong) Holding Ltd., Silitech Technologuy(Su Zhou) Ltd. and Xurong Electroinc (Shenzhen) Co., Ltd.

Note 3: Director, Lite-On Technology Corp.
Independent director, Sino-America Silicon Products Inc. and Rafael Micro Technology Corp.

Note 4: Director, representative of Lite-On Technology Corp.

Note 5: Director, representative of Lite-On Technology Corp. and Nuvoton Technology Corp.
President and CEO of Diodes Incorporated Co., Ltd.

Note 6: Director, representative of Lite-On Technology Corp.
Supervisor, representative of Lite-On Semiconductor Corp.

Note 7: Vice Chairman, DIODES, INC. and Lite-On Semiconductor Corp.
Director, G-Pro Electronics (SH) Corp., Ltd., DYNA International Holding Co., Ltd., DYNA International Co., Ltd., Lite-On semiconductor (HK) Ltd, On-Bright Electronics (Hong Kong) Co., Ltd, and CO-TECH DEVELOPMENT CORP.
Director, representative of Lite-On Technology Corp. and Kwong Lung Enterprise Co, Ltd.

Note 8: Chairman, representative of Taiwan On-Bright Electronics., Ltd. and SyncMOS Technologies International, Inc.
Chairman, On-Bright Electronics (SH) and On-Bright Electronics (Guangzhou)
Director, DYNA International Holding Co., Ltd., DYNA International Co. Ltd., Lite-On Semiconductor (HK) Ltd., On-Bright Electronics (Hong Kong), On-Brilliant Electronics (Hong Kong) Co., Ltd., Lite-On semi (Wuxi) Ltd. and G-Pro Electronics (SH) Corp., Ltd.
Director, representative of Lite-On Technology Corp. and Actron Technology Corporation.
CEO, Lite-On Semiconductor Corp.

Note 9: Independent Director, Lite-On Technology Corp. and Wistron Corp.
Independent supervisor, Advantech Corp.

Note 10: Independent Director, Lite-On Technology Corp.

Note 11: Chairman, GVT fund
Independent director, Lite-On Technology Corp.
Partner, iD Ventures America, LLC
Director, Sifotonics Technologies, Applied BioCode and Bandwidth 10.

3.4.2 Independent Status of the Directors

2016/4/26

Qualification / Name	With at least 5 years of working experience and the following professional designations			Eligibility of independent status (Note 2)										Also a director to other companies (number of firms)
	A lecturer of private or public institutions of higher education specialized in business, legal affairs, finance, accounting, or the expertise required by the business of the Company	A judge, district attorney, lawyer, certified public accountant, or professional or technician who has passed relevant national examination and properly licensed.	Work experience in business, legal affairs, finance, accounting, or in an area required by the business of the Company	1	2	3	4	5	6	7	8	9	10	
Raymond Soong	No	No	Yes	-	-	-	-	-	-	V	V	V	V	0
David Lin	No	No	Yes	V	-	-	V	V	V	V	V	V	V	2
Representative of Lite-On Capital Inc.: Warren Chen	No	No	Yes	-	-	-	V	-	-	V	V	V	-	0
Representative of Dorcas Investment Co., Ltd.: Joseph Lin	No	No	Yes	V	-	V	V	V	V	V	V	V	-	0
Representative of Ta-Sung Investment Co., Ltd.: Keh-Shew Lu	No	No	Yes	V	-	V	V	V	-	V	V	V	-	0
Representative of Ta-Sung Investment Co., Ltd.: Rick Wu	No	No	Yes	-	-	V	V	V	-	V	V	V	-	0
Representative of Yuan Pao Development & Investment Co., Ltd.: CH Chen	No	No	Yes	-	-	V	V	V	-	V	V	V	-	0
Representative of Yuan Pao Development & Investment Co., Ltd.: David Lee	No	No	Yes	-	-	V	V	V	-	V	V	V	-	0
Kuo-Feng Wu	No	Yes	Yes	V	V	V	V	V	V	V	V	V	V	1
Harvey Chang	No	No	Yes	V	V	V	V	V	V	V	V	V	V	0
Edward Yang	No	No	Yes	V	V	V	V	V	V	V	V	V	V	0

Note : The directors and the supervisors meeting the following conditions in the period of two years before the appointment and during the term of office. Select the appropriate box by putting a "V".

(1) Not an employee of the Company or the affiliates of the Company.

(2) Not a director or supervisor of the Company or the affiliates of the Company (except of the Company or the parent of the Company, or an independent director of the companies where the Company directly or indirectly holding more than 50% of the shares bearing voting rights).

(3) The person, the spouse, and underage children, who hold more than 1% of the shares or hold more than 1% of the shares under the title of a third party, or who is among the top-10 natural person shareholders

(4) Not a spouse, a kindred within the 2nd tier under the Civil Code, or a next of kin to a kindred within the 5th tier under the Civil Code of the aforementioned people stated in (1) through (3).

(5) Not a director, supervisor, or employee of an institutional shareholder that directly hold more than 5% of the outstanding shares of the Company, or a director, supervisor, or employee of the top-5 institutional shareholders of the Company.

(6) Not a director (trustee), supervisor(monitor), or manager of specific company or institution that has financial or business transactions with the Company, or a shareholder holding more than 5% of the shares of such company or institution.

(7) Not a professional, sole proprietor, partner, company or the owner, partner, director (trustee), supervisor(monitor), manager of the group enterprise that provide business, legal, financial , or accounting services or consultation to the Company, or a spouse to the aforementioned people.

(8) Not a spouse to or kindred within the 2nd tier under the Civil Code to another director.

(9) None of the provisions in Article 30 of the Company Law is applicable.

(10) Not being elected as the government, institution of their representative as stated in Article 27 of the Company Law.

3.4.3 Profile of the Management Team

Date: 2016/04/26

Title (Note 1)	Nationality	Name	Date of appointment (office)	Proportion of shareholding		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Major Background Information (note 2)	Other positions of other companies	Manager who is the spouse or kin within the 2nd tier of the Civil Code		
				shares	%	shares	%	shares	%			Title	Name	Relationship
Vice Chairman/ GCEO	Republic of China	Warren Chen	2002.11.04	8,627,361	0.37%	2,671,893	0.11%	0	0%	Chemical Engineering, Chinese Culture University GCEO of Lite-On Group; CEO of Lite-On Technology Corp.; President, Lite-On Electronic Co.	Refer to profile of director for detail	None	None	None
Business Group CEO	Republic of China	Danny Liao	2013.06.19	2,492,467	0.11%	0	0%	0	0%	MBA, Lake Superior State University; CEO, Lite-On IT Corporation	Director, Silitech Technology Corp.	None	None	None
Business Group President	Republic of China	Alexander Huang	2010.06.01	35,204	0%	494	0%	0	0%	Department of Information Engineering (previously Computer Dept); Microsoft Greater China Regional President, President of Microsoft Taiwan.	None	None	None	None
Business Unit General Manager	Republic of China	Shilung Chiang	2002.11.04	606,198	0.03%	402,000	0.02%	0	0%	MBA, University of Pittsburgh; President, Computer Business Division, Digital Corporation.	Director, Lite-On Singapore Pte. Ltd.	None	None	None
Business Group CEO	Republic of China	Peter Chiu	2002.11.04	1,416,103	0.06%	0	0%	0	0%	Master of Finance, National Taiwan University; Master of Production System Engineering and Management Study, Taipei Technology University; Vice President, First International Computers.	Director, Silitech Technology Corp., Director, Dragonjet Corp.	None	None	None
Operation Controlling General Manager	Republic of China	DI Wang	2002.11.04	1,522,997	0.07%	17,051	0%	0	0%	Ph.D, Northeastern University/ Mathematics; VP in Sales Engineering, Potrans Electrical Corp.	None	None	None	None
HR General Manager	Republic of China	Albert Chang	2002.11.04	776,882	0.03%	292,522	0.01%	0	0%	Master of Industrial Management, National Cheng Kung University; ABIT U.S. Branch President	Director, representative of Lite-On China Holding Co., Ltd. and Lite-On Semiconductor Corp.	None	None	None
Business Group President	Republic of China	Rex Chuang	2002.11.04	1,122,747	0.05%	650,034	0.03%	0	0%	Electronic Engineering, Hsin Pu Industrial Vocational School; VP of production, Lite-On Electronics Corp.,	None	None	None	None
VP	Republic of China	Sonny Chao	2002.11.04	1,073,419	0.05%	2,573	0%	0	0%	School of Industrial Engineering, Polytechnic Institute of N.Y.; Philips Taiwan Global Marketing & Sales Sr. Program Manager	None	None	None	None
Senior VP	Republic of China	TC Huang	2002.11.04	1,443,554	0.06%	2,919	0%	0	0%	University of Leicester/Business Administration; Manager , Yu long Corporation	None	None	None	None
Business Group CEO	Republic of China	Johnson Sun	2002.11.04	1,702,580	0.07%	224,545	0.01%	0	0%	Department of Electrical Engineering, Feng Chia University; Safety Engineer, Sony Corporation.	None	None	None	None
Business Unit General Manager	Republic of China	Henry Chen	2003.11.01	98,371	0%	0	0%	0	0%	Graduate Institute of Electrical Engineering, Tatung University; Project Manager, Mustek Systems.	None	None	None	None

Title (Note 1)	Nationality	Name	Date of appointment (office)	Proportion of shareholding		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Major Background Information (note 2)	Other positions of other companies	Manager who is the spouse or kin within the 2nd tier of the Civil Code		
				shares	%	shares	%	shares	%			Title	Name	Relationship
VP	US	Wing Eng	2002.11.04	2,426,490	0.10%	0	0%	0	0%	Master of Electrical Engineering, Stanford University; Director of Design Dept, AT&T Bell Lab.	None	None	None	None
VP	Republic of China	HY Lee	2002.11.04	639,542	0.03%	25,885	0%	0	0%	Master of Industrial Engineering, National Ching Hua University; Asst VP, Universal Microelectronics	None	None	None	None
VP	Republic of China	Victor Hsu	2012.11.27	118,350	0.01%	0	0%	0	0%	University of Illinois at Urbana-Champaign/MBA; Group CFO of Samson Holding Ltd.	Director, Logah Technology Corp.	None	None	None
VP	Republic of China	Joseph SK Chen	2013.01.02	101,713	0%	23,837	0%	0	0%	Department of Electronics, Taipei Tech College; VP of CPBU, Sysgration Corporation Ltd.	None	None	None	None
VP	Republic of China	Johnson Wang	2013.06.03	95,576	0%	0	0%	0	0%	Master of Chemistry, National Ching Hua University; SCM VP, EATON PHOENIXTEC MMPL CO., LTD.	None	None	None	None
VP	Republic of China	Anson Chiu	2013.08.19	189,655	0.01%	0	0%	0	0%	Department of Industrial Management, Lunghwa University of Science and Technology; Procurement Specialist, Crownpo Technology Inc.	Director, Dragonjet Corp.	None	None	None
Business Unit General Manager	Republic of China	BC Liao	2013.08.19	311,879	0.01%	10,074	0%	0	0%	Industrial Management, Chung Yuan Christian University; Procurement Manager, Philips;	None	None	None	None
Business Unit General Manager	Republic of China	Jerry Hsu	2013.08.19	885,322	0.04%	1,552	0%	0	0%	Department of Electronics, Lunghwa University of Science and Technology; Engineer of power support design, ALITECH CO., LTD	None	None	None	None
VP	Republic of China	CY Chung	2013.10.02	85,050	0%	11,055	0%	0	0%	Industrial Management, National Cheng Kung University; Acting SBG Head, Hon Hai Precision Industrial Corp.	None	None	None	None
VP	Republic of China	Joe Wu	2014.03.20	45,436	0%	0	0%	0	0%	Biomedical Engineering , Chung Yuan Christian University; AVP, First International Computer, Inc.	None	None	None	None
Business Unit General Manager	Republic of China	Michael Wang	2014.06.13	70,594	0%	0	0%	0	0%	Master of Information Engineering, Tamkang University; General Manager,Lite-On Automotive Corp.	None	None	None	None
VP	Republic of China	TsungCheng Wang	2014.06.13	41,777	0%	5,170	0%	0	0%	Ph.D, Mechanical Eng,Wayne State University; General Manager,Lite-On Automotive Corp.	None	None	None	None
Business Group CEO	Republic of China	Charlie Tseng	2014.08.12	0	0%	0	0%	0	0%	EMBA,National Chiao Tung University; CEO, Lite-On IT Corporation	None	None	None	None
Business Unit General Manager	Republic of China	David Yeh	2014.08.12	40,000	0%	0	0%	0	0%	Master of Administration,Tulane University; General Manager,Leotek Electronics Corp.	None	None	None	None

Title (Note 1)	Nationality	Name	Date of appointment (office)	Proportion of shareholding		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Major Background Information (note 2)	Other positions of other companies	Manager who is the spouse or kin within the 2nd tier of the Civil Code		
				shares	%	shares	%	shares	%			Title	Name	Relationship
VP	Republic of China	James Hwang	2014.08.12	3,025	0%	0	0%	0	0%	Ph.D, Material Engineering,University of Michigan; VP,Leotek Electronics Corp.	None	None	None	None
VP	Republic of China	Chino Chen	2014.09.01	19,000	0%	0	0%	0	0%	Master of Mechanical Engineering, National Taiwan University; MTD Director, Lite-On IT Corporation	None	None	None	None
Business Unit General Manager	Republic of China	Hai Huang	2015.01.01	294,763	0.01%	0	0%	0	0%	Department of Electronic Engineering,National Taiwan Ocean University; Business Unit Director,Lite-On Tech. Co.	None	None	None	None
VP	Republic of China	Jean Hong	2015.09.07	0	0%	0	0%	0	0%	MBA,Preston University; AVP, Finance Dept, Lite-On Technology Corporation.	None	None	None	None
Business Unit General Manager	Republic of China	Allen Hsu	2015.11.02	1,631,000	0.07%	0	0%	0	0%	Master of Institute of Computer Science and Engineering,National Chiao Tung University; Special Assistant,Senao Networks,Inc.	None	None	None	None
Business Unit General Manager	Singapore	Franki Choi	2016.02.02	0	0%	0	0%	0	0%	MBA,National University of Singapore; General manager,STL Technology co.,Ltd.	None	None	None	None
Chief Finance and Accounting Officer Finance General Manager	Republic of China	Brownson Chu	2004.10.22	973,018	0.04%	586	0%	0	0%	Department of Accounting, Feng Chia University; CFO, Finance Dept, Lite-On IT Corporation	Director, Logah Technology Corp. Director, Dragonjet Corp.	None	None	None
VP/Chief Audit Officer	Republic of China	Lando Lin	2014.10.01	522,921	0.02%	721	0%	0	0%	Department of Accounting, Feng Chia University; Special Assistant,Lite-On Tech. Co.	None	None	None	None

Note 1: Management information shall include CEO, Vice CEO, General Manager and Supervisor of each department. For those managers with equivalent position to CEO, Vice CEO, or General Managers should be all disclosed.

Note 2: Experience relate to current position. If the person had worked in the company's appointed auditing firm or affiliates during the reporting period, please specify the job field and job title in above form.

3.5 Statement of Internal Control System

Lite-On Technology Corporation
Statement of Internal Control System

Date: March 25, 2016

Based on the findings of a self-assessment, Lite-On Technology Corporation (LOT) states the following with regard to its internal control system during the year 2015:

1. LOT is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. LOT has established such a system to provide reasonable assurance in achieving objectives related to the effectiveness and efficiency of operations (including profits, performance, and safeguarding of assets), reliability, timeliness, transparency, and regulatory compliance of reporting and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. An effective internal control system, no matter how perfectly designed, can provide only a reasonable assurance in the accomplishment of the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of LOT contains self-monitoring mechanisms, and LOT takes corrective actions as soon as a deficiency is identified.
3. LOT evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies " (herein referred to as "Regulations"). The internal control system evaluation criteria stated in the Regulations classify internal control into five key elements based on the process of management control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5.monitoring. Each component further contains several items. Please refer to the Regulations for details.
4. LOT has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, LOT believes that as at December 31, 2015, its internal control system (including its supervision and management of subsidiaries), which encompasses internal controls for the knowledge of the degree of achieving operational effectiveness and efficiency objectives, reliability, timeliness, transparency, and regulatory compliance of reporting and compliance with applicable laws, regulations, and bylaws, was effectively designed and operated and reasonably assured the achievement of the above-stated objectives.
6. This Statement will form an integral part of LOT's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the LOT Board of Directors' Meeting on March 25, 2016, where all of the eleven attending directors did not express any dissenting opinion and affirmed the content of this Statement.

Lite-On Technology Corporation

Raymond Soong
Chairman

Warren Chen
CEO

Capital and Shares

4.1 The Top-10 Shareholders and Information of Related Parties

2016/4/26

Name	Shareholding by self		Shareholding by spouse and underage children		Shareholding under the title of a third party		Specify the names and relations of the top-10 shareholders who are related-parties as stated in SFAS No. 6, or spouse or kindred within the 2nd tier under the Civil Code	
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Title (or name)	Relation
Ta-Rong Investment Co., Ltd.	82,490,995	3.53%	0	0%	0	0%	Raymond Soong	Director
Ta-Rong Investment Co., Ltd. Representative: Shu-Yan Tsai	44,068	0%	0	0%	0	0%	Ming-Hsing /Yuan Pao Development/Ta-Sung (Investment Co., Ltd.)	Representative/ Director
Raymond Soong	78,908,736	3.38%	14,891,742	0.64%	0	0%	Ta-Rong /Yuan Pao Development/Ta-Sung/ Ming-Hsing (Investment Co., Ltd.)	Director
FUBON LIFE INSURANCE CO.,LTD	67,808,623	2.90%	0	0%	0	0%	None	None
FUBON LIFE INSURANCE CO.,LTD Representative: Pen-Yuan Cheng	0	0%	0	0%	0	0%	None	None
NAN SHAN LIFE INSURANCE CO.,LTD	67,199,519	2.88%	0	0%	0	0%	None	None
NAN SHAN LIFE INSURANCE CO.,LTD Representative:Ying-Tsung Tu	0	0%	0	0%	0	0%	None	None
CAPITAL SECURITIES NOMINEE LIMITED	64,862,783	2.78%	0	0%	0	0%	None	None
Ta-Sung Investment Co., Ltd.	46,854,554	2.01%	0	0%	0	0%	Raymond Soong: Shu-Yan Tsai	Director
Ta-Sung Investment Co., Ltd. Representative: Keh-Shew Lu	0	0%	0	0%	0	0%	None	None
Ta-Sung Investment Co., Ltd. Representative: Rick Wu	993,068	0.04%	51,097	0%	0	0%	None	None
Ming-Hsing Investment Co., Ltd.	45,179,843	1.93%	0	0%	0	0%	Raymond Soong	Director
Ming-Hsing Investment Co., Ltd. Representative: Shu-Yan Tsai	44,068	0%	0	0%	0	0%	Ta-Rong /Yuan Pao Development/Ta-Sung (Investment Co., Ltd.)	Representative/ Director
Government of Singapore	39,804,898	1.70%	0	0%	0	0%	None	None
Yuan Pao Development & Investment Co. Ltd.	39,277,570	1.68%	0	0%	0	0%	Raymond Soong: Shu-Yan Tsai	Director
Yuan Pao Development & Investment Co. Ltd. Representative : CH Chen	0	0%	0	0%	0	0%	None	None
Yuan Pao Development & Investment Co. Ltd. Representative : David Lee	6,484	0%	0	0%	0	0%	None	None
GMO Emerging Markets Fund	36,281,836	1.55%	0	0%	0	0%	None	None

4.2 The Structure of Shareholders

2016/4/26

	Governmental Organizations	Financial Institutions	Other Institutional Investors	Individuals	Foreign Institutional Shareholders and Individuals	The People's Republic of China Individuals	Total
Numbers of Shareholders	6	18	311	143,296	826	0	144,457
Holding Shares	133	231,736,471	467,127,389	524,586,987	1,111,477,357	0	2,334,928,337
Holding Stake	0%	9.92%	20.01%	22.47%	47.60%	0%	100%

4.3 Change in the Proportion of Shareholding among the Directors, Managers, and Major Shareholders

Title (note 1)	Name	2015		Current period to April 26	
		Change in number of shareholdings	Change in number of shares pledged under lien	Change in number of shareholdings	Change in number of shares pledged under lien
Chairman	Raymond Soong	392,580	0	0	0
Vice Chairman	Lite-ON Capital Inc.	74,829	0	0	0
	Representative: Warren Chen	(400,859)	0	0	0
Director	David Lin	56,713	0	0	0
Director	Dorcas Investment Co., Ltd	29,948	0	0	0
	Representative:Joseph Lin	1,468	0	0	0
Director	Ta Sung Investment Co., Ltd.	233,107	0	0	0
	Representative: Keh Shew Lu	0	0	0	0
Director	Ta Sung Investment Co., Ltd.	233,107	0	0	0
	Representative: Rick Wu	4,940	0	0	0
Director	Yuan Pao Development & Investment Co., Ltd.:	184,465	0	2,200,000	0
	Representative: CH Chen	0	0	0	0
Director	Yuan Pao Development & Investment Co., Ltd.:	184,465	0	2,200,000	0
	Representative: David Lee	32	0	0	0
Independent Director	Kuo-Feng Wu	0	0	0	0
Independent Director	Harvey Chang	0	0	0	0
Independent Director	Edward Yang	0	0	0	0
Vice Chairman/ GCEO	Warren Chen	(400,859)	0	0	0
Business Group CEO	Danny Liao	252,450	0	(250,000)	0
Business Group President	Alexander Huang	(51,975)	0	(155,000)	0
Business Unit General Manager	Shilung Chiang	(302,457)	0	0	0
Business Group CEO	Peter Chiu	196,100	0	0	0
Operation Controlling General Manager	DI Wang	2,054	0	0	0
HR General Manager	Albert Chang	108,633	0	0	0
Business Group President	Rex Chuang	(86,191)	0	(210,000)	0
VP	Sonny Chao	50,116	0	0	0
Senior VP	TC Huang	68,923	0	(10,000)	0
Business Group CEO	Johnson Sun	278,019	0	(179,300)	0
Business Unit General Manager	Henry Chen	39,414	0	(35,000)	0
VP	Wing Eng	91,674	0	0	0
VP	HY Lee	48,952	0	0	0
VP	Victor Hsu	58,300	0	0	0
VP	Joseph SK Chen	50,257	0	0	0
VP	Johnson Wang	(9,749)	0	(5,000)	0
VP	Anson Chiu	85,520	0	0	0
Business Unit General Manager	BC Liao	66,228	0	0	0
Business Unit General Manager	Jerry Hsu	98,931	0	0	0
VP	CY Chung	75,050	0	0	0
VP	Joe Wu	35,051	0	0	0
Business Unit General Manager	Michael Wang	70,002	0	0	0
VP	TsungCheng Wang	45,033	0	(10,000)	0
Business Group CEO	Charlie Tseng	47,000	0	(47,000)	0
Business Unit General Manager	David Yeh	40,000	0	0	0
VP	James Hwang	2,005	0	0	0
VP	Chino Chen	100,000	0	(81,000)	0

Title (note 1)	Name	2015		Current period to April 26	
		Change in number of shareholdings	Change in number of shares pledged under lien	Change in number of shareholdings	Change in number of shares pledged under lien
Business Unit General Manager	Hai Huang	81,068	0	0	0
VP	Jean Hong	0	0	0	0
Business Unit General Manager	Allen Hsu	0	0	0	0
Business Unit General Manager	Franki Choi	0	0	0	0
Chief Finance and Accounting Officer Finance General Manager	Brownson Chu	109,318	0	0	0
VP/Chief Audit Officer	Lando Lin	62,303	0	0	0

Financial Information

5.1 Consolidated Financial Statements of 2015

Lite-On Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2015 and 2014 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

LITE-ON TECHNOLOGY CORPORATION

By

RAYMOND SOONG
Chairman

March 25, 2016

Deloitte.
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lite-On Technology Corporation

We have audited the accompanying consolidated balance sheets of Lite-On Technology Corporation and its subsidiaries as of December 31, 2015, December 31, 2014 and January 1, 2014 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Lite-On Technology Corporation and its subsidiaries as of December 31, 2015, December 31, 2014 and January 1, 2014 and their consolidated financial performance and their consolidated cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Lite-On Technology Corporation as of and for the years ended December 31, 2015 and 2014 on which we have issued an unqualified report.

Deloitte & Touche

March 25, 2016

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2015		December 31, 2014 (Restated)		January 1, 2014 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 65,501,807	31	$ 66,483,356	31	$ 66,056,220	31
Financial assets at fair value through profit or loss - current (Note 7)	53,211	-	13,111	-	14,867	-
Available-for-sale financial assets - current (Note 8)	-	-	-	-	13	-
Debt instruments with no active market - current (Note 10)	694,435	-	78,170	-	22,390	-
Notes receivable	300,825	-	311,666	-	175,756	-
Trade receivables, net (Note 11)	50,079,869	24	51,134,012	23	49,500,169	23
Trade receivables from related parties (Note 34)	66,338	-	73,069	-	81,554	-
Other receivables	1,289,849	1	1,420,019	1	2,319,810	1
Other receivables from related parties (Note 34)	10,481	-	3,053	-	18,951	-
Inventories, net (Note 12)	28,826,436	14	29,513,791	14	27,203,533	13
Non-current assets classified as held for sale (Note 13)	-	-	129,505	-	-	-
Other current assets (Note 19)	3,744,824	2	4,561,144	2	5,037,428	3
Total current assets	150,568,075	72	153,720,896	71	150,430,691	71
NONCURRENT ASSETS						
Available-for-sale financial assets - non-current (Note 8)	670,328	-	1,326,255	1	2,143,990	1
Debt instruments with no active market - non-current (Note 10)	834	-	518	-	14,100	-
Investments accounted for using equity method (Note 15)	4,095,167	2	4,055,902	2	3,531,425	2
Property, plant and equipment, net (Note 16)	33,389,439	16	36,107,216	17	37,001,382	17
Investment properties, net (Note 17)	499,950	-	537,030	-	-	-
Intangible assets, net (Note 18)	15,938,232	8	16,298,963	8	15,716,262	7
Deferred tax assets	3,164,798	2	3,105,466	1	2,204,470	1
Refundable deposits	579,758	-	492,255	-	390,443	-
Other noncurrent assets (Note 19)	747,282	-	889,328	-	925,989	1
Total noncurrent assets	59,085,788	28	62,812,933	29	61,928,061	29
TOTAL	$ 209,653,863	100	$ 216,533,829	100	$ 212,358,752	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	$ 17,670,878	8	$ 22,911,114	11	$ 15,576,780	7
Financial liabilities at fair value through profit or loss - current (Note 7)	55,945	-	38,408	-	27,836	-
Derivative financial instruments for hedging- current (Note 9)	-	-	11,989	-	-	-
Notes payable	178,594	-	122,947	-	191,488	-
Trade payables	58,224,636	28	61,920,859	29	60,307,826	29
Trade payables to related parties (Note 34)	856,945	-	953,666	-	568,624	-
Other payables	21,118,958	10	19,693,248	9	21,352,914	10
Other payables to related parties (Note 34)	12,941	-	6,741	-	11,699	-
Current tax liabilities	2,475,535	1	2,272,036	1	2,102,971	1
Provisions - current (Note 22)	1,068,810	1	1,080,628	-	874,502	1
Advance receipts	3,275,828	2	2,832,769	1	1,401,939	1
Current portion of long-term borrowings (Note 20)	4,796,118	2	8,358,989	4	8,867,669	4
Finance lease payables - current (Note 21)	95,501	-	85,232	-	72,735	-
Total current liabilities	109,830,689	52	120,288,626	55	111,356,983	53
NONCURRENT LIABILITIES						
Derivative financial instruments for hedging - noncurrent (Note 9)	-	-	-	-	46,969	-
Long-term borrowings, net of current portion (Note 20)	16,355,753	8	13,564,160	6	18,508,496	9
Deferred tax liabilities	3,531,564	2	3,229,792	2	2,721,656	1
Finance lease payables, net of current portion (Note 21)	5,398	-	101,721	-	172,948	-
Net defined benefit liabilities - noncurrent (Note 23)	155,854	-	96,021	-	219,709	-
Guarantee deposits	91,012	-	80,871	-	81,608	-
Total noncurrent liabilities	20,139,581	10	17,072,565	8	21,751,386	10
Total liabilities	129,970,270	62	137,361,191	63	133,108,369	63
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	23,349,283	11	23,416,737	11	23,246,552	11
Advance receipts for common stock	-	-	-	-	29,705	-
Total share capital	23,349,283	11	23,416,737	11	23,276,257	11
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	9,251,603	4	9,238,931	4	9,096,489	4
Bond conversion	7,462,138	4	7,534,962	4	7,540,388	4
Treasury stock transactions	275,516	-	445,694	-	430,851	-
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	43,236	-	30,960	-	-	-
Arising from share of changes in capital surplus of associates	278,747	-	231,446	-	15,487	-
Merger	10,015,194	5	10,112,934	5	10,120,217	5
Employee stock options	-	-	-	-	8,587	-
Total capital surplus	27,326,434	13	27,594,927	13	27,212,019	13
Retain earnings						
Legal reserve	10,123,042	5	9,476,876	5	8,601,391	4
Special reserve	232,213	-	49,669	-	689,913	-
Unapppropriated earnings	13,011,073	6	11,432,541	5	12,176,414	6
Total retained earnings	23,366,328	11	20,959,086	10	21,467,718	10
Other equity						
Exchange differences on translating foreign operations	3,347,902	2	4,125,097	2	2,383,040	1
Unrealized gain (loss) on available-for-sale financial assets	(152,714)	-	139,072	-	83,231	-
Unrealized loss on cash flow hedging	-	-	(11,989)	-	(46,969)	-
Total other equity	3,195,188	2	4,252,180	2	2,419,302	1
Treasury shares	(1,248,722)	(1)	(1,248,722)	(1)	(1,334,660)	(1)
Total equity attributable to owners of the Company	75,988,511	36	74,974,208	35	73,040,636	34
NONCONTROLLING INTERESTS	3,695,082	2	4,198,430	2	6,209,747	3
Total equity	79,683,593	38	79,172,638	37	79,250,383	37
TOTAL	$ 209,653,863	100	$ 216,533,829	100	$ 212,358,752	100

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales (Notes 25 and 34)	$ 222,826,970	103	$ 237,313,030	103
Less: Sales allowance	4,258,037	2	3,733,656	2
Sales returns	1,640,199	1	2,947,400	1
Total operating revenue	216,928,734	100	230,631,974	100
COST OF GOODS SOLD (Notes 12, 28 and 34)	188,787,517	87	202,383,860	88
GROSS PROFIT	28,141,217	13	28,248,114	12
OPERATING EXPENSES (Notes 28 and 34)				
Selling and marketing expenses	7,450,517	3	8,794,035	4
General and administrative expenses	6,051,269	3	5,955,613	2
Research and development expenses	5,986,608	3	6,372,383	3
Total operating expenses	19,488,394	9	21,122,031	9
OPERATING INCOME	8,652,823	4	7,126,083	3
NONOPERATING INCOME AND EXPENSES				
Share of profit of associates (Note 15)	124,439	-	41,056	-
Interest income	1,170,008	-	1,357,118	1
Dividend income	66,500	-	39,824	-
Other income (Notes 30 and 34)	1,573,429	1	1,305,569	-
Gain (loss) on disposal of investments	(71,351)	-	468,873	-
Net gain on foreign currency exchange	123,658	-	58,022	-
Gain on financial assets at fair value through profit or loss (Note 7)	360,034	-	249,729	-
Finance costs	(578,715)	-	(673,634)	-
Other expenses	(1,087,531)	(1)	(703,177)	-
Net loss on disposal of property, plant and equipment	(15,465)	-	(77,334)	-
Impairment loss (Notes 8 and 16)	(311,188)	-	(1,444,257)	(1)
Total nonoperating income and expenses	1,353,818	-	621,789	-
PROFIT BEFORE INCOME TAX	10,006,641	4	7,747,872	3
INCOME TAX EXPENSE (Note 26)	2,693,809	1	2,070,880	1
NET PROFIT FOR THE YEAR	7,312,832	3	5,676,992	2

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 23, 24 and 26)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	$ (75,240)	-	$ 27,065	-
Share of the other comprehensive loss of associates accounted for using the equity method	(25,529)	-	(12,836)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	15,604	-	(8,647)	-
	(85,165)	-	5,582	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(932,034)	-	2,115,652	1
Unrealized gain (loss) on available-for-sale financial assets	(292,354)	-	53,856	-
Unrealized gain on hedging instruments determined to be the effective portion of cash flow hedging	11,989	-	34,980	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(27,849)	-	167,523	-
Income tax relating to items that may be reclassified subsequently to profit or loss	130,178	-	(424,675)	-
	(1,110,070)	-	1,947,336	1
Other comprehensive income (loss) for the year, net of income tax	(1,195,235)	-	1,952,918	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 6,117,597	3	$ 7,629,910	3
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 7,222,899	3	$ 6,460,808	3
Non-controlling interests	89,933	-	(783,816)	(1)
	$ 7,312,832	3	$ 5,676,992	2

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 6,080,431	3	$ 8,306,764	3
Non-controlling interests	37,166	-	(676,854)	-
	$ 6,117,597	3	$ 7,629,910	3
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	$3.11		$2.78	
Diluted	$3.07		$2.75	

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company																						
	Issue of Share Capital (Note 24)				Capital Surplus (Note 24)								Retained Earnings (Notes 24 and 31)				Other Equity (Notes 24 and 30)						
	Share (In Thousands)	Amount	Advance Receipts for Common Stock	Total	Additional Paid-in Capital from Share Issuance in Excess of Par Value	Bond Conversion	Treasury Stock Transactions	Difference Between Consideration and Carry Amounts Adjusted Arising from Changes in Percentage of Ownership in Subsidiaries	Arising from Share of Changes in Capital Surplus of Associates	Merger	Employee Stock Options	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Shares (Note 24)	Noncontrolling Interests (Notes 24, 29, 30 and 31)	Total Equity
BALANCE AT JANUARY 1, 2014	2,324,655	$23,246,552	$ 29,705	$23,276,257	$ 9,096,489	$ 7,540,388	$ 430,851	$ -	$ 15,487	$10,120,217	$ 8,587	$27,212,019	$ 8,601,391	$ 689,913	$12,172,082	$21,463,386	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302	$ (1,334,660)	$ 6,200,851	$79,237,155
Effect of retrospective application of IFRSs and restatement of financial statements (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,332	4,332	-	-	-	-	-	8,896	13,228
	2,324,655	23,246,552	29,705	23,276,257	9,096,489	7,540,388	430,851	-	15,487	10,120,217	8,587	27,212,019	8,601,391	689,913	12,176,414	21,467,718	2,383,040	83,231	(46,969)	2,419,302	(1,334,660)	6,209,747	79,250,383
Appropriation of the 2013 earnings																							
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	875,485	-	(875,485)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	(640,244)	640,244	-	-	-	-	-	-	-	-
Cash dividends - 27.1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,307,866)	(6,307,866)	-	-	-	-	-	-	(6,307,866)
Stock dividends - 0.5%	11,638	116,381	-	116,381	-	-	-	-	-	-	-	-	-	-	(116,381)	(116,381)	-	-	-	-	-	-	-
Changes in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(127,371)	(127,371)
Other changes in capital surplus																							
Additional acquisition of partially owned subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(543,482)	(543,482)	-	-	-	-	-	(469,686)	(1,013,168)
Arising from changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	(206)	30,960	-	-	(694)	30,060	-	-	-	-	-	-	-	-	-	-	30,060
Change in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	(556)	-	215,959	-	(7,893)	207,510	-	-	-	-	-	-	-	-	-	-	207,510
Stock dividends of employee transferred to capital	4,085	40,849	-	40,849	149,096	-	-	-	-	-	-	149,096	-	-	-	-	-	-	-	-	-	-	189,945
Issue of common shares under employee share options	2,971	29,705	(29,705)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in capital from cash dividends of the Parent Company paid to subsidiaries	-	-	-	-	-	-	65,430	-	-	-	-	65,430	-	-	-	-	-	-	-	-	-	-	65,430
Disposal of investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,240)	-	-	(1,240)	-	-	(1,240)
Effect of acquisition and deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,549)	-	-	(13,549)	-	(737,406)	(750,955)
Net profit for the year ended December 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,460,808	6,460,808	-	-	-	-	-	(783,816)	5,676,992
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,711)	(1,711)	1,756,846	55,841	34,980	1,847,667	-	106,962	1,952,918
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,459,097	6,459,097	1,756,846	55,841	34,980	1,847,667	-	(676,854)	7,629,910
Cancellation of treasury shares	(1,675)	(16,750)	-	(16,750)	(6,654)	(5,426)	(49,825)	-	-	(7,283)	-	(69,188)	-	-	-	-	-	-	-	-	85,938	-	-
BALANCE AT DECEMBER 31, 2014	2,341,674	23,416,737	-	23,416,737	9,238,931	7,534,962	445,694	30,960	231,446	10,112,934	-	27,594,927	9,476,876	49,669	11,432,541	20,959,086	4,125,097	139,072	(11,989)	4,252,180	(1,248,722)	4,198,430	79,172,638
Appropriation of the 2014 earnings																							
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	646,166	-	(646,166)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	182,544	(182,544)	-	-	-	-	-	-	-	-
Cash dividends - 19.7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,613,097)	(4,613,097)	-	-	-	-	-	-	(4,613,097)
Stock dividends - 0.5%	11,708	117,084	-	117,084	-	-	-	-	-	-	-	-	-	-	(117,084)	(117,084)	-	-	-	-	-	-	-
Changes in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(540,514)	(540,514)
Other changes in capital surplus																							
Arising from changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	12,276	-	-	-	12,276	-	-	-	-	-	-	-	-	-	-	12,276
Change in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	47,301	-	-	47,301	-	-	-	-	-	-	-	-	-	-	47,301
Stock dividends of employee transferred to capital	4,333	43,332	-	43,332	102,960	-	-	-	-	-	-	102,960	-	-	-	-	-	-	-	-	-	-	146,292
Change in capital from cash dividends of the Parent Company paid to subsidiaries	-	-	-	-	-	-	47,779	-	-	-	-	47,779	-	-	-	-	-	-	-	-	-	-	47,779
Net profit for the year ended December 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,222,899	7,222,899	-	-	-	-	-	89,933	7,312,832
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(85,476)	(85,476)	(777,195)	(291,786)	11,989	(1,056,992)	-	(52,767)	(1,195,235)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,137,423	7,137,423	(777,195)	(291,786)	11,989	(1,056,992)	-	37,166	6,117,597
Cancellation of treasury shares	(22,787)	(227,870)	-	(227,870)	(90,288)	(72,824)	(217,957)	-	-	(97,740)	-	(478,809)	-	-	-	-	-	-	-	-	-	-	(706,679)
BALANCE AT DECEMBER 31, 2015	2,334,928	$23,349,283	$ -	$23,349,283	$ 9,251,603	$ 7,462,138	$ 275,516	$ 43,236	$ 278,747	$10,015,194	$ -	$27,326,434	$10,123,042	$ 232,213	$13,011,073	$23,366,328	$ 3,347,902	$ (152,714)	$ -	$ 3,195,188	$ (1,248,722)	$ 3,695,082	$79,683,593

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	**2014 (Restated)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 10,006,641	$ 7,747,872
Adjustments for:		
Depreciation expenses	6,746,130	7,108,539
Amortization expenses	534,128	568,508
Impairment loss recognized (reversal of impairment loss) on trade receivables	(51,276)	108,831
Net gain on fair value change of financial assets designated as at fair value through profit or loss	(360,034)	(249,729)
Finance costs	578,715	673,634
Interest income	(1,170,008)	(1,357,118)
Dividend income	(66,500)	(39,824)
Share of gain of associates accounted for using equity method	(124,439)	(41,056)
Loss on disposal of property, plant and equipment	15,465	77,334
Gain on deconsolidation of subsidiaries (Note 30)	-	(8,348)
Net gain (loss) on disposal of available-for-sale financial assets	79,052	(422,324)
Gain on disposal of associates	(7,701)	(46,549)
Impairment loss recognized on financial assets	124,667	212,956
Impairment loss recognized (reversal of impairment loss) on non-financial assets	(52,450)	2,077,506
Unrealized net loss (gain) on foreign currency exchange	117,060	(196,979)
Recognition of provisions	286,549	341,704
Changes in operating assets and liabilities		
Financial instruments held for trading	337,471	262,057
Notes receivable	10,841	(135,910)
Trade receivables	890,123	(888,927)
Trade receivables from related parties	6,731	8,485
Other receivables	134,955	940,017
Other receivables from related parties	(7,428)	15,898
Inventories	821,149	(2,530,316)
Other current assets	803,571	493,806
Notes payable	55,647	(68,541)
Trade payables	(3,654,138)	1,054,233
Trade payables from related parties	(96,721)	385,042
Other payables	1,159,926	(1,497,329)
Other payables from related parties	6,200	(4,958)
Provisions	(301,940)	(140,685)
Advance receipts	452,621	1,376,959
Net defined benefit liabilities - noncurrent	(15,407)	(118,107)
Cash generated from operations	17,259,600	15,706,681
Interest received	1,162,036	1,347,747
Dividend received	66,500	39,824

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	**2014 (Restated)**
Interest paid	$ (569,673)	$ (668,047)
Income tax paid	(2,366,201)	(2,294,788)
Net cash generated from operating activities	15,552,262	14,131,417
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(5,375)	(10,205)
Proceeds on sales of available-for-sale financial assets	202,200	738,493
Proceeds of acquisition of debt instruments with no active market	(619,768)	(42,198)
Net cash inflow on disposal of associates	15,432	127,894
Net cash outflow on acquisition of subsidiaries (Note 29)	-	(811,374)
Net cash outflow on disposal of subsidiaries (Note 30)	-	(902,385)
Proceeds from capital reduction of investments accounted for using equity method	-	271,931
Proceeds of disposal of non-current assets classified as held for sale	129,505	-
Payments for property, plant and equipment	(5,150,538)	(8,645,137)
Proceeds of the disposal of property, plant and equipment	946,448	634,898
Increase in refundable deposits	(87,503)	(98,283)
Purchase for intangible assets	(247,234)	(384,136)
Proceeds of the disposal of intangible assets	24,750	6,538
Decrease in other noncurrent assets	138,859	53,384
Dividend received from associates	76,884	40,417
Net cash used in investing activities	(4,576,340)	(9,020,163)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	7,079,518
Decrease in short-term borrowings	(5,195,615)	-
Repayment of long-term borrowings	(717,096)	(5,760,241)
Proceed from (refund of) guarantee deposits received	10,141	(737)
Decrease in finance lease payables	(86,054)	(58,872)
Dividends paid to owners of the Company	(4,565,318)	(6,242,436)
Payments for buy-back of ordinary shares	(706,679)	-
Partial acquisition of interests in subsidiaries (Note 31)	-	(1,013,168)
Dividends paid to noncontrolling interests	(540,514)	(127,371)
Net cash used in financing activities	(11,801,135)	(6,123,307)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(156,336)	1,439,189

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Restated)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (981,549)	$ 427,136
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	66,483,356	66,056,220
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 65,501,807	$ 66,483,356

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lite-On Technology Corporation (the "Parent Company") was established in March 1989. The Parent Company's shares have been 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 process 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 survivor 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 survivor 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 survivor entity. The merger separately took effect on March 22, 2014, April 15, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, and the Parent Company thus assumed all rights and obligations of the six merged companies on those date.

The consolidated financial statements are presented in the Parent Company's functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Parent Company board of directors on March 25, 2016.

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 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Parent Company and its subsidiaries (collectively, the "Group") should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version did not have any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

2) IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in previous standards. Please refer to Note 14 and Note 15 for related disclosures.

3) IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than in previous standards; for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy previously required only for financial instruments have been extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 are applied prospectively from January 1, 2015. Refer to Note 33 for related disclosures.

4) Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under previous IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of subsidiaries and associates accounted for using the equity method. The application of the above amendments did not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

5) Revision to IAS 19 "Employee Benefits"

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminates the "corridor approach" permitted under previous IAS 19 and accelerates the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. Remeasurement of the defined benefit plans is presented separately as other equity.

Furthermore, the interest cost and expected return on plan assets used in previous IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19, the changes in cumulative employee benefit costs as of December 31, 2013 that resulted from the retrospective application in the past are adjusted to net defined benefit liabilities, deferred tax assets and other equity and retained earnings; the carrying amounts of inventories are not adjusted.

The impact of the new standards on the current period is set out below:

Impact on Assets, Liabilities and Equity	**December 31, 2015**
Decrease in deferred tax assets	$ (1,940)
Decrease in net defined benefit liabilities	$ (11,254)
Increase in retained earnings	$ 3,214
Non-controlling interests	6,100
Total effect on equity	$ 9,314

Impact on Total Comprehensive Income	**For the Year Ended December 31, 2015**
Increase in operating cost	$ (395)
Increase in operating expense	(1,201)
Decrease in income tax expense	263
Decrease in net profit for the year	$ (1,333)
Decrease in net profit attributable to:	
Owners of the Parent Company	$ (460)
Non-controlling interests	(873)
	$ (1,333)
Decrease in total comprehensive income attributable to:	
Owners of the Parent Company	$ (460)
Non-controlling interests	(873)
	$ (1,333)

The impact on the prior reporting period is set out below:

Impact on Assets, Liabilities and Equity	As Originally Stated	Adjustments Arising from Initial Application	Restated
December 31, 2014			
Deferred tax assets	$ 3,107,672	$ (2,206)	$ 3,105,466
Accrued pension liabilities	$ 108,874	$ (108,874)	$ -
Net defined benefit liabilities	$ -	$ 96,021	$ 96,021
Retained earnings	$ 20,955,605	$ 3,481	$ 20,959,086
Non-controlling interests	$ 4,191,264	$ 7,166	$ 4,198,430
January 1, 2014			
Deferred tax assets	$ 2,207,204	$ (2,734)	$ 2,204,470
Accrued pension liabilities	$ 235,671	$ (235,671)	$ -
Net defined benefit liabilities	$ -	$ 219,709	$ 219,709
Retained earnings	$ 21,463,386	$ 4,332	$ 21,467,718
Non-controlling interests	$ 6,200,851	$ 8,896	$ 6,209,747

Impact on Total Comprehensive Income	As Originally Stated	Adjustments Arising from Initial Application	Restated
Operating cost	$ 202,383,002	$ 858	$ 202,383,860
Operating expense	21,119,771	2,260	21,122,031
Income tax expense	2,071,417	(537)	2,080,880
Total effect on net profit for the year	5,679,573	(2,581)	5,676,992
Total effect on total comprehensive income for the year	7,632,491	(2,581)	7,629,910
Impact on net profit attributable to:			
Owners of the Parent Company	$ 6,461,659	$ (851)	$ 6,460,808
Non-controlling interests	(782,086)	(1,730)	(783,816)
	$ 5,679,573	$ (2,581)	$ 5,676,992
Impact on total comprehensive income attributable to:			
Owners of the Parent Company	$ 8,307,615	$ (851)	$ 8,306,764
Non-controlling interests	(675,124)	(1,730)	(676,854)
	$ 7,632,491	$ (2,581)	$ 7,629,910

(Continued)

Impact on Total Comprehensive Income	As Originally Stated	Adjustments Arising from Initial Application	Restated
Impact on earnings per share:			
Basic	$ 2.78	$ -	$ 2.78
Diluted	$ 2.75	$ -	$ 2.75

(Concluded)

6) Amendments to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements. Refer to Note 33 for related disclosure.

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

On March 10, 2016, the FSC announced the scope of the 2016 version of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Company should apply IFRS 15 starting January 1, 2018. As of the date the financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
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
Amendments to IFRS 10 and IAS 28 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement 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 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 impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, 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.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting 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 risk 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 assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes 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.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

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

The amendments stipulate that, when an entity sells or contributes to an associate assets that constitute a business as defined in IFRS 3 "Business Combination", or when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Also, when an entity loses control of a subsidiary that does not contain a business as defined in IFRS 3 but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the asset sale or contribution is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, and the entity's share of the gain or loss is eliminated.

5) 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.

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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

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

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition.

See Note 14 and Table 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, work-in-process, finished goods, merchandise, and inventory in transit. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

h. Investment accounted for using equity method

Investment in associates is accounted for using equity method.

An associate is an entity over which the Group has significant influence and that is not a subsidiary. Significant influence is the power to participate in financial and operating policy decisions of an investee, but is not control or joint control over the policies.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and the carrying amount is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

j. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

For an investment accounted for using equity method, the cash-generating unit of the whole entity is tested for impairment. If impairment is identified but the recoverable amount of the asset later increases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

o. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset doesn't meet the criteria of hedge accounting. Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

iii. Loans and receivables

Loans and receivables including cash and cash equivalent, note receivable, debt investments with no active market, trade receivables, and other receivables are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits and investments that meet short-term cash commitments, within highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. The Company assesses the collectability of receivables by performing the account aging analysis and examining current trends in the credit quality of its customers.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period. In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Financial liabilities and equity instruments

Debt and equity instruments issued by an entity of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a) Financial liabilities subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

c) Equity instruments

Equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by an entity of the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and option contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

p. Hedge accounting

The Group designates derivative hedging instruments to conduct cash flow hedges. The effective portion of changes in the fair value of derivatives is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss.

Hedge accounting is discontinued prospectively when the Group revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

q. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Group's obligation by the management of the Group.

r. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue from selling of properties in the course of ordinary activities is recognized when the construction is completed and the properties are transferred to buyers. Until such revenue is recognized, deposits received from sales of properties and installment payments are carried in the consolidated balance sheets under current liabilities.

2) Rental revenue

The operation of leasing business was in accordance with IAS 17- Leases, that is, the possible situation related to leasing (ex. the condition of leasing, and the burden of future cost) would treat as operating lease.

3) Electricity generation revenue

Revenue is recognized when the power is transmitted to the substation of a power company. Electricity generation revenue is based on the fair value of subsidiary's settled value with power company. However, when receivables are expected to be realized within one year, the difference between fair value and maturity value of receivables is insignificant and the trading of power is very frequent, the fair value of settled value will not have to be discounted to the present value.

4) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

s. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

2) The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies (Note 4), management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

c. Income taxes

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Group's subjective judgment and estimation, including the future revenue growth and profitability, tax holidays, the amount of tax credits that can be utilized and feasible tax planning strategies. Any changes in the global economic environment, industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

d. Fair value measurements and valuation processes

If some of the Group's assets and liabilities measured at fair value have no quoted prices in active markets, the Group's management determines whether to engage third party qualified valuers to determine the appropriate valuation techniques for fair value measurements.

Where Level 1 inputs are not available, the Group or engaged valuers would determine appropriate inputs by referring to prices of same equity instruments not quoted in active markets, market prices or rates and specific features of derivatives. If the actual changes of inputs in the future differ from expectation, fair value might vary accordingly. The Group updates inputs every quarter to confirm the appropriateness of fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 33.

e. Impairment of property, plant and equipment

The impairment of equipment in relation to the production of handsets was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

f. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

g. Impairment of investment in associates

The Group immediately recognizes impairment loss on its net investment in the associate when there is any indication that the investment may be impaired and the carrying amount may not be recoverable. The Group also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

h. Recognition and measurement of defined benefit plans

Net defined benefit liabilities (assets) and the resulting defined benefit costs under defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Cash on hand	$ 22,503	$ 124,912
Checking accounts	1,214,794	1,923,505
Demand deposits	36,787,305	35,292,046
Time deposits	27,477,205	29,142,893
	$ 65,501,807	$ 66,483,356

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Currency swap contracts	$ 45,845	$ 889
Foreign exchange forward contracts	7,366	12,222
	$ 53,211	$ 13,111
Current	$ 53,211	$ 13,111
Non-current	-	-
	$ 53,211	$ 13,111
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 55,945	$ 38,206
Currency swap contracts	-	202
	$ 55,945	$ 38,408
Current	$ 55,945	$ 38,408
Non-current	-	-
	$ 55,945	$ 38,408

a. 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)
December 31, 2015			
The Parent Company			
Currency swap contracts	USD/NTD	2016.11.09	USD100,000/NTD3,212,900
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	CNY/USD	2016.02.23	CNY110,012/USD17,000
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	USD/EUR	2016.01.06	USD10,606/EUR10,000
Forward exchange contracts	USD/BRL	2016.01.25	USD2,000/BRL8,052
Forward exchange contracts	NTD/USD	2016.02.04	NTD825,000/USD25,000
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2016.04.08	THB82,945/USD2,300
Philip & Lite-On Digital Solutions Corp.			
Forward exchange contracts	USD/EUR	2016.01.08	USD6,571/EUR6,000
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	CNY/USD	2016.01.20	CNY256,100/USD40,000
Forward exchange contracts	EUR/USD	2016.01.21	EUR5,500/USD5,981
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2016.01.08-2016.03.08	USD1,180/MYR5,099
Forward exchange contracts	EUR/MYR	2016.02.25	EUR50/MYR240
December 31, 2014			
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	CNY/USD	2015.01.12	CNY277,020/USD45,000
Currency swap contracts	CNY/USD	2015.01.22	CNY93,435/USD15,000
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	CNY/USD	2015.01.12	CNY402,870/USD65,000
Forward exchange contracts	USD/EUR	2015.01.30	USD8,047/EUR6,600
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2015.04.07	THB66,086/USD2,000
DongGuan G-Pro Computer Co., Ltd.			
Currency swap contracts	CNY/USD	2015.01.05	CNY38,058/USD6,104
LET (HK) Ltd.			
Forward exchange contracts	USD/EUR	2015.01.29	USD10,972/EUR9,000
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	CNY/USD	2015.01.05	CNY43,173/USD7,000
Forward exchange contracts	CNY/EUR	2015.01.05	CNY2,307/EUR300
Zhuhai Lite-On Mobile Telecommunication Co., Ltd.			
Forward exchange contracts	CNY/USD	2015.01.05	CNY18,503/USD3,000

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	CNY/USD	2015.01.12	CNY204,072/USD33,000
Forward exchange contracts	USD/EUR	2015.01.12	USD1,230/EUR1,000
Forward exchange contracts	USD/BRL	2015.01.15	USD2,500/BRL6,626
Forward exchange contracts	INR/USD	2015.01.15	INR93,759/USD1,500
Forward exchange contracts	JPY/USD	2015.01.26	JPY144,114/USD1,200
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2015.01.06-2015.03.06	USD1,670/MYR5,737

(Concluded)

The Group entered into derivative contracts in 2015 and 2014 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the subsidiaries did not meet the criteria for hedge accounting. Thus, the derivative contracts classified as financial assets or financial liabilities at fair value through profit or loss. The financial risk management objectives of the subsidiaries were to minimize risks due to changes in fair value or cash flows.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Non-current		
Domestic investments		
Quoted shares	$ 316,426	$ 626,191
Emerging market shares	178,716	178,716
Unquoted shares	83,923	144,617
	579,065	949,524
Foreign investments		
Mutual funds	53,178	143,434
Unquoted shares	26,539	221,811
Quoted shares	11,546	11,486
	91,263	376,731
	$ 670,328	$ 1,326,255

Refer to Note 33 for information relating to the fair values of on available-for-sale financial assets determined.

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 $124,667 thousand and $212,956 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2015 and 2014, respectively.

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2015	2014
Derivative financial liabilities under hedge accounting - current		
Cash flow hedges - interest rate swaps	$ -	$ 11,989

The Parent Company's liabilities with floating interest rate might be affected by changes in the market rate. Thus, future cash flows on those liabilities might fluctuate, exposing the Parent Company to cash flow risk. To hedge against this risk, the Parent Company entered into an interest rate swap contract with a bank to change the floating rate of its liabilities to fixed rate. The cash flow hedge transactions are deemed sufficient.

The outstanding interest rate swap contracts of the Parent Company at the end of the reporting period were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2015: None.			
December 31, 2014			
NT$2,400,000	2015.09.23	1.895%	0.888%

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2015	2014
Financial product	$ 424,399	$ -
Pledged deposits	270,870	78,688
	695,269	78,688
Current	$ 694,435	$ 78,170
Noncurrent	834	518
	$ 695,269	$ 78,688

Financial product mainly refers to the subsidiary - Silitech Technology (SuZhou) Co., Ltd. to guarantee income-bearing bank deposit products to amortized cost measurement, and it shall not be paid or redeemed with the contract period.

Refer to Note 35 for information on bond investments with no active market pledged as security.

11. TRADE RECEIVABLES, NET

	December 31	
	2015	2014
Trade receivables	$ 50,390,680	$ 51,509,351
Allowance for impairment loss	(239,849)	(298,871)
Unrealized interest revenues	(70,962)	(76,468)
	$ 50,079,869	$ 51,134,012

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 days 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:

	December 31	
	2015	2014
Not overdue	$ 49,137,082	$ 50,205,142
Overdue		
1-60 days	999,794	1,069,101
61-210 days	114,839	109,378
211-240 days	4,119	4,743
Over 241 days	134,846	120,987
	1,253,598	1,304,209
	$ 50,390,680	$ 51,509,351

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

As of December 31, 2015 and 2014, the Group did not have the age of the trade receivables that were past due but not impaired.

At the end of the reporting period, trade receivables from sales on installments by the Group were as follows:

	December 31	
	2015	2014
Trade receivables	$ 1,169,694	$ 941,026
Unrealized interests revenue	(70,962)	(76,468)
	$ 1,098,732	$ 864,558

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

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 298,871	$ 215,850
Allowance for impairment loss (reversal of impairment loss)	(51,276)	108,831
Uncollectible amounts written off during the period as uncollectible	(4,742)	(762)
Foreign exchange translation	(1,647)	(2,988)
Reclassification	(1,357)	-
Effect of business combination	-	(22,060)
Balance at December 31	$ 239,849	$ 298,871

12. INVENTORIES, NET

	December 31	
	2015	2014
Finished goods	$ 18,725,787	$ 15,623,878
Raw materials	7,069,710	7,413,962
Work in progress	2,546,266	3,834,591
Inventory in transit	218,599	2,336,889
Merchandise	266,074	304,471
	$ 28,826,436	$ 29,513,791

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 were $188,787,517 thousand and $202,383,860 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 included inventory reversal amounting to $238,971 thousand of inventory write-downs due to inventory write-off. Previous write-downs were reversed as a result of the Group closed out part of the inventory that already recognized write-downs. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2014 included inventory write-downs of $846,205 thousand, which resulted from write-downs of inventory to net realizable value.

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Silitech Technology (SuZhou) Co., Ltd., a subsidiary of the Parent Company, entered into an agreement to sell idle equipment in the fourth quarter of 2014. This sale was mainly based on centralized management and production strategy considerations. The sales proceeds substantially exceeded the carrying amount of the related net assets; thus, no impairment losses were recognized on the assets reclassified to held for sale and the sale was completed in January 2015.

14. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership December 31 2015	% of Ownership December 31 2014	Remark
The Parent Company	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	33.87	32.08	-
	Lite-On Integrated Service Inc.	Information outsourcing and system integrate	100.00	100.00	-
	Lite-On Capital Corp.	Investment activities	100.00	100.00	-
	Lite-On Electronics H.K. Ltd.	Sale of LED optical products	100.00	100.00	-
	Lite-On Electronics (Thailand) Co., Ltd.	Manufacture and sale of LED optical products	100.00	100.00	-
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	49.49	49.49	-
	Lite-On International Holding Co., Ltd.	Investment activities	100.00	100.00	-
	LTC Group Ltd.	Investment activities	100.00	100.00	-
	Lite-On Technology USA, Inc.	Investment activities	100.00	100.00	-
	Lite-On Electronics (Europe) Ltd.	Manufacture and sale of power supplies	100.00	100.00	-
	Lite-On Technology (Europe) B.V.	Market research and after-sales service	54.00	54.00	-
	Lite-On Overseas Trading Co., Ltd.	Merchandising business	100.00	100.00	-
	Lite-On Singapore Pte. Ltd.	Manufacture and supply computer peripheral products	100.00	100.00	-
	Lite-On Vietnam Co., Ltd.	Electronic contract manufacturing	100.00	100.00	-
	Li Shin International Enterprise Corp.	Manufacture and sale of computer and appliance components	100.00	100.00	-
	Eagle Rock Investment Ltd.	Import and export business and investment activities	100.00	100.00	-
	LarView Technologies Corporation (Samoa)	Investment activities	-	100.00	1)
	Lite-On Mobile Pte. Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	-
	High Yield Group Co., Ltd.	Holding company	100.00	100.00	-
	Lite-On IT Singapore Pte. Ltd.	Sale of optical disc drives	-	100.00	2)
	Lite-On Information Technology B.V.	Market research and customer service	100.00	100.00	-
	Philip & Lite-On Digital Solutions Corp.	Sale of optical disc drives	49.00	49.00	-
	LET (HK) Ltd.	Sale of optical disc drives	100.00	100.00	-
	Leotek Electronics Holding Limited	Holding company	100.00	100.00	-
	Lite-On Automotive Electronics (Europe) BV	Sale of automotive parts and other electronic products	100.00	100.00	-
	Lite-On Automotive North America Inc.	Sale of automotive parts and other electronic products	-	100.00	3)
	Lite-On Automotive Service USA Inc.	Sale of automotive parts and other electronic products	100.00	100.00	-
	Lite-On Automotive International (Cayman) Co., Ltd.	Investment activities	100.00	100.00	-
	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	-	4)
Lite-On Capital Corp.	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	0.64	0.61	-
	Lite-On Green Technologies Inc.	Manufacture and wholesale of electronic components and energy technology services	100.00	100.00	-
	Lite-On Green Energy (HK) Limited	Investment activities	100.00	100.00	-
	Lite-On Technology (Europe) B.V.	Market research and after-sales services	46.00	46.00	-
	Lite-On Green Energy (Singapore) Pte. Ltd.	Investment activities	100.00	100.00	-
	Five Dimension Co., Ltd.	Development, manufacture and sale of cell phone and camera lens modules	69.94	69.94	-
Five Dimension Co., Ltd.	FiiDi Optical Co., Ltd.	Wholesale of precision modules	-	40.00	5)
Lite-On Green Technologies Inc.	Lite-On Green Technologies B.V.	Solar energy engineering	100.00	100.00	-
	Lite-On Green Technologies (HK) Limited	Solar energy engineering	100.00	100.00	-
Lar View Technologies Corporation (Samoa)	LarView Technologies Corp. (Shenzhen)	Camera lens modules	-	100.00	6)
Lite-On Green Energy (Singapore) Pte. Ltd.	Lite-On Green Energy B.V.	Investment activities	100.00	100.00	-
	Lite-On Green Energy Kaiserslautern GmbH	Solar energy engineering	-	100.00	7)
Lite-On Green Technologies (HK) Limited	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	100.00	100.00	-
Lite-On Green Energy B.V.	Romeo Tetti PV1 S.R.L	Solar energy engineering	100.00	100.00	-
	Lite-On Green Energy S.R.L	Solar energy engineering	100.00	100.00	-
Lite-On Electronics H.K. Ltd.	Lite-On Electronics (Tianjinn) Co., Ltd.	ODM services	100.00	100.00	-
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	100.00	100.00	-
	Lite-On Power Technology (Chang Zhou) Co., Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	100.00	100.00	-
	China Bridge (China) Co., Ltd.	Investment, sales agent	100.00	100.00	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	100.00	100.00	-
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	100.00	100.00	-
	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	100.00	100.00	-
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	100.00	100.00	-
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	79.29	79.29	-
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	100.00	100.00	-
Lite-On Network Communication (Dongguan) Limited	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	20.71	20.71	-

(Continued)

Investor	Investee	Main Business	% of Ownership December 31 2015	% of Ownership December 31 2014	Remark
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	-
	China Bridge Express (Wuxi) Co., Ltd.	Express and sale of power supplies, printers, display devices and scanners	100.00	100.00	-
Lite-On Electronics Co., Ltd.	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	100.00	100.00	-
	Lite-On (Guangzhou) Infortech Co., Ltd.	Information outsourcing	100.00	100.00	-
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	-
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	67.03	67.03	-
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	-
	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	-
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	100.00	100.00	-
	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	-
Lite-On Technology (Guangzhou) Investment Co., Ltd.	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	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	-
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	-
	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	-
	Lite-On Medical Device (Changzhou) Ltd.	Manufacture and sale of medical equipment	100.00	100.00	-
	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	-
Yet Foundate Ltd.	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	100.00	100.00	-
Fordgood Electronic Ltd.	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	-
Lite-On Technology USA, Inc.	Lite-On, Inc.	Sales data processing business of optoelectronic products and power supplies	100.00	100.00	-
	Lite-On Trading USA, Inc.	Sale of optical products	100.00	100.00	-
	Lite-On Service USA, Inc.	After-sales service of optical products	100.00	100.00	-
	Leotek Electronics USA LLC.	Sale of LED products	100.00	100.00	-
	Power Innovations International, Inc.	Development, design and manufacture of power control and energy management	95.25	95.25	-
	Lite-On Sales & Distribution Inc.	Sale of optical disc drives	100.00	100.00	-
	Lite-On Technology Service, Inc.	After-sales service of optical products	100.00	-	8)
Lite-On International Holding Co., Ltd.	Ze Poly Pte. Ltd.	Manufacture and sale of thin-film solar cell	-	48.13	9)
	Lite-On China Holding Co., Ltd.	Manufacture and sale of computer cases	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	-
	Lite-On Technology (Xianging) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	-
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	100.00	100.00	-
	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	-	4)
Lite-On Technology (Shanghai) Ltd.	Lite-On Intelligent Technology (Yencheng) Corporation	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	-	10)
LTC Group Ltd.	Titanic Capital Services Ltd.	Investment activities	100.00	100.00	-
	LTC International Ltd.	Manufacture and sale of system products	100.00	100.00	-
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	-
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	-
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	Investment activities	100.00	100.00	-
	Yet Foundate Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	-
	I-Solutions Limited	Original equipment manufacturer of electronic products	100.00	100.00	-
	Fordgood Electronic Ltd.	Import and export and real estate business	100.00	100.00	-
	G&W Technology (BVI) Ltd.	Real estate management	50.00	50.00	-
G&W Technology (BVI) Ltd.	G&W Technology Limited	Leasing business	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership December 31 2015	% of Ownership December 31 2014	Remark
Eagle Rock Investment Ltd.	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	-
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	-
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	100.00	100.00	-
High Yield Group Co., Ltd.	Lite-On IT International (HK) Ltd.	Sale of optical disc drives	100.00	100.00	-
Lite-On IT International (HK) Ltd.	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	-
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	-
	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	-
Lite-On Information Technology B.V.	Lite-On Information Technology GmbH	Sale of optical disc drives	100.00	100.00	-
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	-
	Philips & Lite-On Digital Solutions USA Inc.	Sale of optical disc drives	100.00	100.00	-
	Philips & Lite-On Digital Solutions Korea Ltd.	Sale of optical disc drives	100.00	100.00	-
	Philips & Lite-On Digital Solutions Netherlands B.V.	Sale and design of optical disc drives	100.00	100.00	-
	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	100.00	100.00	-
Silitech Technology Corp.	Silitech (BVI) Holding Ltd.	Investment activities	100.00	100.00	-
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	7.87	7.87	-
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Investment activities	100.00	100.00	-
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	-
	Silitech Technology Corp. Sdn. Bhd.	Manufacture of computer peripheral products	100.00	100.00	-
	Silitech (Hong Kong) Holding Ltd.	Investment activities	100.00	100.00	-
	Silitech International (India) Private Limited	Development, manufacture and sale of automotive parts	100.00	100.00	-
Silitech (Hong Kong) Holding Ltd.	Silitech Technology (SuZhou) Co., Ltd.	Manufacture and sale of automotive parts	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	-
	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	-
Lite-On Automotive International (Cayman) Co., Ltd.	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Investment activities	100.00	100.00	-
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	-
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	-
Lite-On Japan Ltd.	Lite-On Japan (S) Pte. Ltd.	Import and export business of electronic components	100.00	100.00	-
	L&K Industries Philippines, Inc.	Import and export business of electronic components	100.00	100.00	-
	Lite-On Japan (H.K.) Limited	Import and export business of electronic components	100.00	100.00	-
	Lite-On Japan (Korea) Co., Ltd.	Import and export business of electronic components	100.00	100.00	-
	Lite-On Japan (Thailand) Co., Ltd.	Import and export business of electronic components	100.00	100.00	-
Lite-On Japan (H.K.) Limited	NL (Shanghai) Co., Ltd.	Import and export business of electronic components	100.00	100.00	-
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	-
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	3.14	3.53	-
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	-
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	-
	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	-
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	-
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	96.86	96.47	-
	Perlos Precision Plastics Moulding Limited Liability Company	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	-
	Lite-On Mobile India Private Limited.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	-
	Lite-On Young Fast Pte. Ltd.	Investment activities	100.00	100.00	-
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	-
Lite-On Young Fast Pte. Ltd.	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	100.00	100.00	-

(Concluded)

Remark:

1) LarView Technologies Corporation (Samoa) was dissolved after liquidation in November 2015.

2) Lite-On IT Singapore Pte. Ltd. was dissolved after merging with Lite-On Singapore Pte. Ltd. in January 2015.

3) Lite-On Automotive North America Inc. was dissolved after liquidation in May 2015.

4) Established in January 2015.

5) In November 2014, the Group acquired power to cast the majority of the equity; thus, this investee was included in the consolidated financial statement effective that month. The Company was dissolved after liquidation in April 2015.

6) Accomplished the liquidation in July 2015.

7) Accomplished the liquidation in September 2015.

8) Established in August 2015.

9) Accomplished the liquidation in September 2015.

10) Established in December 2015.

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 2015	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2014
Silitech Technology Corp.	65.49%	67.31%

See Table 7 and Table 8 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2015	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2014	Accumulated Non-controlling Interests December 31 2015	Accumulated Non-controlling Interests December 31 2014
Silitech Technology Corp.	$ 52,347	$ (949,973)	$ 2,885,289	$ 3,251,040
Others	37,586	166,157	809,793	947,390
	$ 89,933	$ (783,816)	$ 3,695,082	$ 4,198,430

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

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

	December 31	
	2015	2014
Current assets	$ 5,467,860	$ 5,982,635
Non-current assets	1,941,195	2,129,489
Current liabilities	(1,399,290)	(1,642,438)
Non-current liabilities	(1,608,984)	(1,666,121)
Equity	$ 4,400,781	$ 4,803,565
Equity attributable to:		
Parent Company	$ 1,515,492	$ 1,552,525
Non-controlling interests of Silitech Technology Corp.	2,875,966	3,196,711
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	9,323	54,329
	$ 4,400,781	$ 4,803,565

	For the Year Ended December 31	
	2015	2014
Revenue	$ 3,530,193	$ 4,502,520
Profit (loss) for the year	$ 101,383	$ (1,402,037)
Other comprehensive income (loss) for the year	(42,252)	108,677
Total comprehensive income (loss) for the year	$ 59,131	$ (1,293,360)
Profit (loss) attributable to:		
Parent Company	$ 49,036	$ (452,064)
Non-controlling interests of Silitech Technology Corp.	96,941	(933,156)
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	(44,594)	(16,817)
	$ 101,383	$ (1,402,037)
Total comprehensive income attributable to:		
Parent Company	$ 34,981	$ (417,244)
Non-controlling interests of Silitech Technology Corp.	69,155	(861,279)
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	(45,005)	(14,837)
	$ 59,131	$ (1,293,360)
Net cash inflow (outflow) from:		
Operating activities	$ 424,898	$ 131,756
Investing activities	(412,759)	(311,856)
Financing activities	(461,902)	(308,671)
Foreign exchange translation	(6,274)	71,955
Net cash outflow	$ (456,037)	$ (416,816)
Dividends paid to non-controlling interest		
Silitech Technology Corp.	$ 148,827	$ 127,371

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	December 31	
	2015	2014
Material associates		
Lite-On Semiconductor Corp.	$ 1,748,154	$ 1,698,507
Dragonjet Corporation	1,047,765	1,060,414
Logah Technology Corp.	277,156	352,473
	3,073,075	3,111,394
Associates that are not individually material	1,022,092	944,508
	$ 4,095,167	$ 4,055,902

a. Material associates:

	December 31	
Name of Associate	2015	2014
Lite-On Semiconductor Corp.	20.62%	20.23%
Dragonjet Corporation	29.62%	29.62%
Logah Technology Corp.	31.77%	32.53%

Refer to Table 7 "names, locations, and related information of investees over which the Company exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associates.

The equity-method investees' financial statements, which had been used to determine the carrying amount of the Group's investments share of profit and other comprehensive income of associates, had been audited.

Starting from March 28, 2014, the Group has no power to govern the financial and operating policies of Logah Technology Corp. The Group used the fair value measurement for its investments after it lost control of Logah Technology Corp. (please refer to Note 30). The Group still has significant influence on Logah Technology Corp.; thus, the Group accounted for this investment by the equity method.

Fair value (Level 1) of investments in associates with available published price quotation are summarized as follows:

	December 31	
Name of Associate	2015	2014
Lite-On Semiconductor Corp.	$ 1,366,148	$ 1,429,838
Logah Technology Corp.	$ 324,211	$ 599,741

The Group's investments of the above mentioned associates are measured by equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Lite-On Semiconductor Corp.

	December 31	
	2015	2014
Current assets	$ 2,482,368	$ 2,764,367
Non-current assets	13,683,914	13,122,985
Current liabilities	(5,385,781)	(4,012,552)
Non-current liabilities	(2,498,858)	(3,608,178)
Equity	$ 8,281,643	$ 8,266,622
Proportion of the Group's ownership	20.62%	20.23%
Equity attributable to the Group	$ 1,707,674	$ 1,672,337
Goodwill	28,531	28,531
Other	11,949	(2,361)
Carrying amount	$ 1,748,154	$ 1,698,507

	For the Year Ended December 31	
	2015	2014
Revenue	$ 6,305,194	$ 7,185,708
Operating Loss	$ (382,835)	$ (183,501)
Profit for the year	$ 476,872	$ 428,587
Other comprehensive income (loss) for the year	(93,012)	355,747
Total comprehensive income (loss) for the year	$ 383,860	$ 784,334
Dividends received	$ 63,520	$ 27,053

Dragonjet Corporation

	December 31	
	2015	2014
Current assets	$ 407,198	$ 372,673
Non-current assets	2,217,343	2,232,755
Current liabilities	(559,090)	(494,104)
Non-current liabilities	(227,940)	(234,066)
Equity	$ 1,837,511	$ 1,877,258
Proportion of the Group's ownership	29.62%	29.62%
Equity attributable to the Group	$ 544,337	$ 556,043
Goodwill	503,428	503,428
Other	-	943
Carrying amount	$ 1,047,765	$ 1,060,414

	For the Year Ended December 31	
	2015	2014
Revenue	$ 235,792	$ 263,396
Operating Income (Loss)	$ (2,077)	$ 3,902
Profit for the year	$ 27,222	$ 56,511
Other comprehensive income (loss)for the year	(21,858)	89,400
Total comprehensive income for the year	$ 5,364	$ 145,911
Dividends received	$ 13,364	$ 13,364

Logah Technology Corp.

	December 31	
	2015	2014
Current assets	$ 161,760	$ 143,537
Non-current assets	792,453	1,042,939
Current liabilities	(63,927)	(80,610)
Non-current liabilities	(18,048)	(17,883)
Equity	$ 872,238	$ 1,087,983
Proportion of the Group's ownership	31.77%	32.53%
Equity attributable to the Group	277,156	353,920
Other	-	(1,447)
Carrying amount	$ 277,156	$ 352,473

	For the Year Ended December 31	
	2015	2014
Revenue	$ 96,107	$ 90,199
Operating Income (Loss)	$ (45,532)	$ (55,749)
Profit for the year	$ (211,123)	$ (206,774)
Other comprehensive income (loss) for the year	(4,622)	23,627
Total comprehensive income (loss) for the year	$ (215,745)	$ (183,147)
Dividends received	$ -	$ -

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	2014
The Group's share of:		
Profit for the year	$ 83,009	$ 3,808
Other comprehensive income (loss)	(5,565)	45,237
Total comprehensive income for the year	$ 77,444	$ 49,045

Investments in associates that are not individually material are accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that were not audited. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of associates that are not individually material that have not been audited.

16. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31	
	2015	2014
Freehold land	$ 2,339,337	$ 2,335,867
Buildings	11,678,185	12,424,092
Machinery equipment	14,961,795	16,012,090
Tooling equipment	227,999	140,111
Transportation equipment	15,936	21,681
Office equipment	425,556	465,815
Equipment held under finance lease	257,851	267,468
Other equipment	3,482,780	4,440,092
	$ 33,389,439	$ 36,107,216

	For the Year Ended December 31, 2015						
	January 1, 2015	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2015
Cost							
Freehold land	$ 2,335,867	$ -	$ 53	$ -	$ 10,275	$ (6,752)	$ 2,339,337
Buildings	20,591,355	149,911	90,266	-	296,816	(204,233)	20,743,583
Machinery equipment	42,733,143	4,364,717	3,675,925	-	589,501	(598,207)	43,413,229
Tooling equipment	3,884,972	159,092	688,688	-	234,079	(41,861)	3,547,594
Transportation equipment	83,156	5,050	5,171	-	(9,336)	(1,149)	72,550
Office equipment	2,730,452	221,682	231,804	-	(245,268)	(11,749)	2,463,313
Equipment held under finance lease	1,411,445	97,851	679	-	(11,741)	(26,317)	1,470,559
Other equipment	9,077,902	802,393	435,101	-	(1,647,974)	(72,521)	7,724,699
	82,848,292	$ 5,800,696	$ 5,127,687	$ -	$ (783,648)	$ (962,789)	81,774,864
Accumulated depreciation							
Buildings	7,821,429	$ 814,098	$ 57,152	$ -	$ 186,352	$ (79,546)	8,685,181
Machinery equipment	25,607,321	4,831,830	2,278,086	-	(194,641)	(361,859)	27,604,565
Tooling equipment	3,704,341	194,072	667,103	-	107,787	(40,502)	3,298,595
Transportation equipment	60,551	8,307	4,978	-	(7,076)	(937)	55,867
Office equipment	2,254,755	239,883	211,497	-	(243,435)	(10,788)	2,028,918
Equipment held under finance lease	1,101,485	108,323	281	-	(18,002)	(20,973)	1,170,552
Other equipment	4,534,639	516,782	423,837	-	(505,686)	(38,541)	4,083,357
	45,084,521	$ 6,713,295	$ 3,642,934	$ -	$ (674,701)	$ (553,146)	46,927,035
Accumulated impairment							
Freehold land	-	$ -	$ -	$ -	$ -	$ -	-
Buildings	345,834	16	-	-	2,287	32,080	380,217
Machinery equipment	1,113,732	130,276	494,361	-	84,402	12,820	846,869
Tooling equipment	40,520	-	24,163	-	908	3,735	21,000
Transportation equipment	924	-	170	-	-	(7)	747
Office equipment	9,882	-	968	-	-	(75)	8,839
Equipment held under finance lease	42,492	-	-	-	-	(336)	42,156
Other equipment	103,171	56,229	3,178	-	5,529	(3,189)	158,562
	1,656,555	$ 186,521	$ 522,840	$ -	$ 93,126	$ 45,028	1,458,390
	$ 36,107,216						$ 33,389,439

	For the Year Ended December 31, 2014						
	January 1, 2014	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2014
Cost							
Freehold land	$ 2,398,990	$ -	$ -	$ (56,368)	$ -	$ (6,755)	$ 2,335,867
Buildings	20,283,203	101,821	65,610	(135,706)	(31,002)	438,649	20,591,355
Machinery equipment	40,610,971	5,026,374	3,129,618	(141,208)	(701,125)	1,067,749	42,733,143
Tooling equipment	4,114,144	122,835	304,519	-	9,974	(57,462)	3,884,972
Transportation equipment	89,042	6,182	11,220	(1,600)	(72)	824	83,156
Office equipment	2,757,887	182,053	153,056	803	(85,220)	27,985	2,730,452
Equipment held under finance lease	1,420,378	73,977	13,380	(68,222)	(21,608)	20,300	1,411,445
Other equipment	6,784,900	2,926,602	193,794	(31,642)	(498,728)	90,564	9,077,902
	78,459,515	$ 8,439,844	$ 3,871,197	$ (433,943)	$ (1,327,781)	$ 1,581,854	82,848,292
Accumulated depreciation							
Buildings	6,947,394	$ 811,998	$ 30,105	$ (11,582)	$ (159,084)	$ 262,808	7,821,429
Machinery equipment	22,822,096	4,857,725	1,949,067	(185,703)	(545,589)	607,859	25,607,321
Tooling equipment	3,611,874	406,792	409,189	-	2,572	92,292	3,704,341
Transportation equipment	64,939	8,299	10,202	(1,301)	(2,269)	1,085	60,551
Office equipment	2,016,021	281,832	90,590	(20,156)	26,560	41,088	2,254,755
Equipment held under finance lease	1,026,069	53,531	12,442	(24,858)	(9,004)	68,189	1,101,485
Other equipment	3,725,652	688,362	185,661	(22,620)	307,456	21,450	4,534,639
	40,214,045	$ 7,108,539	$ 2,687,256	$ (266,220)	$ (379,358)	$ 1,094,771	45,084,521
Accumulated impairment							
Freehold land	-	$ -	$ -	$ -	$ -	$ -	-
Buildings	168,211	193,933	5,851	-	-	(10,459)	345,834
Machinery equipment	998,389	886,485	463,493	(79,978)	(178,024)	(49,647)	1,113,732
Tooling equipment	22,877	19,520	1,908	-	-	31	40,520
Transportation equipment	301	890	-	(299)	-	32	924
Office equipment	4,431	7,713	439	(2,133)	-	310	9,882
Equipment held under finance lease	14,338	40,943	-	(14,241)	-	1,452	42,492
Other equipment	35,541	81,817	18	(3,902)	-	(10,267)	103,171
	1,244,088	$ 1,231,301	$ 471,709	$ (100,553)	$ (178,024)	$ (68,548)	1,656,555
	$ 37,001,382						$ 36,107,216

For the years ended December 31, 2015 and 2014, 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 and recognized impairment loss $186,521 thousand and $1,231,301 thousand, respectively. The Group carried out a review of the recoverable amount of that related equipment and determined that the carrying amount exceeded the recoverable amount. The impairment loss had been recognized in the consolidated statements of comprehensive income.

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

Buildings	5-60 years
Machinery equipment	2-10 years
Tooling equipment	2-10 years
Transportation equipment	3-10 years
Office equipment	2-10 years
Equipment held under finance lease	3-40 years
Other equipment	2-10 years

17. INVESTMENT PROPERTIES, NET

	Completed Investment Property
Cost	
Balance at January 1, 2014	$ -
Transferred from property, plant and equipment	706,741
Net exchange differences	26,737
Balance at December 31, 2014	$ 733,478
Accumulated depreciation	
Balance at January 1, 2014	$ -
Transferred from property, plant and equipment	189,287
Net exchange differences	7,161
Balance at December 31, 2014	$ 196,448
Balance at December 31, 2014, net	$ 537,030
Cost	
Balance at January 1, 2015	$ 733,478
Net exchange differences	(5,814)
Balance at December 31, 2015	$ 727,664
Accumulated depreciation	
Balance at January 1, 2015	$ 196,448
Depreciation Expense	32,835
Net exchange differences	(1,569)
Balance at December 31, 2015	$ 227,714
Balance at December 31, 2015, net	$ 499,950

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

The fair value of the investment properties as of December 31, 2014 was $613,771 thousand. The Group's management estimated no significant differences between this fair value and that for the years ended 2015. For the investment properties valued by an independent appraiser, the Group's management determined their fair value by reference to the appraiser's market evidence of the transaction price of real estate.

18. OTHER INTANGIBLE ASSETS, NET

	December 31	
	2015	2014
Goodwill	$ 14,994,136	$ 14,953,187
Patents	6,920	12,188
Patents use rights	561,640	786,297
Software	253,143	286,304
Other intangible assets	122,393	260,987
	$ 15,938,232	$ 16,298,963

	For the Year Ended December 31, 2015						
	January 1, 2015	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2015
Cost							
Goodwill	$ 15,483,954	$ 92,264	$ -	$ -	$ -	$ (51,315)	$ 15,524,903
Patents	39,481	-	-	-	(1,566)	(142)	37,773
Patents use rights	2,695,878	-		-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	-	163,819
Software	563,576	139,208	37,243	-	3,981	(469)	669,053
Other intangible assets	3,859,575	15,762	1,009,378	-	(854,677)	(19,833)	1,991,449
	22,806,283	$ 247,234	$ 1,046,621	$ -	$ (852,262)	$ (71,759)	21,082,875
Accumulated amortization							
Goodwill	77,234	$ -	$ -	$ -	$ -	$ -	77,234
Patents	27,293	4,850	-	-	(1,178)	(112)	30,853
Patents use rights	1,909,581	224,657	-	-	-	-	2,134,238
Client relationships	163,819	-	-	-	-	-	163,819
Software	277,272	159,610	26,243	-	5,191	80	415,910
Other intangible assets	3,598,588	145,011	995,602	-	(865,406)	(13,535)	1,869,056
	6,053,787	$ 534,128	$ 1,021,845	$ -	$ (861,393)	$ (13,567)	4,691,110
Accumulated impairment							
Goodwill	453,533	$ -	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-	-
Patents use rights	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	$ -	453,533
	$ 16,298,963						$ 15,938,232

	For the Year Ended December 31, 2014						
	January 1, 2014	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2014
Cost							
Goodwill	$ 14,792,433	$ 697,770	$ -	$ (5,043)	$ -	$ (1,206)	$ 15,483,954
Patents	37,328	1,092	6,143	130	7,187	(113)	39,481
Patents use rights	2,695,878	-	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	-	163,819
Software	265,373	279,302	12,047	51,550	(19,224)	(1,378)	563,576
Other intangible assets	3,427,496	56,165	38,730	1,836	413,730	(922)	3,859,575
	21,382,327	$ 1,034,329	$ 56,920	$ 48,473	$ 401,693	$ (3,619)	22,806,283
Accumulated amortization							
Goodwill	77,234	$ -	$ -	$ -	$ -	$ -	77,234
Patents	25,927	8,772	4,093	-	(3,251)	(62)	27,293
Patents use rights	1,684,924	224,657		-			1,909,581
Client relationships	163,819	-	-	-	-	-	163,819
Software	203,832	108,482	10,543	3,799	(26,655)	(1,643)	277,272
Other intangible assets	3,056,796	226,597	35,746	879	342,389	7,673	3,598,588
	5,212,532	$ 568,508	$ 50,382	$ 4,678	$ 312,483	$ 5,968	6,053,787

(Continued)

	For the Year Ended December 31, 2014						
	January 1, 2014	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2014
Accumulated impairment							
Goodwill	$ 453,533	$ -	$ -	$ -	$ -	$ -	$ 453,533
Patents	-	-	-	-	-	-	-
Patents use rights	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	$ -	453,533
	$ 15,716,262						$ 16,298,963

(Concluded)

a. The Parent Company acquired an asset group from SEEnergy Corp. in September 2015. IFRS 3 "Business Combinations" and IAS 38 "Intangible Assets" define recognized goodwill as the sum of the acquisition cost plus other direct transaction costs minus the fair value of the identifiable net assets acquired. Thus, goodwill was calculated as follows:

Acquisition price		$ 30,093
Fair value of acquired identifiable net assets:		
Inventories	$ 2,420	
Property, plant and equipment	340	
Software	71	2,831
Goodwill		$ 27,262

To integrate its overall resources and enhance the efficiency of operations, the Parent Company had short-form mergers - in accordance with Article 19 of the Business Mergers and Acquisitions Act - with Li Shin International Enterprise Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corp. and LarView Technologies Corp. on March 22, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, respectively, under the board of directors' approval. The Parent Company was the survivor entity in all of these mergers. The investment premium due to merger from Li Shin International Enterprise Corp., Lite-On Automotive Corp., Leotek Electronics Corp., were $1,708,258 thousand, $165,424 thousand, and $220,170 thousand, respectively. The investment premium from acquisition of LarView Technologies Corp. was $368,462 thousand. The goodwill from Lite-On IT Corporation, and Lite-On Automotive Corp. acquiring other companies was $2,806,508 thousand and $112,416 thousand, respectively. The total amount of $5,381,238 thousand was transferred to the Parent Company and recorded as intangible assets - goodwill.

The Parent Company completed the purchase of some assets of the IrDA Department of Avago Technologies Limited. Statement of IFRS 3 - "Business Combinations" and IAS 38 - "Intangible Assets" define recognized goodwill as the sum of the acquisition cost plus other direct transaction costs minus the fair value of the identifiable net assets acquired. Thus, the goodwill generated was calculated at $411,932 thousand as of December 31, 2009.

The goodwill arising from the Parent Company's acquisition of Lite-On Enclosure Inc. in 2004 was $210,220 thousand was amortized for about five years. However, under the Guidelines Governing the Preparation of Financial Reports, effective January 1, 2006, goodwill need no longer be amortized. As of December 31, 2015 and 2014, the carrying value of goodwill was $132,986 thousand.

b. As of the goodwill resulting from the acquisition of LarView Technologies, Power Innovations International Inc. and Five Dimension Co., Ltd. in 2014, refer to Note 29.

c. 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 five-year period. As of December 31, 2015 and 2014, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

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.

19. OTHER ASSETS

	December 31	
	2015	2014
Prepayments	$ 2,408,898	$ 2,689,934
Offset against business tax payable	1,220,409	1,530,386
Prepayments for lease	654,742	775,063
Prepayment for equipment	63,956	93,450
Others	144,101	361,639
	$ 4,492,106	$ 5,450,472
Current	$ 3,744,824	$ 4,561,144
Non-current	747,282	889,328
	$ 4,492,106	$ 5,450,472

Prepayments for lease with carrying amounts of $618,648 thousand and $630,003 thousand as of December 31, 2015 and 2014, respectively, referred to land use rights located in mainland China.

20. BORROWINGS

a. Short-term borrowings

	December 31,	
	2015	2014
Unsecured borrowings		
Line of credit borrowings	$ 17,670,878	$ 22,911,114

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

	December 31,	
	2015	2014
Short-term borrowings	0.7%-4%	0.82%-4.1%

b. Long-term borrowings

	December 31, 2015	December 31, 2014
Unsecured borrowings		
The Parent Company	$ 12,500,000	$ 12,925,000
Lite-On Mobile Pte. Ltd.	6,555,000	6,319,993
Silitech Technology Corp.	1,440,000	1,440,000
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	524,396	1,011,199
Lite-On Japan Ltd.	102,082	193,630
Five Dimension Co., Ltd	26,890	28,977
	21,148,368	21,918,799
Current portion	(4,795,064)	(8,358,016)
	16,353,304	13,560,783
Secured borrowings		
Power Innovations International Inc.	3,503	4,350
Current portion	(1,054)	(973)
	2,449	3,377
	$ 16,355,753	$ 13,564,160

1) As of December 31, 2015 and 2014, the Parent Company had 2 and 4 long-term bank loans respectively with contract terms between October 19, 2011 and September 23, 2018. The floating interest rates are (1.5789% to 1.59067% and 1.520% to 1.703% and as of December 31, 2015 and 2014, respectively) payable monthly or quarterly. These loans should be repaid in 5 or 8 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 NT$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 16 other financial institutions. The credit line was $15 billion, which was for 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 syndication 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 December 31, 2015 and 2014, the Company used $12 billion of the credit line of the above syndicated loan.

   As of December 31, 2015 and 2014, the Parent Company did not violate the financial ratio agreement stated above.

2) Lite-On Mobile Pte. Ltd., a subsidiary of the Parent Company, had a long-term, syndicated-bank loan. As of December 31, 2015 and 2014, the floating interest rates were 0.92075% to 1.4239% and 0.925% to 1.395%, respectively. The principal is repayable from April 29, 2014 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. As of December 31, 2015 and 2014, Lite-On Mobile Pte. Ltd. had used US$40 million and US$120 million, respectively, of the syndicated loan. The principal of this syndication loan should be repaid three years after April 29, 2011 in five semiannual installments with the first payment paid on April 29, 2014.

   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. As of December 31, 2015 and 2014, Lite-On Mobile Pte. Ltd. had used US$160 million and US$80 million of the syndicated loan. The principal of this syndication loan should be repaid three years after March 31, 2014 in five semiannual installments with the first payment paid on March 31, 2017.

3) 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 December 31, 2015 and 2014, Silitech had both used $1.44 billion of the syndicated loan, with an interest rate of 1.5958% to 1.5962% and 1.6786%, respectively.

   The first repayment of $480 million should be made on August 18, 2017. The remaining principal of $960 million is repayable by February 18, 2018.

4) Guangzhou Lite-On Mobile Electronic Components Co., Ltd., a subsidiary of the Parent Company, had a syndicated loan with Citibank. As of December 31, 2015 and 2014, the floating interest rates were 1.2031% and 0.880%. The principal is repayable from December 28, 2014 in five semiannual installments.

   This contract is a five-year syndicated loan of US$50 million and was signed with Citibank and 10 other financial institutions (the endorsements and guarantees were provided by the Parent Company). As of December 31, 2015 and 2014, Guangzhou Lite-On Mobile Electronic Components Co., Ltd. had used US$16 million and US$32 million of the credit line of the syndicated loan.

5) As of December 31, 2015, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 6 long-term bank loans, with contract terms from March 2011 to October 2018, with interest rate of 0.975% to 1.35% and principal repayable in trimestral installments.

   As of December 31, 2014, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 11 long-term bank loans, with contract terms from March 2011 to October 2018, with interest rate of 0.935% to 1.35% and principal repayable in trimestral installments.

6) As of December 31, 2015 and 2014, Five Dimension Co., Ltd, a subsidiary of the Parent Company, had both 3 long-term bank loans, with contract terms from March 28, 2012 to March 20, 2027, with interest rate of 0.4% to 2.375%. and principal repayable monthly installments or at lump sum on loan maturity.

7) As of December 31, 2015 and 2014, Power Innovations International Inc., a subsidiary of the Parent Company, had both a long-term secured borrowing of machinery, with contract terms from March 28, 2013 to February 28, 2019, with interest rate of 4.4%.

21. FINANCE LEASE PAYABLES

	December 31	
	2015	2014
Minimum lease payments		
Not later than one year	$ 98,508	$ 93,485
Later than one year and not later than five years	5,790	104,988
	104,298	198,473
Future finance charges	(3,399)	(11,520)
Present value of minimum lease payments	$ 100,899	$ 186,953
Present value of minimum lease payments		
Not later than one year	$ 95,501	$ 85,232
Later than one year and not later than five years	5,398	101,721
	$ 100,899	$ 186,953
Current	$ 95,501	$ 85,232
Non-current	5,398	101,721
	$ 100,899	$ 186,953
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	$ 93,390	$ 177,962
Power Innovations International Inc.	7,010	8,244
Lite-On Mobile Sweden AB	499	700
Lite-On Mobile Oyj (formerly Perlos Oyj)	-	47
	100,899	186,953
Current portion of long-term capital lease liabilities	(95,501)	(85,232)
	$ 5,398	$ 101,721

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

b. Power Innovations International Inc. leased machinery and equipment under capital 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 rate. The machinery and equipment can be bought at bargain purchase prices at the end of the lease terms.

c. Lite-On Mobile Sweden AB leased machinery and equipment under capital leases valid from January 9, 2013 to January 31, 2016. The terms of these leases were three years, with 2.36% interest rate.

d. Lite-On Mobile Oyj (formerly Perlos Oyj) leased machinery and equipment under capital leases valid from October 1, 2010 to September 30, 2015. The terms of these leases were four years, with 5.00% interest rate.

22. PROVISIONS

	December 31	
	2015	2014
Current		
Warranties	$ 1,068,810	$ 1,080,628

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 1,080,628	$ 874,502
Recognition of provisions	286,549	341,704
Usage	(301,940)	(149,273)
Effect of foreign currency exchange differences	3,573	13,695
Balance at December 31	$ 1,068,810	$ 1,080,628

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.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Parent Company and subsidiaries - Philips & Lite-On Digital Solutions Corp., Silitech Technology Corp., Lite-On Integrated Services Inc. and Lite-On Green Technologies Inc. of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Some consolidated entities, which are mainly in investments, have either very few or even no staff. These companies have no pension plans and thus do not contribute to pension funds and do not recognize pension costs.

Except for these companies, the remaining companies all contribute to pension funds and recognize pension costs based on local government regulations.

b. Defined benefit plans

The Parent Company and subsidiaries - Philips & Lite-On Digital Solutions Corp. and Silitech Technology Corp. of the Group adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Parent Company and subsidiaries - Philips & Lite-On Digital Solutions Corp. and Silitech Technology Corp. of the Group contribute amounts equal to 2% to 2.5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one

appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	$ 1,257,757	$ 1,178,095
Fair value of plan assets	(1,101,903)	(1,082,074)
Net defined benefit liability	$ 155,854	$ 96,021

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	$ 1,263,529	$ (1,043,820)	$ 219,709
Service cost			
Current service cost	17,031	-	17,031
Past service cost and gain on settlements	(6,960)	-	(6,960)
Net interest expense (income)	19,925	(20,125)	(200)
Recognized in profit or loss	29,996	(20,125)	9,871
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(9,253)	(9,253)
Actuarial loss - changes in demographic assumptions	2,557	-	2,557
Actuarial loss - changes in financial assumptions	2,118	-	2,118
Actuarial gain - experience adjustments	(22,487)	-	(22,487)
Recognized in other comprehensive income (loss)	(17,812)	(9,253)	(27,065)
Contributions from the employer	-	(27,243)	(27,243)
Benefits paid	(22,354)	16,763	(5,591)
Assets (liability) eliminated on the deconsolidation of subsidiaries	(75,112)	1,604	(73,508)
Exchange differences on foreign plans	(152)	-	(152)
Balance at December 31, 2014	$ 1,178,095	$ (1,082,074)	$ (96,021)
Balance at January 1, 2015	$ 1,178,095	$ (1,082,074)	$ 96,021
Service cost	12,544	-	12,544
Net interest expense (income)	20,308	(18,137)	1,991
Recognized in profit or loss	32,852	(18,137)	14,535
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(10,604)	(10,604)
Actuarial loss - changes in demographic assumptions	4,795	-	4,795

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Actuarial loss - changes in financial assumptions	$ 71,548	$ -	$ 71,548
Actuarial loss - experience adjustments	9,501	-	9,501
Recognized in other comprehensive income (loss)	85,844	(10,604)	75,240
Contributions from the employer	-	(21,910)	(21,910)
Benefits paid	(36,202)	31,002	(5,200)
Exchange differences on foreign plans	(2,832)	-	(2,832)
Balance at December 31, 2015	$ 1,257,757	$ (1,101,903)	$ 155,854

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate(s)	1.10%-4.375%	1.70%-4.125%
Expected rate(s) of salary increase	3.00%-4.75%	3.00%-4.75%
Mortality rate	0.253%-1.0943%	0.0253%-1.0943%
Turnover rate	0.5%-45%	1%-48%
Expected return on plan assets	1.10%-4.375%	1.70%-2.25%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2015	2014
Discount rate(s)		
0.25% increase	$ (32,514)	$ (29,014)
0.25% decrease	$ 33,759	$ 30,170
Expected rate(s) of salary increase		
0.25% increase	$ 32,481	$ 29,304
0.25% decrease	$ (31,469)	$ (28,341)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	$ 21,613	$ 23,576
The average duration of the defined benefit obligation	10.32-18.53 years	11.32-19.53 years

24. EQUITY

a. Share capital

1) Common shares

	December 31	
	2015	2014
Number of shares authorized (in thousands)	3,500,000	3,500,000
Amount of shares authorized	$ 35,000,000	$ 35,000,000
Number of shares issued and fully paid (in thousands)	2,334,928	2,341,674
Amount of shares issued	$ 23,349,283	$ 23,416,737

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

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 common 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 common 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 common 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 common shares.

As of December 31, 2015 and 2014, the outstanding marketable equity securities were 5,217 thousand units and 5,213 thousand units, representing 52,168 thousand common share and 52,127 thousand common share of the Parent Company, respectively. The rights and obligation of security holders are the same as those of common shareholders, except for voting rights. As of December 31, 2015 and 2014, the unredeemed GDRs amounted to 816 thousand units and 994 thousand units.

b. Capital surplus

The premium from shares issued in excess of par (including share premium from issuance of common shares, conversion of bonds, and merger) and donations may be used to offset a deficit; in addition, when the 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

To ensure the availability of cash for the Parent Company's present and future expansion plans and to meet shareholders' cash flow requirements, the Parent Company prefers to distribute more stock dividends. In principle, cash dividends are limited to 10% of total dividends distributed.

The Parent Company's Articles of Incorporation provide that the annual net income, less any deficit, and 10% legal reserve as well as special reserve equal to the debit balances of the shareholders' equity accounts, together with the distributable unappropriated earnings of prior years, can be retained partially on the basis of operating requirements. The remainder should be distributed as follows:

1) Bonus to employees: At least 1%.
2) Bonus to directors: 1.5% or less.
3) Others, as dividends.

If the bonus to employees is in the form of shares, it may be distributed to the employees' subsidiaries. The requirements and the method of distribution of these share bonuses are based on resolutions passed by the board of directors.

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 consequential amendments to the Company's Articles of Incorporation had been proposed by the Parent Company's board of directors on March 25, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 24, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 28 (b).

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.

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.

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 2014 and 2013 had been approved in the shareholders' meetings on June 24, 2015 and June 19, 2014, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2014	2013	2014	2013
Legal reserve	$ 646,166	$ 875,485		
Legal special reserve	182,544	-		
Reversal of special reserve	-	640,244		
Share dividends	117,084	116,381	$ 0.05	$ 0.05
Cash dividends	4,613,097	6,307,866	1.97	2.71

The appropriations of earnings for 2015 had been proposed by the Parent Company's board of directors on March 25, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 722,290	
Special reserve	166,389	
Share dividends	116,746	$0.05
Cash dividends	5,113,493	2.19

The appropriations of earnings for 2015 are subject to the resolution of the shareholders' meeting to be held on June 24, 2016.

d. Other equity items

Movements in other equity items were as follows:

	For the Year Ended December 31, 2015			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 4,125,097	$ 139,072	$ (11,989)	$ 4,252,180
Exchange differences arising on translating the financial statements of foreign operations	(881,221)	-	-	(881,221)

(Continued)

	For the Year Ended December 31, 2015			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Gain arising on changes in the fair value of available-for-sale financial assets	$ -	$ (371,318)	$ -	$ (371,318)
Reclassification to loss from disposal of available-for-sale financial assets	-	79,052	-	79,052
Gain arising on changes in the fair value of hedging instruments	-	-	11,989	11,989
Share of other comprehensive income of associates	(28,329)	480	-	(27,849)
Income tax effect	132,355	-	-	132,355
Balance at December 31	$ 3,347,902	$ (152,714)	$ -	$ 3,195,188

(Concluded)

	For the Year Ended December 31, 2014			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302
Exchange differences arising on translating the financial statements of foreign operations	1,995,848	-	-	1,995,848
Gain arising on changes in the fair value of available-for-sale financial assets	-	475,947	-	475,947
Reclassification to income from disposal of available-for-sale financial assets	-	(422,324)	-	(422,324)
Gain arising on changes in the fair value of hedging instruments	-	-	34,980	34,980
Share of other comprehensive income of associates	165,305	2,218	-	167,523

(Continued)

	For the Year Ended December 31, 2014			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
The proportionate share of other comprehensive income reclassified to profit or loss upon partial disposal of associates	$ (1,240)	$ -	$ -	$ (1,240)
Effect of deconsolidation of subsidiary (Note 30)	(13,549)	-	-	(13,549)
Income tax effect	(404,307)	-	-	(404,307)
Balance at December 31	$ 4,125,097	$ 139,072	$ (11,989)	$ 4,252,180

(Concluded)

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 Year Ended December 31	
	2015	2014
Balance at January 1	$ 4,198,430	$ 6,209,747
Attributable to non-controlling interests:		
Share of profit (loss) for the year	89,933	(783,816)
Exchange difference arising on translation of foreign entities	(50,813)	119,804
Unrealized gain (loss) on available-for-sale financial assets	(88)	233
Remeasurement on define benefit plans	323	8,785
Related income tax	(2,189)	(21,860)
Decrease in non-controlling interests	(540,514)	(1,334,463)
Balance at December 31	$ 3,695,082	$ 4,198,430

The Group recognized a decrease in non-controlling interests for the years ended December 31, 2015 and 2014 because of the attribution of cash dividends to non-controlling interests, the effect of the acquisition and deconsolidation of subsidiary and acquisition of non-controlling interests in subsidiaries.

f. Treasury shares

Unit: In Thousands of Shares

Purpose of Buyback	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at December 31
For the year ended December 31, 2015				
Shares held by subsidiaries	26,575	133	-	26,708
Shares buyback for cancellation	-	22,787	22,787	-
	26,575	22,920	22,787	26,708
For the year ended December 31, 2014				
Shares held by subsidiaries	28,118	132	1,675	26,575

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
December 31, 2015			
Lite-On Capital Inc.	15,041	$ 718,857	$ 479,049
LTC International Ltd.	6,969	297,469	221,759
Yet Foundate Ltd.	2,260	126,881	71,820
Lite-On Electronics Co., Ltd.	2,438	105,515	77,491
		$ 1,248,722	$ 850,119
December 31, 2014			
Lite-On Capital Inc.	14,966	$ 718,857	$ 544,761
LTC International Ltd.	6,935	297,469	272,328
Yet Foundate Ltd.	2,248	126,881	95,922
Lite-On Electronics Co., Ltd.	2,426	105,515	103,497
		$ 1,248,722	$ 1,016,508

On July 20, 2015, the Parent Company's Board of Directors approved the repurchase of up to 100,000 thousand shares listed on the Taiwan Stock Exchange between July 21, 2015 and September 20, 2015, with the buyback price ranging from $25.34 to $53.97. By the end of the repurchase period, the Parent Company had bought back 22,787 thousand shares for $706,679 thousand. The Parent Company has already registered with the Ministry of Economic Affairs to cancel those buy-back shares.

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.

25. REVENUE

	For the Year Ended December 31	
	2015	2014
Revenue from the sale of goods	$ 216,736,589	$ 230,418,781
Rental income from property	125,260	117,047
Solar power	66,885	96,146
	$ 216,928,734	$ 230,631,974

For segment revenue information, refer to Note 39.

26. INCOME TAX

a. Major components of tax expense (income) recognized in profit or loss

	For the Year Ended December 31	
	2015	2014
Current income tax expense (income)		
Current tax expense recognized in the current year	$ 2,456,956	$ 2,951,611
Adjustment for prior years' tax	(149,166)	(72,204)
	2,307,790	2,879,407
Deferred tax		
The origination and reversal of temporary differences	386,019	(895,493)
Investment tax credits and loss carryforward	-	86,966
	386,019	(808,527)
Income tax expense recognized in profit or loss	$ 2,693,809	$ 2,070,880

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2015	2014
Income before Income tax	$ 10,006,641	$ 7,747,872
Income tax expense calculated at the statutory rate	$ 2,523,852	$ 2,105,099
Nondeductible items in determining taxable income	439,317	857,088
Tax-exempt income	(597,222)	(220,112)
Additional income tax on unappropriated earnings	91,009	209,536
The origination and reversal of temporary differences	386,019	(808,527)
Adjustment for prior years' tax	(149,166)	(72,204)
Income tax expense recognized in profit or loss	$ 2,693,809	$ 2,070,880

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group entities based in the ROC. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
Deferred tax		
Income tax recognized in other comprehensive income (loss)		
Translation of foreign operations	$ 128,956	$ (424,538)
Remeasurement on defined benefit plans	15,604	(8,647)
Share of other comprehensive income of associates	1,222	(137)
	$ 145,782	$ (433,322)

c. Deferred income tax

The analysis of deferred income tax in the Group only assets was as follows:

	December 31	
	2015	2014
Temporary differences		
Investment accounted for using equity method	$ 1,263,354	$ 1,305,046
Unrealized loss and expense	628,295	565,528
Impairment loss on assets	351,520	325,877
Accrued warranty expense	234,193	236,222
Unrealized loss on inventories	235,390	225,978
Operating loss carryforward	110,354	112,478
Net defined benefit liability	70,007	59,309
Unrealized sales profit	39,113	40,835
Accumulated compensated absences	13,918	29,681
Others	218,654	204,512
	$ 3,164,798	$ 3,105,466

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
2015					
Temporary differences					
Investment accounted for using equity method	$ 1,305,046	$ (53,741)	$ -	$ 12,049	$ 1,263,354
Unrealized loss and expense	565,528	80,908	-	(18,141)	628,295
Impairment loss on assets	325,877	33,054	-	(7,411)	351,520
Accrued warranty expense	236,222	(2,616)	-	587	234,193
Unrealized loss on inventories	225,978	12,132	-	(2,720)	235,390
Operating loss carryforward	112,478	(2,738)	-	614	110,354
Net defined benefit liability	59,309	(5,575)	16,826	(553)	70,007
Unrealized sales profit	40,835	(2,220)	-	498	39,113
Accumulated compensated absences	29,681	(20,319)	-	4,556	13,918
Others	204,512	15,386	-	(1,244)	218,654
	$ 3,105,466	$ 54,271	$ 16,826	$ (11,765)	$ 3,164,798
2014					
Investment tax credits	$ 48,324	$ (48,324)	$ -	$ -	$ -
Temporary differences					
Investment accounted for using equity method	522,830	716,142	59,819	6,255	1,305,046
Unrealized loss and expense	475,000	89,804	-	724	565,528
Impairment loss on assets	298,231	27,425	-	221	325,877
Accrued warranty expense	262,069	(25,639)	-	(208)	236,222
Unrealized loss on inventories	151,972	73,414	-	592	225,978
Operating loss carryforward	149,223	(38,642)	-	1,897	112,478
Net defined benefit liability	39,556	28,388	(8,647)	12	59,309
Unrealized sales profit	51,236	(10,318)	-	(83)	40,835
Accumulated compensated absences	8,204	21,477	-	-	29,681
Available-for-sale financial assets	4,771	(4,771)	-	-	-
Others	193,054	11,366	-	92	204,512
	$ 2,204,470	$ 840,322	$ 51,172	$ 9,502	$ 3,105,466

The analysis of deferred income tax in the Group only liabilities was as follows:

	December 31	
	2015	2014
Temporary differences		
Investment accounted for using equity method	$ 2,905,065	$ 2,614,664
Unrealized amortization of goodwill	353,808	353,808
Land value increment tax	239,693	239,693
Others	32,998	21,627
	$ 3,531,564	$ 3,229,792

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
2015					
Temporary differences					
Investment accounted for using equity method	$ 2,614,664	$ 428,842	$ (128,956)	$ (9,485)	$ 2,905,065
Unrealized amortization of goodwill	353,808	-	-	-	353,808
Land value increment tax	239,693	-	-	-	239,693
Others	21,627	11,448	-	(77)	32,998
	$ 3,229,792	$ 440,290	$ (128,956)	$ (9,562)	$ 3,531,564

(Continued)

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
2014					
Temporary differences					
Investment accounted for using equity method	$ 2,080,163	$ 56,452	$ 484,494	$ (6,445)	$ 2,614,664
Unrealized amortization of goodwill	334,048	19,760	-	-	353,808
Land value increment tax	239,693	-	-	-	239,693
Others	67,752	(44,417)	-	(1,708)	21,627
	$ 2,721,656	$ 31,795	$ 484,494	$ (8,153)	$ 3,229,792

(Concluded)

d. As of December 31, 2015 and 2014, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to $1,103,742 thousand and $530,132 thousand, respectively.

e. Integrated income tax

	December 31	
	2015	2014
Unappropriated earnings		
Unappropriated earnings generated before January 1, 1998	$ 2,215	$ 2,215
Unappropriated earnings generated on and after January 1, 1998	13,008,858	11,430,326
	$ 13,011,073	$ 11,432,541
Imputation credits accounts	$ 1,485,076	$ 1,308,623

The estimated and actual creditable ratio for distribution of earnings of 2015 and 2014 were 11.41% and 11.18%, respectively.

According to the amendments to the Income Tax Law Article 66-6, effective on January 1, 2015, the creditable ratio for ROC resident shareholders has been halved. In addition, according to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Parent Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Parent Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

f. Income tax assessments

The tax returns of Parent Company through all years, except 2012 to 2014, have been assessed by the tax authorities. The Parent Company disagreed with the tax authorities' assessment of 2013 tax return and applied for a reexamination. Nevertheless, to be conservative, the Parent Company provided for the possible income tax.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	$ 3.11	$ 2.78
Diluted earnings per share	$ 3.07	$ 2.75

The earnings and weighted average number of common shares outstanding in the computation of earnings per share from continuing operations were as follows:

	Amounts (Numerator)	Shares (Denominator) (Thousands)	Earnings Per Share (NT$)
2015			
Basic EPS			
The net income of common shareholders	$ 7,222,899	2,320,208	$ 3.11
Effect of dilutive potential common stock			
Bonus issue to employees or employee remuneration		34,377	
Diluted EPS			
The net income of common shareholders plus the effect of potential dilutive common stock	$ 7,222,899	2,354,585	$ 3.07
2014			
Basic EPS			
The net income of common shareholders	$ 6,460,808	2,323,511	$ 2.78
Effect of dilutive potential common stock			
Bonus issue to employees or employee remuneration	-	27,413	
Diluted EPS			
The net income of common shareholders plus the effect of potential dilutive common stock	$ 6,460,808	2,350,924	$ 2.75

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 16, 2015. This adjustment caused the basic and diluted after-tax earnings per share for the year ended December 31, 2014 to decrease from $2.80 to $2.76 and from $2.78 to $2.75, respectively.

Since the Parent Company is allowed to settle 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, as 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.

28. ADDITIONAL INFORMATION ON EXPENSES

	For the Year Ended December 31	
	2015	2014
a. Depreciation and amortization		
Property, plant and equipment	$ 6,713,295	$ 7,108,539
Investment property	32,835	-
Intangible assets	534,128	568,508
	$ 7,280,258	$ 7,677,047
An analysis of deprecation by function		
Recognized in cost of revenue	$ 5,873,561	$ 6,078,049
Recognized in operating expenses	872,569	1,030,490
	$ 6,746,130	$ 7,108,539
An analysis of amortization by function		
Recognized in cost of revenue	$ 52,404	$ 69,585
Recognized in operating expenses	481,724	498,923
	$ 534,128	$ 568,508
d. Employee benefit expenses		
Post-employment benefits		
Defined contribution plans	$ 722,054	$ 591,495
Defined benefit plans (Note 23)	14,535	9,871
	736,589	601,366
Termination benefits	212,304	30,357
Other employee benefits	26,043,612	25,216,163
	$ 26,992,505	$ 25,847,886
Employee benefit expenses summarized by function		
Recognized in cost of revenue	$ 17,263,079	$ 15,912,346
Recognized in operating expenses	9,729,426	9,935,540
	$ 26,992,505	$ 25,847,886

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation and remuneration to directors at a certain percentage of net profit before income tax, employees' compensation, and remuneration to directors. The employees' compensation and remuneration to directors for the year ended December 31, 2015 have been approved by the Parent Company's board of directors on March 25, 2016 and are subject to the resolution and adoption of the amendments to the Company's Articles of Incorporation by the shareholders in their meeting to be held on June 24, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The details were as follows:

	For the Year Ended December 31, 2015	
	Cash	Share
Employees' compensation	$ 858,514	$ 163,526
Remuneration to directors	61,395	-

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

Material differences between these estimates and the amounts proposed by the board of directors on or before the financial statements are authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of bonuses to employees and remuneration to directors for 2014 and 2013, which were been approved in the shareholders' meetings on June 24, 2015 and June 19, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	$ 768,033	$ 146,292	$ 997,212	$ 189,945
Remuneration of directors	54,924	-	70,039	-

The 4,333 thousand shares for 2014 was determined by dividing the amount of share bonus approved in 2015 by the closing price of $33.76 (after considering the effect of cash and stock dividends) on the day immediately preceding the shareholders' meeting.

The 4,085 thousand shares for 2013 was determined by dividing the amount of share bonus resolved in 2014 by the closing price of $46.50 (after considering the effect of cash and stock dividends) on the day immediately preceding the shareholders' meeting.

There was no difference between the amounts of the bonus to employees and the remuneration to directors approved in the shareholders' meeting on June 24, 2015 and June 19, 2014 and the amounts recognized in the Parent Company's separate financial statements for the years ended December 31, 2014 and 2013, respectively.

Information on the bonus to employees and directors proposed by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

29. ACQUISITION OF SUBSIDIARIES

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred (Note)
LarView Technologies Corp.	Manufacture of optical instruments, general Instruments, computers and peripherals.	April 2014	83.33	$ 600,000
Power Innovations International Inc.	Development, design and manufacture of power control equipment and energy management.	June 2014	95.25	424,174
Five Dimension Co., Ltd	Development, manufacture and sale of cell phone and camera lens modules	November 2014	69.94	61,798
				$ 1,085,972

Note: Including fair value of the originally held equity of LarView Technologies Corp. at the acquisition date and fair value of non-controlling interests.

The Parent Company acquired 83.33% equity of LarView Technologies Corp. not only to upgrade its capability in the automated processing of camera modules but also to expand the market for this product. Since the Parent Company's subsidiary, Lite-On Capital Corp., already had a 16.67% equity in LarView, the Group's equity in LarView became 100% after the acquisition. To integrate its overall resources and enhance the efficiency of operations, the Parent Company had a short-form merger - in accordance with Article 19 of the Business Mergers and Acquisitions Act - with LarView Technologies Corp. on September 1, 2014. The Parent Company was the survivor entity in all of these mergers.

Lite-On Technology USA, Inc., a subsidiary of the Parent Company, acquired 95.25% equity in Power Innovations International Inc. to enhance power system projects and development of uninterruptible power system.

Lite-On Capital Corp., a subsidiary of the Parent Company, acquired 69.94% equity in Five Dimension Co., Ltd to enhance research and development capabilities in professional camera and maintain its market competiveness.

b. Considerations transferred

	LarView Technologies Corp.	Power Innovations International Inc.	Five Dimension Co., Ltd	Total
Cash	$ 500,000	$ 417,237	$ 58,604	$ 975,841
Fair value of the originally held equity of LarView Technologies Corp. at the acquisition date (recorded as available-for-sale financial assets - noncurrent)	100,000	-	-	100,000
Fair value of non-controlling interests	-	6,937	3,194	10,131
	$ 600,000	$ 424,174	$ 61,798	$ 1,085,972

c. Assets acquired and liabilities assumed at the date of acquisition

	LarView Technologies Corp.	Power Innovations International Inc.	Five Dimension Co., Ltd	Total
Current assets				
Cash and cash equivalents	$ 41,259	$ 87,390	$ 35,818	$ 164,467
Trade and other receivables	145,720	38,680	142	184,542
Inventories, net	152,159	49,644	-	201,803
Other	5,138	2,542	1,846	9,526
Non-current assets				
Property, plant and equipment	265,250	30,280	330	295,860
Investments accounted for using equity method	4,439	-	158	4,597
Intangible assets	47,205	1,093	540	48,838
Refundable deposits	1,000	1,020	1,509	3,529
Other	13,798	-	564	14,362
Current liabilities				
Short-term borrowings	(125,708)	(955)	-	(126,663)
Trade and other payables	(246,654)	(35,836)	(1,250)	(283,740)
Advances received	(14,068)	(13,990)	-	(28,058)
Current portion of long-term borrowings	-	(2,147)	(2,878)	(5,025)
Finance lease payables	-	(142)	-	(142)
Non-current liabilities				
Long-term borrowings	(58,000)	(11,542)	(26,152)	(95,694)
	$ 231,538	$ 146,037	$ 10,627	$ 388,202

d. Goodwill arising on acquisition

	LarView Technologies Corp.	Power Innovations International Inc.	Five Dimension Co., Ltd	Total
Consideration transferred	$ 600,000	$ 424,174	$ 61,798	$ 1,085,972
Less: Fair value of identifiable net assets acquired (Note)	(231,538)	(146,037)	(10,627)	(388,202)
Goodwill arising on acquisition	$ 368,462	$ 278,137	$ 51,171	$ 697,770

Note: The fair value of identifiable net assets is a provisional amount measured at the acquisition date of Power Innovations International Inc. However, the Group reduced by 65,002 thousand of the fair value of identifiable net assets and increased the amount of goodwill recognized on the acquisition in June 2014 because of the acquisition of relevant information in the second quarter of 2015.

e. Net cash outflow on acquisition of subsidiaries

	For the Year Ended December 31, 2014
Consideration paid in cash	$ 975,841
Cash and cash equivalents acquired	(164,467)
	$ 811,374

f. Impact of acquisitions on the results of the Group

The acquirees' operating results up to the acquisition date included in the consolidated statements of comprehensive income were as follows:

	For the Year Ended December 31, 2014
Revenue	
LarView Technologies Corp.	$ 556,013
Power Innovations International Inc.	211,591
Five Dimension Co., Ltd	23
	$ 767,627
Profit (loss)	
LarView Technologies Corp.	$ (265,299)
Power Innovations International Inc.	37,433
Five Dimension Co., Ltd	(2,951)
	$ (230,817)

Had these business combinations been in effect at the beginning of the reporting period, the Group's operating revenue would have been $230,514,143 thousand, and its profit would have been $7,718,208 thousand for the year ended December 31, 2014.

30. DECONSOLIDATION OF SUBSIDIARY

On March 28, 2014, the Group lost its power to govern the financial and operating policies of Logah Technology Corp. because of the loss of power to cast the majority of votes at meetings of the Board of Directors; thus, the relevant assets, liabilities and non-controlling interests had been derecognized.

a. Consideration received from the derecognition

The Company did not receive any consideration in the deconsolidation of Logah Technology Corp.

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

	March 28, 2014
Current assets	
Cash and cash equivalents	$ 902,385
Trade receivables	27,350
Inventories	1,575
Other	56,537
Non-current assets	
Property, plant and equipment	363,030
Other	17,546
Current liabilities	
Borrowings	(91,260)
Payables	(19,764)
Others	(6,281)
Non-current liabilities	
Deferred tax liabilities	(12,793)
Others	(6)
Net assets deconsolidated	$ 1,238,319

c. Gain on deconsolidation of subsidiary

	For the Year Ended December 31, 2014
Fair value of interest retained	$ 490,624
Add: Accumulated exchange differences reclassified to profit or loss after deconsolidation of subsidiary	13,549
Less: Carrying amount of interest retained	
Net assets deconsolidated	1,238,319
Non-controlling interests	(747,537)
	490,782
Less: Goodwill of deconsolidated subsidiary	5,043
Gain on deconsolidation (recorded as nonoperating income and expense - other income)	$ 8,348

d. Net cash outflow on deconsolidation of subsidiary

	For the Year Ended December 31, 2014
The balance of cash and cash equivalents deconsolidated	$ 902,385

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In January to June 2014, the Parent Company acquired an additional 0.87% equity interest in Lite-On IT Corporation, and increased its continuing interest from 99.13% to 100%.

In April 2014, the Parent Company acquired an additional 17.74% equity interest in Lite-On Automotive Corp., and increased its continuing interest from 82.26% to 100%.

The above transactions were accounted as equity transactions, since the Group did not cease to have control over these subsidiaries.

	For the Year Ended December 31, 2014		
	Lite-On Automotive Corporation	Lite-On IT Corporation	Total
Cash consideration paid	$ 808,800	$ 204,368	$ 1,013,168
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	(297,970)	(171,716)	(469,686)
Differences arising from equity transaction (reductions of unappropriated earnings)	$ 510,830	$ 32,652	$ 543,482

32. 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.

33. 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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 53,211	$ -	$ 53,211
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 55,945	$ -	$ 55,945
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 316,426	$ -	$ -	$ 316,426
Securities listed in other countries - equity securities	11,546	-	-	11,546
Unlisted securities - ROC - equity securities	-	-	83,923	83,923
Unlisted securities - other countries - equity securities	-	-	26,539	26,539
Mutual funds	-	53,178	-	53,178
Emerging market stocks	-	178,716	-	178,716
	$ 327,972	$ 231,894	$ 110,462	$ 670,328

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 13,111	$ -	$ 13,111
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 38,408	$ -	$ 38,408
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 626,191	$ -	$ -	$ 626,191
Securities listed in other countries - equity securities	11,486	-	-	11,486
Unlisted securities - ROC - equity securities	-	-	144,617	144,617
Unlisted securities - other countries - equity securities	-	-	221,811	221,811
Mutual funds	-	143,434	-	143,434
Emerging market stocks	-	178,716	-	178,716
	$ 637,677	$ 322,150	$ 366,428	$ 1,326,255

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

	Investments on Equity Instruments Unlisted Quotes
December 31, 2015	
Balance at January 1, 2015	$ 366,428
Total gains or losses	
In profit or loss	(124,667)
In other comprehensive income	1,598
Additions	33,627
Disposals	(166,524)
Balance at December 31, 2015	$ 110,462
December 31, 2014	
Balance at January 1, 2014	$ 613,534
Total gains or losses	
In profit or loss	(176,965)
In other comprehensive income	4,209
Additions	26,150
Disposals	(500)
Transfers out of Level 3	(100,000)
Balance at December 31, 2014	$ 366,428

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

Financial Instruments	Valuation Techniques and Inputs
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

	December 31	
	2015	2014
Financial assets		
Fair value through profit or loss (FVTPL)		
Derivative instruments	$ 53,211	$ 13,111
Loans and receivables (1)	117,944,438	119,503,863
Available-for-sale financial assets	670,328	1,326,255
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Derivative instruments	55,945	38,408
Derivative instruments in designated hedge accounting relationships	-	11,989
Amortized cost		
Short-term borrowings	17,670,878	22,911,114
Long-term loans (including current portion of long-term debts)	21,151,871	21,923,149
Payables (2)	80,392,074	82,697,461

1) The balances included loans and receivables measured at amortized cost, which comprise cash, 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 receivable, trade payables, and 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 and interest rate risk, including:

a) Forward foreign exchange contracts to hedge the exchange rate risk arising on the export;
b) Interest rate swaps to mitigate the risk of rising interest rates.

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.

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 37).

The Group required all its group entities to use foreign exchange forward 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 exposed to 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 Year Ended December 31	
	2015	2014
Profit or loss	$ 9,064	$ 5,267

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, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost - effective hedging strategies are applied.

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:

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets (i)	$ 28,172,474	$ 29,221,581
Financial liabilities (ii)	15,645,260	21,140,609
Cash flow interest rate risk		
Financial assets (iii)	36,787,305	35,292,046
Financial liabilities (iv)	23,278,388	23,880,607

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.

The Parent Company aims to keep borrowings at variable rates. In order to achieve this result, the Parent Company entered into interest rate swaps to hedge its exposures to changes in fair values of the borrowings. The critical terms of these interest rate swaps are similar to those of hedged borrowings. These interest rate swaps were designated as effective hedging instruments and hedge accounting is used.

The Parent Company was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings and pay-fixed/receive-floating interest rate swaps. The Parent Company's cash flow interest rate risk was mainly concentrated in the fluctuation of the average rate for 90-day notes in Taiwan's secondary market arising from the Group's New Taiwan dollars denominated borrowings.

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 year.

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2015 and 2014 would increase by $33,772 thousand and decrease $28,529 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 years ended December 31, 2015 and 2014 would increase by $32,797 thousand and $63,768 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.

December 31, 2015

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 80,392,074	$ 90,022	$ -	$ 990
Finance lease liabilities	2.36-7.11	95,501	5,398	-	-
Variable interest rate liabilities	0.4-2.375	6,975,190	16,289,583	-	13,615
Fixed interest rate liabilities	0.8565-4.4	15,491,806	48,077	4,478	-
		$ 102,954,571	$ 16,433,080	$ 4,478	$ 14,605

December 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 82,697,461	$ 79,976	$ -	$ 895
Finance lease liabilities	2.36-7.11	85,232	101,721	-	-
Variable interest rate liabilities	0.4-1.6786	10,415,998	7,691,404	5,760,000	13,205
Fixed interest rate liabilities	0.82-4.4	20,854,105	79,907	19,644	-
		$ 114,052,796	$ 7,953,008	$ 5,779,644	$ 14,100

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

December 31, 2015

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 7,387,884	$ -	$ -	$ -
Outflows	(7,410,193)	-	-	-
	(22,309)	-	-	-

(Continued)

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Currency swap contracts				
Inflows	$ 3,235,000	$ -	$ -	$ -
Outflows	(3,212,900)	-	-	
	22,100	-	-	-
	$ (209)	$ -	$ -	$ -

(Concluded)

December 31, 2014

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 8,508,990	$ -	$ -	$ -
Outflows	(8,500,136)	-	-	-
	8,854	-	-	-
Currency swap contracts				
Inflows	671,640	-	-	-
Outflows	(666,900)	-	-	-
	4,740	-	-	-
	$ 13,594	$ -	$ -	$ -

34. 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. Sales of goods

	For the Year Ended December 31	
	2015	2014
Related parties categories		
Associates	$ 177,556	$ 217,833
Other related parties	1,197	3,405
	$ 178,753	$ 221,238

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 normal.

Operating lease contracts with related parties were based on market prices and made under normal terms.

b. Purchases of goods

	For the Year Ended December 31	
	2015	2014
Related parties categories		
Associates	$ 4,796,010	$ 4,696,060
Other related parties	707,559	632,680
	$ 5,503,569	$ 5,328,740

The cost of the Group's purchases from Lite-On Semiconductor Corp. for the years ended December 31, 2015 and 2014 was based on cost plus specific profit. Except for these purchases, the purchase terms between the Group and its related parties were normal.

c. Receivables from related parties

	December 31	
	2015	2014
Related parties categories		
Trade receivable		
Associates	$ 66,243	$ 72,417
Other related parties	95	652
	$ 66,338	$ 73,069
Other receivable		
Associates	$ 10,462	$ 2,850
Other related parties	19	203
	$ 10,481	$ 3,053

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2015 and 2014, no impairment loss was recognized for trade receivables from related parties.

d. Payables to related parties

	December 31	
	2015	2014
Related parties categories		
Trade payable		
Associates	$ 575,365	$ 677,197
Other related parties	281,580	276,469
	$ 856,945	$ 953,666
Other payable		
Associates	$ 4	$ 738
Other related parties	12,937	6,003
	$ 12,941	$ 6,741

The outstanding trade payables from related parties are unsecured.

e. Operating expense

	For the Year Ended December 31	
	2015	2014
Related parties categories		
Other related parties	$ 69,011	$ 61,690

f. Other revenues

	For the Year Ended December 31	
	2015	2014
Related parties categories		
Associates	$ 5,664	$ 4,053
Other related parties	1,867	1,542
	$ 7,531	$ 5,595

g. Compensation of key management personnel

	For the Year Ended December 31	
	2015	2014
Short-term employee benefits	$ 577,154	$ 629,048
Post-employment benefits	24,453	19,054
Termination benefits	-	14,088
	$ 601,607	$ 662,190

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

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	December 31	
	2015	2014
Pledge-time deposits	$ 270,870	$ 78,688

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

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. CMP Consulting Service, Inc., KI, Inc., Aaron Wagner, The Stereo Shop, David Carney, Jr., Tina Corse, Cynthia R. Rall, Richard R. Rall, Aaron Deshaw and Don Cheung filed an antitrust group lawsuit against the Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses - with a court in California, from October 2009 to September 2010. The Parent Company has assigned lawyers in the United States as its representative in these lawsuits. In September 2015, the Parent Company has reached a settlement with the direct plaintiff group. The lawsuit with indirect plaintiff group is still in progress. The Parent Company already 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.

b. In the second quarter of 2013, the Attorney General of the State of Florida filed antitrust lawsuits against the Parent Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation and Philips & Lite-On Digital Solutions USA, Inc. - as well as other companies with related businesses with the U.S. District Court for the Northern District of California (USDC-NDC). The Parent Company assigned lawyers as its representative in these lawsuits. In the second quarter of 2014, the USDC-NDC allowed the plaintiff to proceed with the lawsuits but dismissed certain parts of 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 at this reasonably estimated amount until the settlement of this lawsuit.

c. 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. 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.

d. 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 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.

37. 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:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,084,165	32.775 (USD:NTD)	$ 35,533,506
USD	557,386	6.4766 (USD:CNY)	18,268,326
EUR	10,569	0.9154 (EUR:USD)	378,415
HKD	43,873	7.7503 (HKD:USD)	185,535
JPY	221,634	120.36 (JPY:USD)	60,351
HKD	7,184	4.2289 (HKD:NTD)	30,382
			$ 54,456,515
Non-monetary items			
Investments accounted for using equity method			
USD	1,396	32.775 (USD:NTD)	$ 45,749
Financial liabilities			
Monetary items			
USD	1,078,634	32.775 (USD:NTD)	$ 35,352,229
USD	1,013,643	6.4766 (USD:CNY)	33,222,149
EUR	1,790	7.0751 (EUR:CNY)	64,088
JPY	69,550	0.2723 (JPY:NTD)	18,938
EUR	485	35.8034 (EUR:NTD)	17,365
JPY	45,731	120.36 (JPY:USD)	12,453
			$ 68,687,222

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 993,000	31.6 (USD:NTD)	$ 31,378,797
USD	628,566	6.1866 (USD:CNY)	19,862,689
EUR	3,477	0.8229 (EUR:USD)	133,519
HKD	24,497	7.755 (HKD:USD)	99,822

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
JPY	$ 154,927	119.66 (JPY:USD)	$ 40,916
HKD	2,787	4.0748 (HKD:NTD)	11,357
			$ 51,527,100
Non-monetary items			
Investments accounted for using equity method			
USD	316	31.6 (USD:NTD)	$ 9,988
Financial liabilities			
Monetary items			
USD	1,209,762	6.1866 (USD:CNY)	$ 38,228,484
USD	989,667	31.6 (USD:NTD)	31,273,464
EUR	3,961	38.4003 (EUR:NTD)	152,112
EUR	2,807	7.518 (EUR:CNY)	107,801
JPY	114,668	119.66 (JPY:USD)	30,284
JPY	29,990	0.2641 (JPY:NTD)	7,920
			$ 69,800,065

(Concluded)

For the years ended December 31, 2015 and 2014 net foreign exchange gains was $123,658 thousand and $58,022 thousand. 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.

38. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Financing provided: Please see Table 1 attached

2) Endorsement/guarantee provided: Please see Table 2 attached

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): Please see Table 3 attached

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Please see Table 4 attached

5) Acquisition of individual real estate properties at costs of at least NT $300 million or 20% of the paid-in capital: None

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: Please see Table 5 attached

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please see Table 6 attached

9) Trading in derivative instruments: Notes 7, 9 and 33 to the financial statements

10) Names, locations, and related information of investees over which the Company exercises significant influence: Please see Table 7 attached

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. Please see Table 8 attached

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: Please see Table 9 attached

c. Intercompany relationships and significant intercompany transactions: Please see Table 9 attached

39. 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:

	Optoelectronics	Information Technologies	Storage	Mobile Mechanics and Others	Elimination	Total
2015						
Sales from external customers	$ 53,160,628	$ 105,899,693	$ 34,201,009	$ 23,667,404	$ -	$ 216,928,734
Sales among segments	1,514,501	1,724,299	14,068	609,444	(3,862,312)	-
Operating profit (loss)	1,915,800	6,886,653	2,219,191	(1,300,981)	-	9,720,663
2014						
Sales from external customers	60,958,757	103,532,918	38,760,007	$ 27,380,292	-	$ 230,631,974
Sales among segments	1,460,397	2,198,233	-	807,138	(4,465,768)	-
Operating profit (loss)	1,612,663	7,173,364	2,631,152	(3,137,528)	-	8,279,651

d. Geographic information

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2015	2014	2015	2014
Asia	$ 151,570,732	$ 167,023,169	$ 52,643,046	$ 56,486,000
America	41,682,293	39,738,424	1,109,369	530,407
Europe	23,241,976	23,035,368	567,044	413,851
Others	433,733	835,013	-	-
	$ 216,928,734	$ 230,631,974	$ 54,319,459	$ 57,430,258

The geographic information is presented by billing regions. Noncurrent assets include intangible assets, properties, plant and equipment.

e. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2015		2014	
	Amount	%	Amount	%
Customer A	$ -	-	$ 24,108,155	10.45

There is no customer representing at least 10% of gross sales for the year ended December 31, 2015.

f. 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 Year Ended December 31	
	2015	2014
Reportable segments' profit	$ 9,720,663	$ 8,279,651
Unclassified loss	(1,067,840)	(1,153,568)
Non-operating income and expenses	1,353,818	621,789
Profit before income tax	$ 10,006,641	$ 7,747,872

3) Segment profit represented the profit before tax earned by each segment without unclassified of headquarter administration costs, share of profits of associates, gain or loss on disposal of investments, dividend income, interest income, gain or loss on disposal of property, plant and equipment, exchange gain or loss, valuation gain or loss on financial instruments, finance costs, impairment loss, other expense 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.

TABLE 1

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(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	China Bridge (China) Co., Ltd.	Lite-On Opto Technology (Changzhou) Co., Ltd.	Receivables from related parties	Yes	$ 262,560	$ -	$ -	1.0465%	b	$ -	Operating capital	$ -	None	$ -	$ 1,336,475	$ 1,336,475	
2	Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-on Green Technologies (Nanjing) Corporation	Receivables from related parties	Yes	45,868	-	-	4.2%	b	-	Operating capital	-	None	-	2,904,295	2,904,295	
		Changzhou Leotek New Energy Trade Limited	Receivables from related parties	Yes	207,048	177,118	177,118	3.045%-4.2%	b	-	Operating capital	-	None	-	2,904,295	2,904,295	
3	Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Receivables from related parties	Yes	606,168	-	-	4.2%	b	-	Equipment purchase	-	None	-	4,181,385	4,181,385	
		Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	2,548,200	1,265,125	1,265,125	3.57%	b	-	Operating capital	-	None	-	4,181,385	4,181,385	
4	Lite-On Electronics (Tianjinn) Co., Ltd.	Lite-On Medical Device (Changzhou) Ltd.	Receivables from related parties	Yes	45,463	22,772	22,772	3.22%-4.2%	b	-	Operating capital	-	None	-	2,920,513	2,920,513	
		Lite-On Technology (Shanghai) Ltd.	Receivables from related parties	Yes	555,654	-	-	4.2%	b	-	Equipment purchase	-	None	-	2,920,513	2,920,513	
		Lite-On Opto Technology (Guangzhou) Ltd.	Receivables from related parties	Yes	258,810	253,025	253,025	3.57%	b	-	Operating capital	-	None	-	2,920,513	2,920,513	
5	Lite-On Power Technology (Chang Zhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Receivables from related parties	Yes	706,258	-	-	4.2%	b	-	Equipment purchase	-	None	-	770,086	770,086	
6	Lite-On Network Communication (Dongguan) Limited	Silitek Elec. (Dongguan) Co., Ltd.	Receivables from related parties	Yes	201,788	-	-	4.2%	b	-	Operating capital	-	None	-	1,199,489	1,199,489	
7	Dongguan Lite-On Computer Co., Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Receivables from related parties	Yes	51,762	50,605	50,605	3.395%-4.2%	b	-	Operating capital	-	None	-	109,967	109,967	
8	DongGuan G-Pro Computer Co., Ltd.	Silitek Elec. (Dongguan) Co., Ltd.	Receivables from related parties	Yes	258,810	-	-	3.92%	b	-	Operating capital	-	None	-	859,298	859,298	
9	Dong Guan G-Tech Computers Co., Ltd.	Lite-On Electronics (Dongguan) Co., Ltd.	Receivables from related parties	Yes	103,524	-	-	3.92%	b	-	Operating capital	-	None	-	830,594	830,594	
10	Huizhou Li Shin Electronic Co., Ltd.	Lite-On Technology (Xianging) Co., Ltd.	Receivables from related parties	Yes	51,762	-	-	4.2%	b	-	Operating capital	-	None	-	583,904	583,904	
11	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	1,294,050	1,265,125	1,265,125	4.2%	b	-	Operating capital	-	None	-	4,786,834	4,786,834	
12	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Lite-On Young Fast (Huizhou) Co., Ltd.	Receivables from related parties	Yes	126,118	-	-	5.6%	b	-	Operating capital	-	None	-	10,968,633	10,968,633	
		Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Receivables from related parties	Yes	879,954	-	-	4.2%	b	-	Operating capital	-	None	-	10,968,633	10,968,633	
13	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Receivables from related parties	Yes	51,762	50,605	50,605	3.395%-4.2%	b	-	Operating capital	-	None	-	129,736	129,736	

(Continued)

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			
14	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Receivables from related parties	Yes	$ 126,285	$ -	$ -	4.2%	b	$ -	Operating capital	$ -	None	$ -	$ 2,502,557	$ 2,502,557	
15	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile India Private Limited	Receivables from related parties	Yes	160,818	160,598	160,598	2.357%-2.446%	b	-	Operating capital	-	None	-	1,135,093	1,135,093	
16	Lite-On Mobile Pte. Ltd.	Lite-On Mobile India Private Limited	Receivables from related parties	Yes	942,951	941,659	941,659	2.107%-2.196%	b	-	Operating capital	-	None	-	569,947	569,947	
17	Lite-On China Holding Co., Ltd.	Lite-On Mobile Pte. Ltd.	Receivables from related parties	Yes	656,400	-	-	0.86%	b	-	Operating capital	-	None	-	27,133,899	27,133,899	
18	Eagle Rock Investment Ltd.	Lite-On Mobile Pte. Ltd.	Receivables from related parties	Yes	656,400	-	-	0.86%	b	-	Operating capital	-	None	-	1,497,057	1,497,057	
19	Lite-On Green Energy B.V.	Romeo Tetti PV1 S.R.L.	Receivables from related parties	Yes	123,838	38,557	38,557	2.235%	b	-	Operating capital	-	None	-	340,531	340,531	
20	Lite-On Technology (Europe) B.V.	Lite-On Green Energy B.V.	Receivables from related parties	Yes	62,634	14,321	14,321	1.00%	b	-	Operating capital	-	None	-	2,857,813	2,857,813	
21	Lite-On Capital Corporation	Lite-On Green Technologies Inc.	Receivables from related parties	Yes	115,000	-	-	1.00%	b	-	Operating capital	-	None	-	859,305	859,305	
22	Lite-On Singapore Pte. Ltd.	Lite-On China Holding Co., Ltd.	Receivables from related parties	Yes	295,380	-	-	0.86%	b	-	Operating capital	-	None	-	15,559,263	15,559,263	
		Lite-On Mobile Pte. Ltd.	Receivables from related parties	Yes	1,311,000	1,311,000	1,311,000	0.86%	b	-	Operating capital	-	None	-	15,559,263	15,559,263	
23	Lite-On Electronics (Guangzhou) Co., Ltd.	Silitek Elec. (Dongguan) Co., Ltd.	Receivables from related parties	Yes	248,925	-	-	3.745%	b	-	Operating capital	-	None	-	13,745,648	13,745,648	
		Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	1,529,100	1,518,150	-	3.22%	b	-	Operating capital	-	None	-	13,745,648	13,745,648	
24	LTC International Ltd.	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Receivables from related parties	Yes	98,460	98,325	98,325	4.08%	b	-	Operating capital	-	None	-	355,113	355,113	
25	Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Green Technologies (Nanjing) Corporation	Receivables from related parties	Yes	56,938	55,666	55,666	3.395%	b	-	Operating capital	-	None	-	586,300	586,300	
26	Li Shin Technology (Huizhou) Ltd.	Lite-On Technology (Xianging) Co., Ltd.	Receivables from related parties	Yes	75,908	75,908	75,908	3.045%	b	-	Operating capital	-	None	-	415,799	415,799	
27	China Bridge Express (Wuxi) Co., Ltd.	Changzhou Leotek New Energy Trade Limited	Receivables from related parties	Yes	151,815	-	-	3.045%	b	-	Operating capital	-	None	-	493,823	493,823	

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.

(Concluded)

TABLE 2

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 Technology (Europe) B.V.	b	$ 7,598,851	$ 140,006	$ 68,026	$ 68,026	$ -	0.09	$ 30,395,404	Yes	No	No	
		Lite-On Mobile Pte. Ltd. (Note 3)	b	7,598,851	10,064,000	7,866,000	6,555,000	-	10.35	30,395,404	Yes	No	No	
		Silitek Elec. (Dongguan) Co., Ltd.	c	7,598,851	2,490,900	2,490,900	1,311,000	-	3.28	30,395,404	Yes	No	Yes	
		Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	c	7,598,851	1,320,900	852,150	524,400	-	1.12	30,395,404	Yes	No	Yes	
1	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile Sweden AB	b	181,615	15,708	-	-	-	-	454,037	No	No	No	
		Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	c	181,615	823,091	804,693	87,718	-	1.06	454,037	No	No	Yes	
2	Lite-On Capital Corporation	Lite-On Green Technologies B.V.	c	2,148,264	864,280	839,876	839,876	-	1.11	2,148,264	No	No	No	

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

a. Business relationship.

b. A subsidiary in which the Company holds directly over 50% of equity interest.

c. An investee in which the Company and its subsidiaries hold over 50% of equity interest.

Note 2: a. 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.

b. The endorsement/guarantee limit for each entity and the total endorsement/guarantee limit are calculated on the basis of Lite-On Mobile Oyj's and Lite-On Capital Corporation's endorsement/guarantee procedures.

c. 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.

Note 3: The guarantee provided by the Parent Company to Lite-On Mobile Pte. Ltd. is for the repayment of the latter's syndicated loan obtained in December 2013.

TABLE 3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Lite-On Technology Corporation	Common stock							
	EPISTAR Corporation	Member of the board of directors	Available-for-sale financial assets - non-current	5,908	$ 150,653	0.54	$ 150,653	
	Wistron Corporation	-	〃	4,981	92,648	0.19	92,648	
	CO-TECH Development Corp.	Chairman of the board is the same person	〃	1,530	14,535	0.73	14,535	
	Com2B Corp.	-	〃	5,000	19,009	11.11	19,009	
	Avamax Corp.	-	〃	559	-	6.99	-	Note
	Aetas Technology, Inc.	Member of the board of directors	〃	4,026	-	8.07	-	Note
	AuriaSolar Co., Ltd.	-	〃	41,400	-	19.71	-	Note
	Z-Com, Inc.	-	〃	3,245	28,490	4.10	28,490	-
	Fong Han Electronics Co., Ltd.	-	〃	1,167	-	6.67	-	Note
	Xepex Electronics Co., Ltd.	-	〃	-	-	-	-	Note
	AOPEN, Inc.	-	〃	100	903	0.08	903	
	Oplink Communications, Inc.	-	〃	12	9,262	0.07	9,262	
	North America Micro-Electronic & Software, Incorporated	-	〃	5	1,154	2.67	1,154	
	Action Media Technologies, Inc.	-	〃	38	-	-	-	Note
	Taiwan Changxing Technology Co., Ltd.	-	〃	462	4,620	15.40	4,620	
	Preferred stock							
	Arkologic Holdings Limited	-	〃	11,111	-	7.66	-	Note
	PI-CORAL	-	〃	1,139	-	10.65	-	Note
	Convertible bond							
	Xepex Electronics Co., Ltd.	-	Debt investments with no active market - non-current	150	-	-	-	Note
Lite-On Capital Corporation	Common stock							
	Lite-On Technology Corporation	The Parent Company	Available-for-sale financial assets - non-current	15,041	479,049	0.64	479,049	
	Lead Data, Inc.	-	〃	865	6,095	0.59	6,095	
	Compund Solar Technology Co., Ltd.	-	〃	2,000	-	2.86	-	Note
	Z-Com, Inc.	-	〃	2,631	23,102	3.33	23,102	
	Auden Techno Corp.	Member of the board of directors	〃	8,124	178,716	19.90	178,716	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Lite-On Green Energy (HK) Limited	Common stock 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	〃	244	$ 77,491	0.10	$ 77,491	
Yet Foundate Ltd.	Share certificates Lite-On Technology Corporation GDR	〃	〃	226	71,820	0.10	71,820	
	Common stock Northen Lights Semiconductor	-	〃	3,000	-	5.91	-	Note
LTC Group Ltd. (BVI)	Common stock VIZIO, Inc.	-	〃	437	-	2.90	-	Note
LTC International Ltd.	Common stock Lite-On Technology Corporation	The Parent Company	〃	3,774	120,210	0.16	120,210	
	Share certificates Lite-On Technology Corporation GDR	〃	〃	320	101,549	0.14	101,549	
Lite-On China Holding Co., Ltd.	Common stock COMMIT Incorporated	-	〃	4,962	-	1.87	-	Note
LET (HK) Ltd.	Fund Innovation Works Development Fund, L.P.	-	〃	-	HK$ 6,152	-	HK$ 6,152	
Silitech Technology Corp.	Common stock Chi Mei Mold Co., Ltd.	Member of the board of directors	〃	1,300	$ 11,165	13.00	$ 11,165	
	RTR-TECH Technology Co., Ltd.	〃	〃	6,820	68,138	9.46	68,138	
Silitech (Bermuda) Holding Ltd.	Common stock Innovation Works Development Fund, L.P.	-	〃	-	US$ 828	-	US$ 828	
Lite-On Japan Ltd.	Common stock Tamura Corporation	-	〃	19,250	JPY 6,969	0.03	JPY 6,969	
	The Dai-ichi Life Insurance Company, Limited	-	〃	7	JPY 1,425	-	JPY 1,425	
	With Corporation	-	〃	9,000	JPY 5,400	14.20	JPY 5,400	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Lite-On Mobile Oyj (formerly: Perlos Oyj)	Common stock Kontiolahti Golf Oy	-	Available-for-sale financial assets - non-current	1	EUR 9	-	EUR 9	

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

(Concluded)

TABLE 4

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 YEAR ENDED DECEMBER 31, 2015
(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	Carrying Amount	Gain (Loss) on Disposal	Shares/Units (In Thousands)	Amount
Lite-On Singapore Pte. Ltd.	Lite-On Technology (Shanghai) Ltd.	Investment accounted for using equity method	-	-	-	$ -	-	US$ 70,412 (Note 1)	-	$ -	$ -	$ -	-	US$ 70,412
Lite-On Technology Corporation	Lite-On International Holding Co., Ltd.	〃	-	-	285,825	23,434,167	50,000	$ 2,239,074 (Note 2)	-	-	566,837 (Note 2)	-	335,825	$ 25,106,404
Lite-On International Holding Co., Ltd.	Lite-On China Holding Co., Ltd.	〃	-	-	349,442	US$ 781,049	50,000	US$ 69,239 (Note 3)	-	-	US$ 22,404 (Note 3)	-	399,442	US$ 827,884
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	〃	-	-	2,578,633	US$ 734,782	387,600	US$ 70,869 (Note 4)	-	-	US$ 21,835 (Note 4)	-	2,966,233	US$ 783,816
Lite-On Electronics Co., Ltd.	Lite-On Technology (GZ) Investment Company Ltd.	〃	-	-	-	HK$ 373,543	-	HK$ 381,110 (Note 5)	-	-	HK$ 148,838 (Note 5)	-	-	HK$ 605,815
Lite-On Technology (GZ) Investment Company Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	〃	-	-	-	$ -	-	CNY 461,665 (Note 6)	-	-	CNY121,154 (Note 6)	-	-	US$ 340,511
Silitech Technology Corp.	Allianz Global Investors Taiwan Money Market Fund	Financial instruments at fair value through profit or loss - current	-	-	-	-	61,617	$ 760,000	61,617	760,667	$ 760,000	667	-	$ -
	Yuanta De-Li Money Market Fund	〃	-	-	-	-	29,261	470,000	29,261	470,384	470,000	384	-	-
Silitech Technology (SuZhou) Co., Ltd.	Fixed Income Instruments	Debt investments with no active market - current	-	-	-	-	-	424,399 (CNY 83,810)	-	-	-	-	-	424,399 (CNY 83,810)

Note 1: The acquisition amount of US$65,000 thousand was the capital injected in the investee during the period.

Note 2: The acquisition amount of $1,555,000 thousand was the capital injected in the investee during the period; the $684,074 thousand is from the gain accounted for using equity method; the $248,776 thousand in the disposal is from the other comprehensive income for using equity method and the $318,061 thousand in the disposal is from the changes in equities for using equity method.

Note 3: The acquisition amount of US$50,000 thousand was the capital injected in the investee during the period; the US$19,239 thousand is from the gain accounted for using equity method; the US$12,250 thousand in the disposal is from the other comprehensive income for using equity method and the US$10,154 thousand in the disposal is from the changes in equities for using equity method.

Note 4: The acquisition amount of US$50,000 thousand was the capital injected in the investee during the period; the US$20,869 thousand is from the gain accounted for using equity method; the US$11,681 thousand in the disposal is from the other comprehensive income for using equity method and the US$10,154 thousand in the disposal is from the changes in equities for using equity method.

Note 5: The acquisition amount of HK$381,110 thousand was the capital injected in the investee during the period; the HK$23,390 thousand in the disposal is from the loss accounted for using equity method, the HK$44,446 thousand in the disposal is from the other comprehensive income for using equity method and the HK$81,002 thousand in the disposal is from the changes in equities for using equity method.

Note 6: The acquisition amount of CNY461,665 thousand was the capital injected in the investee during the period; the CNY26,093 thousand in the disposal is from the loss accounted for using equity method and the CNY95,061 thousand in the disposal is from the changes in equities for using equity method.

TABLE 5

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 YEAR ENDED DECEMBER 31, 2015
(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	Lite-On Trading USA, Inc.	Note 2	Sale	$ (3,295,462)	(3)	About 90 days	Cost-plus pricing	No significant difference	$ 1,082,305	3	
	Lite-On Japan Ltd.	Note 1	Sale	(861,796)	(1)	About 90 days	Cost-plus pricing	No significant difference	164,723	1	
	Philip & Lite-On Digital Solutions Corp.	Note 1	Sale	(12,810,242)	(10)	About 90 days	Cost-plus pricing	No significant difference	4,214,601	13	
	Lite-On Singapore Pte. Ltd.	Note 1	Sale	(4,697,862)	(4)	About 90 days	Cost-plus pricing	No significant difference	899,640	3	
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	Sale	(826,743)	(1)	About 90 days	Cost-plus pricing	No significant difference	304,660	1	
	Lite-On Sales & Distribution Inc.	Note 2	Sale	(128,049)	-	About 90 days	Cost-plus pricing	No significant difference	129,288	-	
	Lite-On China Holding Co., Ltd.	Note 2	Sale	(141,230)	-	About 90 days	Cost-plus pricing	No significant difference	142,250	-	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Sale	(1,163,932)	(1)	About 90 days	Cost-plus pricing	No significant difference	479,631	1	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Purchase	1,519,674	1	About 90 days	Cost-plus pricing	No significant difference	(521,929)	(2)	
	LET (HK) Ltd.	Note 1	Purchase	10,040,910	9	About 90 days	Cost-plus pricing	No significant difference	(853,098)	(3)	
	Lite-On Singapore Pte. Ltd.	Note 1	Purchase	24,766,587	22	About 90 days	Cost-plus pricing	No significant difference	(8,193,189)	(30)	
	Li Shin International Enterprise Corp.	Note 1	Purchase	3,531,460	3	About 90 days	Cost-plus pricing	No significant difference	(829,029)	(3)	
	Lite-On Overseas Trading Co., Ltd.	Note 1	Purchase	57,023,431	51	About 90 days	Cost-plus pricing	No significant difference	(8,115,555)	(30)	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Note 2	Purchase	735,033	1	About 90 days	Cost-plus pricing	No significant difference	(264,241)	(1)	
Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(7,422,514)	(96)	About 90 days	Cost-plus pricing	No significant difference	1,009,696	90	
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	Sale	(244,867)	(3)	About 90 days	Cost-plus pricing	No significant difference	101,682	9	
Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(12,605,138)	(100)	About 90 days	Cost-plus pricing	No significant difference	1,107,114	100	
Silitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(8,704,470)	(95)	About 90 days	Cost-plus pricing	No significant difference	1,199,503	90	
Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(39,788,218)	(70)	About 90 days	Cost-plus pricing	No significant difference	6,627,863	49	
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	Sale	(140,509)	-	About 90 days	Cost-plus pricing	No significant difference	-	-	
Dong Guan G-Tech Computers Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(3,054,784)	(90)	About 90 days	Cost-plus pricing	No significant difference	311,575	82	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	Sale	(265,491)	(8)	About 90 days	Cost-plus pricing	No significant difference	68,476	18	
Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(3,148,388)	(97)	About 90 days	Cost-plus pricing	No significant difference	736,127	95	
Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Electronic Co., Ltd.	Note 4	Sale	(1,483,284)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
Lite-On Singapore Pte. Ltd.	Lite-On Electronics H.K. Ltd.	Note 3	Sale	(2,059,526)	(2)	About 90 days	Cost-plus pricing	No significant difference	391,471	2	
	Lite-On Japan Ltd.	Note 3	Sale	(1,559,866)	(2)	About 90 days	Cost-plus pricing	No significant difference	536,939	2	
	Lite-On, Inc.	Note 4	Sale	(621,231)	(1)	About 90 days	Cost-plus pricing	No significant difference	136,069	1	
	Lite-On Trading USA, Inc.	Note 4	Sale	(4,725,589)	(6)	About 90 days	Cost-plus pricing	No significant difference	1,605,131	7	
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	Sale	(1,146,671)	(1)	About 90 days	Cost-plus pricing	No significant difference	500,853	2	
	Leotek Electronics USA LLC	Note 4	Sale	(1,405,437)	(2)	About 90 days	Cost-plus pricing	No significant difference	532,180	2	
	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(382,058)	-	About 90 days	Cost-plus pricing	No significant difference	643,670	3	
	Philips & Lite-On Digital Solutions USA Inc.	Note 4	Sale	(9,918,059)	(12)	About 90 days	Cost-plus pricing	No significant difference	1,449,385	6	
	Philips & Lite-On Digital Solutions Germany GmbH.	Note 4	Sale	(1,836,539)	(2)	About 90 days	Cost-plus pricing	No significant difference	291,208	1	
	Lite-On Sales & Distribution Inc.	Note 4	Sale	(570,405)	(1)	About 90 days	Cost-plus pricing	No significant difference	206,718	1	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	Sale	(206,086)	-	About 90 days	Cost-plus pricing	No significant difference	69,014	-	
Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	Note 4	Sale	(6,369,124)	(4)	About 90 days	Cost-plus pricing	No significant difference	1,770,962	5	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	Sale	(15,216,534)	(9)	About 90 days	Cost-plus pricing	No significant difference	5,355,946	14	
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 4	Sale	(11,171,663)	(6)	About 90 days	Cost-plus pricing	No significant difference	1,211,482	3	
	Silitek Elec. (Dongguan) Co., Ltd.	Note 4	Sale	(6,835,674)	(4)	About 90 days	Cost-plus pricing	No significant difference	656,886	2	
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	Sale	(1,968,661)	(1)	About 90 days	Cost-plus pricing	No significant difference	645,524	2	
	DongGuan G-Pro Computer Co., Ltd.	Note 4	Sale	(5,144,551)	(3)	About 90 days	Cost-plus pricing	No significant difference	1,298,409	4	

(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	
Lite-On Overseas Trading Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	$ (29,420,468)	(17)	About 90 days	Cost-plus pricing	No significant difference	$ 8,597,033	23	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	Sale	(41,278,205)	(24)	About 90 days	Cost-plus pricing	No significant difference	9,277,765	25	
	I-Solutions Limited	Note 4	Sale	(437,145)	-	About 90 days	Cost-plus pricing	No significant difference	154,260	-	
	Huizhou Li Shin Electronic Co., Ltd.	Note 4	Sale	(178,268)	-	About 90 days	Cost-plus pricing	No significant difference	181,261	-	
	Lite-On Semiconductor Corp.	Note 5	Purchase	536,171	-	About 90 days	Cost-plus pricing	No significant difference	(195,694)	-	
	Diodes Taiwan Inc.	Note 6	Purchase	415,916	-	About 90 days	Cost-plus pricing	No significant difference	(118,820)	-	
Lite-On Electronics Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(1,483,284)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
LET (HK) Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(9,698,066)	(28)	About 90 days	Cost-plus pricing	No significant difference	11,280	-	
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Note 4	Sale	(1,494,368)	(4)	About 90 days	Cost-plus pricing	No significant difference	691,681	10	
	Lite-On IT Opto Tech (BH) Co., Ltd.	Note 4	Sale	(12,234,874)	(35)	About 90 days	Cost-plus pricing	No significant difference	5,044,250	76	
	Auto Electric Technology (Guangzhou) Ltd.	Note 4	Sale	(232,412)	(1)	About 90 days	Cost-plus pricing	No significant difference	62,428	1	
	Lite-Space Technology Company Limited	Note 5	Purchase	3,761,826	10	About 90 days	Cost-plus pricing	No significant difference	(257,850)	(4)	
DongGuan G-Pro Computer Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(6,514,823)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
Lite-On Electronics (Tianjinn) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(1,669,705)	(100)	About 90 days	Cost-plus pricing	No significant difference	301,145	100	
Lite-On Auto Electric Technology (Guangzhou) Ltd.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Note 4	Sale	(280,499)	(36)	About 90 days	Cost-plus pricing	No significant difference	-	-	
	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(477,351)	(60)	About 90 days	Cost-plus pricing	No significant difference	36,929	84	
Lite-On IT Opto Tech (BH) Co., Ltd.	LET (HK) Ltd.	Note 3	Sale	(17,591,910)	(100)	About 90 days	Cost-plus pricing	No significant difference	1,516,402	100	
Lite-On Opto Technology (Guangzhou) Co., Ltd.	LET (HK) Ltd.	Note 3	Sale	(2,992,426)	(96)	About 90 days	Cost-plus pricing	No significant difference	646,403	94	
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Note 4	Sale	(101,562)	(3)	About 90 days	Cost-plus pricing	No significant difference	42,103	6	
Huizhou Li Shin Electronic Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(1,567,066)	(76)	About 90 days	Cost-plus pricing	No significant difference	434,320	81	
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(578,563)	(100)	About 90 days	Cost-plus pricing	No significant difference	224,556	100	
Lite-On Technology (Ying Tan) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(752,158)	(100)	About 90 days	Cost-plus pricing	No significant difference	231,985	100	
Lite-On Technology (Xianging) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(577,179)	(100)	About 90 days	Cost-plus pricing	No significant difference	103,926	100	
Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(3,189,894)	(100)	About 90 days	Cost-plus pricing	No significant difference	173,523	95	
Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(8,782,083)	(36)	About 90 days	Cost-plus pricing	No significant difference	661,207	29	
	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(13,803,594)	(57)	About 90 days	Cost-plus pricing	No significant difference	1,122,616	49	
Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd	Note 4	Sale	(132,867)	(18)	About 90 days	Cost-plus pricing	No significant difference	170,302	49	
Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(1,102,906)	(34)	About 90 days	Cost-plus pricing	No significant difference	359,621	29	
	Lite-On Technology (Shanghai) Ltd	Note 4	Sale	(174,067)	(5)	About 90 days	Cost-plus pricing	No significant difference	176,933	14	
Lite-On Technology (Shanghai) Ltd.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Note 4	Sale	(635,528)	(60)	About 90 days	Cost-plus pricing	No significant difference	44,675	12	
Lite-On Japan Ltd.	Lite-On Semiconductor Corp.	Note 5	Sale	JPY (662,058)	(4)	About 90 days	Cost-plus pricing	No significant difference	JPY 240,826	8	
	Lite-On Semiconductor Corp.	Note 5	Purchase	JPY 1,530,248	9	About 90 days	Cost-plus pricing	No significant difference	JPY (283,014)	(8)	
Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Note 4	Sale	$ (605,618)	(85)	About 90 days	Cost-plus pricing	No significant difference	$ 106,272	94	
Lite-On Mobile Pte. Ltd.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Note 4	Sale	(329,664)	(20)	About 90 days	Cost-plus pricing	No significant difference	4,984	1	
Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Note 4	Sale	(727,809)	(39)	About 90 days	Cost-plus pricing	No significant difference	14,278	24	
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	Sale	(456,762)	(9)	About 90 days	Cost-plus pricing	No significant difference	253,851	19	
	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Note 4	Sale	(102,823)	(2)	About 90 days	Cost-plus pricing	No significant difference	28,162	2	

(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	
Zhuhai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	Sale	$ (910,798)	(31)	About 90 days	Cost-plus pricing	No significant difference	$ 720,724	59	
China Bridge Express (Wuxi) Co., Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	Sale	(183,438)	(7)	About 90 days	Cost-plus pricing	No significant difference	64,932	8	
Lite-On Electronics HK Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(154,125)	(8)	About 90 days	Cost-plus pricing	No significant difference	62,177	13	
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions USA Inc.	Note 4	Sale	(1,064,375)	(8)	About 90 days	Cost-plus pricing	No significant difference	1,074,156	23	
	Philips & Lite-On Digital Solutions Germany GmbH.	Note 4	Sale	(292,809)	(2)	About 90 days	Cost-plus pricing	No significant difference	295,639	6	
Silitech Technology Corp. Ltd.	Silitech Technology Corp.	Note 3	Sale	US$ (29,397) JPY (37,885)	(70)	About 90 days	No significant difference	90-120 days	US$ 8,685 JPY 5,482	72	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	Sale	US$ (5,582)	(13)	About 90 days	No significant difference	90-120 days	US$ 328	3	
Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corp. Ltd.	Note 4	Sale	US$ (40,732) JPY (37,885)	(56)	About 90 days	No significant difference	90-120 days	US$ 12,138 JPY 5,482	70	

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: Other related parties.

(Concluded)

TABLE 6

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(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	$ -	$ 4,214,601	$ 229,265	3.68	$ -	-	$ 1,887,965	$ -
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	-	479,631	-	2.51	-	-	953	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	-	304,660	-	2.19	-	-	136,707	-
	Titanic Capital Services Ltd.	Note 2	-	-	132,038	-	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 1	-	899,640	166,969	4.34	34	-	127,044	-
	Lite-On Japan Ltd.	Note 1	-	164,723	7,847	2.79	549	-	12,238	-
	Lite-On Trading USA, Inc.	Note 2	-	1,082,305	-	3.34	-	-	486,743	-
	Lite-On Sales & Distribution Inc	Note 2	-	129,288	3,707	1.98	-	-	-	-
	Philips & Lite-On Digital Solutions USA Inc.	Note 2	-	-	100,098	2.15	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 1	-	3,575,995	2,077	0.01	-	-	1,458,232	-
	Lite-On China Holding Co., Ltd.	Note 2	-	142,250	-	0.94	-	-	142,250	-
Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,009,696	-	7.68	-	-	1,009,696	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	-	101,682	-	4.20	-	-	52,364	-
Dong Guan G-Tech Computers Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	311,575	-	9.57	-	-	311,575	-
Lite-On Electronics (Tianjinn) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	301,145	-	6.21	-	-	301,145	-
	Lite-On Opto Technology (Guangzhou) Ltd.	Note 4	-	-	257,316	-	-	-	-	-
Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,107,114	-	11.97	-	-	1,107,114	-
G&W Technology (BVI) Limited	G&W Technology Limited	Note 4	-	-	178,546	-	-	-	-	-
Silitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,199,503	15,736	5.10	-	-	1,199,503	-
Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	736,127	9,947	4.05	-	-	503,031	-
Lite-On Singapore Pte. Ltd.	Lite-On Electronics H.K. Ltd.	Note 3	-	391,471	-	5.28	-	-	17,597	-
	Lite-On Japan Ltd.	Note 3	-	536,939	1,230	3.53	-	-	88,435	-
	Lite-On Trading USA, Inc.	Note 4	-	1,605,131	122	2.93	-	-	1,088,630	-
	Lite-On Mobile Pte. Ltd.	Note 3	-	-	1,311,501	-	-	-	-	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	-	500,853	-	2.61	-	-	215,467	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	643,670	5	0.66	-	-	430,809	-
	Lite-On, Inc.	Note 4	-	136,069	1,793	4.45	29,155	-	114,142	-
	Leotek Electronics USA LLC	Note 4	-	532,180	-	2.77	-	-	-	-
	Philips & Lite-On Digital Solutions USA Inc.	Note 4	-	1,449,385	-	13.69	-	-	1,385,983	-
	Philips & Lite-On Digital Solutions Germany GmbH.	Note 4	-	291,208	3,827-	12.61	-	-	291,208	-
	Lite-On Sales & Distribution Inc.	Note 4	-	206,718	-	5.52	-	-	143,025	-

(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 Technology (Changzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	$ -	$ 661,207	$ -	18.47	$ -	-	$ 661,021	$ -
	Lite-On Singapore Pte. Ltd.	Note 3	-	1,122,616	-	14.50	-	-	1,110,882	-
	Zhuhai Lite-On Mobile Technology Co., Ltd.	Note 4	-	-	1,280,305	-	-	-	-	-
Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	173,523	-	17.64	-	-	173,523	-
	Changzhou Leotek New Energy Trade Limited	Note 4	-	-	177,252	-	-	-	-	-
Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	6,627,863	-	5.08	-	-	5,356,048	-
Huizhou Li Shin Electronic Co., Ltd.	Li-Shin International Enterprise Corp.	Note 3	-	434,320	-	4.41	-	-	434,320	-
Lite-On Technology (Ying Tan) Co., Ltd.	Li-Shin International Enterprise Corp.	Note 3	-	231,985	-	2.91	-	-	171,390	-
Lite-On Technology (Xianning) Co Ltd.	Li-Shin International Enterprise Corp.	Note 3	-	103,926	-	4.17	-	-	103,926	-
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li-Shin International Enterprise Corp.	Note 3	-	224,556	-	3.06	-	-	210,272	-
LET (HK) Ltd.	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Note 4	-	691,681	1,725	1.16	-	-	373,715	-
	Lite-On IT Opto Tech (BH) Co., Ltd.	Note 4	-	5,044,250	19,128	1.91	-	-	2,851,955	-
Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	Note 4	-	1,770,962	-	3.72	-	-	1,446,812	-
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	-	5,355,946	-	2.54	-	-	26,712	-
	Silitek Elec. (Dongguan) Co., Ltd.	Note 4	-	656,886	1,747	6.98	-	-	656,886	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 4	-	1,211,482	-	9.22	-	-	1,044,356	-
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	-	645,524	-	2.83	114,047	-	201,508	-
	I-Solutions Limited	Note 4	-	154,260	-	2.39	-	-	51,418	-
	DongGuan G-Pro Computer Co., Ltd.	Note 4	-	1,298,409	3,303	4.13	-	-	1,298,409	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	-	9,277,765	-	4.25	-	-	6,279,178	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	8,597,033	-	2.95	-	-	8,041,598	-
	Huizhou Li Shin Electronic Co., Ltd.	Note 4	-	181,261	-	1.97	-	-	74,719	-
Li-Shin International Enterprise Corp.	Huizhou Li Shin Electronic Ltd.	Note 4	-	183,563	282	-	-	-	183,563	-
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions USA Inc.	Note 4	-	1,074,156	4,070	1.98	-	-	-	-
	Philips & Lite-On Digital Solutions Germany GmbH	Note 4	-	295,639	-	1.98	-	-	-	-
Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	-	170,302	1,684	1.56	4,751	-	52,772	-
Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	359,621	193	3.61	-	-	150,768	-
	Lite-On Technology (Shanghai) Ltd.	Note 4	-	176,933	321	1.97	595	-	64,336	-
Lite-On Opto Technology (Guangzhou) Co., Ltd.	LET (HK) Ltd.	Note 3	-	646,403	-	6.52	-	-	435,794	-
Lite-On IT Opto Tech (BH) Co., Ltd.	LET (HK) Ltd.	Note 3	-	1,516,402	-	5.11	-	-	951,500	-
Silitech Technology Corp. Ltd.	Silitech (BVI) Holding Ltd.	Note 3	-	-	370,404	-	-	-	-	-
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Note 4	-	-	US$ 10,987	-	-	-	-	-

(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		
Silitech Technology Corp. Ltd.	Silitech Technology Corp.	Note 3	$ -	US$ 8,685 JPY 5,482	$ -	3.02	$ -	-	US$ 2,704 JPY 1,194	$ -
Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corp. Ltd.	Note 4	-	US$ 12,138 JPY 5,482	-	3.14	-	-	US$ 2,704 JPY 1,194	-
Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile India Private Limited	Note 4	-	$ 22,720	160,598	-	-	-	-	-
Lite-On Mobile Pte. Ltd.	Lite-On Mobile India Private Limited	Note 4	-	20,548	941,659	-	-	-	-	-
Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Guangzhou Lite-On Mobile Electronic Components Co. Ltd.	Note 4	-	106,272	-	11.40	-	-	106,272	-
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	-	253,851	-	3.60	-	-	176,291	-
Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Note 4	-	-	1,318,408	-	-	-	-	-
Zhuhai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	-	720,724	-	2.53	-	-	462,597	-

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 7

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 December 31, 2015			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2015	December 31, 2014	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Technology Corporation	Silitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	$ 324,685	$ 324,685	60,757	33.87	$ 1,487,387	$ 145,977	$ 48,123	Subsidiary
	Lite-On Integrated Service Inc.	Taipei City, Taiwan	Information outsourcing and system integrate	25,886	25,886	3,400	100.00	46,323	6,156	6,156	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	1,047,765	27,222	7,190	Associate
	Logah Technology Corp.	Kaohsiung, Taiwan	Development, manufacture and sale of LCD TV inverters	402,787	402,787	31,683	28.10	245,119	(211,123)	(58,772)	Associate
	Lite-On Capital Corporation	Taipei City, Taiwan	Investment activities	4,096,367	4,096,367	209,545	100.00	1,598,494	119,625	90,142	Subsidiary
	Lite-On Electronics H.K. Ltd.	Hong Kong	Sale of LED optical products	7,339,481	7,339,481	17,865	100.00	11,231,033	HK$ 263,289	1,083,435	Subsidiary
	Lite-On Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sale of LED optical products	529,106	529,106	5,030	100.00	1,304,188	THB 127,107	117,040	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	248,305	253,111	6,162	49.49	358,234	JPY 136,647	17,732	Subsidiary
	Lite-On International Holding Co., Ltd.	British Virgin Islands	Investment activities	US$ 335,825	US$ 285,825	335,825	100.00	25,106,404	US$ 19,424	684,074	Subsidiary
	LTC Group Ltd.	British Virgin Islands	Investment activities	$ 1,380,308	$ 1,380,308	41,916	100.00	592,312	US$ 7,000	204,426	Subsidiary
	Lite-On Technology USA, Inc.	USA	Investment activities	US$ 55,172	US$ 50,407	436	100.00	2,359,141	US$ 3,972	47,345	Subsidiary
	Lite-On Electronics (Europe) Ltd.	United Kingdom	Manufacture and sale of power supplies	$ 44,559	$ 44,559	300	100.00	53,011	GBP 118	5,670	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales service	2,543,184	2,543,184	331	54.00	311,079	EUR 3,796	71,041	Subsidiary
	Lite-On Overseas Trading Co., Ltd.	British Virgin Islands	Merchandising business	168,947	168,947	5,143	100.00	242,239	US$ (1,509)	(51,924)	Subsidiary
	Lite-On Singapore Pte. Ltd.	Singapore	Manufacture and supply computer peripheral products	US$ 63,788	US$ 63,788	51,777	100.00	15,338,196	US$ 108,286	3,652,054	Subsidiary
	Lite-On Vietnam Co., Ltd.	Vietnam	Electronic contract manufacturing	US$ 3,000	US$ 3,000	-	100.00	70,420	US$ (246)	(7,975)	Subsidiary
	Lite-On Mobile Pte. Ltd.	Singapore	Manufacture and sale of mobile phone modules and design for assembly line	EUR 250,329	EUR 250,329	178,178	100.00	8,790,237	US$ (36,450)	(1,118,948)	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	(67,845)	US$ 7	232	Subsidiary
	Eagle Rock Investment Ltd.	British Virgin Islands	Import and export business and investment activities	341	341	10	100.00	1,410,738	US$ (11,442)	(373,069)	Subsidiary
	Lite-On Semiconductor Corp.	New Taipei City, Taiwan	Manufacture of image sensor and rectifier	773,618	773,618	57,204	18.52	1,544,501	$ 476,872	90,538	Associate
	Canfield Ltd.	Apia, Samoa	Import and export business and investment activities	7,142	7,142	200	33.33	4,713	US$ 5	26	Associate
	High Yield Group Co., Ltd.	British Virgin Islands	Holding company	2,271,806	2,271,806	68,138	100.00	5,305,483	US$ 16,622	113,434	Subsidiary
	Lite-On Information Technology B.V.	Netherlands	Market research and customer service	1,597,319	1,597,319	11,018	100.00	18,056	EUR (15)	(812)	Subsidiary
	Philip & Lite-On Digital Solutions Corp.	Taiwan	Sale of optical disc drives	267,113	267,113	17,150	49.00	337,073	$ 51,483	25,227	Subsidiary
	Lite-On IT Singapore Pte. Ltd.	Singapore	Sale of optical disc drives	-	2,872	-	-	-	-	-	Subsidiary (Note 1)
	Lite-Space Technology Company Limited	Hong Kong	Sale of computer components	149,968	149,968	5,100	39.23	41,036	US$ 3,483	42,924	Associate
	LET (HK) Ltd.	Hong Kong	Sale of optical disc drives	42	42	10	100.00	(285,689)	HK$ 3,769	131,347	Subsidiary
	Leotek Electronics Holding Limited	Hong Kong	Holding company	US$ 1,010	US$ 1,010	25,000	100.00	9,668	HK$ (2,471)	(9,913)	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	43,143	EUR (2)	(86)	Subsidiary
	Lite-On Automotive North America Inc.	USA	Sale of automotive parts and other electronic products	US$ -	US$ 600	-	-	-	US$ (6)	(195)	Subsidiary (Note 2)
	Lite-On Automotive Service USA Inc.	USA	Sale of automotive parts and other electronic products	US$ 60	US$ 60	1	100.00	12,908	US$ (16)	(533)	Subsidiary
	Lite-On Automotive International (Cayman) Co., Ltd.	Cayman	Investment activities	US$ 100,626	US$ 100,626	11,967	100.00	1,897,276	US$ 8,222	274,316	Subsidiary
	Lar View Technologies Corp. (Samoa)	Samoa	Investment activities	US$ -	US$ 200	-	-	-	US$ (1)	(46)	Subsidiary (Note 3)
	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$ -	-	99.00	(59,097)	MXN (22,049)	(42,481)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2015			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2015	December 31, 2014	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Capital Corporation	Silitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	$ 115,572	$ 115,572	1,153	0.64	$ 109,680	$ 145,977	$ -	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	258,199	74,352	-	Subsidiary
	Lite-On Green Energy (HK) Limited	Hong Kong	Investment activities	US$ 3,000	US$ 3,000	3,000	100.00	3,834	US$ (1,510)	-	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales service	$ 2,126,479	$ 2,126,479	282	46.00	263,143	EUR 3,796	-	Subsidiary
	Lite-On Semiconductor Corp.	New Taipei City, Taiwan	Manufacture of image sensor and rectifier	-	-	6,486	2.10	203,653	$ 476,872	-	Associate
	Lite-On Green Energy (Singapore) Pte. Ltd.	Singapore	Investment activities	440,974	440,974	11,150	100.00	318,730	EUR 26	-	Subsidiary
	Logah Technology Corp.	Kaohsiung, Taiwan	Development, manufacture and sale of LCD TV inverters	74,538	89,694	4,141	3.67	32,037	$ (211,123)	-	Associate
	Five Dimension Co., Ltd.	Japan	Development, manufacture and sale of cell phone and camera lens modules	JPY 23,340	JPY 23,340	11	69.94	38,187	JPY (107,189)	-	Subsidiary
Lite-On Green Technologies Inc.	Lite-On Green Technologies B.V.	Netherlands	Solar energy engineering	EUR 16,020	EUR 16,020	30	100.00	215,236	EUR (356)	-	Subsidiary
	Lite-On Green Technologies (HK) Limited	Hong Kong	Solar energy engineering	US$ 760	US$ 760	4,000	100.00	(59,373)	US$ (599)	-	Subsidiary
Lite-On Green Energy (Singapore) Pte. Ltd.	Lite-On Green Energy B.V.	Netherlands	Investment activities	EUR 11,000	EUR 11,000	100	100.00	EUR 8,938	EUR (174)	-	Subsidiary
	Lite-On Green Energy Kaiserslautern GmbH	Oldenburg, Germany	Solar energy engineering	EUR -	EUR 25	-	-	EUR -	EUR -	-	Subsidiary (Note 4)
Lite-On Green Technologies B.V.	Kompaktsolar GmbH	Berlin, Germany	Solar energy engineering	EUR 401	EUR 401	51	51.00	EUR -	EUR -	-	Associate
Lite-On Green Energy B.V.	Romeo Tetti PV1 S.R.L	Italy	Solar energy engineering	EUR 9,847	EUR 9,847	-	100.00	EUR 8,317	EUR (13)	-	Subsidiary
	Lite-On Green Energy S.R.L	Italy	Solar energy engineering	EUR 60	EUR 60	10	100.00	EUR 2	EUR (17)	-	Subsidiary
China Bridge (China) Co., Ltd.	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 72,256	CNY 4,308	-	Subsidiary
	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 97,584	CNY 413	-	Subsidiary
Lite-On Electronics (Jiangsu) Co., Ltd.	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 467,038	-	100.00	CNY 826,279	CNY 61,895	-	Subsidiary
	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 501,659	CNY 4,308	-	Subsidiary
	Lite-On Medical Device (Changzhou) Ltd.	Changzhou, China	Manufacture and sale of medical equipment	CNY 30,640	CNY -	-	100.00	CNY 28,444	CNY (2,095)	-	Subsidiary
Lite-On Automotive International (Cayman) Co., Ltd.	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Hong Kong	Investment activities	HK$ 41,384	HK$ 41,384	100,626	100.00	US$ 62,003	HK$ 63,844	-	Subsidiary
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$ 4,721	US$ 530	-	Subsidiary
	Lite-On Trading USA, Inc.	California USA	Sale of optical products	US$ 31,500	US$ 31,500	315	100.00	US$ 32,454	US$ 840	-	Subsidiary
	Lite-On Service USA, Inc.	California USA	After-sales service of optical products	US$ 1,000	US$ 1,000	10	100.00	US$ 1,087	US$ 9	-	Subsidiary
	Leotek Electronics USA LLC.	USA	Sale of LED products	US$ 5,792	US$ 5,792	-	100.00	US$ 8,270	US$ 1,257	-	Subsidiary
	Power Innovations International, Inc.	USA	Development, design and manufacture of power control and energy management	US$ 15,756	US$ 13,716	12,916	95.25	US$ 17,731	US$ 1,110	-	Subsidiary
	Lite-On Sales & Distribution Inc.	USA	Sale of optical disc drives	US$ 4,765	US$ -	1	100.00	US$ 5,084	US$ 319	-	Subsidiary (Note 5)
	Lite-On Technology Service, Inc.	USA	After-sales service of optical products	US$ 1,500	US$ -	1	100.00	US$ 1,536	US$ 36	-	Subsidiary
Lite-On International Holding Co., Ltd.	Ze Poly Pte. Ltd.	Singapore	Manufacture and sale of thin-film solar cell	-	US$ 7,700	-	-	-	-	-	Subsidiary (Note 6)
	Lite-On China Holding Co., Ltd.	British Virgin Islands	Manufacture and sale of computer cases	US$ 399,441	US$ 349,441	399,442	100.00	US$ 827,884	US$ 19,239	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2015			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2015	December 31, 2014	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
LTC Group Ltd.	Titanic Capital Services Ltd.	British Virgin Islands	Investment activities	$ 810,662	$ 810,662	17,655	100.00	US$ 10,240	US$ 5,512	$ -	Subsidiary
	LTC International Ltd.	British Virgin Islands	Manufacture and sale of system products	485,514	485,514	15,120	100.00	US$ 10,835	US$ 355	-	Subsidiary
Lite-On Technology (Europe) B.V.	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 12,978	EUR 3,720	-	Subsidiary
Lite-On Singapore Pte. Ltd.	LiteStar JV Holding (BVI) Co., Ltd.	British Virgin Islands	Investment activities	US$ 27,000	US$ 27,000	2	20.19	US$ 27,247	$ 172,933	-	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$ -	-	1.00	US$ 31	MXN (22,049)	-	Subsidiary
Lite-On Technology (Shanghai) Ltd.	Lite-On Intelligent Technology (Yencheng) 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 -	-	100.00	CNY 22,094	CNY 2,667	-	Subsidiary
Lite-On (Finland) Oy	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Finland	Manufacture and sale of mobile phone modules and design for assembly line	EUR 196,618	EUR 196,618	52,937	100.00	EUR 12,687	EUR 4,172	-	Subsidiary
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	Hong Kong	Investment activities	US$ 360,760	US$ 310,760	2,966,233	100.00	US$ 783,816	HK$ 161,809	-	Subsidiary
	Yet Foundate Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	CNY 73,220	CNY 73,220	68,430	100.00	US$ 18,140	CNY 14,312	-	Subsidiary
	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$ 13,513	HK$ 3,719	-	Subsidiary
	G&W Technology (BVI) Limited	British Virgin Islands	Real estate management	US$ 3,900	US$ 3,900	3,900	50.00	US$ 3,983	US$ 175	-	Subsidiary
G&W Technology (BVI) Limited	G&W Technology Limited	Hong Kong	Leasing business	US$ 65	US$ 65	500	100.00	US$ 788	US$ 272	-	Subsidiary
High Yield Group Co., Ltd.	Lite-On IT International (HK) Ltd.	Hong Kong	Sale of optical disc drives	US$ 102,400	US$ 102,400	102,400	100.00	US$ 211,250	US$ 16,629	-	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 39	EUR 1	-	Subsidiary
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions Germany GmbH	Germany	Development and sale of modules of automotive recorders	$ 1,326,996	$ 1,326,996	-	100.00	$ 875,935	EUR (1,446)	-	Subsidiary
	Philips & Lite-On Digital Solutions USA Inc.	USA	Sale of optical disc drives	33	33	1	100.00	229,568	US$ 694	-	Subsidiary
	Philips & Lite-On Digital Solutions Korea Ltd.	South Korea	Sale of optical disc drives	15,376	15,376	18	100.00	32,214	KRW 42,424	-	Subsidiary
	Philips & Lite-On Digital Solutions Netherlands B.V.	Netherlands	Sale and design of optical disc drives	381,221	381,221	15	100.00	47,397	EUR 21	-	Subsidiary
Five Dimension Co., Ltd.	FiiDi Optical Co., Ltd.	Taipei City, Taiwan	Wholesale of precision modules	-	420,000	-	-	JPY -	$ -	-	Subsidiary (Note 7)
Silitech Technology Corp.	Silitech (BVI) Holding Ltd.	British Virgin Islands	Investment activities	US$ 95,182	US$ 95,182	95,182	100.00	$ 3,811,632	US$ 5,789	-	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	JPY 197,040	JPY 199,981	980	7.87	71,595	JPY 136,647	-	Subsidiary
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Bermuda	Investment activities	US$ 95,132	US$ 95,132	95,132	100.00	US$ 113,562	US$ 5,566	-	Subsidiary
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	US$ 8,000	US$ 8,000	62,400	100.00	US$ 34,832	CNY 6,973	-	Subsidiary
	Silitech Technology Corp. Sdn. Bhd.	Malaysia	Manufacture of computer peripheral products	US$ 5,632	US$ 5,632	21,400	100.00	US$ 10,867	MYR 12,748	-	Subsidiary
	Silitech (Hong Kong) Holding Ltd.	Hong Kong	Investment activities	US$ 77,200	US$ 77,200	77,200	100.00	US$ 59,079	CNY 4,633	-	Subsidiary
	Silitech International (India) Private Limited	India	Development, manufacture and sale of automotive parts	US$ 3,002	US$ 3,002	4,173	100.00	US$ 1,404	INR 2,627	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2015			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2015	December 31, 2014	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Japan Ltd.	Lite-On Japan (S) Pte. Ltd.	Singapore	Import and export business of electronic components	JPY 68,811	JPY 68,811	988	100.00	JPY 68,811	JPY (7,407)	$ -	Subsidiary (Note 8)
	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 118,901	-	Subsidiary (Note 8)
	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 51,534	-	Subsidiary (Note 8)
	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 8)
	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 70,576	-	Subsidiary (Notes 8 and 9)
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 29,215	-	Subsidiary (Note 8)
Lite-On Mobile Oyj (formerly: Perlos 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 291	SEK 585	-	Subsidiary
	Lite-On Mobile Indústria 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	3.14	EUR 234	BRL (25,231)	-	Subsidiary
Lite-On Mobile Pte. Ltd.	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	US$ 104,702	US$ 97,802	200,490	96.86	US$ 8,150	BRL (25,231)	-	Subsidiary
	Perlos 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$ 3,796	EUR 83	-	Subsidiary
	Lite-On Mobile India Private Limited.	India	Manufacture and sale of mobile phone modules and design for assembly line	US$ 18,508	US$ 18,508	59,095	100.00	US$ (9,652)	INR (1,399,984)	-	Subsidiary
	Lite-On Young Fast Pte. Ltd.	Singapore	Investment activities	US$ 7,864	US$ 7,864	10	100.00	US$ 3,507	US$ 1,002	-	Subsidiary
	Yamada-Lom 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$ (44)	BRL (815)	-	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 27,045	CNY 7,178	-	Subsidiary

Note 1: Lite-On IT Singapore Pte. Ltd. was dissolved after merging with Lite-On Singapore Pte. in January 2015.

Note 2: Lite-On Automotive North America Inc. was dissolved after liquidation in May 2015.

Note 3: Lar View Technologies Corp. (Samoa) was dissolved after liquidation in November 2015.

Note 4: Lite-On Green Energy Kaiserslautern GmbH was dissolved after liquidation in September 2015.

Note 5: The Group reorganized its structure and Lite-On Sales & Distribution Inc. became directly held by Lite-On Technology USA, Inc.

Note 6: Ze Poly Pte. Ltd. was dissolved after liquidation in September 2015.

Note 7: FiiDi Optical Co., Ltd. was dissolved after liquidation in April 2015.

Note 8: Investment income/losses and adjustment for changes in equities for using equity method recognized by Lite-On Japan Ltd.

Note 9: The Group reorganized its structure and Lite-On Japan (Thailand) Co., Ltd. became directly held by Lite-On Japan Ltd.

Note 10: Please refer to Table 8 for information on investment in Mainland China.

(Concluded)

TABLE 8

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 Taiwan as of January 1, 2015	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	$ 537,510 (US$ 16,400)	Note 1	$ 933,071 (US$ 28,469)	$ -	$ -	$ 933,071 (US$ 28,469)	$ (14,656) (CNY -2,898)	100.00	$ (14,656) (CNY -2,898)	$ 495,741 (HK$ 117,227)	$ -	
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	747,303 (US$ 22,801)	Note 1	747,303 (US$ 22,801)	-	-	747,303 (US$ 22,801)	200,336 (CNY 39,614)	100.00	200,336 (CNY 39,614)	892,903 (HK$ 211,143)	-	
	Lite-On Electronics (Tianjinn) Co., Ltd.	ODM services	2,179,538 (US$ 66,500)	Note 1	2,179,472 (US$ 66,498)	-	-	2,179,472 (US$ 66,498)	213,459 (CNY 42,209)	100.00	213,459 (CNY 42,209)	2,981,831 (HK$ 705,108)	-	
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	1,160,235 (US$ 35,400)	Note 1	1,160,235 (US$ 35,400)	-	-	1,160,235 (US$ 35,400)	80,212 (CNY 15,861)	100.00	80,212 (CNY 15,861)	1,236,129 (HK$ 292,305)	-	
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	157,320 (US$ 4,800)	Note 1	157,320 (US$ 4,800)	-	-	157,320 (US$ 4,800)	186,080 (CNY 36,795)	100.00	186,080 (CNY 36,795)	1,482,132 (HK$ 350,477)	-	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	1,199,565 (US$ 36,600)	Note 1	1,199,565 (US$ 36,600)	-	-	1,199,565 (US$ 36,600)	629,353 (CNY 124,447)	100.00	629,353 (CNY 124,447)	14,396,711 (HK$ 3,404,363)	-	Note 3
	China Bridge (China) Co., Ltd.	Investment, sales agent	974,892 (US$ 29,745)	Note 1	974,892 (US$ 29,745)	-	-	974,892 (US$ 29,745)	(80,617) (CNY -15,941)	100.00	(80,617) (CNY -15,941)	1,375,725 (HK$ 325,315)	-	
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	464,422 (US$ 14,170)	Note 1	464,422 (US$ 14,170)	-	-	464,422 (US$ 14,170)	240,333 (CNY 47,523)	100.00	240,333 (CNY 47,523)	1,208,209 (HK$ 285,703)	-	
	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	804,954 (US$ 24,560)	Note 1	804,954 (US$ 24,560)	-	-	804,954 (US$ 24,560)	-	100.00	-	-	-	Note 3
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	376,913 (US$ 11,500)	Note 1	376,913 (US$ 11,500)	-	-	376,913 (US$ 11,500)	86,402 (CNY 17,085)	100.00	86,402 (CNY 17,085)	744,379 (HK$ 176,022)	-	
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer case	1,088,130 (US$ 33,200)	Note 1	1,088,130 (US$ 33,200)	-	-	1,088,130 (US$ 33,200)	-	100.00	-	-	-	Note 3
	COMMIT Incorporated	Manufacture and sale of application software and multimedia product design	1,051,619 (US$ 32,086)	Note 1	19,665 (US$ 600)	-	-	19,665 (US$ 600)	-	1.87	-	-	-	
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	518,173 (US$ 15,810)	Note 1	518,173 (US$ 15,810)	-	-	518,173 (US$ 15,810)	-	100.00	-	-	-	Note 3
	Lite-On (Guangzhou) Infortech Co., Ltd.	Information outsourcing	41,624 (US$ 1,270)	Note 1	76,825 (US$ 2,344)	-	-	76,825 (US$ 2,344)	7,131 (CNY 1,410)	100.00	7,131 (CNY 1,410)	178,967 (HK$ 42,320)	-	
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	596,505 (US$ 18,200)	Note 1	399,855 (US$ 12,200)	-	-	399,855 (US$ 12,200)	-	100.00	-	-	-	Note 3
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	98,325 (US$ 3,000)	Note 1	98,325 (US$ 3,000)	-	-	98,325 (US$ 3,000)	4,516 (CNY 893)	100.00	4,516 (CNY 893)	95,704 (HK$ 22,631)	-	
	Lite-On Power Technology (Chang Zhou) Co., Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	551,276 (US$ 16,820)	Note 1	589,426 (US$ 17,984)	-	-	589,426 (US$ 17,984)	24,391 (CNY 4,823)	100.00	24,391 (CNY 4,823)	-	-	
	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	393,300 (US$ 12,000)	Note 1	437,087 (US$ 13,336)	-	-	437,087 (US$ 13,336)	15,455 (CNY 3,056)	100.00	15,455 (CNY 3,056)	367,445 (HK$ 86,889)	-	
	Lite-On Technology (Xianging) Co., Ltd.	Manufacture and sale of electronic components	213,038 (US$ 6,500)	Note 1	213,038 (US$ 6,500)	-	-	213,038 (US$ 6,500)	(41,201) (CNY -8,147)	100.00	(41,201) (CNY -8,147)	140,998 (US$ 4,302)	-	
	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	4,949,025 (US$ 151,000)	Note 1	4,785,150 (US$ 146,000)	163,875 (US$ 5,000)	-	4,949,025 (US$ 151,000)	317,754 (CNY 62,832)	100.00	317,754 (CNY 62,832)	8,020,151 (HK$ 1,896,510)	-	
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	983,250 (US$ 30,000)	Note 1	983,250 (US$ 30,000)	1,638,750 (US$ 50,000)	-	2,622,000 (US$ 80,000)	(92,122) (CNY -18,216)	100.00	(92,122) (CNY -18,216)	2,561,931 (HK$ 605,815)	-	
	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of electronic components	360,525 (US$ 11,000)	Note 1	360,525 (US$ 11,000)	-	-	360,525 (US$ 11,000)	22,231 (CNY 4,396)	100.00	22,231 (CNY 4,396)	444,265 (US$ 13,555)	-	
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	523,482 (US$ 15,972)	Note 1	523,482 (US$ 15,972)	-	-	523,482 (US$ 15,972)	(165,552) (CNY -32,736)	100.00	(165,552) (CNY -32,736)	836,163 (HK$ 197,726)	-	

(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, 2015	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	$ 524,400 (US$ 16,000)	Note 1	$ 1,716,230 (US$ 52,364)	$ -	$ -	$ 1,716,230 (US$ 52,364)	$ (508,233) (CNY -100,497)	100.00	$ (508,233) (CNY -100,497)	$ 1,182,522 (US$ 36,080)	$ -	
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	641,407 (US$ 19,570)	Note 1	2,970,300 (US$ 90,627)	-	-	2,970,300 (US$ 90,627)	74,270 (CNY 14,686)	100.00	74,270 (CNY 14,686)	1,911,897 (US$ 58,334)	-	
	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	1,314,278 (US$ 40,100)	Note 1	3,780,662 (US$ 115,352)	-	-	3,780,662 (US$ 115,352)	78,179 (CNY 15,459)	100.00	78,179 (CNY 15,459)	4,387,009 (US$ 133,852)	-	
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	270,650 (HK$ 64,000)	Note 1	427,746 (US$ 13,051)	-	-	427,746 (US$ 13,051)	(5,770) (CNY -1,141)	100.00	(5,770) (CNY -1,141)	489,331 (US$ 14,930)	-	
	Zhuhai Lite-On Mobile Technology Company Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	609,681 (US$ 18,602)	Note 1	508,963 (US$ 15,529)	-	-	508,963 (US$ 15,529)	(144,955) (CNY -28,663)	100.00	(144,955) (CNY -28,663)	1,723,156 (CNY 340,511)	-	Note 4
	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	327,750 (US$ 10,000)	Note 1	213,038 (US$ 6,500)	-	-	213,038 (US$ 6,500)	30,262 (CNY 5,984)	100.00	30,262 (CNY 5,984)	(18,911) (US$ -577)	-	
	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	24,581 (US$ 750)	Note 1	24,581 (US$ 750)	-	-	24,581 (US$ 750)	(18,843) (CNY -3,726)	100.00	(18,843) (CNY -3,726)	(65,124) (US$ -1,987)	-	
	Changzhou Binhu Thin Film Solar Greenhouse Co., Ltd.	Manufacture and sale of solar energy engineering	303,377 (CNY 59,950)	Note 1	98,227 (US$ 2,997)	-	-	98,227 (US$ 2,997)	-	19.90	-	4,589 (US$ 140)	-	
	Epricrystal (Changzhou) Co., Ltd.	Manufacture, design and sale of light-emitting diode products	4,588,500 (US$ 140,000)	Note 1	884,925 (US$ 27,000)	-	-	884,925 (US$ 27,000)	184,042 (CNY 36,392)	22.40	41,231 (CNY 8,153)	957,158 (CNY 189,143)	-	
	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	65,550 (US$ 2,000)	Note 1	65,550 (US$ 2,000)	-	-	65,550 (US$ 2,000)	57,738 (CNY 11,417)	100.00	57,738 (CNY 11,417)	106,589 (CNY 21,063)	-	
	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	206,728 (US$ 6,308)	Note 1	133,361 (US$ 4,069)	-	-	133,361 (US$ 4,069)	36,194 (CNY 7,157)	100.00	36,194 (CNY 7,157)	629,411 (US$ 19,204)	-	
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	31,748 (US$ 969)	Note 1	2,130 (US$ 65)	-	-	2,130 (US$ 65)	3,677 (CNY 727)	100.00	3,677 (CNY 727)	67,320 (US$ 2,054)	-	
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	196,650 (US$ 6,000)	Note 1	-	-	-	-	5,871 (CNY 1,161)	100.00	5,871 (CNY 1,161)	451,934 (US$ 13,789)	-	
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	1,409,325 (US$ 43,000)	Note 1	1,409,325 (US$ 43,000)	-	-	1,409,325 (US$ 43,000)	(118,723) (CNY -23,476)	100.00	(118,723) (CNY -23,476)	2,722,980 (US$ 83,081)	-	
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	65,550 (US$ 2,000)	Note 1	65,550 (US$ 2,000)	-	-	65,550 (US$ 2,000)	4,410 (CNY 872)	100.00	4,410 (CNY 872)	141,719 (US$ 4,324)	-	
	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	1,802,625 (US$ 55,000)	Note 1	1,802,625 (US$ 55,000)	-	-	1,802,625 (US$ 55,000)	636,241 (CNY 125,809)	100.00	636,241 (CNY 125,809)	4,003,565 (US$ 122,153)	-	
	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	163,875 (US$ 5,000)	Note 1	163,875 (US$ 5,000)	-	-	163,875 (US$ 5,000)	110,070 (CNY 21,765)	100.00	110,070 (CNY 21,765)	635,959 (HK$ 150,384)	-	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	203,205 (US$ 6,200)	Note 1	192,389 (US$ 5,870)	-	-	192,389 (US$ 5,870)	149,648 (CNY 29,591)	100.00	149,648 (CNY 29,591)	1,395,359 (HK$ 329,958)	-	
	Changzhou Leotek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	32,775 (US$ 1,000)	Note 1	32,775 (US$ 1,000)	-	-	32,775 (US$ 1,000)	(15,055) (CNY -2,977)	100.00	(15,055) (CNY -2,977)	14,458 (CNY 2,857)	-	
	LarView Technologies Corp. (Shenzhen)	Camera modules	6,555 (US$ 200)	Note 1	6,555 (US$ 200)	-	3,147 (US$ 96)	3,408 (US$ 104)	-	100.00	-	-	-	Note 5
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	2,130,375 (US$ 65,000)	Note 1	-	2,130,375 (US$ 65,000)	-	2,130,375 (US$ 65,000)	177,852 (CNY 35,168)	100.00	177,852 (CNY 35,168)	2,307,753 (US$ 70,412)	-	
Philip & Lite-On Digital Solutions Corp.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	32,775 (US$ 1,000)	Note 1	32,775 (US$ 1,000)	-	-	32,775 (US$ 1,000)	21,700 (CNY 4,291)	100.00	21,700 (CNY 4,291)	513,408	-	
Silitech Technology Corp.	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of automotive parts, touch panels and plastic & rubber assembly	91,890 (US$ 2,800)	Note 1	203,354	-	-	203,354	100,752 (CNY 19,889)	100.00	100,752 (CNY 19,889)	1,070,118 (CNY 211,327)	114,895 (CNY 22,681)	
	Silitech Technology (SuZhou) Co., Ltd.	Manufacture and sale of automotive parts	2,559,804 (US$ 78,000)	Note 1	2,559,804 (US$ 78,000)	-	-	2,559,804 (US$ 78,000)	16,332 (CNY 3,224)	100.00	16,332 (CNY 3,224)	1,835,222 (CNY 362,420)	-	
	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)	147,681 (US$ 4,500)	Note 1	-	-	-	-	(111,481) (CNY -22,007)	60.00	(66,888) (CNY -13,204)	13,986 (CNY 2,762)	-	

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$37,519,738 (US$1,144,767)	$38,410,661 (US$1,171,950)	Note 6

(Continued)

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

Note 2: Amount was recognized based on the audited financial statements.

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 survivor entity. Because the merging process was still under way as of December 31, 2015, the change in the amount of investment in Mainland China has not yet been registered with the Ministry of Economic Affairs.

Note 4: Zhuhai Lite-On Mobile Technology Company Ltd. reorganized its structure on March 5, 2015; thus Lite-On Technology (Guangzhou) Investment Co., Ltd. wholly acquired Zhuhai Lite-On Mobile Technology Company Ltd. and injected its own funds CNY 461,665 thousand in the same year in July.

Note 5: LarView Technologies Corp. (Shenzhen) completed its liquidation in July 2015.

Note 6: 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.

(Concluded)

ABLE 9

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
0	Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp.	a.	Sales	$ 12,810,242	Cost-plus pricing	6
		Philip & Lite-On Digital Solutions Corp.	a.	Accounts receivable	4,214,601	Cost-plus pricing	2
		Philip & Lite-On Digital Solutions Corp.	a.	Other receivables	229,265	No significant difference	-
		Lite-On Technology (Changzhou) Co., Ltd.	a.	Sales	1,163,932	Cost-plus pricing	1
		Lite-On Technology (Changzhou) Co., Ltd.	a.	Accounts receivable	479,631	Cost-plus pricing	-
		Lite-On Technology (Changzhou) Co., Ltd.	a.	Purchases	1,519,674	Cost-plus pricing	1
		Lite-On Technology (Changzhou) Co., Ltd.	a.	Accounts payable	521,929	Cost-plus pricing	-
		LET (HK) Ltd.	a.	Purchases	10,040,910	Cost-plus pricing	5
		LET (HK) Ltd.	a.	Accounts payable	853,098	Cost-plus pricing	-
		China Bridge Express (Wuxi) Co., Ltd.	a.	Sales	826,743	Cost-plus pricing	-
		China Bridge Express (Wuxi) Co., Ltd.	a.	Accounts receivable	304,660	Cost-plus pricing	-
		Titanic Capital Services Ltd.	a.	Other receivables	132,038	No significant difference	-
		Titanic Capital Services Ltd.	a.	Other payables	435,879	No significant difference	-
		Lite-On Electronics (Guangzhou) Co., Ltd.	a.	Disposal of property, plant and equipment	357,116	No significant difference	-
		Lite-On Singapore Pte. Ltd.	a.	Sales	4,697,862	Cost-plus pricing	2
		Lite-On Singapore Pte. Ltd.	a.	Accounts receivable	899,640	Cost-plus pricing	-
		Lite-On Singapore Pte. Ltd.	a.	Other receivables	166,969	No significant difference	-
		Lite-On Singapore Pte. Ltd.	a.	Purchases	24,766,587	Cost-plus pricing	11
		Lite-On Singapore Pte. Ltd.	a.	Accounts payable	8,193,189	Cost-plus pricing	4
		Lite-On Japan Ltd.	a.	Sales	861,796	Cost-plus pricing	-
		Lite-On Japan Ltd.	a.	Accounts receivable	164,723	Cost-plus pricing	-
		Lite-On Trading USA, Inc.	a.	Sales	3,295,462	Cost-plus pricing	2
		Lite-On Trading USA, Inc.	a.	Accounts receivable	1,082,305	Cost-plus pricing	1
		Lite-On Sales & Distribution Inc.	a.	Sales	128,049	Cost-plus pricing	-
		Lite-On Sales & Distribution Inc.	a.	Accounts receivable	129,288	Cost-plus pricing	-
		Philips & Lite-On Digital Solutions USA Inc.	a.	Other receivables	100,098	No significant difference	-
		Lite-On Overseas Trading Co., Ltd.	a.	Accounts receivable	3,575,995	Cost-plus pricing	2
		Lite-On Overseas Trading Co., Ltd.	a.	Purchases	57,023,431	Cost-plus pricing	26
		Lite-On Overseas Trading Co., Ltd.	a.	Accounts payable	8,115,555	Cost-plus pricing	4
		Lite-On China Holding Co., Ltd.	a.	Sales	141,230	Cost-plus pricing	-
		Lite-On China Holding Co., Ltd.	a.	Accounts receivable	142,250	Cost-plus pricing	-
		Li Shin International Enterprise Corp.	a.	Purchases	3,531,460	Cost-plus pricing	2
		Li Shin International Enterprise Corp.	a.	Accounts payable	829,029	Cost-plus pricing	-
		Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	a.	Purchases	735,033	Cost-plus pricing	-
		Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	a.	Accounts payable	264,241	Cost-plus pricing	-

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
1	Lite-On Electronics (Tianjinn) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	$ 1,669,705	Cost-plus pricing	1
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	301,145	Cost-plus pricing	-
		Lite-On Opto Technology (Guangzhou) Co., Ltd.	c.	Other receivables	257,316	No significant difference	-
2	Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	c.	Sales	7,422,514	Cost-plus pricing	3
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	1,009,696	No significant difference	-
		China Bridge Express (Wuxi) Co., Ltd.	c.	Sales	244,867	Cost-plus pricing	-
		China Bridge Express (Wuxi) Co., Ltd.	c.	Accounts receivable	101,682	No significant difference	-
3	Lite-On Opto Technology (Changzhou) Co., Ltd.	Changzhou Leotek New Energy Trade Limited	c.	Other receivables	177,252	No significant difference	-
		Lite-On Singapore Pte. Ltd.	c.	Sales	3,189,894	Cost-plus pricing	1
		Lite-On Singapore Pte. Ltd.	c.	Accounts receivable	173,523	No significant difference	-
4	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li Shin International Enterprise Corp.	c.	Sales	578,563	Cost-plus pricing	-
		Li Shin International Enterprise Corp.	c.	Accounts receivable	224,556	Cost-plus pricing	-
5	Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	13,803,594	Cost-plus pricing	6
		Lite-On Singapore Pte. Ltd.	c.	Accounts receivable	1,122,616	Cost-plus pricing	1
		Lite-On Overseas Trading Co., Ltd.	c.	Sales	8,782,083	Cost-plus pricing	4
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	661,207	Cost-plus pricing	-
		Zhuhai Lite-On Mobile Technology Co., Ltd.	c.	Other receivables	1,280,305	No significant difference	1
6	Lite-On Technology (Ying Tan) Co., Ltd.	Li Shin International Enterprise Corp.	c.	Sales	752,158	Cost-plus pricing	-
		Li Shin International Enterprise Corp.	c.	Accounts receivable	231,985	Cost-plus pricing	-
7	Lite-On Technology (Xianging) Co., Ltd.	Li Shin International Enterprise Corp.	c.	Sales	577,179	Cost-plus pricing	-
		Li Shin International Enterprise Corp.	c.	Accounts receivable	103,926	Cost-plus pricing	-
8	Lite-On Technology (Shanghai) Ltd.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	c.	Sales	635,528	Cost-plus pricing	-
9	China Bridge Express (Wuxi) Co., Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	c.	Sales	183,438	Cost-plus pricing	-
10	Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	12,605,138	Cost-plus pricing	6
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	1,107,114	Cost-plus pricing	1
11	Silitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	8,704,470	Cost-plus pricing	4
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	1,199,503	Cost-plus pricing	1
12	Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Electronics Co., Ltd.	c.	Sales	1,483,284	Cost-plus pricing	1

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
13	Lite-On Electronics H.K. Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	$ 154,125	Cost-plus pricing	-
14	Lite-On Electronics Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	1,483,284	Cost-plus pricing	1
15	Dong Guan G-Tech Computers Co., Ltd.	Lite-On Electronics (Guangzhou) Co., Ltd.	c.	Sales	265,491	Cost-plus pricing	-
		Lite-On Overseas Trading Co., Ltd.	c.	Sales	3,054,784	Cost-plus pricing	1
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	311,575	Cost-plus pricing	-
16	Huizhou Li Shin Electronic Co., Ltd.	Li Shin International Enterprise Corp.	c.	Sales	1,567,066	Cost-plus pricing	1
		Li Shin International Enterprise Corp.	c.	Accounts receivable	434,320	Cost-plus pricing	-
17	DongGuan G-Pro Computer Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	6,514,823	Cost-plus pricing	3
18	Lite-On Electronics (Guangzhou) Co., Ltd.	Dong Guan G-Tech Computers Co., Ltd.	c.	Sales	140,509	Cost-plus pricing	-
		Lite-On Overseas Trading Co., Ltd.	c.	Sales	39,788,218	Cost-plus pricing	18
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	6,627,863	No significant difference	3
19	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Lite-On Auto Electric Technology (Guangzhou) Ltd.	c.	Sales	101,562	Cost-plus pricing	-
		LET (HK) Ltd.	c.	Sales	2,992,426	Cost-plus pricing	1
		LET (HK) Ltd.	c.	Accounts receivable	646,403	Cost-plus pricing	-
20	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Lite-On Technology (Shanghai) Ltd.	c.	Sales	477,351	Cost-plus pricing	-
		Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	c.	Sales	280,499	Cost-plus pricing	-
21	Lite-On IT Opto Tech (BH) Co., Ltd.	LET (HK) Ltd.	c.	Sales	17,591,910	Cost-plus pricing	8
		LET (HK) Ltd.	c.	Accounts receivable	1,516,402	Cost-plus pricing	1
22	LET (HK) Ltd.	Lite-On Opto Technology (Guangzhou) Co., Ltd.	c.	Sales	1,494,368	Cost-plus pricing	1
		Lite-On Opto Technology (Guangzhou) Co., Ltd.	c.	Accounts receivable	691,681	Cost-plus pricing	-
		Lite-On Auto Electric Technology (Guangzhou) Ltd.	c.	Sales	232,412	Cost-plus pricing	-
		Lite-On IT Opto Tech (BH) Co., Ltd.	c.	Sales	12,234,874	Cost-plus pricing	6
		Lite-On IT Opto Tech (BH) Co., Ltd.	c.	Accounts receivable	5,044,250	Cost-plus pricing	2
		Lite-On Singapore Pte. Ltd.	c.	Sales	9,698,066	Cost-plus pricing	4
		Lite-Space Technology Company Limited	c.	Purchases	3,761,826	Cost-plus pricing	1
		Lite-Space Technology Company Limited	c.	Accounts payable	257,850	Cost-plus pricing	-
23	Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	3,148,388	Cost-plus pricing	1
		Lite-On Singapore Pte. Ltd.	c.	Accounts receivable	736,127	Cost-plus pricing	-

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
24	Lite-On Singapore Pte. Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	c.	Sales	$ 206,086	Cost-plus pricing	-
		China Bridge Express (Wuxi) Co., Ltd.	c.	Sales	1,146,671	Cost-plus pricing	1
		China Bridge Express (Wuxi) Co., Ltd.	c.	Accounts receivable	500,853	Cost-plus pricing	-
		Lite-On Electronics H.K. Ltd.	c.	Sales	2,059,526	Cost-plus pricing	1
		Lite-On Electronics H.K. Ltd.	c.	Accounts receivable	391,471	Cost-plus pricing	-
		Lite-On Japan Ltd.	c.	Sales	1,559,866	Cost-plus pricing	1
		Lite-On Japan Ltd.	c.	Accounts receivable	536,939	Cost-plus pricing	-
		Lite-On, Inc.	c.	Sales	621,231	Cost-plus pricing	-
		Lite-On, Inc.	c.	Accounts receivable	136,069	Cost-plus pricing	-
		Lite-On Trading USA, Inc.	c.	Sales	4,725,589	Cost-plus pricing	2
		Lite-On Trading USA, Inc.	c.	Accounts receivable	1,605,131	Cost-plus pricing	1
		Leotek Electronics USA LLC	c.	Sales	1,405,437	Cost-plus pricing	1
		Leotek Electronics USA LLC	c.	Accounts receivable	532,180	Cost-plus pricing	-
		Lite-On Sales & Distribution Inc.	c.	Sales	570,405	Cost-plus pricing	-
		Lite-On Sales & Distribution Inc.	c.	Accounts receivable	206,718	Cost-plus pricing	-
		Philips & Lite-On Digital Solutions USA Inc.	c.	Sales	9,918,059	Cost-plus pricing	5
		Philips & Lite-On Digital Solutions USA Inc.	c.	Accounts receivable	1,449,385	Cost-plus pricing	1
		Philips & Lite-On Digital Solutions Germany GmbH	c.	Sales	1,836,539	Cost-plus pricing	1
		Philips & Lite-On Digital Solutions Germany GmbH	c.	Accounts receivable	291,208	Cost-plus pricing	-
		Lite-On Overseas Trading Co., Ltd.	c.	Sales	382,058	Cost-plus pricing	-
		Lite-On Overseas Trading Co., Ltd.	c.	Accounts receivable	643,670	Cost-plus pricing	-
		Lite-On Mobile Pte. Ltd.	c.	Other receivables	1,311,501	No significant difference	1
25	G&W Technology (BVI) Limited	G&W Technology Limited	c.	Other receivables	178,546	No significant difference	-
26	Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	c.	Sales	6,369,124	Cost-plus pricing	3
		Lite-On Network Communication (Dongguan) Limited	c.	Accounts receivable	1,770,962	Cost-plus pricing	1
		Lite-On Technology (Changzhou) Co., Ltd.	c.	Sales	15,216,534	Cost-plus pricing	7
		Lite-On Technology (Changzhou) Co., Ltd.	c.	Accounts receivable	5,335,946	Cost-plus pricing	3
		Lite-On Electronics (Dongguan) Co., Ltd.	c.	Sales	11,171,663	Cost-plus pricing	5
		Lite-On Electronics (Dongguan) Co., Ltd.	c.	Accounts receivable	1,211,482	Cost-plus pricing	1
		Silitek Elec. (Dongguan) Co., Ltd.	c.	Sales	6,835,674	Cost-plus pricing	3
		Silitek Elec. (Dongguan) Co., Ltd.	c.	Accounts receivable	656,886	Cost-plus pricing	-
		Dong Guan G-Tech Computers Co., Ltd.	c.	Sales	1,968,661	Cost-plus pricing	1
		Dong Guan G-Tech Computers Co., Ltd.	c.	Accounts receivable	645,524	Cost-plus pricing	-

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
26	Lite-On Overseas Trading Co., Ltd.	I-Solutions Limited	c.	Sales	$ 437,145	Cost-plus pricing	-
		I-Solutions Limited	c.	Accounts receivable	154,260	Cost-plus pricing	-
		Huizhou Li Shin Electronic Co., Ltd.	c.	Sales	178,268	Cost-plus pricing	-
		Huizhou Li Shin Electronic Co., Ltd.	c.	Accounts receivable	181,261	Cost-plus pricing	-
		DongGuan G-Pro Computer Co., Ltd.	c.	Sales	5,144,551	Cost-plus pricing	2
		DongGuan G-Pro Computer Co., Ltd.	c.	Accounts receivable	1,298,409	Cost-plus pricing	1
		Lite-On Electronics (Guangzhou) Co., Ltd.	c.	Sales	41,278,205	Cost-plus pricing	19
		Lite-On Electronics (Guangzhou) Co., Ltd.	c.	Accounts receivable	9,277,765	Cost-plus pricing	4
		Lite-On Singapore Pte. Ltd.	c.	Sales	29,420,468	Cost-plus pricing	14
		Lite-On Singapore Pte. Ltd.	c.	Accounts receivable	8,597,033	Cost-plus pricing	4
27	Li Shin International Enterprise Corp.	Huizhou Li Shin Electronic Co., Ltd.	c.	Accounts receivable	183,563	Cost-plus pricing	-
28	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile India Private Limited	c.	Other receivables	160,598	No significant difference	-
29	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	c.	Sales	174,067	Cost-plus pricing	-
		Lite-On Technology (Shanghai) Ltd.	c.	Accounts receivable	176,933	Cost-plus pricing	-
		Lite-On Singapore Pte. Ltd.	c.	Sales	1,102,906	Cost-plus pricing	1
		Lite-On Singapore Pte. Ltd.	c.	Accounts receivable	359,621	Cost-plus pricing	-
30	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	c.	Other receivables	1,318,408	No significant difference	1
31	Beijing Lite-On Mobile Electronic and Telecommunications Components Co., Ltd.	Lite-On Mobile Oyj (formerly: Perlos Oyj)	c.	Sales	727,809	Cost-plus pricing	-
32	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	c.	Sales	605,618	Cost-plus pricing	-
		Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	c.	Accounts receivable	106,272	Cost-plus pricing	-
33	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Lite-On Mobile Oyj (formerly: Perlos Oyj)	c.	Sales	102,823	Cost-plus pricing	-
		Lite-On Mobile Pte. Ltd.	c.	Sales	456,762	Cost-plus pricing	-
		Lite-On Mobile Pte. Ltd.	c.	Accounts receivable	253,851	Cost-plus pricing	-
34	Lite-On Mobile Pte. Ltd.	Lite-On Mobile India Private Limited	c.	Other receivables	941,659	No significant difference	-
		Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	c.	Sales	329,664	Cost-plus pricing	-
35	Zhuhai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	c.	Sales	910,798	Cost-plus pricing	-
		Lite-On Mobile Pte. Ltd.	c.	Accounts receivable	720,724	Cost-plus pricing	-
36	Silitech Technology Corp.	Silitech (BVI) Holding Ltd.	c.	Other receivables	370,404	Cost-plus pricing	-
		Silitech Technology Corporation Ltd.	c.	Purchases	941,634	Cost-plus pricing	-
		Silitech Technology Corporation Ltd.	c.	Accounts payable	286,523	Cost-plus pricing	-

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
37	Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corporation Ltd.	c.	Sales	$ 1,304,977	Cost-plus pricing	1
		Silitech Technology Corporation Ltd.	c.	Accounts receivable	399,860	Cost-plus pricing	-
38	Silitech Technology Corp. Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	c.	Sales	182,950	Cost-plus pricing	-
39	Silitech (BVI) Holding Ltd. .	Silitech (Bermuda) Holding Ltd.	c.	Other receivables	360,558	Cost-plus pricing	-
40	Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions USA Inc.	c.	Sales	1,064,375	Cost-plus pricing	1
		Philips & Lite-On Digital Solutions USA Inc.	c.	Accounts receivable	1,074,156	Cost-plus pricing	1
		Philips & Lite-On Digital Solutions Germany GmbH	c.	Sales	292,809	Cost-plus pricing	-
		Philips & Lite-On Digital Solutions Germany GmbH	c.	Accounts receivable	295,639	Cost-plus pricing	-
41	Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	c.	Sales	132,867	Cost-plus pricing	-
		Lite-On Technology (Shanghai) Ltd.	c.	Accounts receivable	170,302	Cost-plus pricing	-

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

a. The Parent Company is coded “0”.
b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

a. From the Parent Company to its subsidiary.
b. From a subsidiary to its Parent Company.
c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to consolidated total assets as of December 31, 2015. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2015.

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

Note 5: The above table only discloses the related-party transactions each amounting to at least NT$100 million, relative transactions which under NT$100 million are not disclosed additionally.

(Concluded)

Lite-On Technology Corporation

Financial Statements for the Years Ended December 31, 2015 and 2014 and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lite-On Technology Corporation

We have audited the accompanying balance sheets of Lite-On Technology Corporation as of December 31, 2015, December 31, 2014 and January 1, 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of Lite-On Technology Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lite-On Technology Corporation as of December 31, 2015, December 31, 2014 and January 1, 2014, and its financial performance and its cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The accompanying schedules of major accounting items of Lite-On Technology Corporation as of and for the year ended December 31, 2015 are presented for the purpose of additional analysis. Such schedules have been subjected to the auditing procedures described in the second paragraph. In our opinion, such schedules are consistent, in all material respects, with the financial statements required to in the first paragraph.

Deloitte & Touche

March 25, 2016

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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' report and financial statements shall prevail.

LITE-ON TECHNOLOGY CORPORATION

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2015		December 31, 2014 (Restated)		January 1, 2014 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Note 6)	$ 4,190,926	3	$ 6,541,854	5	$ 6,924,714	6
Financial assets at fair value through profit or loss (Notes 5 and 7)	45,845	-	-	-	-	-
Debt instruments with no active market - current (Note 12)	9,573	-	1,054	-	-	-
Notes receivable, net (Note 8)	180	-	40,613	-	7,518	-
Trade receivables, net (Notes 5 and 8)	21,641,543	15	23,111,141	16	18,074,101	14
Trade receivables from related parties (Note 30)	11,028,957	7	10,832,845	8	5,307,083	4
Other receivables	790,721	1	658,483	-	223,612	-
Other receivables from related parties (Note 30)	541,785	-	559,388	-	372,160	-
Inventories, net (Notes 5 and 9)	10,458,264	7	8,422,865	6	2,575,272	2
Prepayments	807,852	1	919,633	1	453,873	-
Total current assets	49,515,646	34	51,087,876	36	33,938,333	26
NON-CURRENT ASSETS						
Available-for-sale financial assets (Notes 5 and 10)	321,274	-	646,291	-	717,171	1
Debt instruments with no active market - non-current (Note 12)	735	-	735	-	-	-
Investments accounted for using equity method (Notes 5 and 13)	80,806,177	55	75,429,489	52	87,137,080	68
Property, plant and equipment, net (Notes 5 and 14)	6,879,323	5	7,378,066	5	4,758,177	4
Intangible assets, net (Notes 5 and 15)	6,742,250	5	7,074,562	5	646,137	-
Deferred tax assets (Notes 5 and 22)	2,106,142	1	2,124,934	2	921,841	1
Refundable deposits	160,322	-	174,804	-	87,784	-
Prepayments for investments	155,677	-	-	-	-	-
Net defined benefit assets - non-current (Notes 5 and 18)	-	-	17	-	-	-
Other non-current assets	6,444	-	7,278	-	5,512	-
Total noncurrent assets	97,178,344	66	92,836,176	64	94,273,702	74
TOTAL	$ 146,693,990	100	$ 143,924,052	100	$ 128,212,035	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ 12,874,375	9	$ 13,467,121	9	$ 5,484,120	4
Derivative financial liabilities for hedging - current (Notes 5 and 11)	-	-	11,989	-	-	-
Notes payable	2,597	-	6,715	-	7,134	-
Trade payables	8,103,755	5	6,005,349	4	2,408,170	2
Trade payables to related parties (Note 30)	18,858,168	13	20,910,791	15	20,668,164	16
Other payables	9,892,335	7	7,833,883	5	4,252,868	3
Other payables to related parties (Note 30)	755,682	-	600,100	-	465,963	-
Current tax liabilities (Notes 5 and 22)	1,270,893	1	846,665	1	720,462	1
Provisions - current (Notes 5 and 17)	853,031	1	828,287	1	133,230	-
Advance receipts	1,814,666	1	1,958,793	1	713,778	1
Current portion of long-term borrowings (Note 16)	2,900,000	2	5,225,000	4	6,350,000	5
Total current liabilities	57,325,502	39	57,694,693	40	41,303,889	32
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 5 and 11)	-	-	-	-	46,969	-
Long-term borrowings, net of current portion (Note 16)	9,600,000	7	7,700,000	5	12,125,000	10
Deferred tax liabilities (Notes 5 and 22)	3,282,201	2	2,951,521	2	1,523,571	1
Net defined benefit liabilities - non-current (Notes 5 and 18)	63,935	-	-	-	11,173	-
Guarantee deposits	21,210	-	19,796	-	16,165	-
Credit balance of investments accounted for using equity method (Note 13)	412,631	-	583,834	1	144,632	-
Total noncurrent liabilities	13,379,977	9	11,255,151	8	13,867,510	11
Total liabilities	70,705,479	48	68,949,844	48	55,171,399	43
EQUITY						
Share capital						
Ordinary shares	23,349,283	16	23,416,737	16	23,246,552	18
Advance receipts for common stock	-	-	-	-	29,705	-
Total share capital	23,349,283	16	23,416,737	16	23,276,257	18
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	9,251,603	7	9,238,931	7	9,096,489	7
Bond conversion	7,462,138	5	7,534,962	5	7,540,388	6
Treasury stock transactions	275,516	-	445,694	-	430,851	-
Difference between consideration and carry amounts adjusted arising from changes in percentage of ownership in subsidiaries	43,236	-	30,960	-	-	-
Arising from share of changes in capital surplus of associates	278,747	-	231,446	-	15,487	-
Merger	10,015,194	7	10,112,934	7	10,120,217	8
Employee share options	-	-	-	-	8,587	-
Total capital surplus	27,326,434	19	27,594,927	19	27,212,019	21
Retained earnings						
Legal reserve	10,123,042	7	9,476,876	7	8,601,391	7
Special reserve	232,213	-	49,669	-	689,913	1
Unappropriated earnings	13,011,073	9	11,432,541	8	12,176,414	9
Total retained earnings	23,366,328	16	20,959,086	15	21,467,718	17
Other equity						
Exchange differences on translating foreign operations	3,347,902	2	4,125,097	3	2,383,040	2
Unrealized gain (loss) on available-for-sale financial assets	(152,714)	-	139,072	-	83,231	-
Unrealized loss on hedging instruments determined to be the effective portion of cash flow hedging	-	-	(11,989)	-	(46,969)	-
Total other equity	3,195,188	2	4,252,180	3	2,419,302	2
Treasury shares	(1,248,722)	(1)	(1,248,722)	(1)	(1,334,660)	(1)
Total equity	75,988,511	52	74,974,208	52	73,040,636	57
TOTAL	$ 146,693,990	100	$ 143,924,052	100	$ 128,212,035	100

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

(With Deloitte & Touche audit report dated March 25, 2016)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales (Notes 20 and 30)	$ 127,877,547	103	$ 118,870,033	103
Less: Sales returns	827,475	1	773,798	1
Sales allowance	2,420,824	2	2,303,987	2
Total operating revenue	124,629,248	100	115,792,248	100
OPERATING COSTS				
Cost of goods sold (Notes 9, 21 and 30)	110,580,446	88	104,930,667	91
GROSS PROFIT	14,048,802	12	10,861,581	9
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	28,510	-	53,749	-
GROSS PROFIT, NET	14,077,312	12	10,915,330	9
OPERATING EXPENSES (Notes 21 and 30)				
Selling and marketing expenses	3,030,307	2	2,260,134	2
General and administrative expenses	4,823,651	4	3,329,509	3
Research and development expenses	3,293,023	3	2,609,568	2
Total operating expenses	11,146,981	9	8,199,211	7
OPERATING INCOME	2,930,331	3	2,716,119	2
NONOPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Note 13)	5,047,718	4	2,744,022	2
Interest income	32,065	-	41,958	-
Dividend income	10,844	-	20,298	-
Other income (Note 30)	1,185,172	1	1,107,287	1
Gain on disposal of property, plant and equipment (Note 30)	39,220	-	25,682	-
Gain on disposal of investments	20,190	-	266,284	-
Net gain (loss) on foreign currency exchange	(27,501)	-	8,435	-
Gain on financial assets with fair value through profit or loss	45,845	-	-	-
Finance costs	(341,075)	-	(370,659)	-
Other expenses	(555,040)	(1)	(38,949)	-
Loss on disposal of property, plant and equipment	(517)	-	(3,405)	-
Impairment loss (Note 10)	(54,801)	-	(90,348)	-
Total nonoperating income and expenses	5,402,120	4	3,710,605	3

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	$ 8,332,451	7	$ 6,426,724	5
INCOME TAX BENEFIT (EXPENSE) (Notes 5 and 22)	(1,109,552)	(1)	34,084	-
NET PROFIT FOR THE YEAR	7,222,899	6	6,460,808	5
OTHER COMPREHENSIVE INCOME (Notes 18, 19 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(76,626)	-	9,908	-
Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method	(21,876)	-	(9,935)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	13,026	-	(1,684)	-
	(85,476)	-	(1,711)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(818,537)	(1)	2,394,153	2
Unrealized gain (loss) on available-for-sale financial assets	(300,819)	-	39,301	-
Unrealized Gain on hedging instruments determined to be the effective portion of cash flow hedging	11,989	-	34,980	-
Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method	(81,980)	-	(216,460)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	132,355	-	(404,307)	-
	(1,056,992)	(1)	1,847,667	2
Other comprehensive income (loss) for the year, net of income tax	(1,142,468)	(1)	1,845,956	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 6,080,431	5	$ 8,306,764	7

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 23)				
Basic	$3.11		$2.78	
Diluted	$3.07		$2.75	

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

(With Deloitte & Touche audit report dated March 25, 2016) (Concluded)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Issue of Share Capital (Note 19)				Capital Surplus (Note 19)								Retained Earnings (Notes 19 and 26)				Other Equity (Note 19)					
	Shares (In Thousands)	Amount	Advance Receipts for Common Stock	Total	Additional Paid-in Capital from Share Excess of Par Value	Bond Conversion	Treasury Stock Transactions	Difference Between Consideration and Carry Amounts Adjusted Arising from Change in Percentage of Ownership in Subsidiaries	Arising from Share of Changes in Capital Surplus of Associates and Joint Ventures	Merger	Employee Stock Options	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Shares (Note 19)	Total Equity
BALANCE AT JANUARY 1, 2014	2,324,655	$ 23,246,552	$ 29,705	$ 23,276,257	$ 9,096,489	$ 7,540,388	$ 430,851	$ -	$ 15,487	$ 10,120,217	$ 8,587	$ 27,212,019	$ 8,601,391	$ 689,913	$ 12,172,082	$ 21,463,386	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302	$ (1,334,660)	$ 73,036,304
Effect of retrospective application of IFRSs and restatement of financial statements (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,332	4,332	-	-	-	-	-	4,332
BALANCE AT JANUARY 1, 2014 AS RESTATED	2,324,655	23,246,552	29,705	23,276,257	9,096,489	7,540,388	430,851	-	15,487	10,120,217	8,587	27,212,019	8,601,391	689,913	12,176,414	21,467,718	2,383,040	83,231	(46,969)	2,419,302	(1,334,660)	73,040,636
Appropriation of the 2013 earnings																						
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	875,485	-	(875,485)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	(640,244)	640,244	-	-	-	-	-	-	-
Cash dividends - 27.1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,307,866)	(6,307,866)	-	-	-	-	-	(6,307,866)
Stock dividends - 0.5%	11,638	116,381	-	116,381	-	-	-	-	-	-	-	-	-	-	(116,381)	(116,381)	-	-	-	-	-	-
Other changes in capital surplus																						
Additional acquisition of partially owned subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(543,482)	(543,482)	-	-	-	-	-	(543,482)
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	(206)	30,960	-	-	(694)	30,060	-	-	-	-	-	-	-	-	-	30,060
Change in capital surplus from investments in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	(556)	-	215,959	-	(7,893)	207,510	-	-	-	-	-	-	-	-	-	207,510
Stock dividends of employee transfer to capital	4,085	40,849	-	40,849	149,096	-	-	-	-	-	-	149,096	-	-	-	-	-	-	-	-	-	189,945
Issue of common shares under employee share options	2,971	29,705	(29,705)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	-	-	-	65,430	-	-	-	-	65,430	-	-	-	-	-	-	-	-	-	65,430
Disposal of investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,240)	-	-	(1,240)	-	(1,240)
Effect of acquisition and deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,549)	-	-	(13,549)	-	(13,549)
Net profit for the year ended December 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,460,808	6,460,808	-	-	-	-	-	6,460,808
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,711)	(1,711)	1,756,846	55,841	34,980	1,847,667	-	1,845,956
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,459,097	6,459,097	1,756,846	55,841	34,980	1,847,667	-	8,306,764
Cancellation of treasury shares	(1,675)	(16,750)	-	(16,750)	(6,654)	(5,426)	(49,825)	-	-	(7,283)	-	(69,188)	-	-	-	-	-	-	-	-	85,938	-
BALANCE AT DECEMBER 31, 2014 AS RESTATED	2,341,674	23,416,737	-	23,416,737	9,238,931	7,534,962	445,694	30,960	231,446	10,112,934	-	27,594,927	9,476,876	49,669	11,432,541	20,959,086	4,125,097	139,072	(11,989)	4,252,180	(1,248,722)	74,974,208
Appropriation of the 2014 earnings																						
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	646,166	-	(646,166)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	182,544	(182,544)	-	-	-	-	-	-	-
Cash dividends - 19.7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,613,097)	(4,613,097)	-	-	-	-	-	(4,613,097)
Stock dividends - 0.5%	11,708	117,084	-	117,084	-	-	-	-	-	-	-	-	-	-	(117,084)	(117,084)	-	-	-	-	-	-
Other changes in capital surplus																						
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	12,276	-	-	-	12,276	-	-	-	-	-	-	-	-	-	12,276
Change in capital surplus from investments in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	47,301	-	-	47,301	-	-	-	-	-	-	-	-	-	47,301
Stock dividends of employee transfer to capital	4,333	43,332	-	43,332	102,960	-	-	-	-	-	-	102,960	-	-	-	-	-	-	-	-	-	146,292
Change in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-		-	-	47,779	-	-	-	-	47,779	-	-	-	-	-	-	-	-	-	47,779
Net profit for the year ended December 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,222,899	7,222,899	-	-	-	-	-	7,222,899
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(85,476)	(85,476)	(777,195)	(291,786)	11,989	(1,056,992)	-	(1,142,468)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,137,423	7,137,423	(777,195)	(291,786)	11,989	(1,056,992)	-	6,080,431
Cancellation of treasury shares	(22,787)	(227,870)	-	(227,870)	(90,288)	(72,824)	(217,957)	-	-	(97,740)	-	(478,809)	-	-	-	-	-	-	-	-	-	(706,679)
BALANCE AT DECEMBER 31, 2015	2,334,928	$ 23,349,283	$ -	$ 23,349,283	$ 9,251,603	$ 7,462,138	$ 275,516	$ 43,236	$ 278,747	$ 10,015,194	$ -	$ 27,326,434	$ 10,123,042	$ 232,213	$ 13,011,073	$ 23,366,328	$ 3,347,902	$ (152,714)	$ -	$ 3,195,188	$ (1,248,722)	$ 75,988,511

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

(With Deloitte & Touche audit report dated March 25, 2016)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 8,332,451	$ 6,426,724
Adjustments for:		
Depreciation expenses	701,807	479,839
Amortization expenses	462,614	295,400
Recognition of impairment loss of trade receivables	13,818	19,385
Net gain on fair value change of financial assets designated as at fair value through profit	(45,845)	-
Finance costs	341,075	370,659
Interest income	(32,065)	(41,958)
Dividend income	(10,844)	(20,298)
Share of profit of subsidiaries and associates	(5,047,718)	(2,744,022)
Gain on disposal of property, plant and equipment	(38,703)	(22,277)
Gain on disposal of available-for-sale financial assets	(19,926)	(259,010)
Gain on disposal of investments accounted for using equity method	(264)	(7,274)
Impairment loss recognized on financial assets	54,801	90,348
Impairment loss recognized on non-financial assets	162,974	486,882
Realized gain on the transactions with subsidiaries and associates	(28,510)	(53,749)
Unrealized loss (gain) on foreign currency exchange	270,959	(189,968)
Recognition of provisions	263,383	231,972
Changes in operating assets and liabilities		
Notes receivable	40,433	(32,280)
Trade receivables	1,422,153	(801,654)
Trade receivables from related parties	(196,112)	(1,128,393)
Other receivables	(132,535)	(18,244)
Other receivables from related parties	30,664	(57,980)
Inventories	(2,195,953)	614,975
Prepayments	111,781	(139,318)
Notes payable	(4,118)	(419)
Trade payables	1,827,447	(1,735,704)
Trade payables to related parties	(2,052,623)	(1,911,615)
Other payables	2,146,279	134,266
Other payables to related parties	155,582	72,716
Provisions	(238,639)	144,229
Advance receipts	(144,127)	881,801
Net defined benefit liabilities	(12,674)	7,165
Cash generated from operations	6,137,565	1,092,198
Interest received	32,362	46,147
Dividend received	10,844	20,298
Interest paid	(343,334)	(373,041)
Income tax paid	(190,471)	(449,136)
Net cash generated from operating activities	5,646,966	336,466

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	$ -	$ (4,620)
Proceeds from disposal of available-for-sale financial assets	22,949	445,082
Purchase of debt instruments with no active market	(8,519)	(1,789)
Acquisition of investments accounted for using equity method	(1,555,000)	(2,637,954)
Increase in prepayments for long-term investments	(155,677)	-
Net cash inflow from consolidated subsidiaries (Note 27)	-	4,734,033
Proceeds from capital reduction of investments accounted for using equity method	4,806	2,409,223
Payments for property, plant and equipment	(520,263)	(950,967)
Proceeds from disposal of property, plant and equipment	383,631	3,411
Decrease (increase) in refundable deposits	14,482	(73,863)
Payments for intangible assets	(133,023)	(174,255)
Decrease (increase) in other noncurrent assets	834	(1,766)
Dividend received from subsidiaries and associates	283,994	940,459
Net cash used in investing activities	(1,661,786)	4,686,994
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for buy-back of ordinary shares	(706,679)	-
Proceeds from short-term borrowings	-	7,461,128
Repayments of short-term borrowings	(592,746)	-
Repayments of long-term borrowings	(425,000)	(5,550,000)
Proceeds from guarantee deposits received	1,414	3,586
Cash dividends	(4,613,097)	(6,307,866)
Partial acquisition of subsidiaries (Note 26)	-	(1,013,168)
Net cash used in financing activities	(6,336,108)	(5,406,320)
NET DECREASE IN CASH	(2,350,928)	(382,860)
CASH AT THE BEGINNING OF THE YEAR	6,541,854	6,924,714
CASH AT THE END OF THE YEAR	$ 4,190,926	$ 6,541,854

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

(With Deloitte & Touche audit report dated March 25, 2016) (Concluded)

LITE-ON TECHNOLOGY CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lite-On Technology Corporation (the "Company") was established in March 1989. The Company's shares have been listed on the Taiwan Stock Exchange. The 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 process 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 Company merged with Lite-On Electronics, Inc., Silitek Corp. and GVC Corp., with the Company as the survivor entity. The merger took effect on November 4, 2002, and the Company thus assumed all rights and obligations of the three merged companies on that date. The Company merged with its subsidiary, Lite-On Enclosure Inc., with the Company as the survivor entity. The merger took effect on April 1, 2004, and the Company thus assumed all rights and obligations of its former subsidiary on that date.

The 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 Company as the survivor entity. The merger separately took effect on March 22, 2014, April 15, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, and the Company thus assumed all rights and obligations of the six merged companies on those date.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on March 25, 2016.

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 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version did not have any material impact on the Company's accounting policies:

1) IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries and associates. In general, the disclosure requirements in IFRS 12 are more extensive than in previous standards. Please refer to Note 13 for related disclosures.

2) IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than in previous standards; for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy previously required only for financial instruments have been extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 are applied prospectively from January 1, 2015. Refer to Note 29 for related disclosure.

3) Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under previous IAS 1, there were no such requirements.

The Company retrospectively applied the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of subsidiaries and associates accounted for using the equity method. The application of the above amendments did not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 "Employee Benefits"

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminates the "corridor approach" permitted under previous IAS 19 and accelerates the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus.

Furthermore, the interest cost and expected return on plan assets used in previous IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19 in 2015, the changes in cumulative employee benefit costs as of December 31, 2013 that resulted from the retrospective application in the past are adjusted to investments accounted for using equity method and retained earnings; the carrying amounts of inventories are not adjusted.

The impact of the new standards on the current period is set out below:

Impact on Assets, Liabilities and Equity	December 31, 2015
Increase in investments accounted for using equity method	$ 3,170
Increase in retained earnings	$ 3,170

Impact on Total Comprehensive Income (Loss)	For the Year Ended December 31, 2015
Decrease in share of the profit of subsidiaries and associates	$ (443)
Decrease in net profit for the year	$ (443)
Decrease in other comprehensive income for the year	$ (443)

The impact on the prior reporting period is set out below:

Impact on Assets, Liabilities and Equity	As Originally Stated	Adjustments Arising from Initial Application	Restated
December 31, 2014			
Investments accounted for using equity method	$ 75,426,008	$ 3,481	$ 75,429,489
Retained earnings	$ 11,429,060	$ 3,481	$ 11,432,541
January 1, 2014			
Investments accounted for using equity method	$ 87,132,748	$ 4,332	$ 87,137,080
Retained earnings	$ 12,172,082	$ 4,332	$ 12,176,414

Impact on Total Comprehensive Income	As Originally Stated	Adjustments Arising from Initial Application	Restated
Share of the profit of subsidiaries and associates	$ 2,744,873	$ (851)	$ 2,744,022
Total effect on net profit for the year	$ 6,461,659	$ (851)	$ 6,460,808
Total effect on total comprehensive income for the year	$ 8,307,615	$ (851)	$ 8,306,764
Impact on earnings per share:			
Basic	$ 2.78	$ -	$ 2.78
Diluted	$ 2.75	$ -	$ 2.75

5) Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements. Refer to Note 29 for related disclosure.

b. New IFRSs in issue but not yet endorsed by FSC

On March 10, 2016, the FSC announced the scope of the 2016 version of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Company should apply IFRS 15 starting January 1, 2018. As of the date the financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

The New IFRSs Not Included in the 2013 IFRSs Version	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
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
Amendments to IFRS 10 and IAS 28 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IAS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	To be determined by IASB
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Company's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement 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 Company'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 instrument is derecognized or reclassified the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Company 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 impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, 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 Company 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.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting 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 risk 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 assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Company is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations from January 1, 2017.

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.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

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

The amendments stipulated that, when an entity sells or contributes to an associate assets that constitute a business as defined in IFRS 3 "Business Combinations" or when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Also, when an entity loses control of a subsidiary that does not contain a business as defined in IFRS 3 but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the asset sale or contribution is recognized only to the extent of the unrelated investors' interest in the associate or joint venture and the entity's share of the gain or loss is eliminated.

5) 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 Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the balance sheets except for low-value and short-term leases. The Company 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 statements of comprehensive income, the Company 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 of cash flows, cash payments for the principal portion of the lease liability and interest portion are both classified within operating activities.

When IFRS 16 becomes effective, the Company 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 financial statements were authorized for issue, the Company is continuingly assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS as endorsed by the FSC.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values.

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.

When preparing the company's financial statements, the Company used equity method to account for its investment in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the company's financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

e. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates, in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, work-in-process, finished goods, merchandise, and inventory in transit. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Investments accounted for using equity method

Investments in subsidiaries and associates are accounted for using equity method.

1) Investments in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary, the Company continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions are eliminated in full. Profits and losses from upstream and sidestream transactions are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. Besides, the Company also recognizes the Company's share of the change in equity of the associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company's share of equity of associates. If the Company's

ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

k. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized in Balance Sheets when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are derivatives that do not meet the criteria for hedge accounting and are measured at fair value with any gains or losses arising from remeasurement recognized in profit or loss.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

iii. Loans and receivables

Except for financial assets at fair value through profit or loss, loans and receivables (primarily including cash, note receivables, debt instruments with no active market, trade receivables, and other receivables) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

b) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. The Company assesses the collectability of receivables by performing the account aging analysis and examining current trends in the credit quality of its customers.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period. In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Financial liabilities and equity instruments

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a) Financial liabilities subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

m. Hedge accounting

The Company designates derivative hedging instruments to conduct cash flow hedges. The effective portion of changes in the fair value of derivatives is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss.

Hedge accounting is discontinued prospectively when the Company revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation by the management of the Company

o. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue from selling of properties in the course of ordinary activities is recognized when the construction is completed and the properties are transferred to buyers. Until such revenue is recognized, deposits received from sales of properties and installment payments are carried in the balance sheets under current liabilities.

2) Rendering of services

Service income is recognized when services are provided.

3) Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

4) Rental revenue

The operation of leasing business was in accordance with IAS 17- Leases, that is, the possible situation related to leasing (ex. the condition of leasing, and the burden of future cost) would treat as operating lease.

5) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

p. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

2) The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies (Note 4), management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

c. Income taxes

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Company's subjective judgment and estimation, including the future revenue growth and profitability, tax holidays, the amount of tax credits that can be utilized and feasible tax planning strategies. Any changes in the global economic environment, industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

d. Fair value measurements and valuation processes

If some of the Company's assets and liabilities measured at fair value have no quoted prices in active markets, the Company's management uses its judgment in selecting an appropriate valuation technique for financial instruments or to determine whether to engage third party qualified valuers and to determine the appropriate valuation techniques for fair value measurements.

Where Level 1 inputs are not available, the Company or engaged valuers would determine appropriate inputs by referring to prices of same equity instruments not quoted in active markets and market prices or rates and specific features of derivatives. If the actual changes of inputs in the future differ from expectation, fair value might vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 29.

e. Impairment of property, plant and equipment

The impairment of equipment in relation to the production of handsets was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

f. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

g. Impairment of investment in the associate

The Company immediately recognizes impairment loss on its net investment in the associate when there is any indication that the investment may be impaired and the carrying amount may not be recoverable. The Company also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

h. Recognition and measurement of defined benefit plans

Net defined benefit liabilities (assets) and the resulting defined benefit costs under defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH

	December 31	
	2015	2014
Cash on hand	$ 1,352	$ 1,340
Demand deposits	4,189,574	6,540,514
	$ 4,190,926	$ 6,541,854

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Cross-currency swap contracts	$ 45,845	$ -

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2015			
Cross-currency swap contracts	USD/NTD	2016.11.09	USD100,000/NTD3,212,900

December 31, 2014: None.

The Company entered into cross-currency swap contracts during the year ended December 31, 2015 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the Company did not meet the criteria for hedge accounting. Thus, the derivative contracts classified as financial assets or financial liabilities at fair value through profit or loss. The financial risk management objectives of the Company were to minimize risks due to changes in fair value or cash flows.

On financial instruments with fair value through profit or loss (FVTPL), the Company had (a) net gains of $45,845 thousand for the year ended December 31, 2015.

8. TRADE RECEIVABLES, NET

	December 31	
	2015	2014
Notes receivable		
Notes receivable - operating	$ 180	$ 40,613
Allowance for impairment loss	-	-
	$ 180	$ 40,613
Trade receivables		
Trade receivables	$ 21,751,209	$ 23,212,545
Allowance for impairment loss	(68,241)	(54,423)
Unrealized interests revenue	(41,425)	(46,981)
	$ 21,641,543	$ 23,111,141

The aging of receivables was as follows:

	December 31	
	2015	2014
Not overdue	$ 21,312,911	$ 22,678,151
Overdue		
1-60 days	304,692	382,757
61-210 days	73,030	63,945
211-240 days	1,026	-
Over 241 days	59,550	87,692
	438,298	534,394
	$ 21,751,209	$ 23,212,545

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

As of December 31, 2015 and 2014, the Company did not have the age of the trade receivables that were past due but not impaired.

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

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 54,423	$ 21,109
Allowance for impairment loss	13,818	19,385
Acquired from business combination	-	13,929
Balance at December 31	$ 68,241	$ 54,423

At the end of the reporting period, trade receivables from sales on installments by the Company were as follows:

	December 31	
	2015	2014
Gross amounts trade receivables	$ 966,328	$ 789,720
Unrealized interests revenue	(41,425)	(46,981)
	$ 924,903	$ 742,739

The amounts of the above trade receivables expected to be recovered were $161,055 thousand per year from 2016 to 2021.

9. INVENTORIES, NET

	December 31	
	2015	2014
Merchandise	$ 6,265,512	$ 4,770,066
Raw materials	2,388,627	1,906,659
Finished good	985,689	884,640
Work in progress	818,436	445,210
Inventory in transit	-	416,290
	$ 10,458,264	$ 8,422,865

Movements in the allowance for inventory write-down were as follows:

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 1,159,243	$ 218,025
Allowance for inventory write-downs	162,974	486,882
Acquired from business combination	-	454,336
Balance at December 31	$ 1,322,217	$ 1,159,243

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was $110,580,446 thousand and $104,930,667 thousand, respectively.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Non-current		
Domestic investments		
Listed shares	$ 287,229	$ 591,405
Unlisted shares	4,620	4,620
	291,849	596,025

(Continued)

	December 31	
	2015	2014
Foreign investments		
Unlisted shares	$ 20,163	$ 41,337
Listed shares	9,262	8,929
	29,425	50,266
	$ 321,274	$ 646,291

(Concluded)

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

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 Company recognized impairment losses of $54,801 thousand and $90,348 thousand respectively in the statements of comprehensive income for the years ended December 31, 2015 and 2014.

11. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2015	2014
Derivative financial assets under hedge accounting - current		
Cash flow hedges - interest rate swaps	$ -	$ 11,989

The Company's liabilities with floating interest rate might be affected by changes in the market rate. Thus, future cash flows on those liabilities might fluctuate, exposing the Company to cash flow risk. To hedge against this risk, the Company entered into an interest rate swap contract with a bank to change the floating rate of its liabilities to fixed rate. The cash flow hedge transactions are deemed sufficient.

The outstanding interest rate swap contracts of the Company at the end of the reporting period were as follows:

December 31, 2015: None.

December 31, 2014

Notional Amounts (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
NT$2,400,000	2008.9.23-2015.9.23	1.895%	0.888%

12. DEBT INSTRUMENTS WITH NO ACTIVE MARKET

	December 31	
	2015	2014
Pledged deposits	$ 10,308	$ 1,789
Current	$ 9,573	$ 1,054
Non-current	735	735
	$ 10,308	$ 1,789

Refer to Note 31 for information on debt instruments with no active market pledged as security.

13. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

	December 31	
	2015	2014
Investments in subsidiaries	$ 77,923,043	$ 72,554,730
Investments in associates	2,883,134	2,874,759
	$ 80,806,177	$ 75,429,489

a. Investments in subsidiaries

	December 31	
	2015	2014
Lite-On International Holding Co., Ltd.	$ 25,106,404	$ 23,434,167
Lite-On Singapore Pte. Ltd.	15,338,196	11,059,029
Lite-On Electronics H.K. Ltd.	11,231,033	10,381,190
Lite-On Mobile Pte. Ltd.	8,790,237	10,248,622
High Yield Group Co., Ltd.	5,305,483	5,436,169
Lite-On Technology USA, Inc.	2,359,141	1,930,753
Lite-On Automotive International (Cayman) Co., Ltd.	1,897,276	1,637,335
Lite-On Capital Corp.	1,598,494	1,499,284
Silitech Technology Corp.	1,487,387	1,523,632
Eagle Rock Investment Ltd.	1,410,738	1,768,331
Lite-On Electronics (Thailand) Co., Ltd.	1,304,188	1,252,123
LTC Group Ltd. (BVI)	592,312	349,883
Lite-On Japan Ltd.	358,234	337,901
Philip & Lite-On Digital Solutions Corp.	337,073	467,959
Lite-On Technology (Europe) B.V.	311,079	216,138
Lite-On Overseas Trading Co., Ltd.	242,239	281,227
Lite-On Vietnam Co., Ltd.	70,420	71,623
Lite-On Electronics (Europe) Ltd.	53,011	47,877
Lite-On Integrated Service Inc.	46,323	45,290
Lite-On Automotive Electronics (Europe) B.V.	43,143	45,626
Lite-On Information Technology B.V.	18,056	11,355
Lite-On Automotive Service USA Inc.	12,908	12,955
Leotek Electronics Holding Limited	9,668	15,526
Lite-On IT Singapore Pte. Ltd.	-	397,240

(Continued)

	December 31	
	2015	2014
Lite-On Sales & Distribution Inc.	$ -	$ 69,816
Lite-On Automotive North America Inc.	-	10,291
LarView Technologies Corporation (Samoa)	-	3,388
Lite-On Automotive Electronics Mexico, S.A. DE C.V.	(59,097)	-
Li Shin International Enterprise Corp.	(67,845)	(65,643)
LET (HK) Ltd.	(285,689)	(518,191)
	77,510,412	71,970,896
Add: Credit balance on the carrying value of investments accounted for using equity method	412,631	583,834
	$ 77,923,043	$ 72,554,730

(Concluded)

	Proportion of Ownership and Voting Rights	
	December 31	
	2015	2014
Lite-On International Holding Co., Ltd.	100.00%	100.00%
Lite-On Electronics H.K. Ltd.	100.00%	100.00%
Lite-On Capital Corp.	100.00%	100.00%
Lite-On Singapore Pte. Ltd.	100.00%	100.00%
Lite-On Technology USA, Inc.	100.00%	100.00%
Lite-On Electronics (Thailand) Co., Ltd.	100.00%	100.00%
LTC Group Ltd. (BVI)	100.00%	100.00%
Lite-On Overseas Trading Co., Ltd.	100.00%	100.00%
Lite-On Electronics (Europe) Ltd.	100.00%	100.00%
Lite-On Integrated Service Inc.	100.00%	100.00%
Lite-On Mobile Pte. Ltd.	100.00%	100.00%
Lite-On Vietnam Co., Ltd.	100.00%	100.00%
Li Shin International Enterprise Corp.	100.00%	100.00%
Eagle Rock Investment Ltd.	100.00%	100.00%
LET (HK) Ltd.	100.00%	100.00%
High Yield Group Co., Ltd.	100.00%	100.00%
Lite-On Information Technology B.V.	100.00%	100.00%
Leotek Electronics Holding Limited	100.00%	100.00%
Lite-On Automotive Electronics (Europe) B.V.	100.00%	100.00%
Lite-On Automotive Service USA Inc.	100.00%	100.00%
Lite-On Automotive International (Cayman) Co., Ltd.	100.00%	100.00%
Lite-On Automotive Electronics Mexico, S.A. DE C.V.	99.00%	-
Lite-On Technology (Europe) B.V.	54.00%	54.00%
Lite-On Japan Ltd.	49.49%	49.49%
Philip & Lite-On Digital Solutions Corp.	49.00%	49.00%
Silitech Technology Corp.	33.87%	32.08%
LarView Technologies Corporation (Samoa)	-	100.00%
Lite-On Automotive North America Inc.	-	100.00%
Lite-On Sales & Distribution Inc.	-	100.00%
Lite-On IT Singapore Pte. Ltd.	-	100.00%

The Company and the subsidiary - Lite-On Singapore Pte. Ltd. set up a subsidiary - Lite-On Automotive Electronics Mexico, S.A. DE C.V. and acquired all equity interest on January 2015.

Due to the reorganization within the group, Lite-On Technology USA, Inc. acquired all equity of Lite-On Sales & Distribution Inc. in January 2015. In addition, Lite-On Singapore Pte. Ltd. merged with Lite-On IT Singapore Pte. Ltd., with Lite-On Singapore Pte. Ltd. as the survivor entity. The merger took effect in January 2015, and Lite-On Singapore Pte. Ltd. thus assumed all rights and obligations of Lite-On IT Singapore Pte. Ltd. on that date.

Lite-On Automotive North America Inc. and LarView Technologies Corporation (Samoa) were liquidated in May and November 2015, respectively.

The Company holds less than 50% equity interest in Lite-On Japan Ltd. and Silitech Technology Corp. Base on the contractual arrangements between the Company and other investors, the Company has the power to direct the relevant activities of Lite-On Japan Ltd. and Silitech Technology Corp. Therefore, the directors of the Company concluded that the Company has the practical ability to direct the relevant activities of Lite-On Japan Ltd. and Silitech Technology Corp. unilaterally and hence the Company has control over Lite-On Japan Ltd. and Silitech Technology Corp.

The investments accounted for by the equity method including the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31	
	2015	2014
Material associates		
Lite-On Semiconductor Corp.	$ 1,544,501	$ 1,499,910
Dragonjet Corporation	1,047,765	1,060,414
Logah Technology Corp.	245,119	304,447
	2,837,385	2,864,771
Associates that are not individually material	45,749	9,988
	$ 2,883,134	$ 2,874,759

Material associates:

	December 31	
Name of Associate	2015	2014
Lite-On Semiconductor Corp.	18.52%	18.17%
Dragonjet Corporation	29.62%	29.62%
Logah Technology Corp.	28.10%	28.10%

Refer to Table 6 "Names, locations, and related information of investees over which the company exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associates.

The combined equities of the Company and its subsidiaries were more than 20% of the outstanding common stocks of Lite-On Semiconductor Corp. as of December 31, 2015 and 2014. Thus, the investee was accounted for by the equity method.

The financial statements used as basis for calculating the equity-method investments, the Company's share of profit or loss, and the other comprehensive income attributable the Company had all been audited.

Fair value (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Company	December 31 2015	December 31 2014
Lite-On Semiconductor Corp.	$ 1,227,021	$ 1,284,225
Logah Technology Corp.	$ 286,735	$ 518,024

The Company's investments of the above mentioned associates are measured by equity method.

Summarized financial information in respect of each of the Company's material associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purposes.

Lite-On Semiconductor Corp.

	December 31 2015	December 31 2014
Current assets	$ 2,482,368	$ 2,764,367
Non-current assets	13,683,914	13,122,985
Current liabilities	(5,385,781)	(4,012,552)
Non-current liabilities	(2,498,858)	(3,608,178)
Equity	$ 8,281,643	$ 8,266,622
Proportion of the Company's ownership	18.52%	18.17%
Equity attributable to the Company	$ 1,533,760	$ 1,502,045
Other	10,741	(2,135)
Carrying amount	$ 1,544,501	$ 1,499,910

	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Operating revenue	$ 6,305,194	$ 7,185,708
Operating loss	$ (382,835)	$ (183,501)
Net profit for the year	$ 476,872	$ 428,587
Other comprehensive income (loss)	(93,012)	355,747
Total comprehensive income (loss) for the year	$ 383,860	$ 784,334
Dividends received	$ 57,051	$ 24,298

Dragonjet Corporation

	December 31 2015	December 31 2014
Current assets	$ 407,198	$ 372,673
Non-current assets	2,217,343	2,232,755
Current liabilities	(559,090)	(494,104)
Non-current liabilities	(227,940)	(234,066)
Equity	$ 1,837,511	$ 1,877,258
Proportion of the Company's ownership	29.62%	29.62%
Equity attributable to the Company	$ 544,337	$ 556,043
Goodwill	503,428	503,428
Other	-	943
Carrying amount	$ 1,047,765	$ 1,060,414

	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Operating revenue	$ 235,792	$ 263,396
Operating income (loss)	$ (2,077)	$ 3,902
Net profit for the year	$ 27,222	$ 56,511
Other comprehensive income (loss)	(21,858)	89,400
Total comprehensive income (loss) for the year	$ 5,364	$ 145,911
Dividends received	$ 13,364	$ 13,364

Logah Technology Corp.

	December 31 2015	December 31 2014
Current assets	$ 161,760	$ 143,537
Non-current assets	792,453	1,042,939
Current liabilities	(63,927)	(80,610)
Non-current liabilities	(18,048)	(17,883)
Equity	$ 872,238	$ 1,087,983
Proportion of the Company's ownership	28.10%	28.10%
Equity attributable to the Company	$ 245,119	$ 305,723
Other	-	(1,276)
Carrying amount	$ 245,119	$ 304,447

	For the Year Ended December 31	
	2015	2014
Operating revenue	$ 96,107	$ 90,199
Operating loss	$ (45,532)	$ (55,749)
Net loss for the year	$ (211,123)	$ (206,774)
Other comprehensive income (loss)	(4,622)	23,627
Total comprehensive income (loss) for the year	$ (215,745)	$ (185,147)
Dividends received	$ -	$ -

Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2015	2014
The Company's share of:		
Net profit for the year	$ 42,950	$ 23,966
Other comprehensive income (loss)	(7,189)	1,842
Total comprehensive income (loss) for the year	$ 35,761	$ 25,808

Investments accounted for by the equity method and the share of profit or loss and other comprehensive income from those investments in associates that are not individually material are calculated based on the financial statements that have not been audited. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of associates that are not individually material that have not been audited.

14. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31	
	2015	2014
Carrying amounts of each class		
Freehold land	$ 2,226,499	$ 2,226,499
Buildings	3,118,967	2,935,988
Machinery equipment	1,080,507	1,413,967
Tooling equipment	106,959	80,239
Transportation equipment	353	519
Office equipment	177,409	168,000
Equipment held under finance lease	20,253	47,405
Other equipment	148,376	505,449
	$ 6,879,323	$ 7,378,066

	For the Year Ended December 31, 2015					
	January 1, 2015	Additions	Disposals	Acquired from Business Combination	Reclassification	December 31, 2015
Cost						
Freehold land	$ 2,226,499	$ -	$ -	$ -	$ -	$ 2,226,499
Buildings	4,491,518	300,983	22,421	-	116,998	4,887,078
Machinery equipment	3,903,005	247,928	583,721	-	259,327	3,826,539
Tooling equipment	575,356	96,690	14,898	-	(2)	657,146
Transportation equipment	4,605	-	-	-	(709)	3,896
Office equipment	800,410	103,957	68,921	-	(32,769)	802,677
Equipment held under finance lease	87,081	-	16,624	-	865	71,322
Other equipment	1,073,239	76,863	22,765	-	(607,811)	519,526
	13,161,713	$ 826,421	$ 729,350	$ -	$ (264,101)	12,994,683
Accumulated depreciation						
Buildings	1,550,320	$ 136,617	$ 22,375	$ -	$ 98,339	1,762,901
Machinery equipment	2,489,038	329,991	218,574	-	145,577	2,746,032
Tooling equipment	495,117	51,026	14,091	-	18,135	550,187
Transportation equipment	4,086	166	-	-	(709)	3,543
Office equipment	632,410	97,654	68,635	-	(36,161)	625,268
Equipment held under finance lease	39,676	23,108	4,818	-	(6,897)	51,069
Other equipment	567,790	63,245	22,633	-	(237,252)	371,150
	5,778,437	$ 701,807	$ 351,126	$ -	$ (18,968)	6,110,150
Accumulated impairment						
Freehold land	-	$ -	$ -	$ -	$ -	-
Buildings	5,210	-	-	-	-	5,210
Machinery equipment	-	-	-	-	-	-
Tooling equipment	-	-	-	-	-	-
Transportation equipment	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-
Equipment held under finance lease	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-
	5,210	$ -	$ -	$ -	$ -	5,210
	$ 7,378,066					$ 6,879,323

	For the Year Ended December 31, 2014					
	January 1, 2014	Additions	Disposals	Acquired from Business Combination	Reclassification	December 31, 2014
Cost						
Freehold land	$ 2,033,482	$ -	$ -	$ 193,017	$ -	$ 2,226,499
Buildings	3,240,213	-	-	1,251,305	-	4,491,518
Machinery equipment	2,270,617	652,863	86,196	1,202,399	(136,678)	3,903,005
Tooling equipment	266,286	27,895	32,795	316,321	(2,351)	575,356
Transportation equipment	827	93	993	4,678	-	4,605
Office equipment	518,017	70,072	11,030	224,501	(1,150)	800,410
Equipment held under finance lease	5,515	-	-	81,566	-	87,081
Other equipment	460,298	232,233	22,142	402,850	-	1,073,239
	8,795,255	$ 983,156	$ 153,156	$ 3,676,637	$ (140,179)	13,161,713
Accumulated depreciation						
Buildings	1,016,138	105,367	-	428,815	-	1,550,320
Machinery equipment	2,053,972	197,205	82,770	370,500	(49,869)	2,489,038
Tooling equipment	260,679	36,404	32,754	233,139	(2,351)	495,117
Transportation equipment	770	149	993	4,160	-	4,086
Office equipment	402,842	67,835	10,844	174,520	(1,943)	632,410
Equipment held under finance lease	5,250	5,462	-	28,964	-	39,676
Other equipment	290,480	67,417	19,328	229,221	-	567,790
	4,030,131	$ 479,839	$ 146,689	$ 1,469,319	$ (54,163)	5,778,437

(Continued)

	For the Year Ended December 31, 2014					
	January 1, 2014	Additions	Disposals	Acquired from Business Combination	Reclassification	December 31, 2014
Accumulated impairment						
Freehold land	$ -	$ -	$ -	$ -	$ -	$ -
Buildings	-	-	-	5,210	-	5,210
Machinery equipment	6,947	-	-	-	(6,947)	-
Tooling equipment	-	-	-	-	-	-
Transportation equipment	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-
Equipment held under finance lease	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-
	6,947	$ -	$ -	$ 5,210	$ (6,947)	5,210
	$ 4,758,177					$ 7,378,066

(Concluded)

No impairment assessment was performed for the years ended 2015 and 2014 as there was no indication of impairment.

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

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

15. INTANGIBLE ASSETS, NET

	December 31	
	2015	2014
Carrying amounts of each class		
Goodwill	$ 5,953,418	$ 5,926,156
Patents	568,420	860,597
Software	220,412	287,809
Client relationships	-	-
	$ 6,742,250	$ 7,074,562

	For the Year Ended December 31, 2015					
	January 1, 2015	Additions	Disposals	Acquired from Business Combination	Reclassification	December 31, 2015
Cost						
Goodwill	$ 6,003,390	$ 27,262	$ -	$ -	$ -	$ 6,030,652
Patents	4,332,221	-	946,176	-	22,032	3,408,077
Software	1,045,410	103,001	36,121	-	8,231	1,120,521
Client relationships	163,819	-	-	-	-	163,819
	11,544,840	$ 130,263	$ 982,297	$ -	$ 30,263	10,723,069
Accumulated amortization						
Goodwill	77,234	$ -	$ -	$ -	$ -	77,234
Patents	3,471,624	292,219	946,176	-	21,990	2,839,657
Software	757,601	170,395	36,121	-	8,234	900,109
Client relationships	163,819	-	-	-	-	163,819
	4,470,278	$ 462,614	$ 982,297	$ -	$ 30,224	3,980,819
Accumulated impairment						
Goodwill	-	$ -	$ -	$ -	$ -	-
Patents	-	-	-	-	-	-
Software	-	-	-	-	-	-
Client relationships	-	-	-	-	-	-
	-	$ -	$ -	$ -	$ -	-
	$ 7,074,562					$ 6,742,250

(Concluded)

	For the Year Ended December 31, 2014					
	January 1, 2014	Additions	Disposals	Acquired from Business Combination	Reclassification	December 31, 2014
Cost						
Goodwill	$ 622,152	$ -	$ -	$ 5,381,238	$ -	$ 6,003,390
Patents	27,134	543	-	4,304,544	-	4,332,221
Software	638,731	252,781	15,324	177,155	(7,933)	1,045,410
Client relationships	163,819	-	-	-	-	163,819
	1,451,836	$ 253,324	$ 15,324	$ 9,862,937	$ (7,933)	11,544,840
Accumulated amortization						
Goodwill	77,234	$ -	$ -	$ -	$ -	77,234
Patents	21,481	165,897	-	3,284,246	-	3,471,624
Software	543,165	129,503	15,324	108,190	(7,933)	757,601
Client relationships	163,819	-	-	-	-	163,819
	805,699	$ 295,400	$ 15,324	$ 3,392,436	$ (7,933)	4,470,278
Accumulated impairment						
Goodwill	-	$ -	$ -	$ -	$ -	-
Patents	-	-	-	-	-	-
Software	-	-	-	-	-	-
Client relationships	-	-	-	-	-	-
	-	$ -	$ -	$ -	$ -	-
	$ 646,137					$ 7,074,562

The above items of other intangible assets were amortized on a straight-line basis over the estimated useful life of the asset:

Patents	6 years
Software	1-14 years
Client relationships	4 years

a. The Company acquired an asset group from SEEnergy Corp. in September 2015. IFRS 3 "Business Combinations" and IAS 38 "Intangible Assets" define recognized goodwill as the sum of the acquisition cost plus other direct transaction costs minus the fair value of the identifiable net assets acquired. Thus, goodwill was calculated as follows:

Acquisition price		$ 30,093
Fair value of acquired identifiable net assets:		
Inventories	$ 2,420	
Property, plant and equipment	340	
Software	71	2,831
Goodwill		$ 27,262

To integrate its overall resources and enhance the efficiency of operations, the Company had short-form mergers - in accordance with Article 19 of the Business Mergers and Acquisitions Act - with Li Shin International Enterprise Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corp. and LarView Technologies Corp. on March 22, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, respectively, under the board of directors' approval. The Company was the survivor entity in all of these mergers. The investment premium due to merger from Li Shin International Enterprise Corp., Lite-On Automotive Corp., Leotek Electronics Corp., were $1,708,258 thousand, $165,424 thousand, and $220,170 thousand, respectively. The investment premium from acquisition of LarView Technologies Corp. was $368,462 thousand. The goodwill from Lite-On IT Corporation, and Lite-On Automotive Corp. acquiring other companies was $2,806,508 thousand and $112,416 thousand, respectively. The total amount of $5,381,238 thousand was transferred to the Company and recorded as intangible assets - goodwill.

The Company completed the purchase of some assets of the IrDA Department of Avago Technologies Limited. Statement of IFRS 3 - "Business Combinations" and IAS 38 - "Intangible Assets" define recognized goodwill as the sum of the acquisition cost plus other direct transaction costs minus the fair value of the identifiable net assets acquired. Thus, the goodwill generated was calculated at $411,932 thousand as of December 31, 2009.

The goodwill arising from the Company's acquisition of Lite-On Enclosure Inc. in 2004 was $210,220 thousand was amortized for about five years. However, under the Guidelines Governing the Preparation of Financial Reports, effective January 1, 2006, goodwill need no longer be amortized. As of December 31, 2015 and 2014, the carrying value of goodwill was $132,986 thousand.

b. Goodwill is allocated to the Company'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 five-year period. As of December 31, 2015 and 2014, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

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.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2015	2014
Unsecured borrowings		
Line of credit borrowings	$ 12,874,375	$ 13,467,121

The range of interest rate on bank loans was 0.70%-1.17% and 0.82%-1.16% per annum as of December 31, 2015 and 2014, respectively.

b. Long-term borrowings

	December 31	
	2015	2014
Unsecured borrowings		
Syndicated loan with Citi Bank	$ 12,000,000	$ 12,000,000
Chang Hwa Bank	500,000	500,000
Taiwan Cooperative Bank	-	425,000
	12,500,000	12,925,000
Current portion	(2,900,000)	(5,225,000)
Long-term borrowings: Non-current	$ 9,600,000	$ 7,700,000

As of December 31, 2015 and 2014, the Company had 2 and 4 long-term bank loans respectively with contract terms between October 19, 2011 and September 23, 2018. The floating interest rates are (1.5789% to 1.59067% and 1.520% to 1.703% as of December 31, 2015 and 2014, respectively) payable monthly or quarterly. These loans should be repaid in 5 or 8 installments or at lump sum on loan maturity.

On September 23, 2008, the 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 Company had repaid the syndicated loan in September 2015.

On September 12, 2013, the Company signed another contract for a five-year syndicated loan with Citibank and 16 other financial institutions. The credit line was $15 billion, which was for 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 syndication 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 Company should maintain the agreed financial ratios based on the most recent semiannual or annual financial statements. As of December 31, 2015 and 2014, the Company used $12 billion of the credit line of the above syndicated loan.

As of December 31, 2015 and 2014, the Company did not violate the financial ratio agreement stated above.

17. PROVISIONS

	December 31	
	2015	2014
Current		
Warranties	$ 853,031	$ 828,287

Movements in the provisions were as follows:

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 828,287	$ 133,230
Recognition of provisions	263,383	231,972
Usage	(238,639)	(109,217)
Acquired from business combination	-	572,302
Balance at December 31	$ 853,031	$ 828,287

The provision for warranty claims represents 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 under local sale of goods legislation. 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.

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	$ 1,154,819	$ 1,072,976
Fair value of plan assets	(1,090,884)	(1,072,993)
Net defined benefit liability (asset)	$ 63,935	$ (17)

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	$ 870,102	$ (858,929)	$ 11,173
Current service cost	7,661	-	7,661
Net interest expense (income)	17,292	(17,439)	(147)
Recognized in profit or loss	24,953	(17,439)	7,514
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,794)	(4,794)
Actuarial loss - changes in financial assumptions	4,572	-	4,572
Actuarial gain - experience adjustments	(9,686)	-	(9,686)
Recognized in other comprehensive income (loss)	(5,114)	(4,794)	(9,908)
Contributions from the employer	-	(17,243)	(17,243)
Benefits paid	(16,619)	16,619	-
Business combinations	199,654	(191,207)	8,447
Balance at December 31, 2014	$ 1,072,976	$ (1,072,993)	$ (17)
Balance at January 1, 2015	$ 1,072,976	$ (1,072,993)	$ (17)
Current service cost	7,717	-	7,717
Net interest expense (income)	17,964	(18,137)	(173)
Recognized in profit or loss	25,681	(18,137)	7,544
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(10,538)	(10,538)
Actuarial loss - changes in financial assumptions	68,088	-	68,088
Actuarial loss - experience adjustments	19,076	-	19,076
Recognized in other comprehensive income (loss)	87,164	(10,538)	76,626
Contributions from the employer	-	(20,218)	(20,218)
Benefits paid	(31,002)	31,002	-
Balance at December 31, 2015	$ 1,154,819	$ (1,090,884)	$ 63,935

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate	1.10%	1.70%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2015	2014
Discount rate		
0.25% increase	$ (29,099)	$ (29,014)
0.25% decrease	$ 30,194	$ 30,170
Expected rate of salary increase		
0.25% increase	$ 28,997	$ 29,304
0.25% decrease	$ (28,114)	$ (28,341)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	$ 19,920	$ 20,400
The average duration of the defined benefit obligation	10.32 years	11.32 years

19. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2015	2014
Numbers of shares authorized (in thousands)	3,500,000	3,500,000
Shares authorized	$ 35,000,000	$ 35,000,000
Number of shares issued and fully paid (in thousands)	2,334,928	2,341,674
Shares issued	$ 23,349,283	$ 23,416,737

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

Of the 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 Company issued 4,900 thousand units of global depositary receipts (GDRs) on the London Stock Exchange. These GDRs represented 49,000 thousand common shares of the Company.

On April 3, 1995, GVC Corp. issued 5,000 units of GDRs on the London Stock Exchange. These GDRs represented 25,000 thousand common 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 common shares of GVC Corp. For merger purposes, these GDRs were exchanged for the Company's 1,478 thousand marketable equity securities, which represented the Company's 14,781 thousand common shares.

As of December 31, 2015 and 2014, the outstanding marketable equity securities were 5,217 thousand units and 5,213 thousand units, representing 52,168 thousand common share and 52,127 thousand common shares of the Company, respectively. The rights and obligation of security holders are the same as those of common shareholders, except for voting rights. As of December 31, 2015 and 2014, the unredeemed GDRs amounted to 816 thousand units and 994 thousand units.

b. Capital surplus

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

c. Retained earnings and dividend policy

To ensure the availability of cash for the Company's present and future expansion plans and to meet shareholders' cash flow requirements, the Company prefers to distribute more stock dividends. In principle, cash dividends are limited to 10% of total dividends distributed.

The Company's Articles of Incorporation provide that the annual net income, less any deficit, and 10% legal reserve as well as special reserve equal to the debit balances of the shareholders' equity accounts, together with the distributable unappropriated earnings of prior years, can be retained partially on the basis of operating requirements. The remainder should be distributed as follows:

1) Bonus to employees: At least 1%.
2) Bonus to directors: 1.5% or less.
3) Others, as dividends.

If the bonus to employees is in the form of shares, it may be distributed to the employees' subsidiaries. The requirements and the method of distribution of these share bonuses are based on resolutions passed by the board of directors.

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 consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on March 25, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 24, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 21 (b).

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 Company should appropriate or reverse a special reserve.

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

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 Company.

The appropriations of earnings for 2014 and 2013 had been approved in the shareholders' meetings on June 24, 2015 and June 19, 2014, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2014	2013	2014	2013
Legal reserve	$ 646,166	$ 875,485		
Special reserve	182,544	-		
Reversal of special reserve	-	640,244		
Share dividends	117,084	116,381	$ 0.05	$ 0.05
Cash dividends	4,613,097	6,307,866	1.97	2.71

The appropriations of earnings for 2015 had been proposed by the Company's board of directors on March 25, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 722,290	
Special reserve	166,389	
Share dividends	116,746	$ 0.05
Cash dividends	5,113,493	2.19

The appropriations of earnings for 2015 are subject to the resolution of the shareholders' meeting to be held on June 24, 2016.

d. Others equity items

Movements in others equity items were as follows:

	2015			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 4,125,097	$ 139,072	$ (11,989)	$ 4,252,180
Exchange differences arising on translating the financial statements of foreign operations	(818,537)	-	-	(818,537)
Loss arising on changes in the fair value of available-for-sale financial assets	-	(280,893)	-	(280,893)
Reclassification to income from disposal of available-for-sale financial assets	-	(19,926)	-	(19,926)
Gain arising on changes in the fair value of hedging instruments	-	-	11,989	11,989
Share of other comprehensive income of subsidiaries and associates	(91,013)	9,033	-	(81,980)
Income tax effect	132,355	-	-	132,355
Balance at December 31	$ 3,347,902	$ (152,714)	$ -	$ 3,195,188

	2014			
	Foreign Currency Translation Reserve	Unrealized Gain from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302
Exchange differences arising on translating the financial statements of foreign operations	2,394,153	-	-	2,394,153
Gain arising on changes in the fair value of available-for-sale financial assets	-	298,311	-	298,311
Reclassification to income from disposal of available-for-sale financial assets	-	(259,010)	-	(259,010)

(Continued)

	2014			
	Foreign Currency Translation Reserve	Unrealized Gain from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Gain arising on changes in the fair value of hedging instruments	$ -	$ -	$ 34,980	$ 34,980
Share of other comprehensive income of subsidiaries and associates	(233,000)	16,540	-	(216,460)
The proportionate share of other comprehensive income reclassified to profit or loss upon partial disposal of associates	(1,240)	-	-	(1,240)
Effect of deconsolidation of subsidiary (Note 25)	(13,549)	-	-	(13,549)
Income tax effect	(404,307)	-	-	(404,307)
Balance at December 31	$ 4,125,097	$ 139,072	$ (11,989)	$ 4,252,180

(Concluded)

The exchange differences arising on translation of foreign operation's net assets from its functional currency to the 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. Treasury shares

Unit: In Thousands of Shares

Purpose of Buyback	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at December 31
For the year ended December 31, 2015				
Shares held by its subsidiaries	26,575	133	-	26,708
Shares buyback for cancellation	-	22,787	22,787	-
	26,575	22,920	22,787	26,708

(Continued)

Purpose of Buyback	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at December 31
For the year ended December 31, 2014				
Shares held by its subsidiaries	28,118	132	1,675	26,575

(Concluded)

The 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
December 31, 2015			
Lite-On Capital Corp.	15,041	$ 718,857	$ 479,049
LTC International Ltd.	6,969	297,469	221,759
Yet Foundate Ltd.	2,260	126,881	71,820
Lite-On Electronics Co., Ltd.	2,438	105,515	77,491
		$ 1,248,722	$ 850,119
December 31, 2014			
Lite-On Capital Corp.	14,966	$ 718,857	$ 544,761
LTC International Ltd.	6,935	297,469	272,328
Yet Foundate Ltd.	2,248	126,881	95,922
Lite-On Electronics Co., Ltd.	2,426	105,515	103,497
		$ 1,248,722	$ 1,016,508

On July 20, 2015, the Company's Board of Directors approved the repurchase of up to 100,000 thousand shares listed on the Taiwan Stock Exchange between July 21, 2015 and September 20, 2015, with the buyback price ranging from $25.34 to $53.97. By the end of the repurchase period, the Company had bought back 22,787 thousand shares for $706,679 thousand. The Company has already registered with the Ministry of Economic Affairs to cancel those buy-back shares.

Under the Securities and Exchange Act, the 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.

20. REVENUE

	For the Year Ended December 31	
	2015	2014
Revenue from the sale of goods	$ 122,362,953	$ 113,855,987
Royalty income	1,332,439	1,054,983
Revenue from management services	830,524	766,148
Rental income from property	103,332	115,130
	$ 124,629,248	$ 115,792,248

21. ADDITIONAL INFORMATION ON EXPENSES

Net income included the following items:

	For the Year Ended December 31	
	2015	2014
a. Depreciation and amortization		
Property, plant and equipment	$ 701,807	$ 479,839
Intangible assets	462,614	295,400
	$ 1,164,421	$ 775,239
Depreciation expenses summarized by function		
Recognized in cost of revenue	$ 212,606	$ 107,948
Recognized in operating expenses	489,201	371,891
	$ 701,807	$ 479,839
Amortization expenses summarized by function		
Recognized in cost of revenue	$ 3,084	$ 11,772
Recognized in operating expenses	459,530	283,628
	$ 462,614	$ 295,400
b. Employee benefit expenses		
Post-employment benefits (Note 18)		
Defined contribution plans	$ 213,948	$ 171,589
Defined benefit plans	7,544	7,514
	221,492	179,103
Termination benefits	32,500	17,770
Other employee benefits	6,001,944	4,943,380
	$ 6,255,936	$ 5,140,253
Employee benefit expenses summarized by function		
Recognized in cost of revenue	$ 807,678	$ 462,255
Recognized in operating expenses	5,448,258	4,677,998
	$ 6,255,936	$ 5,140,253

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation and remuneration to directors at a certain percentage of net profit before income tax, employees' compensation, and remuneration to directors. The employees' compensation and remuneration to directors for the year ended December 31, 2015 have been approved by the Company's board of directors on March 25, 2016 and are subject to the resolution and adoption of the amendments to the Company's Articles of Incorporation by the shareholders in their meeting to be held on June 24, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The details were as follows:

	For the Year Ended December 31, 2015	
	Cash	Share
Employees' compensation	$ 858,514	$ 163,526
Remuneration to directors	61,395	-

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

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and adjusted in the following year.

The appropriations of bonuses to employees and remuneration to directors for 2014 and 2013, which have been approved in the shareholders' meetings on June 24, 2015 and June 19, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	$ 768,033	$ 146,292	$ 997,212	$ 189,945
Remuneration of directors	54,924	-	70,039	-

The 4,333 thousand shares for 2014 was determined by dividing the amount of share bonus approved in 2015 by the closing price of $33.76 (after considering the effect of cash and stock dividends) on the day immediately preceding the shareholders' meeting.

The 4,085 thousand shares for 2013 was determined by dividing the amount of share bonus resolved in 2014 by the closing price of $46.50 (after considering the effect of cash and stock dividends) on the day immediately preceding the shareholders' meeting.

There was no difference between the amounts of the bonus to employees and the remuneration to directors approved in the shareholders' meeting on June 24, 2015 and June 19, 2014 and the amounts recognized in the Company's financial statements for the years ended December 31, 2014 and 2013, respectively.

Information on the employees' compensation and remuneration to directors resolved by the Company's board of directors in 2016 and bonus to employees and directors resolved by the shareholders' meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense (benefit) were as follows:

	For the Year Ended December 31	
	2015	2014
Current income tax expense (benefit)		
Current tax expense recognized in the current year	$ 768,721	$ 833,181
Adjustment for prior years' tax	(154,022)	(76,196)
	614,699	756,985
Deferred tax		
The origination and reversal of temporary differences	494,853	(791,069)
Income tax expense recognized in profit or loss	$ 1,109,552	$ (34,084)

A reconciliation of income before income tax and income tax expense (benefit) recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2015	2014
Income before tax	$ 8,332,451	$ 6,426,724
Income tax expense at the statutory rate	$ 1,416,517	$ 1,092,543
Tax effect of adjusting items:		
Deductible items in determining taxable income	(738,895)	(468,898)
Additional income tax on unappropriated earnings	91,099	209,536
The origination and reversal of temporary differences	494,853	(791,069)
Adjustment for prior years' tax	(154,022)	(76,196)
Income tax expense (benefit) recognized in profit or loss	$ 1,109,552	$ (34,084)

The applicable tax rate used above is the corporate tax rate of 17% payable by the Company.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
Deferred income tax expense (benefit)		
Translation of foreign operations	$ (132,355)	$ 404,307
Related to actuarial gain/loss from defined benefit plans	(13,026)	1,684
	$ (145,381)	$ 405,991

c. Deferred income tax balance

The analysis of deferred income tax assets was as follows:

	December 31	
	2015	2014
Temporary differences		
Investment accounted for using equity method	$ 1,109,952	$ 1,266,944
Impairment loss on assets	328,940	325,877
Unrealized loss on inventories	224,777	197,071
Unrealized loss and expense	190,948	117,257
Accrued warranty expense	145,015	113,095
Net defined benefit liability	47,346	36,465
Unrealized sales profit	38,615	40,835
Unrealized exchange loss net	12,699	-
Accumulated compensated absences	7,850	27,390
	$ 2,106,142	$ 2,124,934

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Acquired from Business Combination	Closing Balance
2015					
Temporary differences					
Investment accounted for using equity method	$ 1,266,944	$ (156,992)	$ -	$ -	$ 1,109,952
Impairment loss on assets	325,877	3,063	-	-	328,940
Unrealized loss on inventories	197,071	27,706	-	-	224,777
Unrealized loss and expense	117,257	73,691	-	-	190,948
Accrued warranty expense	113,095	31,920	-	-	145,015
Net defined benefit liability	36,465	(2,145)	13,026	-	47,346
Unrealized sales profit	40,835	(2,220)	-	-	38,615
Unrealized exchange loss net	-	12,699	-	-	12,699
Accumulated compensated absences	27,390	(19,540)	-	-	7,850
	$ 2,124,934	$ (31,818)	$ 13,026	$ -	$ 2,106,142
2014					
Temporary differences					
Investment accounted for using equity method	$ 374,803	$ 477,908	$ -	$ 414,233	$ 1,266,944
Impairment loss on assets	298,231	15,359	-	12,287	325,877
Unrealized loss on inventories	37,064	88,805	-	71,202	197,071
Unrealized loss and expense	107,152	5,164	-	4,941	117,257
Accrued warranty expense	22,649	(32,423)	-	122,869	113,095
Unrealized sales profit	51,236	(42,152)	-	31,751	40,835
Net defined benefit liability	24,590	1,654	(1,684)	11,905	36,465
Accumulated compensated absences	1,596	25,794	-	-	27,390
Available-for-sale financial assets	4,520	(4,771)	-	251	-
	$ 921,841	$ 535,338	$ (1,684)	$ 669,439	$ 2,124,934

The analysis of deferred income tax liabilities was as follows:

	December 31	
	2015	2014
Temporary differences		
Investment accounted for using equity method	$ 2,698,177	$ 2,355,715
Unrealized amortization of goodwill	353,808	353,808
Land value increment tax	230,216	230,216
Unrealized exchange gains net	-	11,782
	$ 3,282,201	$ 2,951,521

	Opening Balance	Recognized in (Profit) Loss	Recognized in Other Comprehensive (Income) Loss	Acquired from Business Combination	Closing Balance
2015					
Temporary differences					
Investment accounted for using equity method	$ 2,355,715	$ 474,817	$ (132,355)	$ -	$ 2,698,177
Unrealized amortization of goodwill	353,808	-	-	-	353,808
Land value increment tax	230,216	-	-	-	230,216
Unrealized exchange gains net	11,782	(11,782)	-	-	-
	$ 2,951,521	$ 463,035	$ (132,355)	$ -	$ 3,282,201
2014					
Temporary differences					
Investment accounted for using equity method	$ 1,212,198	$ (238,275)	$ 404,307	$ 977,485	$ 2,355,715
Unrealized amortization of goodwill	35,737	-	-	318,071	353,808
Land value increment tax	230,216	-	-	-	230,216
Unrealized exchange gains net	45,420	(17,456)	-	(16,182)	11,782
	$ 1,523,571	$ (255,731)	$ 404,307	$ 1,279,374	$ 2,951,521

d. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2015 and 2014, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to $663,496 thousand and $223,496 thousand, respectively.

e. Integrated income tax

	December 31	
	2015	2014
Unappropriated earnings		
Unappropriated earnings generated before January 1, 1998	$ 2,215	$ 2,215
Unappropriated earnings generated on and after January 1, 1998	13,008,858	11,430,326
	$ 13,011,073	$ 11,432,541
Imputation credits accounts	$ 1,485,076	$ 1,308,623

The estimated and actual creditable ratio for distribution of earnings of 2015 and 2014 were 11.41% and 11.18%, respectively.

According to the amendments to the Income Tax Law Article 66-6, effective on January 1, 2015, the creditable ratio for ROC resident shareholders has been halved. In addition, according to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

f. Income tax assessments

The tax returns through all years, except 2012 to 2014, have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of 2013 tax return and applied for a reexamination. Nevertheless, to be conservative, the Company provided for the possible income tax.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	$ 3.11	$ 2.78
Diluted earnings per share	$ 3.07	$ 2.75

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

	Amounts (Numerator)	Shares (Denominator) (Thousands)	Earnings Per Share (NT$)
2015			
Basic EPS			
The net income of common shareholders	$ 7,222,899	2,320,208	$ 3.11
Effect of dilutive potential common stock:			
Employees' compensation	-	34,377	
Diluted EPS			
The net income of common shareholders plus the effect of potential dilutive common stock	$ 7,222,899	2,354,585	$ 3.07
2014			
Basic EPS			
The net income of common shareholders	$ 6,460,808	2,323,511	$ 2.78
Effect of dilutive potential common stock:			
Bonus issue to employees	-	27,413	
Diluted EPS			
The net income of common shareholders plus the effect of potential dilutive common stock	$ 6,460,808	2,350,924	$ 2.75

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 16, 2015. This adjustment caused the basic and diluted after-tax earnings per share for the year ended December 31, 2014 to decrease from $2.80 to $2.78 and from $2.76 to $2.75, respectively.

Since the Company is allowed to settle the bonuses or remuneration paid to employees in cash or shares, the 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, as 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.

24. ACQUISITION OF SUBSIDIARIES - WITH OBTAINED CONTROL

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
LarView Technologies Corp.	Manufacture of optical instruments, general Instruments, computers and peripherals.	April 2014	83.33	$ 500,000

LarView Technologies Corp. was acquired not only to upgrade its capability in the automated processing of camera modules but also to expand the market for this product. For details about the acquisition of LarView Technologies Corp., please refer to Note 29 to the consolidated financial statements for the year ended December 31, 2015.

25. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

On March 28, 2014, the Company lost its power to govern the financial and operating policies of Logah Technology Corp. because of the loss of power to cast the majority of votes at meetings of the Board of Directors. For details about the disposal of Logah Technology Corp., please refer to Note 30 to the consolidated financial statements for the year ended December 31, 2015.

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In January to June 2014, the Company acquired an additional 0.87% equity interest in Lite-On IT Corporation, and increased the equity interest from 99.13 % to 100%.

In April 2014, the Company acquired an additional 17.74% equity interest in Lite-On Automotive Corp., and increased the equity interest from 82.26 % to 100%.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries.

	For the Year Ended December 31, 2014		
	Lite-On Automotive Corporation	Lite-On IT Corporation	Total
Cash consideration paid	$ 808,800	$ 204,368	$ 1,013,168
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	(297,970)	(171,716)	(469,686)
Differences arising from equity transaction (reductions of unappropriated earnings)	$ 510,830	$ 32,652	$ 543,482

27. ACQUISITION OF SUBSIDIARIES

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Ownership with Direct/Indirect Voting Rights	Consideration Transfer
Li Shin International Enterprise Corp.	Manufacture of business machinery equipment and electronic components	March 22, 2014	100%	$ -
Lite-On Clean Energy Technology Corp.	Manufacture of business machinery equipment, power supplies, batteries and modules	April 15, 2014	100%	-
Lite-On Automotive Corporation	Manufacture and sale of automotive electronic components	June 1, 2014	100%	-
Leotek Electronics Corp.	Development, manufacture and sale of LED products, including display panel, light bulb, streetlight, emergency flasher, traffic light, warning light and etc.	June 29, 2014	100%	1,264,985
Lite-On IT Corporation	Manufacture and sale of data storage and processing equipment, electronic components and business machinery equipment	June 30, 2014	100%	-
LarView Technologies Corp.	Manufacture of optical instruments, general instruments, electronic components, computers and peripherals.	September 1, 2014	100%	85,075
				$ 1,350,060

To integrate its overall resources and enhance the efficiency of operations, the Company had short-form mergers - in accordance with Article 19 of the Business Mergers and Acquisitions Act - with Li Shin International Enterprise Corp., Lite-On Clean Energy Technology Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corp. and LarView Technologies Corp. on March 22, 2014, April 15, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, respectively, under the board of directors' approval. The Company was the survivor entity in all of these mergers.

b. Assets acquired and liabilities assumed at the date of acquisition

	Li Shin International Enterprise Corp.	Lite-On Clean Energy Technology Corp.	Lite-On Automotive Corp.	Leotek Electronics Corp.	Lite-On IT Corporation	LarView Technologies Corp.	Total
Current assets							
Cash	$ 726,692	$ 5,939	$ 174,865	$ 709,079	$ 4,404,246	$ 63,272	$ 6,084,093
Trade and other receivables	945,002	26,886	553,011	584,255	6,505,987	507,553	9,122,694
Inventories, net	69,153	33,776	254,702	136,576	5,830,823	309,495	6,634,525
Other	15,079	2,846	37,361	41,605	258,325	52,524	407,740
Non-current assets							
Available-for-sale financial asset - noncurrent	13	-	202,324	36,644	256,026	-	495,007
Investments accounted for by the equity method	1,711,495	-	1,517,774	40,040	5,771,412	3,204	9,043,925
Property, plant and equipment, net	130,978	24,550	72,344	227,384	1,457,601	289,251	2,202,108
Intangible assets, net	2,758	2,515	112,416	-	3,890,498	-	4,008,187
Deferred tax assets	9,775	110	25,607	39,349	594,598	-	669,439
Prepayments for pension fund	8,360	-	-	87	-	-	8,447
Current liabilities							
Short-term borrowings	-	(207,948)	(15,000)	-	-	(298,925)	(521,873)
Trade and other payables	(922,972)	(57,522)	(811,729)	(505,974)	(7,087,200)	(780,416)	(10,165,813)
Current tax liabilities	(25,877)	-	(44,725)	(35,717)	(95,245)	-	(201,564)
Provisions	-	(3,893)	(121,119)	(52,194)	(395,096)	-	(572,302)
Other	(219)	(1,766)	(58,986)	(38,952)	(429,170)	(3,540)	(532,633)
Non-current liabilities							
Deferred tax liabilities	(20,497)	(110)	(159,779)	(5,300)	(1,093,688)	-	(1,279,374)
Other	-	-	-	(45)	-	-	(45)
Net identifiable assets	$ 2,649,740	$ (174,617)	$ 1,739,066	$ 1,176,837	$ 19,869,117	$ 142,418	$ 25,402,561

c. Net cash inflow from consolidated subsidiaries

	For the Year Ended December 31, 2014
Obtaining cash	$ 6,084,093
Transfer consideration of cash payments	(1,350,060)
	$ 4,734,033

28. CAPITAL MANAGEMENT

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

The Company'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 including related parties, other receivables including related parties, debt investments with no active market, short-term borrowings, notes payable, trade payables including related parties, other receivables including related parties, and other payables including related parties - the Company'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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Cross-currency swap contracts	$ -	$ 45,845	$ -	$ 45,845
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 287,229	$ -	$ -	$ 287,229
Securities listed in other countries - equity securities	9,262	-	-	9,262
Unlisted securities - ROC - equity securities	-	-	4,620	4,620
Unlisted securities - other countries - equity securities	-	-	20,163	20,163
	$ 296,491	$ -	$ 24,783	$ 321,274

December 31, 2014

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 591,405	$ -	$ -	$ 591,405
Securities listed in other countries - equity securities	8,929	-	-	8,929
Unlisted securities - ROC - equity securities	-	-	4,620	4,620
Unlisted securities - other countries - equity securities	-	-	41,337	41,337
	$ 600,334	$ -	$ 45,957	$ 646,291
Derivative financial liabilities for hedging - noncurrent				
Cash flow hedges - interest rate swaps	$ -	$ 11,989	$ -	$ 11,989

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

	Investments on Equity Instruments
	Unlisted Quotes
December 31, 2015	
Financial assets	
Balance at January 1, 2015	$ 45,957
Total gains or losses	
In profit or loss	(54,801)
Additions	33,627
Balance at December 31, 2015	$ 24,783
December 31, 2014	
Financial assets	
Balance at January 1, 2014	$ 19,009
Total gains or losses	
In profit or loss	(90,348)
Additions	4,620
Acquired from business combination	112,676
Balance at December 31, 2014	$ 45,957

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

Financial Instruments	Valuation Techniques and Inputs
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.

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 Company.

c. Categories of financial instruments

	December 31	
	2015	2014
Financial assets		
Designated as at FVTPL	$ 45,845	$ -
Loans and receivables (1)	38,204,420	41,746,113
Available-for-sale financial assets	321,274	646,291
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	-	11,989
Measured at amortized cost		
Short-term borrowings	12,874,375	13,467,121
Long-term loans (included current portion of long-term debts)	12,500,000	12,925,000
Payables (2)	37,612,537	35,356,838

1) The balances included loans and receivables measured at amortized cost, which comprise cash, debt instruments 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 Company's major financial instruments included equity investments, trade receivable, trade payables and borrowings. The Company'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 Company 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 Company 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 Company'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 Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company'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 Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- Forward foreign exchange contracts to hedge the exchange rate risk arising on the export;
- Interest rate swaps to mitigate the risk of rising interest rates.

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

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. The Company is an international electronics manufacturing entity with stable foreign currency income that covers foreign currency expense; exchange rate exposures were managed through foreign currency loans.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Company was mainly exposed to the currency USD.

The following table details the Company's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars. 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 U.S. dollars. For a 5% weakening of New Taiwan dollars against the U.S. dollars, 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 Year Ended December 31	
	2015	2014
Profit or loss	$ (33,750)	$ (25,245)

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets (i)	$ 10,308	$ 1,789
Financial liabilities (ii)	11,074,375	10,481,921
Cash flow interest rate risk		
Financial assets (iii)	4,189,574	6,540,514
Financial liabilities (iv)	14,300,000	15,910,200

i. The balances included debt instruments 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.

The Company was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings and pay-fixed/receive-floating interest rate swaps. The Company's cash flow interest rate risk was mainly concentrated in the fluctuation of the average rate for 90-day notes in Taiwan's secondary market arising from the Company's New Taiwan dollars denominated borrowings.

Sensitivity analysis

The sensitivity analyses below were determined based on the Company'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 year.

If interest rates had been 25 basis points higher and all other variables were held constant, the Company's pre-tax profit years ended December 31, 2015 and 2014 would decrease by $25,276 thousand and $23,424 thousand.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Company 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 years ended December 31, 2015 and 2014 would increase by $29,649 thousand and $60,033 thousand as a result of the changes in fair value of available-for-sale shares.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company is exposed to credit risk from trade receivables, deposits and other financial instruments. Credit risks on business-related exposures are managed separately from that on financial-related exposures.

a) Business related credit risk

To maintain the quality of receivables, the Company 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 Company's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Company 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 Company's department of finance department to be measured and monitored. However, since the Company's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations.

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

December 31, 2015

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 37,612,537	$ 21,210	$ -	$ -
Fixed interest rate liabilities	0.7-1.17	11,074,375	-	-	-
Variable interest rate liabilities	0.89-1.5907	4,700,000	9,600,000	-	-
		$ 53,386,912	$ 9,621,210	$ -	$ -

December 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 35,356,838	$ 19,796	$ -	$ -
Fixed interest rate liabilities	0.83-1.16	10,481,921	-	-	-
Variable interest rate liabilities	0.82-1.703	8,210,200	7,700,000	-	-
		$ 54,048,959	$ 7,719,796	$ -	$ -

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

December 31, 2015

	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Currency swap contracts				
Inflows	$ 3,235,000	$ -	$ -	$ -
Outflows	(3,212,900)	-	-	-
	$ 22,100	$ -	$ -	$ -

December 31, 2014: None.

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties are summarized below.

a. Sales of goods

Related Parties Categories	For the Year Ended December 31 2015	2014
Subsidiaries	$ 23,938,054	$ 24,745,344
Other related parties	462	479
	$ 23,938,516	$ 24,745,823

b. Purchases of goods

Related Parties Categories	For the Year Ended December 31 2015	2014
Subsidiaries	$ 97,618,457	$ 102,990,258
Other related parties	19	343
	$ 97,618,476	$ 102,990,601

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties. For other related party transactions, price and terms were determined in accordance with mutual agreements.

c. Receivables from related parties

Related Parties Categories	December 31 2015	2014
Trade receivables		
Subsidiaries	$ 11,028,955	$ 10,832,845
Other related parties	2	-
	$ 11,028,957	$ 10,832,845
Other receivables		
Subsidiaries	$ 540,848	$ 559,185
Associates	918	-
Other related parties	19	203
	$ 541,785	$ 559,388

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2015 and 2014, no impairment loss was recognized for trade receivables from related parties.

d. Payables to related parties

Related Parties Categories	December 31 2015	December 31 2014
Accounts payable		
Subsidiaries	$ 18,782,250	$ 20,882,049
Other related parties	75,918	27,220
Associates	-	1,522
	$ 18,858,168	$ 20,910,791
Other payable		
Subsidiaries	$ 748,387	$ 595,372
Other related parties	7,295	4,317
Associates	-	411
	$ 755,682	$ 600,100

The outstanding trade payables from related parties are unsecured.

e. Acquisition of property, plant and equipment

Related Parties Categories	Purchase Price For the Year Ended December 31 2015	Purchase Price For the Year Ended December 31 2014
Subsidiaries	$ 30,632	$ 807

f. Disposal of property, plant and equipment

Related Parties Categories	For the Year Ended December 31 2015 Proceeds	2015 Gains	2014 Proceeds	2014 Gains
Subsidiaries	$359,680	$ 36	$ 269	$ -

g. Operating expense

Related Parties Categories	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Subsidiaries	$ 915,022	$ 266,300
Other related parties	61,107	57,008
	$ 976,129	$ 323,308

h. Other revenues

Related Parties Categories	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Subsidiaries	$ 160,635	$ 120,342
Associates	3,748	4,053
Other related parties	648	617
	$ 165,031	$ 125,012

i. Compensation of management personnel

Related Parties Categories	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Short-term employee benefits	$ 511,862	$ 522,938
Post-employment benefits	22,062	18,421
	$ 533,924	$ 541,359

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

	December 31 2015	December 31 2014
Pledge-time deposits	$ 10,308	$ 1,789

Pledged assets - noncurrent included the refundable deposits that had been provided for a government projects.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. CMP Consulting Service, Inc., KI, Inc., Aaron Wagner, The Stereo Shop, David Carney, Jr., Tina Corse, Cynthia R. Rall, Richard R. Rall, Aaron Deshaw and Don Cheung filed an antitrust group lawsuit against the Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses - with a court in California, from October 2009 to September 2010. The Company has assigned lawyers in the United States as its representative in these lawsuits. In September 2015, the Company has reached a settlement with the direct plaintiff group. The lawsuit with indirect plaintiff group is still in progress. The Company already 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.

b. In the second quarter of 2013, the Attorney General of the State of Florida filed antitrust lawsuits against the Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation and Philips & Lite-On Digital Solutions USA, Inc. - as well as other companies with related businesses with the U.S. District Court for the Northern District of California (USDC-NDC). The Company assigned lawyers in the United States as its representative in these lawsuits. In the second quarter of 2014, the USDC-NDC allowed the plaintiff to proceed with the lawsuits but dismissed certain parts of these lawsuits. Although the outcome of the proceedings had not been determined, the Company already

accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize the losses quarterly at this reasonably estimated amount until the settlement of this lawsuit.

c. 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. 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 Company and other companies with related businesses. The Company assigned lawyers as its representative in these lawsuits. Although the outcome of the proceedings had not been determined, the 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.

d. 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 Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses. The Company assigned lawyers as its representative in these lawsuits. Although the outcome of the proceedings had not been determined, the 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 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:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,049,145	32.775 (USD:NTD)	$ 34,385,727
EUR	2,162	35.8034 (EUR:NTD)	77,406
HKD	7,184	4.2289 (HKD:NTD)	30,382
CZK	5,805	1.3261 (CZK:NTD)	7,698
JPY	5,513	0.2723 (JPY:NTD)	1,501
			$ 34,502,714

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using equity method			
USD	$ 1,866,396	32.775 (USD:NTD)	$ 61,171,129
HKD	2,658,071	4.2289 (HKD:NTD)	11,240,716
EUR	10,398	35.8034 (EUR:NTD)	372,284
JPY	1,315,588	0.2723 (JPY:NTD)	358,235
			$ 73,142,364
Financial liabilities			
Monetary items			
USD	1,069,740	32.775 (USD:NTD)	$ 35,060,726
CZK	13,733	1.3261 (CZK:NTD)	18,211
JPY	64,068	0.2723 (JPY:NTD)	17,446
EUR	484	35.8034 (EUR:NTD)	17,338
HKD	3,764	4.2289 (HKD:NTD)	15,917
			$ 35,129,638
Non-monetary items			
Investments accounted for using equity method			
HKD	67,556	4.2289 (HKD:NTD)	$ 285,688
USD	2,070	32.775 (USD:NTD)	67,844
			$ 353,532

(Concluded)

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 962,334	31.6 (USD:NTD)	$ 30,409,765
EUR	4,580	38.4003 (EUR:NTD)	175,873
CZK	14,214	1.3862 (CZK:NTD)	19,703
HKD	2,787	4.0748 (HKD:NTD)	11,357
JPY	30,231	0.2641 (JPY:NTD)	7,984
			$ 30,624,682

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using equity method			
USD	$ 1,794,963	31.6 (USD:NTD)	$ 56,720,841
HKD	2,551,466	4.0748 (HKD:NTD)	10,396,714
THB	1,305,246	0.9593 (THB:NTD)	1,252,122
EUR	7,113	38.4003 (EUR:NTD)	273,141
JPY	1,279,443	0.2641 (JPY:NTD)	337,901
			$ 68,980,719
Financial liabilities			
Monetary items			
USD	978,312	31.6 (USD:NTD)	$ 30,914,646
EUR	2,318	38.4003 (EUR:NTD)	89,012
HKD	3,792	4.0748 (HKD:NTD)	15,452
CZK	10,562	1.3862 (CZK:NTD)	14,641
JPY	29,990	0.2641 (JPY:NTD)	7,920
			$ 31,041,671
Non-monetary items			
Investments accounted for using equity method			
HKD	127,170	4.0748 (HKD:NTD)	$ 518,191
USD	2,070	31.6 (USD:NTD)	65,643
			$ 583,834

(Concluded)

For the years ended December 31, 2015 and 2014 net foreign exchange gains (loss) were $(27,501) thousand and $8,435 thousand. 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 to others: None.

2) Endorsements/guarantees provided: Please see Table 1 attached.

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Please see Table 2 attached.

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital: Please see Table 3 attached.

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate 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 amounting to at least NT$100 million or 20% of the paid-in capital: Please see Table 4 attached.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please see Table 5 attached.

9) Trading in derivative instruments: Note 7, Note 11 and Note 29 to the financial statements.

10) Information on investees: Please see Table 6 attached.

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. Please see Table 7 attached.

2) Significant direct or indirect transactions with the investee, prices, payment terms and unrealized gain or loss: Note 30 to the financial statements.

TABLE 1

LITE-ON TECHNOLOGY CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(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	Lite-On Technology (Europe) B.V.	b	$ 7,598,851	$ 140,006	$ 68,026	$ 68,026	$ -	0.09	$ 30,395,404	Yes	No	No	
		Lite-On Mobile Pte. Ltd. (Note 3)	b	7,598,851	10,064,000	7,866,000	6,555,000	-	10.35	30,395,404	Yes	No	No	
		Silitek Elec. (Dongguan) Co., Ltd.	c	7,598,851	2,490,900	2,490,900	1,311,000	-	3.28	30,395,404	Yes	No	Yes	
		Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	c	7,598,851	1,320,900	852,150	524,400	-	1.12	30,395,404	Yes	No	Yes	

Note 1: Relationship between the Company and endorsee/guarantee are as follows:

a. Business relationship.

b. A subsidiary in which the Company holds directly over 50% of equity interest.

c. An investee in which the Company and its subsidiaries hold over 50% of equity interest.

Note 2: a. 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.

b. 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 audited financial statements.

Note 3: The guarantee provided by the Company to Lite-On Mobile Pte. Ltd. is for the repayment of the latter's syndicated loan obtained in December 2013.

TABLE 2

LITE-ON TECHNOLOGY CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2015				Note
				Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
Lite-On Technology Corporation	Common stock							
	EPISTAR Corporation	Member of the board of directors	Available-for-sale financial assets - non-current	5,908	$ 150,653	0.54	$ 150,653	
	Wistron Corporation	-	〃	4,981	92,648	0.19	92,648	
	CO-TECH Development Corp.	Chairman of the board is the same person	〃	1,530	14,535	0.73	14,535	
	Com2B Corp.	-	〃	5,000	19,009	11.11	19,009	
	Avamax Corp.	-	〃	559	-	6.99	-	Note
	Aetas Technology, Inc.	Member of the board of directors	〃	4,026	-	8.07	-	Note
	AuriaSolar Co., Ltd.	-	〃	41,400	-	19.71	-	Note
	Z-Com, Inc.	-	〃	3,245	28,490	4.10	28,490	
	Fong Han Electronics Co., Ltd.	-	〃	1,167	-	6.67	-	Note
	Xepex Electronics Co., Ltd.	-	〃	-	-	-	-	Note
	AOPEN, Inc.	-	〃	100	903	0.08	903	
	Oplink Communications, Inc.	-	〃	12	9,262	0.07	9,262	
	North America Micro-Electronic & Software, Incorporated	-	〃	5	1,154	2.67	1,154	
	Action Media Technologies, Inc.	-	〃	38	-	-	-	Note
	Taiwan Changxing Technology Co., Ltd.	-	〃	462	4,620	15.40	4,620	
	Preferred stock							
	Arkologic Holdings Limited	-	〃	11,111	-	7.66	-	Note
	PI-CORAL	-	〃	1,139	-	10.65	-	Note
	Convertible bond							
	Xepex Electronics Co., Ltd.	-	Debt investments with no active market - non-current	150	-	-	-	Note

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

TABLE 3

LITE-ON TECHNOLOGY CORPORATION

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 YEAR ENDED DECEMBER 31, 2015
(Amounts in Thousands of New Taiwan Dollars)

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	Carrying Amount	Gain (Loss) on Disposal	Shares/Units (In Thousands)	Amount
Lite-On Technology Corporation	Lite-On International Holding Co., Ltd.	Investment accounted for using equity method	-	Subsidiary	285,825	$23,434,167	50,000	$ 2,239,074 (Note)	-	$ -	$ 566,837 (Note)	$ -	$ 335,825	$25,106,404

Note: The acquisition amount of $1,555,000 thousand was the capital injected in the investee during the period; the $684,074 thousand is from the gain accounted for using equity method; the $248,776 thousand is from the other comprehensive loss for using equity method and the $318,061 thousand in the disposal is from the changes in equities for using equity method.

TABLE 4

LITE-ON TECHNOLOGY CORPORATION

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 YEAR ENDED DECEMBER 31, 2015
(Amounts in Thousands of New Taiwan Dollars)

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	Lite-On Trading USA, Inc.	Note 2	Sale	$ (3,295,462)	(3)	About 90 days	Cost-plus pricing	No significant difference	$ 1,082,305	3	
	Lite-On Japan Ltd.	Note 1	Sale	(861,796)	(1)	About 90 days	Cost-plus pricing	No significant difference	164,723	1	
	Philip & Lite-On Digital Solutions Corp.	Note 1	Sale	(12,810,242)	(10)	About 90 days	Cost-plus pricing	No significant difference	4,214,601	13	
	Lite-On Singapore Pte. Ltd.	Note 1	Sale	(4,697,862)	(4)	About 90 days	Cost-plus pricing	No significant difference	899,640	3	
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	Sale	(826,743)	(1)	About 90 days	Cost-plus pricing	No significant difference	304,660	1	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Sale	(1,163,932)	(1)	About 90 days	Cost-plus pricing	No significant difference	479,631	1	
	Lite-On Sales & Distribution Inc.	Note 2	Sale	(128,049)	-	About 90 days	Cost-plus pricing	No significant difference	129,288	-	
	Lite-On China Holding Co., Ltd.	Note 2	Sale	(141,230)	-	About 90 days	Cost-plus pricing	No significant difference	142,250	-	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Purchase	1,519,674	1	About 90 days	Cost-plus pricing	No significant difference	(521,929)	(2)	
	LET (HK) Ltd.	Note 1	Purchase	10,040,910	9	About 90 days	Cost-plus pricing	No significant difference	(853,098)	(3)	
	Lite-On Singapore Pte. Ltd.	Note 1	Purchase	24,766,587	22	About 90 days	Cost-plus pricing	No significant difference	(8,193,189)	(30)	
	Li Shin International Enterprise Corp.	Note 1	Purchase	3,531,460	3	About 90 days	Cost-plus pricing	No significant difference	(829,029)	(3)	
	Lite-On Overseas Trading Co., Ltd.	Note 1	Purchase	57,023,431	51	About 90 days	Cost-plus pricing	No significant difference	(8,115,555)	(30)	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Note 2	Purchase	735,033	1	About 90 days	Cost-plus pricing	No significant difference	(264,241)	(1)	

Note 1: Equity-method investee.

Note 2: Investee of the equity-method investee.

TABLE 5

LITE-ON TECHNOLOGY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(Amounts in Thousands of New Taiwan Dollars)

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	$ -	$ 4,214,601	$ 229,265	3.68	$ -	-	$ 1,887,965	$ -
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	-	479,631	-	2.51	-	-	953	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	-	304,660	-	2.19	-	-	136,707	-
	Titanic Capital Services Ltd.	Note 2	-	-	132,038	-	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 1	-	899,640	166,969	4.34	34	-	127,044	-
	Lite-On Japan Ltd.	Note 1	-	164,723	7,847	2.79	549	-	12,238	-
	Lite-On Trading USA, Inc.	Note 2	-	1,082,305	-	3.34	-	-	486,743	-
	Lite-On Sales & Distribution Inc.	Note 2	-	129,288	3,707	1.98	-	-	-	-
	Philips & Lite-On Digital Solutions USA Inc.	Note 2	-	-	100,098	2.15	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 1	-	3,575,995	2,077	0.01	-	-	1,458,232	-
	Lite-On China Holding Co., Ltd.	Note 2	-	142,250	-	0.94	-	-	142,250	-

Note 1: Equity-method investee.

Note 2: Investee of the equity-method investee.

TABLE 6

LITE-ON TECHNOLOGY CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 December 31, 2015			Net Income (Loss) of the Investee	Share of Profits/Loss of Investee	Note
				December 31, 2015	December 31, 2014	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Technology Corporation	Silitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	$ 324,685	$ 324,685	60,757	33.87	$ 1,487,387	$ 145,977	$ 48,123	Subsidiary
	Lite-On Integrated Service Inc.	Taipei City, Taiwan	Information outsourcing and system integrate	25,886	25,886	3,400	100.00	46,323	6,156	6,156	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	1,047,765	27,222	7,190	Associate
	Logah Technology Corp.	Kaohsiung City, Taiwan	Development, manufacture and sale of LCD TV inverters	402,787	402,787	31,683	28.10	245,119	(211,123)	(58,772)	Associate
	Lite-On Capital Corp.	Taipei City, Taiwan	Investment activities	4,096,367	4,096,367	209,545	100.00	1,598,494	119,625	90,142	Subsidiary
	Lite-On Electronics H.K. Ltd.	Hong Kong	Sale of LED optical products	7,339,481	7,339,481	17,865	100.00	11,231,033	HK$ 263,289	1,083,435	Subsidiary
	Lite-On Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sale of LED optical products	529,106	529,106	5,030	100.00	1,304,188	THB 127,107	117,040	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	248,305	253,111	6,162	49.49	358,234	JPY 136,647	17,732	Subsidiary
	Lite-On International Holding Co., Ltd.	British Virgin Islands	Investment activities	US$ 335,825	US$ 285,825	335,825	100.00	25,106,404	US$ 19,424	684,074	Subsidiary
	LTC Group Ltd.	British Virgin Islands	Investment activities	$ 1,380,308	$ 1,380,308	41,916	100.00	592,312	US$ 7,000	204,426	Subsidiary
	Lite-On Technology USA, Inc.	USA	Investment activities	US$ 55,172	US$ 50,407	436	100.00	2,359,141	US$ 3,972	47,345	Subsidiary
	Lite-On Electronics (Europe) Ltd.	United Kingdom	Manufacture and sale of power supplies	$ 44,559	$ 44,559	300	100.00	53,011	GBP 118	5,670	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales service	2,543,184	2,543,184	331	54.00	311,079	EUR 3,796	71,041	Subsidiary
	Lite-On Overseas Trading Co., Ltd.	British Virgin Islands	Merchandising business	168,947	168,947	5,143	100.00	242,239	US$ (1,509)	(51,924)	Subsidiary
	Lite-On Singapore Pte. Ltd.	Singapore	Manufacture and supply computer peripheral products	US$ 63,788	US$ 63,788	51,777	100.00	15,338,196	US$ 108,286	3,652,054	Subsidiary
	Lite-On Vietnam Co., Ltd.	Vietnam	Electronic contract manufacturing	US$ 3,000	US$ 3,000	-	100.00	70,420	US$ (246)	(7,975)	Subsidiary
	Lite-On Mobile Pte. Ltd.	Singapore	Manufacture and sale of mobile phone modules and design for assembly line	EUR 250,329	EUR 250,329	178,178	100.00	8,790,237	US$ (36,450)	(1,118,948)	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	(67,845)	US$ 7	232	Subsidiary (Note 4)
	Eagle Rock Investment Ltd.	British Virgin Islands	Import and export business and investment activities	341	341	10	100.00	1,410,738	US$ (11,442)	(373,069)	Subsidiary
	Lite-On Semiconductor Corp.	New Taipei City, Taiwan	Manufacture of image sensor and rectifier	773,618	773,618	57,204	18.52	1,544,501	$ 476,872	90,538	Associate
	Canfield Ltd.	Apia, Samoa	Import and export business and investment activities	7,142	7,142	200	33.33	4,713	US$ 5	26	Associate
	High Yield Group Co., Ltd.	British Virgin Islands	Holding company	2,271,806	2,271,806	68,138	100.00	5,305,483	US$ 16,622	113,434	Subsidiary
	Lite-On Information Technology B.V.	Netherlands	Market research and customer service	1,597,319	1,597,319	11,018	100.00	18,056	EUR (15)	(812)	Subsidiary
	Philip & Lite-On Digital Solutions Corp.	Taipei City, Taiwan	Sale of optical disc drives	267,113	267,113	17,150	49.00	337,073	$ 51,483	25,227	Subsidiary
	Lite-On IT Singapore Pte. Ltd.	Singapore	Sale of optical disc drives	-	2,872	-	-	-	-	-	Subsidiary (Note 1)
	Lite-Space Technology Company Limited	Hong Kong	Sale of computer components	149,968	149,968	5,100	39.23	41,036	US$ 3,483	42,924	Associate
	LET (HK) Ltd.	Hong Kong	Sale of optical disc drives	42	42	10	100.00	(285,689)	HK$ 3,769	131,347	Subsidiary (Note 4)
	Leotek Electronics Holding Limited	Hong Kong	Holding company	US$ 1,010	US$ 1,010	25,000	100.00	9,668	HK$ (2,471)	(9,913)	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	43,143	EUR (2)	(86)	Subsidiary
	Lite-On Automotive North America Inc.	USA	Sale of automotive parts and other electronic products	US$ -	US$ 600	-	-	-	US$ (6)	(195)	Subsidiary (Note 2)
	Lite-On Automotive Service USA Inc.	USA	Sale of automotive parts and other electronic products	US$ 60	US$ 60	1	100.00	12,908	US$ (16)	(533)	Subsidiary
	Lite-On Automotive International (Cayman) Co., Ltd.	Cayman	Investment activities	US$ 100,626	US$ 100,626	11,967	100.00	1,897,276	US$ 8,222	274,316	Subsidiary
	Lar View Technologies Corp. (Samoa)	Samoa	Investment activities	US$ -	US$ 200	-	-	-	US$ (1)	(46)	Subsidiary (Note 3)
	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 services and maintenance of automotive system	US$ 4,950	US$ -	-	99.00	(59,097)	MXN (22,049)	(42,481)	Subsidiary (Note 4)

(Continued)

Note 1: Lite-On IT Singapore Pte. Ltd. was dissolved after merging with Lite-On Singapore Pte. in January 2015.

Note 2: Lite-On Automotive North America Inc. was dissolved after liquidation in May 2015.

Note 3: Lar View Technologies Corp. (Samoa) was dissolved after liquidation in November 2015.

Note 4: Credit balance of Long-Term Equity Investment under the equity method has been transferred to the credit balance of Other Liabilities – Investment Using the Equity Method for Li Shin International Enterprise Corp., LET (HK) Ltd. and Lite-On Automotive Electronics Mexico, S.A. DE C.V.

Note 5: Please refer to Table 7 for information on investment in Mainland China.

(Concluded)

TABLE 7

LITE-ON TECHNOLOGY CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 (Note 2)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Loss (Note 2)	Carrying Amount as of December 31, 2015 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2015	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	$ 537,510 (US$ 16,400)	Note 1	$ 933,071 (US$ 28,469)	$ -	$ -	$ 933,071 (US$ 28,469)	$ (14,656) (CNY -2,898)	100.00	$ (14,656) (CNY -2,898)	$ 495,741 (HK$ 117,227)	$ -	
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	747,303 (US$ 22,801)	Note 1	747,303 (US$ 22,801)	-	-	747,303 (US$ 22,801)	200,336 (CNY 39,614)	100.00	200,336 (CNY 39,614)	892,903 (HK$ 211,143)	-	
	Lite-On Electronics (Tianjinn) Co., Ltd.	ODM services	2,179,538 (US$ 66,500)	Note 1	2,179,472 (US$ 66,498)	-	-	2,179,472 (US$ 66,498)	213,459 (CNY 42,209)	100.00	213,459 (CNY 42,209)	2,981,831 (HK$ 705,108)	-	
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	1,160,235 (US$ 35,400)	Note 1	1,160,235 (US$ 35,400)	-	-	1,160,235 (US$ 35,400)	80,212 (CNY 15,861)	100.00	80,212 (CNY 15,861)	1,236,129 (HK$ 292,305)	-	
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	157,320 (US$ 4,800)	Note 1	157,320 (US$ 4,800)	-	-	157,320 (US$ 4,800)	186,080 (CNY 36,795)	100.00	186,080 (CNY 36,795)	1,482,132 (HK$ 350,477)	-	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	1,199,565 (US$ 36,600)	Note 1	1,199,565 (US$ 36,600)	-	-	1,199,565 (US$ 36,600)	629,353 (CNY 124,447)	100.00	629,353 (CNY 124,447)	14,396,711 (HK$ 3,404,363)	-	Note 3
	China Bridge (China) Co., Ltd.	Investment, sales agent	974,892 (US$ 29,745)	Note 1	974,892 (US$ 29,745)	-	-	974,892 (US$ 29,745)	(80,617) (CNY -15,941)	100.00	(80,617) (CNY -15,941)	1,375,725 (HK$ 325,315)	-	
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	464,422 (US$ 14,170)	Note 1	464,422 (US$ 14,170)	-	-	464,422 (US$ 14,170)	240,333 (CNY 47,523)	100.00	240,333 (CNY 47,523)	1,208,209 (HK$ 285,703)	-	
	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	804,954 (US$ 24,560)	Note 1	804,954 (US$ 24,560)	-	-	804,954 (US$ 24,560)	-	100.00	-	-	-	Note 3
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	376,913 (US$ 11,500)	Note 1	376,913 (US$ 11,500)	-	-	376,913 (US$ 11,500)	86,402 (CNY 17,085)	100.00	86,402 (CNY 17,085)	744,379 (HK$ 176,022)	-	
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer case	1,088,130 (US$ 33,200)	Note 1	1,088,130 (US$ 33,200)	-	-	1,088,130 (US$ 33,200)	-	100.00	-	-	-	Note 3
	COMMIT Incorporated	Manufacture and sale of application software and multimedia product design	1,051,619 (US$ 32,086)	Note 1	19,665 (US$ 600)	-	-	19,665 (US$ 600)	-	1.87	-	-	-	
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	518,173 (US$ 15,810)	Note 1	518,173 (US$ 15,810)	-	-	518,173 (US$ 15,810)	-	100.00	-	-	-	Note 3
	Lite-On (Guangzhou) Infortech Co., Ltd.	Information outsourcing	41,624 (US$ 1,270)	Note 1	76,825 (US$ 2,344)	-	-	76,825 (US$ 2,344)	7,131 (CNY 1,410)	100.00	7,131 (CNY 1,410)	178,967 (HK$ 42,320)	-	
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	596,505 (US$ 18,200)	Note 1	399,855 (US$ 12,200)	-	-	399,855 (US$ 12,200)	-	100.00	-	-	-	Note 3
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	98,325 (US$ 3,000)	Note 1	98,325 (US$ 3,000)	-	-	98,325 (US$ 3,000)	4,516 (CNY 893)	100.00	4,516 (CNY 893)	95,704 (HK$ 22,631)	-	
	Lite-On Power Technology (Chang Zhou) Co., Ltd.	Manufacture and sale of electronic components and peripheral materials	551,276 (US$ 16,820)	Note 1	589,426 (US$ 17,984)	-	-	589,426 (US$ 17,984)	24,391 (CNY 4,823)	100.00	24,391 (CNY 4,823)	-	-	
	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	393,300 (US$ 12,000)	Note 1	437,087 (US$ 13,336)	-	-	437,087 (US$ 13,336)	15,455 (CNY 3,056)	100.00	15,455 (CNY 3,056)	367,445 (HK$ 86,889)	-	
	Lite-On Technology (Xianging) Co., Ltd.	Manufacture and sale of electronic components	213,038 (US$ 6,500)	Note 1	213,038 (US$ 6,500)	-	-	213,038 (US$ 6,500)	(41,201) (CNY -8,147)	100.00	(41,201) (CNY -8,147)	140,998 (US$ 4,302)	-	
	Lite-On Technology (Jiangsu) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and precision instruments	4,949,025 (US$ 151,000)	Note 1	4,785,150 (US$ 146,000)	163,875 (US$ 5,000)	-	4,949,025 (US$ 151,000)	317,754 (CNY 62,832)	100.00	317,754 (CNY 62,832)	8,020,151 (HK$ 1,896,510)	-	
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	983,250 (US$ 30,000)	Note 1	983,250 (US$ 30,000)	1,638,750 (US$ 50,000)	-	2,622,000 (US$ 80,000)	(92,122) (CNY -18,216)	100.00	(92,122) (CNY -18,216)	2,561,931 (HK$ 605,815)	-	
	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of new-type electronic components	360,525 (US$ 11,000)	Note 1	360,525 (US$ 11,000)	-	-	360,525 (US$ 11,000)	22,231 (CNY 4,396)	100.00	22,231 (CNY 4,396)	444,265 (US$ 13,555)	-	
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	523,482 (US$ 15,972)	Note 1	523,482 (US$ 15,972)	-	-	523,482 (US$ 15,972)	(165,552) (CNY -32,736)	100.00	(165,552) (CNY -32,736)	836,163 (HK$ 197,726)	-	

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 2)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Loss (Note 2)	Carrying Amount as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	$ 524,400 (US$ 16,000)	Note 1	$ 1,716,230 (US$ 52,364)	$ -	$ -	$ 1,716,230 (US$ 52,364)	$ (508,233) (CNY -100,497)	100.00	$ (508,233) (CNY -100,497)	$ 1,182,522 (US$ 36,080)	$ -	
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	641,407 (US$ 19,570)	Note 1	2,970,300 (US$ 90,627)	-	-	2,970,300 (US$ 90,627)	74,270 (CNY 14,686)	100.00	74,270 (CNY 14,686)	1,911,897 (US$ 58,334)	-	
	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	1,314,278 (US$ 40,100)	Note 1	3,780,662 (US$ 115,352)	-	-	3,780,662 (US$ 115,352)	78,179 (CNY 15,459)	100.00	78,179 (CNY 15,459)	4,387,009 (US$ 133,852)	-	
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	270,650 (HK$ 64,000)	Note 1	427,746 (US$ 13,051)	-	-	427,746 (US$ 13,051)	(5,770) (CNY -1,141)	100.00	(5,770) (CNY -1,141)	489,331 (US$ 14,930)	-	
	Zhuhai Lite-On Mobile Technology Company Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	609,681 (US$ 18,602)	Note 1	508,963 (US$ 15,529)	-	-	508,963 (US$ 15,529)	(144,955) (CNY -28,663)	100.00	(144,955) (CNY -28,663)	1,723,156 (CNY 340,551)	-	Note 4
	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	327,750 (US$ 10,000)	Note 1	213,038 (US$ 6,500)	-	-	213,038 (US$ 6,500)	30,262 (CNY 5,984)	100.00	30,262 (CNY 5,984)	(18,911) (US$ -577)	-	
	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	24,581 (US$ 750)	Note 1	24,581 (US$ 750)	-	-	24,581 (US$ 750)	(18,843) (CNY -3,726)	100.00	(18,843) (CNY -3,726)	(65,124) (US$ -1,987)	-	
	Changzhou Binhu Thin Film Solar Greenhouse Co., Ltd.	Manufacture and sale of solar energy equipment	303,377 (CNY 59,950)	Note 1	98,227 (US$ 2,997)	-	-	98,227 (US$ 2,997)	-	19.90	-	4,589 (US$ 140)	-	
	Epricrystal (Changzhou) Co., Ltd.	Manufacture, design and sale of light-emitting diode products	4,588,500 (US$ 140,000)	Note 1	884,925 (US$ 27,000)	-	-	884,925 (US$ 27,000)	184,042 (CNY 36,392)	22.40	41,231 (CNY 8,153)	957,158 (CNY 189,143)	-	
	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	65,550 (US$ 2,000)	Note 1	65,550 (US$ 2,000)	-	-	65,550 (US$ 2,000)	57,738 (CNY 11,417)	100.00	57,738 (CNY 11,417)	106,589 (CNY 21,063)	-	
	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	206,728 (US$ 6,308)	Note 1	133,361 (US$ 4,069)	-	-	133,361 (US$ 4,069)	36,194 (CNY 7,157)	100.00	36,194 (CNY 7,157)	629,411 (US$ 19,204)	-	
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	31,748 (US$ 969)	Note 1	2,130 (US$ 65)	-	-	2,130 (US$ 65)	3,677 (CNY 727)	100.00	3,677 (CNY 727)	67,320 (US$ 2,054)	-	
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of electronic components and peripheral materials	196,650 (US$ 6,000)	Note 1	-	-	-	-	5,871 (CNY 1,161)	100.00	5,871 (CNY 1,161)	451,934 (US$ 13,789)	-	
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	1,409,325 (US$ 43,000)	Note 1	1,409,325 (US$ 43,000)	-	-	1,409,325 (US$ 43,000)	(118,723) (CNY -23,476)	100.00	(118,723) (CNY -23,476)	2,722,980 (US$ 83,081)	-	
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	65,550 (US$ 2,000)	Note 1	65,550 (US$ 2,000)	-	-	65,550 (US$ 2,000)	4,410 (CNY 872)	100.00	4,410 (CNY 872)	141,719 (US$ 4,324)	-	
	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	1,802,625 (US$ 55,000)	Note 1	1,802,625 (US$ 55,000)	-	-	1,802,625 (US$ 55,000)	636,241 (CNY 125,809)	100.00	636,241 (CNY 125,809)	4,003,565 (US$ 122,153)	-	
	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	163,875 (US$ 5,000)	Note 1	163,875 (US$ 5,000)	-	-	163,875 (US$ 5,000)	110,070 (CNY 21,765)	100.00	110,070 (CNY 21,765)	635,959 (HK$ 150,384)	-	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	203,205 (US$ 6,200)	Note 1	192,389 (US$ 5,870)	-	-	192,389 (US$ 5,870)	149,648 (CNY 29,591)	100.00	149,648 (CNY 29,591)	1,395,359 (HK$ 329,958)	-	
	Changzhou Leotek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	32,775 (US$ 1,000)	Note 1	32,775 (US$ 1,000)	-	-	32,775 (US$ 1,000)	(15,055) (CNY -2,977)	100.00	(15,055) (CNY -2,977)	14,458 (CNY 2,857)	-	
	LarView Technologies Corp. (Shenzhen)	Camera lens modules	6,555 (US$ 200)	Note 1	6,555 (US$ 200)	-	3,147 (US$ 96)	3,408 (US$ 104)	-	100.00	-	-	-	Note 5
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	2,130,375 (US$ 65,000)	Note 1	-	2,130,375 (US$ 65,000)	-	2,130,375 (US$ 65,000)	177,852 (CNY 35,168)	100.00	177,852 (CNY 35,168)	2,307,753 (US$ 70,412)	-	

Accumulated Investment in Mainland China as of December 31, 2015 (Note 2)	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment
$37,519,738 (US$1,144,767)	$38,410,661 (US$1,171,950)	Note 6

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

Note 2: Amount was recognized based on the audited financial statements.

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 survivor entity. Because the merging process was still under way as of December 31, 2015, the change in the amount of investment in Mainland China has not yet been registered with the Ministry of Economic Affairs.

Note 4: Zhuhai Lite-On Mobile Technology Company Ltd. reorganized its structure on March 5, 2015; thus Lite-On Technology (Guangzhou) Investment Co., Ltd. wholly acquired Zhuhai Lite-On Mobile Technology Company Ltd. and injected its own funds CNY461,665 thousand in the same year in July.

Note 5: LarView Technologies Corp. (Shenzhen) completed its liquidation in July 2015.

Note 6: 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 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 Company has no limitation on the amount of investing in Mainland China.

(Concluded)

Lite-On Technology Corporation

Chairman: Raymond Soong

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