Lite-On Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2013 and 2012 and Independent Review Report

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Lite-On Technology Corporation

We have reviewed the accompanying consolidated balance sheets of Lite-On Technology Corporation ("Parent Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Parent Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As stated in Note 4 to the consolidated financial statements, we did not review the financial statements as of and for the three months ended March 31, 2013 and 2012 of some consolidated subsidiaries. The assets of these subsidiaries were 32.10% (NT$62,774,968 thousand) and 35.32% (NT$69,089,409 thousand) of the consolidated total assets as of March 31, 2013 and 2012, respectively. The liabilities of these subsidiaries were 19.69% (NT$23,162,004 thousand) and 19.71% (NT$20,930,666 thousand) of the consolidated total liabilities as of March 31, 2013 and 2012, respectively. The comprehensive incomes of these subsidiaries were 43.48% (NT$1,572,198 thousand) and 46.72% (NT$163,018 thousand) of the total comprehensive income in the three months ended March 31, 2013 and 2012, respectively. Also, as stated in Note 14 to the financial statements, the Group had other investments accounted for by the equity method. The carrying values of these investments of NT$1,964,735 thousand and NT$1,934,685 thousand as of March 31, 2013 and 2012, respectively, and the consolidated equity in these investees' net loss amounting to NT$27,257 thousand and NT$21,730 thousand in the three months ended March 31, 2013 and 2012, respectively, were based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the subsidiaries and other equity-method investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Lite-On Technology Corporation and its subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China, and International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

May 13, 2013

Notice to Readers

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

ASSETS	March 31, 2013 Amount	%	December 31, 2012 Amount	%	March 31, 2012 Amount	%	January 1, 2012 Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	$ 54,398,427	28	$ 51,224,870	26	$ 46,744,794	24	$ 52,882,246	26
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	33,226	-	13,023	-	21,413	-	111,584	-
Available-for-sale financial assets - current (Notes 4, 5 and 8)	9	-	10	-	9	-	9	-
Debt investments with no active market - current (Notes 4 and 10)	7,515,336	4	9,365,207	5	9,295,202	5	3,633,137	2
Notes receivable (Note 4)	148,441	-	119,941	-	100,600	-	82,039	-
Trade receivables (Notes 4, 5 and 11)	39,929,642	20	44,799,940	23	42,138,602	22	45,841,608	22
Trade receivables from related parties (Notes 4, 5 and 30)	61,008	-	83,421	-	79,619	-	1,099	-
Other receivables	1,960,067	1	1,559,231	1	1,754,568	1	1,590,264	1
Other receivables from related parties (Note 30)	1,090	-	2,231	-	4,266	-	955	-
Inventories (Notes 4, 5 and 12)	21,177,120	11	20,566,117	10	26,357,700	13	27,659,384	13
Construction in progress in excess of progressive billings (Notes 4 and 13)	74,605	-	72,527	-	43,202	-	38,294	-
Other current assets (Note 17)	6,014,360	3	5,058,662	3	4,131,762	2	4,429,820	2
Total current assets	131,313,331	67	132,865,180	68	130,671,737	67	136,270,439	66
NONCURRENT ASSETS								
Available-for-sale financial assets - noncurrent (Notes 4, 5 and 8)	2,283,981	1	2,154,465	1	2,367,937	1	4,271,326	2
Debt investments with no active market - noncurrent (Notes 4, 10 and 31)	102,448	-	102,560	-	106,605	-	108,107	-
Investments accounted for by the equity method (Notes 4 and 14)	3,458,840	2	3,508,782	2	3,526,954	2	3,514,672	2
Property, plant and equipment (Notes 4, 5 and 15)	38,281,321	20	37,697,741	19	37,338,343	19	38,886,577	19
Other intangible assets (Notes 4, 5 and 16)	15,969,916	8	16,033,575	8	16,174,927	8	16,303,412	8
Deferred tax assets (Notes 4 and 5)	2,177,898	1	1,515,761	1	2,061,317	1	1,637,153	1
Refundable deposits	299,985	-	311,277	-	284,886	-	314,903	-
Prepayments for investments	-	-	13,155	-	9,279	-	74,843	-
Other noncurrent assets (Note 17)	1,643,912	1	2,153,262	1	3,079,771	2	3,755,388	2
Total noncurrent assets	64,218,301	33	63,490,578	32	64,950,019	33	68,866,381	34
TOTAL	$ 195,531,632	100	$ 196,355,758	100	$ 195,621,756	100	$ 205,136,820	100

LIABILITIES AND EQUITY	March 31, 2013 Amount	%	December 31, 2012 Amount	%	March 31, 2012 Amount	%	January 1, 2012 Amount	%
CURRENT LIABILITIES								
Short-term borrowings (Note 18)	$ 7,961,159	4	$ 7,010,394	4	$ 6,646,588	3	$ 4,737,488	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	43,876	-	35,239	-	44,006	-	42,274	-
Notes payable	252,330	-	240,009	-	449,991	-	498,568	-
Trade payables	47,899,029	25	51,989,611	27	50,872,338	26	60,896,796	30
Trade payables to related parties (Note 30)	99,835	-	137,923	-	247,777	-	317,508	-
Other payables	16,134,741	8	16,304,341	8	16,146,598	8	18,074,382	9
Other payables to related parties (Note 30)	18,624	-	20,173	-	28,977	-	43,058	-
Current tax liabilities (Notes 4, 5 and 24)	1,803,508	1	2,042,444	1	1,973,948	1	2,165,581	1
Provisions - current (Notes 4, 5 and 20)	1,606,624	1	1,691,373	1	1,516,706	1	1,493,339	1
Current portion of long-term borrowings and bonds payable (Note 18)	10,094,336	5	4,411,168	2	1,268,046	1	1,173,473	1
Finance lease payables - current (Notes 4 and 19)	65,645	-	62,381	-	82,520	-	84,360	-
Advance receipts	1,209,290	1	826,445	-	1,228,309	1	1,154,215	-
Total current liabilities	87,188,997	45	84,771,501	43	80,505,804	41	90,681,042	44
NONCURRENT LIABILITIES								
Long-term borrowings, net of current portion (Note 18)	27,255,757	14	19,956,634	10	22,815,014	12	23,294,964	12
Derivative financial liabilities for hedging - noncurrent (Notes 4, 5 and 9)	86,790	-	101,563	-	139,636	-	165,225	-
Deferred tax liabilities (Notes 4 and 5)	2,446,012	1	1,470,197	1	2,225,703	1	1,658,808	1
Finance lease payables - noncurrent (Notes 4 and 19)	221,315	-	232,716	-	287,183	-	320,907	-
Accrued pension liabilities (Notes 4, 5 and 21)	315,241	-	312,768	-	121,566	-	142,158	-
Guarantee deposits received	91,790	-	89,068	-	80,924	-	85,224	-
Total noncurrent liabilities	30,416,905	15	22,162,946	11	25,670,026	13	25,667,286	13
Total liabilities	117,605,902	60	106,934,447	54	106,175,830	54	116,348,328	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
Share capital								
Common shares	22,959,994	12	22,953,154	12	22,794,151	12	23,099,801	11
Advance receipts for common stock	69,893	-	6,840	-	275	-	-	-
Total share capital	23,029,887	12	22,959,994	12	22,794,426	12	23,099,801	11
Capital surplus								
Additional paid-in capital from share issuance in excess of par value	8,729,957	5	8,551,730	5	8,421,047	4	8,533,185	4
Bond conversion	7,540,388	4	7,540,388	4	7,540,388	4	7,641,499	4
Treasury stock transactions	370,094	-	370,703	-	318,777	-	416,974	-
Arising from the consideration received in excess of the carrying amount of the subsidiaries'net assets	-	-	146,193	-	146,193	-	-	-
Arising from share of changes in capital surplus of associates or joint venture	14,276	-	16,645	-	15,173	-	-	-
Merger	10,120,217	5	10,120,217	5	10,120,217	5	10,255,921	5
Employee stock options	6,883	-	6,112	-	4,876	-	4,602	-
Total capital surplus	26,781,815	14	26,751,988	14	26,566,671	13	26,852,181	13
Retain earnings								
Legal reserve	7,847,905	4	7,847,905	4	7,125,313	4	7,125,313	3
Unappropriated earnings	12,216,081	6	13,654,612	7	13,610,756	7	12,392,930	6
Total retained earnings	20,063,986	10	21,502,517	11	20,736,069	11	19,518,243	9
Other equity								
Exchange differences on translating foreign operations	1,513,634	1	128,872	-	497,468	-	1,625,560	1
Unrealized loss on available-for-sale financial assets	(320,422)	-	(446,848)	-	(141,795)	-	(142,004)	-
Unrealized loss on cash flow hedging	(86,790)	-	(101,563)	-	(139,636)	-	(165,225)	-
Total other equity	1,106,422	1	(419,539)	-	216,037	-	1,318,331	1
Treasury shares	(1,334,660)	(1)	(1,334,660)	(1)	(1,334,660)	(1)	(2,088,230)	(1)
Total equity attributable to owners of the Company	69,647,450	36	69,460,300	36	68,978,543	35	68,700,326	33
NONCONTROLLING INTERESTS	8,278,280	4	19,961,011	10	20,467,383	11	20,088,166	10
Total equity	77,925,730	40	89,421,311	46	89,445,926	46	88,788,492	43
TOTAL	$ 195,531,632	100	$ 196,355,758	100	$ 195,621,756	100	$ 205,136,820	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 13, 2013)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 4, 5, 23 and 30)	$ 47,513,424	102	$ 53,287,554	101
Less: Sales allowance	596,098	1	518,763	1
Sales returns	211,642	1	189,372	-
Other operating revenue	62,810	-	30,646	-
Total operating revenue	46,768,494	100	52,610,065	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 21 and 30)	39,858,861	85	45,571,617	87
Other operating cost	26,578	-	22,945	-
Total operating costs	39,885,439	85	45,594,562	87
GROSS PROFIT	6,883,055	15	7,015,503	13
OPERATING EXPENSES (Notes 21 and 30)				
Selling and marketing expenses	2,051,596	5	2,037,537	4
General and administrative expenses	1,436,428	3	1,566,894	3
Research and development expenses	1,427,326	3	1,318,595	2
Total operating expenses	4,915,350	11	4,923,026	9
OPERATING INCOME	1,967,705	4	2,092,477	4
NONOPERATING INCOME AND EXPENSES				
Share of loss of associates and joint ventures (Note 14)	(31,355)	-	(19,699)	-
Interest income (Note 4)	280,921	-	205,803	-
Dividend income (Note 4)	1,846	-	318	-
Other income (Note 30)	330,003	1	507,351	1
Gain on disposal of investments, net	34,105	-	295,694	-
Net gain (loss) on foreign currency exchange (Note 4)	146,980	-	(56,901)	-
Valuation gain (loss) on financial assets (Notes 4 and 7)	(114,627)	-	32,966	-
Interest expense	(135,072)	-	(169,428)	-
Other expenses	(172,624)	-	(219,686)	-
Loss on disposal of property, plant and equipment	(5,255)	-	(14,829)	-
Impairment loss (Notes 8 and 10)	(1,007)	-	(482,965)	(1)
Total nonoperating income and expenses	333,915	1	78,624	-

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LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING PROFIT BEFORE INCOME TAX	2,301,620	5	2,171,101	4
INCOME TAX EXPENSE (Notes 4, 5 and 24)	510,713	1	567,606	1
NET PROFIT FOR THE PERIOD	1,790,907	4	1,603,495	3
OTHER COMPREHENSIVE INCOME				
Cash flow hedges	14,773	-	25,589	-
Exchange differences on translating foreign operations	1,945,254	4	(1,528,727)	(3)
Unrealized gain on available-for-sale financial assets	126,426	-	209	-
Income tax relating to the components of other comprehensive income (loss)	(261,687)	-	248,358	1
Other comprehensive income (loss) for the period, net of income tax	1,824,766	4	(1,254,571)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 3,615,673	8	$ 348,924	1
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 1,576,661	3	$ 1,214,035	2
Noncontrolling interests	214,246	1	389,460	1
	$ 1,790,907	4	$ 1,603,495	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 3,102,919	7	$ 114,142	-
Noncontrolling interests	512,754	1	234,782	1
	$ 3,615,673	8	$ 348,924	1
EARNINGS PER SHARE (Note 25)				
Basic	$0.70		$0.54	
Diluted	$0.69		$0.53	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 13, 2013) (Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company																	
			Capital Surplus (Notes 22 and 27)							Retained Earnings (Notes 22 and 27)		Other Equity (Notes 22)						
	Share Capital (Note 22)	Advance Receipts for Common Stock (Note 22)	Additional Paid-in Capital from Share Issuance in Excess of Par Value	Bond Conversion	Treasury Stock Transactions	Arising from the Consideration Received in Excess of the Carrying Amount of the Subsidiaries' Net Assets	Arising from Share of Changes in Capital Surplus of Associates or Joint Venture	Merger	Employee Stock Options	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total	Non-controlling Interests (Note 22)	Total Equity
BALANCE AT JANUARY 1, 2012	$ 23,099,801	$ -	$ 8,533,185	$ 7,641,499	$ 416,974	$ -	$ -	$ 10,255,921	$ 4,602	$ 7,125,313	$ 12,392,930	$ 1,625,560	$ (142,004)	$ (165,225)	$ (2,088,230)	$ 68,700,326	$ 20,088,166	$ 88,788,492
Other changes in capital surplus																		
Partial disposal of interests in subsidiaries	-	-	-	-	-	146,193	-	-	-	-	-	(2,430)	-	-	-	143,763	144,435	288,198
Change in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	15,173	-	274	-	3,791	29	-	-	-	19,267	-	19,267
Issue of common shares under employee share options	-	275	770	-	-	-	-	-	-	-	-	-	-	-	-	1,045	-	1,045
Net profit for the three months ended March 31, 2012	-	-	-	-	-	-	-	-	-	-	1,214,035	-	-	-	-	1,214,035	389,460	1,603,495
Other comprehensive loss for the three months ended March 31, 2012, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(1,125,691)	209	25,589	-	(1,099,893)	(154,678)	(1,254,571)
Total comprehensive income for the three months ended March 31, 2012	-	-	-	-	-	-	-	-	-	-	1,214,035	(1,125,691)	209	25,589	-	114,142	234,782	348,924
Canceled of treasury shares	(305,650)	-	(112,908)	(101,111)	(98,197)	-	-	(135,704)	-	-	-	-	-	-	753,570	-	-	-
BALANCE AT MARCH 31, 2012	$ 22,794,151	$ 275	$ 8,421,047	$ 7,540,388	$ 318,777	$ 146,193	$ 15,173	$ 10,120,217	$ 4,876	$ 7,125,313	$ 13,610,756	$ 497,468	$ (141,795)	$ (139,636)	$ (1,334,660)	$ 68,978,543	$ 20,467,383	$ 89,445,926
BALANCE AT JANUARY 1, 2013	$ 22,953,154	$ 6,840	$ 8,551,730	$ 7,540,388	$ 370,703	$ 146,193	$ 16,645	$ 10,120,217	$ 6,112	$ 7,847,905	$ 13,654,612	$ 128,872	$ (446,848)	$ (101,563)	$ (1,334,660)	$ 69,460,300	$ 19,961,011	$ 89,421,311
Other changes in capital surplus																		
Additional acquisition of partially-owned subsidiaries	-	-	-	-	-	(146,193)	-	-	-	-	(3,015,192)	-	-	-	-	(3,161,385)	(12,195,485)	(15,356,870)
Change in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	-	-	(609)	-	(2,369)	-	771	-	-	(297)	-	-	-	(2,504)	-	(2,504)
Issue of common shares under employee share options	6,840	63,053	178,227	-	-	-	-	-	-	-	-	-	-	-	-	248,120	-	248,120
Net profit for the three months ended March 31, 2013	-	-	-	-	-	-	-	-	-	-	1,576,661	-	-	-	-	1,576,661	214,246	1,790,907
Other comprehensive income for the three months ended March 31, 2013, net of income tax	-	-	-	-	-	-	-	-	-	-	-	1,385,059	126,426	14,773	-	1,526,258	298,508	1,824,766
Total comprehensive income for the three months ended March 31, 2013	-	-	-	-	-	-	-	-	-	-	1,576,661	1,385,059	126,426	14,773	-	3,102,919	512,754	3,615,673
BALANCE AT MARCH 31, 2013	$ 22,959,994	$ 69,893	$ 8,729,957	$ 7,540,388	$ 370,094	$ -	$ 14,276	$ 10,120,217	$ 6,883	$ 7,847,905	$ 12,216,081	$ 1,513,634	$ (320,422)	$ (86,790)	$ (1,334,660)	$ 69,647,450	$ 8,278,280	$ 77,925,730

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 13, 2013)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Three Months Ended March 31	
	2013	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,301,620	$ 2,171,101
Adjustments for:		
Depreciation expenses	1,654,446	1,546,866
Amortization expenses	126,228	159,868
Impairment loss recognized on trade receivables	8,166	5,185
Net (gain) loss on fair value change of financial assets held for trading	114,627	(32,966)
Finance costs	135,072	169,428
Interest income	(280,921)	(205,803)
Dividend income	(1,846)	(318)
Share of loss of associates and joint ventures	31,355	19,699
Loss on disposal of property, plant and equipment	5,255	14,829
Impairment loss on property, plant and equipment	1,007	12,778
Loss on disposal of intangible assets	1,148	1,482
Net (gain) loss on disposal of available-for-sale financial assets	1,845	(295,694)
Gain on disposal of former associates	(35,950)	-
Impairment loss recognized on available-for-sale financial assets	-	470,187
Write-down of inventories	185,979	45,110
Reversal of write-down of inventories	(46,188)	(141,220)
Unrealized net gain on foreign currency exchange	(259,847)	(300,980)
Recognition of provisions	169,595	185,959
Changes in operating assets and liabilities		
Financial assets held for trading	(126,193)	124,869
Notes receivable	(28,500)	(18,561)
Trade receivables	4,983,808	3,325,258
Trade receivables from related parties	22,413	(78,520)
Other receivables	(388,138)	(179,827)
Other receivables from related parties	1,141	(3,311)
Inventories	(688,763)	1,164,942
Construction in progress in excess of progressive billings	(2,078)	(4,908)
Other current assets	(938,997)	256,952
Notes payable	12,321	(48,577)
Trade payables	(4,316,682)	(9,231,250)
Trade payables from related parties	(38,088)	(69,731)
Other payable	(155,272)	(1,299,929)
Other payable from related parties	(1,549)	(14,081)
Provisions	(258,557)	(158,413)
Deferred revenue	380,459	81,856
Accrued pension liabilities	2,473	(20,592)
Cash generated from operations	2,571,389	(2,348,312)
Interest received	272,995	208,100
Dividend received	1,846	318

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LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Three Months Ended March 31	
	2013	**2012**
Interest paid	(130,015)	(177,882)
Income tax paid	(438,358)	(600,985)
Net cash generated from (used in) operating activities	2,277,857	(2,918,761)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of available-for-sale financial assets	-	1,534,798
Purchase of debt investments with no active market	(7,493,864)	(9,372,819)
Proceeds on the sale of debt investments with no active market	9,365,207	3,633,137
Net cash outflow on acquisition of subsidiaries	111,476	-
Payments for property, plant and equipment	(783,579)	(1,818,286)
Proceeds of the disposal of property, plant and equipment	250,281	913,112
Decrease in refundable deposits	11,292	30,017
Payments for intangible assets	(32,388)	(16,585)
Decrease in other noncurrent assets	514,122	652,332
Payments for biological assets	(13,099)	-
Net cash generated from (used in) investing activities	1,929,448	(4,444,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of short-term borrowings	934,064	1,955,670
Proceeds (repayment) of long-term borrowings	12,905,946	(199,095)
Proceeds (refund) of guarantee deposits received	2,722	(4,300)
Decrease in finance lease payables	(8,137)	(35,564)
Proceeds of the exercise of employee stock options	248,120	1,045
Additional acquisition of partially-owned subsidiaries	(15,356,870)	-
Partial disposal of interests in subsidiaries without losing control loss	-	288,198
Net cash generated from (used in) financing activities	(1,274,155)	2,005,954
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	240,407	(780,351)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,173,557	(6,137,452)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	51,224,870	52,882,246
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 54,398,427	$ 46,744,794

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 13, 2013) (Concluded)

1. GENERAL INFORMATION

Lite-On Technology Corporation (the "Parent Company") was established in March 1989. Its shares are traded on the Taiwan Stock Exchange. The Parent Company manufactures and markets (1) computer software, hardware, peripherals and components and (2) monitors, multifunction and all-in-one printers, cameras and Internet systems and image-processing equipment.

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 the three merged companies on that date.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on May 13, 2013.

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

The Parent Company and its entire controlled subsidiaries (the "Group") have not applied the following IFRSs that have been issued by the IASB.

As of the date that the consolidated financial statements were approved and authorized for issue, the Financial Supervisory Commission ("FSC") has not announced the effective dates for the following new and revised Standards, Amendments and Interpretations:

New, Revised Standards, Amendments and Interpretations		Effective Date Announced by IASB (Note)
Endorsed by the FSC but the effective dates have not yet been determined by the FSC		
Amendments to IFRSs	Improvements to IFRSs 2009 - Amendment to IAS 39	January 1, 2009 or January 1, 2010
IFRS 9 (2009)	Financial Instruments	January 1, 2015
Amendment to IAS 39	Embedded Derivatives	Effective in fiscal year beginning on or after June 30, 2009

(Continued)

New, Revised Standards, Amendments and Interpretations		Effective Date Announced by IASB (Note)
Not yet endorsed by the FSC		
Amendments to IFRSs	Improvements to IFRSs 2010 - Amendment to IAS 39	July 1, 2010 or January 1, 2011
Amendments to IFRSs	Annual Improvements to IFRSs 2009 - 2011 Cycle	January 1, 2013
Amendments to IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010
Amendments to IFRS 1	Government Loans	January 1, 2013
Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011
Amendment to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date and Transition Disclosure	January 1, 2015
Amendment to IFRS 7	Disclosures - Transfers of Financial Assets	July 1, 2011
Amendment to IFRS 9	Financial Instruments	January 1, 2015
Amendment to IFRS 10	Consolidated Financial Statements	January 1, 2013
Amendment to IFRS 11	Joint Arrangements	January 1, 2013
Amendment to IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013
Amendments to IFRS 10, IFRS 12 and IFRS 27	Investment Entities	January 1, 2014
Amendment to IFRS 13	Fair Value Measurement	January 1, 2013
Amendment to IAS 1	Presentation of Items of Other Comprehensive Income	July 1, 2012
Amendment to IAS 12	Deferred Tax: Recovery of Underlying Assets	January 1, 2012
Amendment to IAS 19	Employee Benefits	January 1, 2013
Amendment to IAS 27	Separate Financial Statements	January 1, 2013
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2013
Amendment to IAS 32	Offsetting of Financial Assets and Financial Liabilities	January 1, 2014
Amendment to IFRIC 20	Stripping Costs in the Production Phase of A Surface Mine	January 1, 2013

(Concluded)

Note: Unless otherwise noted, the above new and revised Standards, Amendments and Interpretations are effective for annual periods beginning on or after the respective effective dates.

Except for the following, the initial application of the above new and revised Standards, Amendments and Interpretations had not had any material impact on the Group's accounting policies:

a. Initial application of IFRS 9 Financial Instruments

   With regards to financial assets, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model by the Group whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the balance sheet date.

   As for financial liabilities, the main changes are with regard to the classification and measurement of financial liabilities designated as at fair value through profit or loss. IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

b. Since the FSC has not announced the effective date for the above new and revised Standards, Amendments and Interpretations, it is not practicable to provide a reasonable estimate of the impact of the initial application of the Standards, Amendments and Interpretations on the financial position and results of the Group until a detailed review has been completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 14, 2009, the FSC announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations approved by the FSC.

The consolidated financial statements of the Parent Company and its entire controlled subsidiaries are the first IFRS interim financial statements for part of the period covered by its first IFRS financial statements, the consolidated financial statements for 2013. The date of transition to IFRSs was January 1, 2012. Refer to Note 36 for the impact of IFRS conversion on the consolidated financial statements.

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, IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in interim financial reports is less than disclosures required in a full set of annual financial reports.

b. Basis of preparation

   The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The opening consolidated balance sheets as of the date of transition to IFRSs was prepared in accordance with IFRS 1 “First-time Adoption of International Financial Reporting Standards”. The applicable IFRSs have been applied retrospectively by the Group except for some aspects where other IFRSs prohibit retrospective application and specified areas where IFRS 1 grants limited exemptions from the requirements of other IFRSs. For the exemptions that the Group elected, refer to Note 36. The significant accounting policies are set out as below.

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

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within twelve months after the reporting period, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than twelve months after the reporting period. Property, plant and equipment, intangible assets, other than assets classified as current are classified as non-current. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the reporting period and liabilities that do not have an unconditional right to defer settlement for at least 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 financial statements are authorized for issue. Liabilities that are not classified as current are classified as non-current. 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.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent Company (i.e., its subsidiaries, including special purpose entities). Control is achieved when the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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 and 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 Parent Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Noncontrolling interests shall be presented in the consolidated balance sheets within equity, separately from the equity of the owners of the Parent Company.

<u>Attribution of total comprehensive income to non-controlling interests</u>

Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

<u>Changes in the Group’s ownership interests in existing subsidiaries</u>

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 Parent Company.

2) Subsidiaries included in the consolidated financial statements:

Please see Table 3 (attached) for the intercompany relationships and percentages of ownership.

The financial statements of these subsidiaries as of and for the three months ended March 31, 2013 and 2012 were audited by other auditors: Lite-On IT Corporation; Philips & Lite-On Digital Solutions Corporation; High Yield Group Co., Ltd.; Lite-On IT International (HK) Ltd.; Lite-On Opto Technology (Guangzhou) Co., Ltd.; LET (HK) Ltd.; Lite-On IT Opto Tech (BH) Co., Ltd.; Silitech Technology Corp., Silitech (BVI) Holding Ltd.; Silitech (Bermuda) Holding Ltd.; Silitech Technology Corporation Limited; Silitech (Hong Kong) Holding Ltd., Silitech Technology (Su Zhou) Co., Ltd., Xurong Electronic (Shenzhen) Co., Ltd.; Logah Technology Co., Ltd.; Logah Electronic (Su Zhou) Co., Ltd.; Lite-On Overseas Trading Co., Ltd.; Lite-On Capital Corporation; Lite-On (Finland) Oy; and Lite-On Mobile Oyj (formerly: Perlos Oyj).

The financial statements of these subsidiaries as of and for the three months ended March 31, 2013 were audited by other auditors also: Lite-On technology (Europe) B. V.; Lite-On China Holding; Logah Technology (HK) Co.; and Ltd., Philips & Lite-On Digital Solutions USA Inc.

Except the financial statements audited by other auditors, other subsidiaries as of and for the three months ended March 31, 2013 and 2012 were unreviwed financial reporting.

3) Subsidiaries excluded from consolidated financial statements: None.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date (i.e., the day when the Group obtains control) fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

1) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits respectively”;

2) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date; and

3) Non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that Standard.

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. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds 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 interest in the acquiree, the excess are recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made The Group does not apply IFRS 3 "Business Combination" to account for business combinations involving entities under common control. The consolidated financial statements were prepared on the basis of the book value method and revised prior period's comparative financial statements.

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. Functional currency is the currency of the primary economic environment in which the entity operates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for:

1) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

2) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

Exchange differences arising on the retranslation of non-monetary assets (such as equity instruments) or liabilities measured at fair value are included in profit or loss for the period at the rates prevailing at the end of reporting period except for exchange differences arising on 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.

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, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized in other comprehensive income and accumulated in equity (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Parent Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Parent Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Parent Company's losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests of the subsidiary and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Parent Company's losing significant influence or joint control), the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to

profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and 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 in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is 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.

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. 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.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The requirements of IAS 39 "Financial Instruments: Recognition and Measurement" are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 "Impairment of Assets" 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 tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period. Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. 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, for qualifying assets, borrowing costs capitalized in accordance with IAS 24 "Borrowing Costs". Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. 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 in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Assets are depreciated over the shorter of the lease term and their useful lives using the straight-line method.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Goodwill

Goodwill arising on an 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) 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. 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 for goodwill 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, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. 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 over their estimated useful lives. 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 being accounted for on a prospective basis which is in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. 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, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment loss, on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

l. 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 Parent Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

When an impairment loss subsequently is 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 immediately in profit or loss.

m. 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.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1) Measurement category

Financial assets are classified into the following specified categories: Financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The categories of financial assets held by the Parent Company are available-for-sale financial assets and loans and receivables.

a) 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 is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

i. It has been acquired principally for the purpose of selling it in the near term; or

ii. On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

iii. It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

In addition, if a contract contains one or more embedded derivatives, the entire combined contract (asset or liability) can be designated as at fair value through profit or loss.

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. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is not included in the other gains and losses line item. Fair value is determined in the manner described in Note 29. Investments in equity instruments under financial assets at fair value through profit or loss that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets cannot be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

b) 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.

The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value at the end of each reporting period. Fair value is determined in the manner described in Note 29.

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 accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss that previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, cash and cash equivalent, debt investments with no active market, and other receivables) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2) 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 certain categories of financial assets, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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.

For all other financial assets, objective evidence of impairment could include:

a) Significant financial difficulty of the issuer or counterparty; or
b) Breach of contract, such as a default or delinquency in interest or principal payments; or
c) It becoming probable that the borrower will enter bankruptcy or financial re-organization; or
d) The disappearance of an active market for that financial asset because of financial difficulties.

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 and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment loss are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are 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.

3) 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 and accumulated in equity is recognized in profit or loss.

Equity instruments

Debt and 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.

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 a group entity are recognized at the proceeds received, net of direct issue costs.

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

Financial liabilities

1) Subsequent measurement

   Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method, less any impairment (see above for the definition of effective interest method):

   Financial liabilities at fair value through profit or loss

   Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

   a) A financial liability is classified as held for trading if:

      i. It has been acquired principally for the purpose of repurchasing it in the near term; or

      ii. On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

      iii. It is a derivative that is not designated and effective as a hedging instrument.

   b) A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

      i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

      ii. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

      In addition, if a contract contains one or more embedded derivatives, the entire combined contract (asset or liability) can be designated as at fair value through profit or loss.

      Financial liabilities 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. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses line item. Fair value is determined in the manner described in Note 29.

2) Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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 cross currency swaps.

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.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

n. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting the exposure of changes in fair values or cash flows of the hedged item attributable to the hedged risk. Note 29 sets out details of the fair values of the derivative instruments used for hedging purposes.

1) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the other gains and losses line item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, 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 same period or periods during which the hedged forecast cash flows affect profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed and are included in the initial cost of the non-financial asset or non-financial liability.

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 the forecast transaction is ultimately recognized in profit or loss, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss or are included in the initial cost of the non-financial asset or non-financial liability. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

c) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the other gains and losses line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

o. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

<u>Warranties</u>

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.

Sales returns and discounts

Sales returns are recognized at the time of sale if the seller can reliably estimate future returns and recognizes a liability for returns based on management's judgment, historical experience and relevant factors.

p. 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.

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 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. Specifically, sales of goods are recognized when goods are delivered and title has passed.

2) Power Transmission income

Power transmission income is recognized at the end of the process of transmitting power from a substation to the power company. Revenue is measured at the fair value of the payment receivable stated in the agreements between the subsidiaries and the power companies. Since payment receivables are due within one year from the balance sheet date, as the nominal value of the payment to be received approximates its fair value and transactions are frequent, the fair value of the payment is not determined by discounting all future receipts using an imputed rate of interest.

3) Lease revenue

Under IAS 17 "Leases," the Parent Company recognizes lease in income on a straight-line basis over the lease term.

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.

q. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

Revenues on and costs of long-term construction contracts are recognized by the percentage-of-completion method, while revenues and costs of short-term construction contracts are recognized by the full-completion method. Under the percentage-of-completion method, the stage of completion of each contract is measured at the ratio of cumulative construction costs to total estimated contract costs.

Construction revenues and costs for the current year is the excess of cumulative construction revenue and costs, determined using the percentage-of-completion method, in excess of the cumulative construction revenue and costs recognized in prior years. Any estimated loss on a construction contract is recognized currently; any subsequent adjustment of this loss is recognized as income or loss in the year of adjustment.

Construction in progress is carried at cost plus estimated construction profit or less estimated losses. Installment payments or collections received from construction projects are credited to progressive billings. Upon completion of each project, these progressive billings are offset against construction in progress.

Construction expenses incurred under the full-completion method are included in construction in progress, while collections received from construction projects are credited to progressive billings. Upon completion of each project, the construction in progress and progressive billings are recognized as construction revenues and costs, respectively.

At year-end, the balances of construction in progress and progressive billings from construction of each project are netted out, and the result is classified as current asset or current liability.

r. 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 unless another systematic basis is representative of the time pattern of the lessee’s benefit from the use of the leased asset. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred. Lease incentives included in the operating lease are recognized as an asset. The aggregate cost of incentives is recognized as a reduction of rental income on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern over which the benefit of the leased asset is diminished.

2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Minimum lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

s. Retirement benefit costs

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

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

t. Taxation

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

1) Current tax

Interim period income taxes are assessed on an annual basis. Interim period income tax expense is calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, 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. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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 and interests 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 period

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, which are described in 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 to be 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. Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations stated in note below, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable; please refer to note 4 (16). Provisions for warranty obligations and sales returns and allowance are recognized at the time of sale provided at the best estimate of the expenditure based on previous experience and relevant factors.

b. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1) 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.

2) 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 (excluding future credit losses that have not been incurred) 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.

3) Income taxes

Deferred tax assets are recognized when it probable have sufficiently future taxable income for deductible temporary differences. Assessment of deferred tax assets will not be realized, it must involve the management of significant accounting judgments and estimates, including the expected future sales revenue growth and profit margins, the exemption period, use of tax credits, tax planning and other assumptions. Any information about the global economic environment, the industry environment changes and changes in laws, are likely to cause significant adjustments for deferred tax assets.

4) Fair value of derivatives and other financial instruments

As described in note 29, The Group's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Other financial instruments were valued using a discounted cash flow analysis that includes assumptions based on quoted market prices or rates (if available). The measurement for the fair value of unlisted equity investments includes assumptions not based on observable market prices or rates.

5) Useful lives of property, plant and equipment

As described in note 4 above, the Group reviews the estimated useful lives of property, plant and equipment at each balance sheet date.

6. CASH AND CASH EQUIVALENTS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Cash on hand	$ 9,490	$ 10,300	$ 9,273	$ 10,415
Checking deposits	1,710,728	1,783,160	1,401,755	2,768,789
Demand deposits	26,005,707	21,017,052	22,359,121	22,226,441
Cash equivalent				
Time deposits with original maturities less than three months	26,672,502	28,414,358	22,974,645	27,876,601
	$ 54,398,427	$ 51,224,870	$ 46,744,794	$ 52,882,246

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the carrying amounts of time deposits with original maturities of over three months were $7,515,336 thousand, $9,365,207 thousand, $9,295,202 thousand and $3,633,137 thousand, respectively, which were classified as 'bond investment for which no active market exists (Note 10).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Financial assets held for trading				
Derivative financial assets (not under hedge accounting)				
Cross-currency swap contracts	$ 17,728	$ 663	$ 6,076	$ 66,289
Foreign exchange forward contracts	15,498	12,360	15,337	45,295
Financial assets at FVTPL	$ 33,226	$ 13,023	$ 21,413	$ 111,584

(Continued)

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Current	$ 33,226	$ 13,023	$ 21,413	$ 111,584
Non-current	-	-	-	-
	$ 33,226	$ 13,023	$ 21,413	$ 111,584
Financial liabilities held for trading				
Derivative financial liabilities (not under hedge accounting)				
Cross-currency swap contracts	$ 31,710	$ 21,333	$ 26,366	$ 23,922
Foreign exchange forward contracts	12,166	13,857	17,402	8,573
Interest swap contracts	-	49	238	362
Options-put	-	-	-	9,417
Financial liabilities at FVTPL	$ 43,876	$ 35,239	$ 44,006	$ 42,274
Current	$ 43,876	$ 35,239	$ 44,006	$ 42,274
Non-current	-	-	-	-
	$ 43,876	$ 35,239	$ 44,006	$ 42,274

(Concluded)

a. At the end of the reporting period, outstanding interest swap contracts not under hedge accounting were as follows:

March 31, 2013: None

December 31, 2012

Lite-On Japan Ltd.

Notional Amounts (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
JPY 25,000	2008.02.04-2013.01.31	1.48%	Note

March 31, 2012

Lite-On Japan Ltd.

Notional Amounts (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
JPY 100,000	2008.02.04-2013.01.31	1.48%	Note

January 1, 2012

Lite-On Japan Ltd.

Notional Amounts (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
JPY 125,000	2008.02.04-2013.01.31	1.48%	Note

Note: Based on the Taipei interbank offered rate (Tibor) for three month plus a margin of 0.35%.

The economic substance of the pay-floating receive-fixed interest swap contracts listed in the above table is to manage exposures due to the interest rate risk of long-term loans. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

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

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2013			
Lite-On IT Corp.			
Currency swap contracts	USD/NTD	2013.04.12-2013.04.22	USD88,000/NTD2,614,570
Forward exchange contracts	EUR/USD	2013.04.08-2013.04.19	EUR8,000/USD10,447
Lite-On Automotive Corp.			
Forward exchange contracts	USD/JPY	2013.04.17	USD408/JPY38,420
Leotek Electronic Corp.			
Forward exchange contracts	USD/NTD	2013.04.25	USD2,000/NTD57,840
Currency swap contracts	USD/NTD	2013.04.25	USD1,300/NTD37,642
Lite-On Automotive International (Cayman) Co., Ltd.			
Forward exchange contracts	USD/RMB	2013.06.20	USD4,000/RMB24,956
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.			
Forward exchange contracts	EUR/RMB	2013.05.14	EUR791/RMB6,497
Lite-On Mobile Oyj (formerly Perlos Oyj)			
Currency swap contracts	USD/EUR	2013.04.12	USD13,400/EUR10,276
Currency swap contracts	JPY/EUR	2013.04.03	JPY37,000/EUR296
Currency swap contracts	RMB/USD	2013.05.24	RMB20,000/USD3,212
Forward exchange contracts	USD/RMB	2013.04.08	USD9,000/RMB56,628
Forward exchange contracts	USD/INR	2013.04.08	USD8,000/INR444,254
Forward exchange contracts	USD/BRL	2013.04.11	USD1,000/BRL2,023
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/RMB	2013.04.19	USD5,000/RMB31,185
Lite-On Mobile India Private Limited			
Forward exchange contracts	USD/INR	2013.04.19	USD1,000/INR55,480

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	EUR/USD	2013.04.08	EUR2,400/USD3,128
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	USD/THB	2013.04.30	USD1,000/THB29,230
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2013.04.08-2013.05.22	USD900/MYR2,792
Currency swap contracts	USD/NTD	2013.04.03-2013.04.15	USD23,000/NTD683,130
Logah Technology Co., Ltd			
Currency swap contracts	USD/NTD	2013.04.16	USD1,000/NTD29,672
December 31, 2012			
Lite-On IT Corp.			
Currency swap contracts	USD/NTD	2013.01.07-2013.01.28	USD127,000/NTD3,696,738
Forward exchange contracts	EUR/USD	2013.01.03-2013.01.17	EUR9,000/USD11,800
Lite-On Automotive Corp.			
Forward exchange contracts	USD/JPY	2013.02.20	USD755/JPY60,000
Leotek Electronic Corp.			
Currency swap contracts	USD/NTD	2013.01.25	USD1,300/NTD37,805
Forward exchange contracts	USD/NTD	2013.01.25	USD2,000/NTD58,600
Lite-On Automotive International (Cayman) Co., Ltd.			
Forward exchange contracts	USD/RMB	2013.03.05	USD4,000/RMB25,108
Lite-On Mobile Oyj (formerly Perlos Oyj)			
Currency swap contracts	USD/EUR	2013.01.07	USD16,500/EUR12,577
Currency swap contracts	JPY/USD	2013.01.17	JPY50,000/USD597
Currency swap contracts	JPY/EUR	2013.01.07	JPY50,000/EUR464
Currency swap contracts	RMB/USD	2013.01.28	RMB10,000/USD1,604
Forward exchange contracts	USD/EUR	2013.01.07	USD1,700/EUR1,283
Forward exchange contracts	USD/INR	2013.01.17	USD6,000/INR327,252
Forward exchange contracts	USD/RMB	2013.02.06	USD9,000/RMB56,489
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/RMB	2013.01.18	USD3,000/RMB18,842
Lite-On Mobile India Private Limited			
Forward exchange contracts	USD/INR	2013.01.25	USD1,000/INR57,350
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	EUR/USD	2013.01.04	EUR2,400/USD3,133
Silitech Technology Corp.			
Currency swap contracts	USD/NTD	2013.01.14	USD24,000/NTD697,200
Forward exchange contracts	USD/MYR	2013.01.07-2013.03.19	USD1,730/MYR5,299

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2012			
Lite-On IT Corp.			
Forward exchange contracts	EUR/USD	2012.04.05-2012.05.07	EUR12,000/USD15,811
Forward exchange contracts	RMB/USD	2012.09.10	RMB63,140/USD10,000
Forward exchange contracts	USD/RMB	2012.09.10	USD19,000/RMB63,310
Currency swap contracts	USD/NTD	2012.04.19-2012.05.07	USD149,000/NTD4,398,848
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2012.04.19-2012.05.09	USD100/MYR305
Currency swap contracts	USD/NTD	2012.04.09	USD28,000/NTD825,160
Logah Technology Co., Ltd			
Currency swap contracts	USD/NTD	2012.04.05-2012.04.09	USD6,000/NTD176,476
Lite-On Automotive Corp.			
Forward exchange contracts	EUR/NTD	2012.08.01	EUR487/NTD18,925
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.			
Forward exchange contracts	USD/RMB	2012.09.04	USD980/RMB6,161
Forward exchange contracts	EUR/RMB	2012.05.04	EUR600/RMB5,031
Lite-On Mobile Oyj (formerly Perlos Oyj)			
Currency swap contracts	USD/EUR	2012.04.13	USD12,650/EUR9,597
Currency swap contracts	EUR/USD	2012.04.13	EUR2,000/USD2,637
Currency swap contracts	HUF/EUR	2012.04.20	HUF250,000/EUR810
Currency swap contracts	SEK/EUR	2012.04.20	SEK3,000/EUR339
Forward exchange contracts	JPY/USD	2012.04.17	JPY50,000/USD638
Forward exchange contracts	USD/BRL	2012.04.23	USD4,000/BRL7,362
Forward exchange contracts	USD/RMB	2012.04.09	USD20,000/RMB125,660
Forward exchange contracts	EUR/RMB	2012.04.23	EUR3,000/RMB24,856
Forward exchange contracts	USD/INR	2012.04.13	USD10,000/INR504,200
Leotek Electronic Corp.			
Currency swap contracts	USD/NTD	2012.04.23	USD900/NTD26,469
Forward exchange contracts	USD/NTD	2012.04.25	USD2,000/NTD59,046
Lite-On Singapore Ltd.			
Forward exchange contracts	EUR/USD	2012.04.05	EUR2,400/USD3,192
Forward exchange contracts	JPY/USD	2012.05.04	JPY66,000/USD804
January 1, 2012			
Lite-On IT Corp.			
Currency swap contracts	USD/NTD	2012.01.05-2012.01.13	USD79,000/NTD2,382,530
Forward exchange contracts	EUR/USD	2012.01.11-2012.02.08	EUR15,200/USD19,844
Leotek Electronic Corp.			
Forward exchange contracts	USD/NTD	2012.01.30	USD2,000/NTD60,320
Lite-On Automotive International (Cayman) Co., Ltd.			
Forward exchange contracts	USD/NTD	2012.01.17	USD900/NTD27,241
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.			
Forward exchange contracts	USD/RMB	2012.01.09	USD400/RMB2,542
Forward exchange contracts	EUR/RMB	2012.01.09	EUR696/RMB5,932

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Lite-On Mobile Oyj (formerly Perlos Oyj)			
Currency swap contracts	EUR/USD	2012.01.11	EUR2,000/USD2,678
Currency swap contracts	JPY/EUR	2012.01.11	JPY140,000/EUR1,374
Currency swap contracts	USD/EUR	2012.01.11	USD12,650/EUR9,449
Currency swap contracts	JPY/USD	2012.01.06	JPY495,660/USD6,378
Currency swap contracts	SEK/EUR	2012.01.18	SEK5,000/EUR540
Currency swap contracts	HUF/EUR	2012.01.18	HUF250,000/EUR809
Forward exchange contracts	USD/BRL	2012.01.23	USD1,500/BRL2,710
Forward exchange contracts	USD/INR	2012.01.17	USD17,000/INR898,855
Forward exchange contracts	EUR/RMB	2012.02.21	EUR3,000/RMB25,696
Forward exchange contracts	USD/RMB	2012.02.07	USD20,000/RMB127,104
Forward exchange contracts	JPY/USD	2012.01.06	JPY200,000/USD2,566
Forward exchange contracts	USD/EUR	2012.01.09	USD700/EUR511
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/RMB	2012.01.17	USD2,000/RMB12,688
Lite-On Japan Ltd.			
Call option	JPY/USD	2012.03.05	JPY33,900/USD300
Put option	JPY/USD	2012.03.05	JPY94,050/USD900
Currency swap contracts	JPY/USD	2012.03.05	JPY33,990/USD300
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	EUR/USD	2012.01.05	EUR2,400/USD3,221
Forward exchange contracts	HUF/USD	2012.01.05	HUF384,000/USD1,691
Forward exchange contracts	JPY/USD	2012.01.05	JPY55,000/USD707
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2012.01.09-2012.02.24	USD700/MYR2,220
Currency swap contracts	USD/NTD	2012.01.09	USD28,000/NTD844,960
Logah Technology Co., Ltd.			
Forward exchange contracts	USD/NTD	2012.02.06-2012.02.24	USD4,200/NTD126,834

(Concluded)

The subsidiaries entered into derivative contracts during the three months ended March 31, 2013 and 2012 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.

On FVTPL, the Group had net losses of $114,627 thousand and net gains of $32,966 thousand as of March 31, 2013 and 2012, respectively.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Domestic investments				
Quoted shares and emerging market shares	$ 999,316	$ 903,046	$ 1,060,985	$ 1,898,101
Unquoted shares	782,827	792,442	819,738	1,289,925
Foreign investments				
Unquoted shares	322,380	316,720	229,192	188,967
Mutual funds	122,754	106,310	104,646	749,051
Quoted shares and emerging market shares	56,713	35,957	153,385	145,291
	$ 2,283,990	$ 2,154,475	$ 2,367,946	$ 4,271,335
Current	$ 9	$ 10	$ 9	$ 9
Non-current	2,283,981	2,154,465	2,367,937	4,271,326
	$ 2,283,990	$ 2,154,475	$ 2,367,946	$ 4,271,335

The Group's designated emerging market shares and unquoted shares originally recognized as financial assets measured at cost, amounted to $437,953 thousand and $1,050,019 thousand, respectively. Those shares were recognized as available-for-sale financial assets as of January 1, 2012, the transition date to IFRSs (Note 36). Refer to Note 29 for the determination of fair values of those shares and other available-for-sale financial assets.

There was objective evidence that the fair values of some financial assets were below their carrying costs and will permanently decline. As a result, the Group recognized an impairment loss of $470,187 thousand in the consolidated statement of comprehensive income for the three months ended March 31, 2012.

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Derivative financial liabilities under hedge accounting				
Cash flow hedges - interest rate swaps	$ 86,790	$ 101,563	$ 139,636	$ 165,225
Current	$ -	$ -	$ -	$ -
Non-current	86,790	101,563	139,636	165,225
	$ 86,790	$ 101,563	$ 139,636	$ 165,225

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 rate on its liabilities from floating to fixed. The cash flow hedge transactions are deemed sufficient.

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

March 31, 2013

Notional Amount (In Thousands)	Maturity Dare	Range of Interest Rates Paid	Range of Interest Rates Received
NT$ 6,000,000	2015.09.23	1.895%	0.894%

December 31, 2012

Notional Amount (In Thousands)	Maturity Dare	Range of Interest Rates Paid	Range of Interest Rates Received
NT$ 6,000,000	2015.09.23	1.895%	0.900%

March 31, 2012

Notional Amount (In Thousands)	Maturity Dare	Range of Interest Rates Paid	Range of Interest Rates Received
NT$ 6,000,000	2015.09.23	1.895%	0.864%

January 1, 2012

Notional Amount (In Thousands)	Maturity Dare	Range of Interest Rates Paid	Range of Interest Rates Received
NT$ 6,000,000	2015.09.23	1.895%	0.861%

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Time deposits with original maturity more than 3 months	$ 7,515,336	$ 9,365,207	$ 9,295,202	$ 3,633,137
Pledge deposits	102,448	102,560	106,605	108,107
	$ 7,617,784	$ 9,467,767	$ 9,401,807	$ 3,741,244
Current	$ 7,515,336	$ 9,365,207	$ 9,295,202	$ 3,633,137
Non-current	102,448	102,560	106,605	108,107
	$ 7,617,784	$ 9,467,767	$ 9,401,807	$ 3,741,244

Refer to Note 31 for information relating to bond investments with no active market pledged as security.

11. TRADE RECEIVABLES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Trade receivables	$ 40,259,681	$ 45,123,260	$ 42,415,872	$ 46,111,657
Less: Allowance for impairment loss	330,039	323,320	277,270	270,049
	$ 39,929,642	$ 44,799,940	$ 42,138,602	$ 45,841,608

The average credit period on sales of goods was 90 days. No interest was charged on trade receivables. 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 150 days were not recoverable. Allowance for impairment loss were recognized against trade receivables between 150 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 average credit period on sales of goods was between 60 days and 90 days. No interest was charged on trade receivables. In determining the recoverability of a trade receivable, the Subsidiaries 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 Subsidiaries 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 150 to 240 days were not recoverable. Allowance for impairment loss were recognized against trade receivables between 150 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 concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

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

	For the Three Months Ended March 31	
	2013	2012
Balance at January 1	$ 323,320	$ 270,049
Add: Allowance for doubtful accounts	8,166	5,185
Less: Amounts written off during the period as uncollectible	(1,835)	(324)
Foreign exchange translation gains and losses	388	(15,755)
Reclassification	-	18,115
Balance at March 31	$ 330,039	$ 277,270

The unexpired factored accounts receivable of the subsidiaries as of March 31, 2013 and 2012 were as follows:

Philips & Lite-On Digital Solutions Corp.

Counter-parties	Receivables Sold	Amounts Collected	Advances Received at Year-end	Interest Rates on Advances Received (%)	Credit Line
March 31, 2013					
Taishin International Bank	US$ 1,715	US$ 1,569	US$ -	0.17-0.19	US$ 8,500
March 31, 2012					
Taishin International Bank	US$ 2,627	US$ 1,970	US$ 657	0.17-0.188	US$ 8,500

Silitech Technology Corp.

March 31, 2013: None

Counter-parties	Receivables Sold	Amounts Collected	Advances Received at Year-end	Interest Rates on Advances Received (%)	Credit Line
March 31, 2012					
Citibank	EUR 976 US$ 6,985	EUR 3,904 US$ 5,464	EUR 870 US$ 5,723	1.47-1.81 1.78-1.85	US$30,000

The above credit lines may be used on a revolving basis. As of March 31, 2013, the amount of factored accounts receivable of the Parent Company and its subsidiaries remaining in 2012 had been collected.

The subsidiaries (Philips & Lite-On Digital Solutions Corp. and Silitech Technology Corp.) signed accounts receivable factoring contracts with banks. Under these contracts, the risks on the accounts receivable were transferred to the banks.

12. INVENTORIES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Raw materials	$ 5,221,281	$ 4,458,816	$ 6,438,080	$ 6,295,461
Work in progress	3,294,367	2,616,363	3,473,685	3,174,499
Finished goods	9,624,150	10,135,010	9,391,776	11,253,071
Merchandise	1,610,504	1,520,250	3,847,643	3,623,498
Goods in transit	1,426,818	1,835,678	1,499,780	1,651,845
Power generation facility held for sale	-	-	1,706,736	1,661,010
	$ 21,177,120	$ 20,566,117	$ 26,357,700	$ 27,659,384

The cost of inventories recognized as cost of goods sold in the three months ended March 31, 2013 and 2012 was $39,858,861 thousand and $45,571,617 thousand, respectively

The cost of inventories recognized as an expense includes $185,979 thousand and $45,110 thousand for the three months ended March 31, 2013 and 2012, respectively, in respect of write-downs of inventory to net realizable value, and had been reduced by $46,188 thousand and $141,220 thousand for the three months ended March 31, 2013 and 2012, respectively, in respect of the reversal of such write-downs. Previous write-downs was reversed as a result of increased sales prices in certain markets.

13. CONSTRUCTION IN PROGRESS IN EXCESS OF PROGRESSIVE BILLINGS

Item	Contract Cost	Cost Incurred to Date	Estimated Costs to Complete Construction	Construction in Progress	Progressive Billings	Percentage of Completion (%)	Estimated Completion Year	Gross Profit to Be Recognized
March 31, 2013								
Solar power project	$ 607,972	$ 526,796	$ 43,304	$ 560,812	$ 486,207	80-100	2013	$ 34,016
December 31, 2012								
Solar power project	$ 593,697	$ 514,691	$ 42,033	$ 547,916	$ 475,389	80-100	2013	$ 33,225
March 31, 2012								
Solar power project	$ 596,624	$ 475,679	$ 73,073	$ 521,250	$ 478,048	80-100	2012	$ 45,571
January 1, 2012								
Solar power project	$ 609,049	$ 479,217	$ 80,835	$ 525,796	$ 487,502	80-100	2012	$ 46,579

14. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Investments in associates	$ 3,447,904	$ 3,494,479	$ 3,509,944	$ 3,500,398
Investments in jointly controlled entities	10,936	14,303	17,010	14,274
	$ 3,458,840	$ 3,508,782	$ 3,526,954	$ 3,514,672

a. Investments in associates

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Listed companies				
Lite-On Semiconductor Corp.	$ 1,494,105	$ 1,460,323	$ 1,486,322	$ 1,496,027
Jhen Vei Electronics Co., Ltd.	-	88,055	105,947	117,285
Unlisted companies				
Dragonjet Corporation	1,006,736	999,445	990,435	965,445
LiteStar JV Holding (BVI) Co., Ltd.	706,313	697,387	760,237	765,534

(Continued)

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Epricrystal (Changzhou) Co., Ltd.	$ 138,972	$ 137,021	$ 140,354	$ 125,756
Lite-Space Technology Company Limited	84,711	108,355	22,995	26,208
Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda	13,099	-	-	-
Canfield Ltd.	3,968	3,893	3,654	4,143
	$ 3,447,904	$ 3,494,479	$ 3,509,944	$ 3,500,398

(Concluded)

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Lite-On Semiconductor Corp.	20.45%	20.45%	20.45%	20.45%
Jhen Vei Electronics Co., Ltd.	-	17.12%	17.12%	17.12%
Dragonjet Corporation	29.66%	29.74%	29.74%	29.74%
LiteStar JV Holding (BVI) Co., Ltd.	26.72%	26.72%	30.00%	30.00%
Epricrystal (Changzhou) Co., Ltd.	4.71%	4.71%	5.00%	5.00%
Lite-Space Technology Company Limited	39.23%	39.23%	27.00%	27.00%
Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda	25.00%	-	-	-
Canfield Ltd.	33.33%	33.33%	33.33%	33.33%

Although Li Shin International Enterprise Corp. (“Li Shin”) held less than 20% of the total voting shares of Jhen Vei Electronics Co., Ltd. (“Jhen Vei”), Li Shin’s holding was still significantly higher than that of any other shareholder and was thus deemed to have significant influence over Jhen Vei’s. As a result, Li Shin used the equity method to account for its investment in Jhen Vei.

Lite-On Electronic (Tianjin) Co., Ltd., a subsidiary of the Parent Company, held less than 20% of the equity interest in Epricrystal (Changzhou) Co., Ltd. (“Epricrystal”), but an equity-method investee of the Parent Company, LiteStar JV Holding (BVI) Co., Ltd. owned more than 20% interest of Epricrystal, enabling the Group to exercise significant influence. Thus, the Group accounted for this investment by the equity method.

Publicly traded investments accounted for using the equity method were priced based on the closing price of those investments at the balance sheet date and were summarized as follows:

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Lite-On Semiconductor Corp.	$ 1,485,936	$ 1,399,598	$ 1,549,554	$ 1,095,140
Jhen Vei Electronics Co., Ltd.	$ -	$ 106,178	$ 128,112	$ 96,523

The summarized financial information in respect of the Group's associates was set out below:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Total assets	$ 26,572,766	$ 27,373,390	$ 26,566,387	$ 26,958,248
Total liabilities	$ 10,909,983	$ 11,564,387	$ 10,874,194	$ 11,138,174

	For the Three Months Ended March 31	
	2013	2012
Revenue	$ 3,362,138	$ 3,234,961
Loss for the period	$ 75,128	$ 117,675
Other comprehensive income (loss)	$ 301,011	$ (70,276)

In February 2013, Lite-On Mobile Pte. Ltd ("Lite-On Mobile"), a subsidiary of the Parent company, subscribed for shares of Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda ("Yamada-Lom") for US$540 thousand in cash. After the subscription, Lite-On Mobile acquired a 25% equity interest in Yamada-Lom and could thus exercise significant influence on this investee.

In January 2013, Li Shin International Enterprise Corp. ("Li Shin"), a subsidiary of the Parent Company, disposed of interests in Jhen Vei Electronics Co., Ltd. ("Jhen Vei") and received proceeds of $111,476 thousand; thus Li Shin ceased to have significant influence on Jhen Vei. This transaction resulted in the recognition of a gain in profit or loss, calculated as follows:

Proceeds of disposal	$ 111,476
Less: Carrying amount of investment on the date of loss of significant influence	75,526
Gain (loss) recognized	$ 35,950

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 reviewed, except those of Lite-On Semiconductor Corp. and Jhen Vei Electronics Co., Ltd. The Group believes that, had Lite-On Semiconductor Corp. and Jhen Vei Electronics Co., Ltd.'s financial statements been reviewed, any adjustments arising would have had no material effect on the Group's financial statements.

b. Investments in jointly controlled entities

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unlisted companies				
Kompaktsolar GmbH	$ 10,936	$ 14,303	$ 17,010	$ 14,274

At the end of the reporting period, the proportion of ownership and voting rights in jointly controlled entities held by the Group were as follows:

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Kompaktsolar GmbH	51.00%	51.00%	51.00%	51.00%

In January 2011, Lite-On Green Technologies B.V. (LOGTBV), a subsidiary of the Parent company, signed a joint venture contract with Kompakt Betriebs and Verwaltungs GmbH, and formed the company named Kompaktsolar GmbH ("Kompak"). Under the contract, LOGTBV had no controlling interest over the financial, operating and personnel hiring policy decisions but owned 51%. Thus, the Group accounted for this investment by the equity method. LOGTBV was not included in the accompanying consolidated financial statements but the proportional consolidation method was applied to this investee.

The summarized financial information in respect of the Group's interests in the jointly controlled entities which were accounted for using the equity method was set out below:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Total assets	$ 24,978	$ 30,936	$ 50,457	$ 66,064
Total liabilities	$ 21,135	$ 23,163	$ 39,051	$ 58,218

	For the Three Months Ended March 31	
	2013	2012
Recognized in profit or loss		
Accumulated equity in the net loss of investees	$ 3,416	$ 6,491

The equity-method investees' financial statements, which had been used to determine the carrying amounts of the Group's investments, shares of profits and other comprehensive income of associates, had been reviewed, except those of Kompak. The Group believes that, had Kompak's financial statements been reviewed, any adjustments arising would have had no material effect on the Group's consolidated financial statements

15. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Carrying amounts of each class of				
Freehold land	$ 2,638,102	$ 2,693,720	$ 2,742,541	$ 2,747,664
Buildings	15,169,924	15,108,055	14,013,898	14,408,900
Machinery equipment	16,212,716	16,970,344	17,736,974	18,965,895
Tooling equipment	987,762	256,095	334,682	325,390
Transportation equipment	25,746	24,931	24,631	30,868
Office equipment	649,166	667,290	725,491	771,694
Equipment held under finance lease	149,944	126,682	172,097	129,918
Other equipment	2,447,961	1,850,624	1,588,029	1,506,248
	$ 38,281,321	$ 37,697,741	$ 37,338,343	$ 38,886,577

	For the Three Months Ended March 31, 2013					
	January 1, 2013	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2013
Cost						
Freehold land	$ 2,693,720	$ -	$ -	$ -	$ (55,618)	$ 2,638,102

(Continued)

	For the Three Months Ended March 31, 2013					
	January 1, 2013	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2013
Buildings	$ 21,407,250	$ 18,726	$ 21,451	$ 5,177	$ 382,029	$ 21,791,731
Machinery equipment	39,618,614	300,264	566,043	(1,579,138)	970,346	38,744,043
Tooling equipment	2,031,914	215,261	858	1,777,734	208,446	4,232,497
Transportation equipment	97,205	736	3,721	2,417	2,402	99,039
Office equipment	2,594,743	25,631	39,987	(9,657)	86,064	2,656,794
Equipment held under finance lease	526,456	9,249	8,769	-	36,681	563,617
Other equipment	5,898,277	163,312	52,128	(145,818)	724,863	6,588,506
	74,868,179	$ 733,179	$ 692,957	$ 50,715	$ 2,355,213	77,314,329
Accumulated depreciation						
Buildings	6,285,903	$ 219,101	$ 15,069	$ (120)	$ 118,700	6,608,515
Machinery equipment	21,603,815	826,848	332,036	(1,058,854)	456,470	21,496,243
Tooling equipment	1,775,819	299,950	253	(1,073,201)	96,018	3,244,735
Transportation equipment	72,274	2,743	2,674	-	950	73,293
Office equipment	1,927,453	50,721	36,815	(7,005)	73,274	2,007,628
Equipment held under finance lease	399,774	10,865	8,530	-	11,564	413,673
Other equipment	4,047,653	244,218	42,044	(269,876)	160,594	4,140,545
	36,112,691	$ 1,654,446	$ 437,421	$ (262,654)	$ 917,570	37,984,632
Accumulated impairment						
Freehold land	-	$ -	$ -	$ -	$ -	-
Buildings	13,292	-	-	-	-	13,292
Machinery equipment	1,044,455	1,007	-	-	(10,378)	1,035,084
Tooling equipment	-	-	-	-	-	-
Transportation equipment	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-
Equipment held under finance lease	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-
	1,057,747	$ 1,007	$ -	$ -	$ (10,378)	1,048,376
	$ 37,697,741					$ 38,281,321

(Concluded)

	For the Three Months Ended March 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2012
Cost						
Freehold land	$ 2,747,664	$ -	$ -	$ -	$ (5,123)	$ 2,742,541
Buildings	20,049,688	516,056	502,667	(9,999)	(325,621)	19,727,457
Machinery equipment	40,009,100	677,058	1,037,976	(139,957)	(718,825)	38,789,400
Tooling equipment	1,852,778	64,554	2,030	56,324	(34,744)	1,936,882
Transportation equipment	105,490	441	53	363	(1,586)	104,655
Office equipment	2,738,339	16,372	24,692	42,850	(37,222)	2,735,647
Equipment held under finance lease	526,270	1,546	1,523	63,273	(15,091)	574,475
Other equipment	5,622,995	39,284	10,536	107,560	80,637	5,839,940
	73,652,324	$ 1,315,311	$ 1,579,477	$ 120,414	$ (1,057,575)	72,450,997
Accumulated depreciation						
Buildings	5,632,706	$ 193,863	$ 5,417	$ (19,303)	$ (96,372)	5,705,477
Machinery equipment	20,128,012	1,134,298	625,555	(169,321)	(300,172)	20,167,262
Tooling equipment	1,527,388	73,291	1,222	32,915	(30,172)	1,602,200
Transportation equipment	74,622	2,652	-	(103)	2,853	80,024
Office equipment	1,966,645	64,981	18,056	28,256	(31,670)	2,010,156

(Continued)

	For the Three Months Ended March 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2012
Equipment held under finance lease	$ 396,352	$ 14,858	$ 530	$ 4,715	$ (13,017)	$ 402,378
Other equipment	4,116,747	62,923	756	98,446	(25,449)	4,251,911
	33,842,472	$ 1,546,866	$ 651,536	$ (24,395)	$ (493,999)	34,219,408
Accumulated impairment						
Freehold land	-	-	-	-	-	-
Buildings	8,082	-	-	-	-	8,082
Machinery equipment	915,193	12,778	-	-	(42,807)	885,164
Tooling equipment	-	-	-	-	-	-
Transportation equipment	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-
Equipment held under finance lease	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-
	923,275	$ 12,778	$ -	$ -	$ (42,807)	893,246
	$ 38,886,577					$ 37,388,343

(Concluded)

For the three months ended March 31, 2013 and 2012, as the result of the declining sale of one of the products in the market, the estimated future cash flows expected to arise from the related equipment was decreased. The Group carried out a review of the recoverable amount of that related equipment and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of $1,007 thousand and $12,778 thousand of March 31, 2013 and 2012, which was recognized in impairment loss.

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

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

16. OTHER INTANGIBLE ASSETS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Carrying amounts of each class				
Goodwill	$ 14,263,075	$ 14,267,414	$ 14,279,428	$ 14,261,731
Patents	9,765	10,175	13,567	14,698
Use rights	1,179,447	1,235,611	1,404,103	1,460,267
Client relationships	-	10,239	40,955	51,193
Software	60,394	63,064	68,942	68,105
Net other intangible assets	457,235	447,072	367,932	447,418
	$ 15,969,916	$ 16,033,575	$ 16,174,927	$ 16,303,412

	For the Three Months Ended March 31, 2013					
	January 1, 2013	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2013
Cost						
Goodwill	$ 14,798,181	$ -	$ -	$ -	$ (4,339)	$ 14,793,842
Patents	27,134	-	-	721	-	27,855
Use right	2,695,878	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	163,819
Software	251,569	869	7	-	(584)	251,847
Net other intangible assets	2,833,194	31,519	1,644	606,736	1,696	3,471,501
	20,769,775	$ 32,388	$ 1,651	$ 607,457	$ (3,227)	21,404,742
Accumulated amortization						
Goodwill	77,234	$ -	$ -	$ -	$ -	77,234
Patents	16,959	1,131	-	-	-	18,090
Use right	1,460,267	56,164	-	-	-	1,516,431
Client relationships	153,580	10,239	-	-	-	163,819
Software	188,505	4,505		-	(1,557)	191,453
Net other intangible assets	2,386,122	54,189	503	573,094	1,364	3,014,266
	4,282,667	$ 126,228	$ 503	$ 573,094	$ (193)	4,981,293
Accumulated impairment						
Goodwill	453,533	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-
Use right	-	-	-	-	-	-
Client relationships	-	-	-	-	-	-
Software	-	-	-	-	-	-
Net other intangible assets	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	453,533
	$ 16,033,575					$ 15,969,916

	For the Three Months Ended March 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2012
Cost						
Goodwill	$ 14,792,498	$ -	$ -	$ -	$ 17,697	$ 14,810,195
Patents	27,134	-	-	-	-	27,134
Use right	2,695,878	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	163,819
Software	242,189	8,549	7	-	(4,950)	245,781
Net other intangible assets	2,601,730	8,036	1,475	(292)	(13,687)	2,594,312
	20,523,248	$ 16,585	$ 1,482	$ (292)	$ (940)	20,537,119
Accumulated amortization						
Goodwill	77,234	$ -	$ -	$ -	$ -	77,234
Patents	12,436	1,131	-	-	-	13,567
Use right	1,235,611	56,164	-	-	-	1,291,775
Client relationships	112,626	10,238	-	-	-	122,864
Software	174,084	6,047	-	-	(3,292)	176,839
Net other intangible assets	2,154,312	86,288	-	-	(14,220)	2,226,380
	3,766,303	$ 159,868	$	$	$ (17,512)	3,908,659
Accumulated impairment						
Goodwill	453,533	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-
Use right	-	-	-	-	-	-
Client relationships	-	-	-	-	-	-
Software	-	-	-	-	-	-
Net other intangible assets	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	453,533
	$ 16,303,412					$ 16,174,927

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

Patents	6 years
Use rights	12 years
Client relationships	4 years
Software	2-14 years
Net other intangible assets	1-10 years

The Parent Company completed the purchase of some assets of the IrDA Department of Avago Technologies Limited. Statement of Financial Accounting Standards (SFAS) No. 3- "Business Combinations" and SFAS No. 37 - "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 calculation of goodwill generated as of December 31, 2009 was as follows:

	For the Three Months Ended March 31	
	2013	**2012**
Acquisition costs		$ 708,863
Fair value of identifiable assets acquired		
Inventories	$ 59,278	
Properties	46,700	
Patents	27,134	
Client relationships	163,819	296,931
Goodwill		$ 411,932

On April 10, 2006, Lite-On IT Corporation (LOITC) and Qisda Corp. ("Qisda") signed a contract, under which LOITC will obtain Qisda's subcontract and manufacturing business on optical storage devices, including related authorization on product manufacturing, technology, technology acquisition, patent rights, etc. for $1,226,855 thousand plus 13% equity in LOITC. This acquisition was in line with LOITC's long-term strategic relationship with Qisda to expand production scale and promote market share.

In their special meeting on November 15, 2007, however, LOITC's shareholders approved the board of directors' proposal of August 27, 2007 to cancel the plan to use LOITC's shares to make the payment and to negotiate instead with Qisda for a new payment mode (i.e., wholly pay in cash) and schedule. LOITC thus paid cash for its acquisition at these amounts: $2,695,878 thousand, recorded under intangible assets - patent rights; and $2,806,508 thousand, recorded under goodwill.

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the accumulated amortization for patent rights amounted to $1,516,431 thousand , $1,460,267 thousand,$1,291,775 thousand and $1,235,611 thousand, respectively.

The goodwill arising from the Parent Company's acquisition of Lite-On Enclosure Inc. in 2004 was $210,220 thousand was amortization approximately over a period of five years. However, under the Guidelines Governing the Preparation of Financial Reports, effective January 1, 2006, goodwill need no longer be amortized. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the carrying value of goodwill was $132,986 thousand.

Except for the goodwill generated through the acquisition of Lite-On Enclosure Inc. by the Parent Company for $132,986 thousand, the Parent Company's purchase of some assets of IrDA Department of Avago Technologies Limited for $411,932 thousand, and the goodwill carrying value of $2,806,508 thousand recognized by Lite-On IT Corp., resulted in differences between the acquisition costs of the Parent Company's investments in the subsidiaries and the acquisition costs of the subsidiaries' investments in other companies; the Parent Company's proportionate shares in the investees' equity are listed as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Lite-On Mobile Oyj (formerly Perlos Oyj)	$ 8,597,510	$ 8,601,849	$ 8,614,609	$ 8,612,047
Li Shin International Enterprise Corp.	1,708,258	1,708,258	1,708,258	1,708,258
Lite-On Automotive Corp.	303,073	303,073	303,073	303,073
Leotek Electronics Corp.	220,170	220,170	219,424	219,424
Others	82,638	82,638	82,638	67,503
	$ 10,911,649	$ 10,915,988	$ 10,928,002	$ 10,910,305

For this test, the recoverable amount should be evaluated by the value in use of the tangible and intangible assets of the Parent Company and the subsidiaries' optical storage devices, and the projected cash flows during the period of the expected use of these devices should be considered. Some factors to consider in assessing value in use are past operating performance, future profit situation under normal operations, operating strategies, industrial development goals on CD-ROM drives, market prospects, etc. Net cash input and the number of residual assets should be estimated, and the value in use of these assets should be calculated net of their weighted average capital cost.

For the three months ended March 31, 2013 and 2012, the Group evaluated the recoverable amount of the cash-generating units and found that the recoverable amount was less than its carrying amount, thus there was no indification of impairment.

17. OTHER ASSETS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Prepayments	$ 2,795,652	$ 2,684,730	$ 2,858,289	$ 3,246,715
other financial assets	1,945,119	1,102,784	389,544	340,388
Offset against business tax payable	1,269,760	1,269,470	882,248	841,008
Prepayment for equipment	803,781	1,236,480	2,041,127	2,631,249
Land use rights	594,021	572,519	575,818	620,211
Others	249,939	345,941	464,507	505,637
	$ 7,658,272	$ 7,211,924	$ 7,211,533	$ 8,185,208
Current	$ 6,014,360	$ 5,058,662	$ 4,131,762	$ 4,429,820
Non-current	1,643,912	2,153,262	3,079,771	3,755,388
	$ 7,658,272	$ 7,211,924	$ 7,211,533	$ 8,185,208

Land use rights with carrying amounts of $594,021 thousand, $572,519 thousand, $575,818 thousand and $620,211 thousand as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, respectively, referred to land located in Mainland China.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unsecured borrowings				
Line of credit borrowings	$ 7,961,159	$ 7,010,394	$ 6,646,588	$ 4,737,488

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, market interest rates for short-term borrowings were as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Short-term borrowings	0.72%-5.6%	0.76-1.86%	1.03%-8.24%	0.86%-8.24%

b. Long-term borrowings

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unsecured borrowings				
Parent Company	$ 28,700,000	$ 15,700,000	$ 15,700,000	$ 15,700,000
Lite-On Mobile Pte. Ltd.	7,140,728	6,969,605	5,887,443	6,053,601
Silitech Technology Corp.	1,005,000	1,005,000	1,608,000	1,809,000
Lite-On Japan Ltd.	384,935	489,890	592,685	602,923
Silitech Technology (SuZhou) Co., Ltd.	119,430	203,307	294,932	302,913
	37,350,093	24,367,802	24,083,060	24,468,437
Less: Current portion	10,094,336	4,411,168	1,268,046	1,173,473
Long-term borrowings: Non-current	$ 27,255,757	$ 19,956,634	$ 22,815,014	$ 23,294,964

1) As of March 31, 2013, the Parent Company had five long-term bank loans with contract terms between September 23, 2008 and March 19, 2018 and an interest rate of 1.526% to 1.694%, payable monthly or quarterly. These loans should be repaid in three, five, or eight installments or at lump sum on loan maturity.

   As of December 31, 2012, March 31, 2012 and January 1, 2012, the Parent Company had four long-term loans with contract terms between September 23, 2008 and October 19, 2016 and an interest rate of 1.518% to 1.694%, 1.485% to 1.661%, and 1.48% to 1.661%, payable monthly or quarterly. These loans should be repaid in three, five or eight installments from their due dates.

   On September 23, 2008, the Parent Company signed the 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) NT$12 billion, which is a refinancing of existing credit lines to improve financial structure and which should be used as a medium-term loan but may not be used on a revolving basis; and

b) NT$3 billion, which is for supporting operations and may be used on a revolving basis.

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the Parent Company used a) NT$12 billion and b) NT$0.5 billion of the credit line of the above syndicated loan.

The principal of this syndication loan should be repaid in five semiannual installments from September 23, 2013, and the interest rate is the 90-day Taiwan subprime commercial paper interest rate plus 55 points.

Under the syndicated loan agreement, the Parent Company should maintain certain financial ratios based on the most recent semiannual or annual consolidated financial statements. A As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the Parent Company was in compliance with all of the loan covenants.

On March 14, 2013, the Parent Company signed the contract for a five-year syndicated loan with Citibank and 10 other financial institutions. The repayment period is between March 14, 2013 and March 13, 2018. The credit line is NT$15 billion, consisting of:

a) NT$6 billion, which is a refinancing of existing credit lines to improve financial structure and which should be used as a medium-term loan but may not be used on a revolving basis; and

b) NT$9 billion, which is for supporting operations and may be used on a revolving basis.

The principal of this syndication loan should be repaid in five semiannual installments from March 19, 2014, and the interest rate is the 90-day Taiwan subprime commercial paper interest rate plus 65 points.

Under the syndicated loan agreement, the Parent Company should maintain certain financial ratios based on the most recent semiannual or annual consolidated financial statements. As of March 31, 2013, the Parent Company was in compliance with all of the loan covenants.

2) As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, Lite-On Mobile Pte. Ltd. had a syndicated loan with Citibank, with a contract term from April 29, 2011 to April 29, 2016. The floating interest rates were 0.8801% to 1.055%, 0.908% to 1.0968%, 1.07365% to 2.2% and 1.625% to 2.2%. The principal repayable from April 29, 2014 in five semiannual installments.

   This contract is a five-year syndicated loan of US$200 million and was signed with Citibank and 14 other financial institutions (the endorsements and guarantees were provided by the Parent Company). As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, Lite-On Mobile Pte. Ltd. had used all of the credit line of the syndicated loan.

3) Silitech Technology Co., Ltd. entered into a contract for a NT$3 billion snydicated long-term bank loan, with the Land Bank of Taiwan as lead bank and a contract term from March 16, 2009 to March 16, 2014. Silitech Technology Corporation had used NT$2.01billion of the credit line of the syndicated loan. The floating interest rates were 1.7061%, 1.6744%, and 1.6712% as of December 31, 2012, March 31, 2012, and January 1, 2012, respectively; The principal is repayable from December 16, 2011 in 10 trimestral installments. In February 2013, Silitech Technology Co., Ltd. settled this loan in advance.

   Silitech Technology Co., Ltd. entered into a NT$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 operations and completing an acquisition. As of March 31, 2013, Silitech Technology Corporation had used NT$1.005 billion of the syndicated loan, with an interest rate of 1.685%.

Although the principal is repayable from August 18, 2017, early repayments had been made, of which the first repayment was $45 million and the second was NT$0.96 billion.

4) As of March 31, 2013 and December 31, 2012, Lite-On Japan Ltd. had 22 and 23 long-term bank loans, with contract terms from January 18, 2007 to February 28, 2017, with interest rate of 1.06% to 1.75% and principal repayable on specified due dates.

   As of March 31, 2012 and January 1, 2012, Lite-On Japan Ltd. had 18 long-term bank loans, with contract terms from January 18, 2007 to February 29, 2016, with interest rate of 1.16% to 1.75% and principal repayable on specified due dates.

5) Silitech Technology (Su Zhou) Co., Ltd. entered into a US$10 million long-term bank loan with Taipei Fubon Bank, with contract term from August 27, 2010 to August 27, 2013. The floating interest rates were 1.0366%, 1.0615%, 1.2406% and 1.26806% as of March 31, 2013, December 31, 2012, March 31, 2012, January 1, 2012, respectively; principal is amortized semiannually and repaid at US$3,000 thousand for each of the first two installments and at US$4,000 thousand on the third repayment.

19. FINANCE LEASE PAYABLES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Minimum lease payments				
Not later than one year	$ 65,695	$ 62,483	$ 83,164	$ 85,046
Later than one year and not later than five years	222,693	234,213	288,525	322,215
Later than five years	-	-	-	-
	288,388	296,696	371,689	407,261
Less: Future finance charges	1,428	1,599	1,986	1,994
Present value of minimum lease payments	$ 286,960	$ 295,097	$ 369,703	$ 405,267
Present value of minimum lease payments				
Not later than one year	$ 65,645	$ 62,381	$ 82,520	$ 84,360
Later than one year and not later than five years	221,315	232,716	287,183	320,907
Later than five years	-	-	-	-
	$ 286,960	$ 295,097	$ 369,703	$ 405,267
Current	$ 65,645	$ 62,381	$ 82,520	$ 84,360
Non-current	221,315	232,716	287,183	320,907
	$ 286,960	$ 295,097	$ 369,703	$ 405,267

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	$ 283,835	$ 291,839	$ 332,859	$ 355,986
Lite-On Mobile Oyj (formerly Perlos Oyj)	1,207	1,470	1,864	2,048
Lite-On Mobile Sweden AB	821	918	1,409	1,612
Lite-On Japan Ltd.	618	417	3,034	4,441
Parent Company	479	453	867	826
Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	-	-	29,406	40,064
Lite-On Mobile India Private Limited.	-	-	264	290
	286,960	295,097	369,703	405,267
Less: Current portion of long-term capital lease liabilities	65,645	62,381	82,520	84,360
	$ 221,315	$ 232,716	$ 287,183	$ 320,907

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 between 3 and 10 years, with 7.11% interest rate. The building, machinery and equipment can be bought at a bargain purchase price at the end of the lease term.

b. Lite-On Mobile Oyj (formerly Perlos Oyj) leased machinery and equipment under capital leases valid from July 1, 2009 to September 30, 2015. The terms of these leases were between three and four years, with 5.00% interest rate.

c. Lite-On Mobile Sweden AB leased machinery and equipment under capital leases valid from January 1, 2009 to January 15, 2013. The terms of these leases were between two and four years, with 3.63% to 7.66% interest rate.

d. Lite-On Japan Ltd. leased machinery and equipment under capital leases valid from May 2009 to July 2014. The terms of these leases were between three and five years, with 1.3% to 2.7% interest rate.

e. The Parent Company leased machinery and equipment under capital leases valid from September 1, 2009 to June 1, 2013. The terms of these leases were between 3 and 5 years, with 15.6% interest rate. The payments of these leases were between $42 thousand and $120 thousand. The ownership of the leased assets will be transferred to the Parent Company at the end of the lease term.

f. Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd. leased buildings under capital leases valid from January 1, 2003 to December 31, 2012. These leases were for 10 years, with 4.24% interest rate.

g. Lite-On Mobile India Private Limited leased machinery and equipment under capital leases valid from September 15, 2009 to April 18, 2013. The terms of these leases were between three and five years, with 10.24% interest rate. In September 2012, Lite-On Mobile India Private Limited fully repaid this loan before the end of the mature date.

20. PROVISIONS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Warranties	$ 891,904	$ 917,217	$ 1,070,886	$ 1,121,504
Customer returns and rebates	714,720	774,156	445,820	371,835
	$ 1,606,624	$ 1,691,373	$ 1,516,706	$ 1,493,339
Current	$ 1,606,624	$ 1,691,373	$ 1,516,706	$ 1,493,339
Non-current	-	-	-	-
	$ 1,606,624	$ 1,691,373	$ 1,516,706	$ 1,493,339

	Warranties	Customer Returns and Rebates	Total
Balance at January 1, 2013	$ 917,217	$ 774,156	$ 1,691,373
Additional provisions recognized	126,907	42,688	169,595
Usage	(51,240)	(100,253)	(151,493)
Reversing un-usage balances	(101,706)	(5,358)	(107,064)
Effect of foreign currency exchange differences	726	3,487	4,213
Balance at March 31, 2013	$ 891,904	$ 714,720	$ 1,606,624
Balance at January 1, 2012	$ 1,121,504	$ 371,835	$ 1,493,339
Additional provisions recognized	80,717	105,242	185,959
Usage	(63,763)	(23,964)	(87,727)
Reversing un-usage balances	(64,813)	(5,873)	(70,686)
Effect of foreign currency exchange differences	(2,759)	(1,420)	(4,179)
Balance at March 31, 2012	$ 1,070,886	$ 445,820	$ 1,516,706

a. 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 Group'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 new materials, altered manufacturing processes or other events affecting product quality.

b. The provision of customer returns and rebates was based on historical experience, management's judgments and other known reasons estimated product returns and rebates may occur in the year. The provision was recognized as a reduction of operating income in the periods of the related goods sold.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans
Based on the Labor Pension Act (the "Act"), the rate of monthly contributions by the Parent Company and subsidiaries - Lite-On IT Corp., Silitech Technology Corp., Lite-On Automotive Corp., Li Shin International Enterprise Corp., Logah Technology Co., Ltd., Leotek Electronics Corp., Lite-On Integrated Services Inc. and Philips & Lite-On Digital Solutions Corp. - to employees' individual pension accounts is at 6% of monthly wages and salaries.

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. The pension expenses recognized were $46,190 thousand from January to March in 2013 and $42,053 thousand from January to March 2012.

b. Defined benefit plans

The Parent Company, Lite-On IT Corp., Silitech Technology Corp., Lite-On Automotive Corp., Li Shin International Enterprise Corp., Logah Technology Co., Ltd., Leotek Electronics Corp. and Philips & Lite-On Digital Solutions Corp. have pension plans for all regular employees, which provide benefits based on length of service and average basic pay for the six months before retirement.

The Parent Company, Lite-On IT Corp., Silitech Technology Corp., Lite-On Automotive Corp., Li Shin International Enterprise Corp., Logah Technology Co., Ltd., Leotek Electronics Corp. and Philips & Lite-On Digital Solutions Corp. contribute monthly an amount equal to 2%, 3%, 2.5%, 2%, 2%, 4%, 2% and 3%, respectively, of salaries and wages to a pension fund, which is administered by the employees' pension fund committees and deposited in the Bank of Taiwan in the committee's name.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at December 31, 2012 by the Actuarial Institute of the Republic of China. The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

The overseas consolidated entities－ Philips & Lite-On Digital Solutions Germany GmbH. and Philips & Lite-On Digital Solutions Korea Ltd. — contribute to defined benefit pension funds and recognize pension costs based on their local government regulations.

For the three months ended December 31, 2013 and 2012, the Group recognized employee benefit expenses, respectively, calculated using the actuarially determined pension cost rate as of December 31, 2012 and January 1, 2012, respectively.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	2013	**2012**
Discount rate(s)	1.30%-3.75%	1.60%-4.00%
Expected return on plan assets	1.30%-2.50%	1.60%-2.25%
Expected rate(s) of salary increase	2.00%-5.00%	2.00%-5.00%

Employee benefit expenses for the three months ended March 31, 2013 and 2012 were included in the following line items:

	For the Three Months Ended March 31	
	2013	**2012**
Operating cost	$ 8,032	$ 7,082
Marketing expenses	$ 3,977	$ 4,441
Administration expenses	$ 7,558	$ 5,946
Research and development expenses	$ 11,374	$ 10,747

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans was as follows:

	December 31, 2012	January 1, 2012
Present value of funded defined benefit obligation	$ 1,300,764	$ 1,168,108
Fair value of plan assets	(1,092,150)	(1,087,026)
	208,614	81,082
Present value of unfunded defined benefit obligation	81,430	32,621
Deficit	290,044	113,703
Past service cost not yet recognized	18,611	24,335
Fair value of plan assets adjustments	4,113	4,120
Net liability arising from defined benefit obligation	$ 312,768	$ 142,158

The major categories of plan assets at the end of the reporting period for each category were as follows:

	December 31, 2012	January 1, 2012
Equity instruments	16	18
Debt instruments	9	9
Property	7	7
Others	68	66
	100	100

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs (Note 37):

	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ 1,300,764	$ 1,168,108
Fair value of plan assets	$ 1,092,664	$ 1,087,026
Deficit	$ 208,164	$ 81,082
Experience adjustments on plan liabilities	$ 10,575	$ -
Experience adjustments on plan assets	$ 2,360	$ -

The Group expects to make a contribution of $17,505 thousand to the defined benefit plans during the next financial year.

22. EQUITY

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Share capital				
Ordinary shares	$ 22,959,994	$ 22,953,154	$ 22,794,151	$ 23,099,801
Advance receipts for common stock	69,893	6,840	275	-
Capital surplus	26,781,815	26,751,988	26,566,671	26,852,181
Retained earnings	20,063,986	21,502,517	20,736,069	19,518,243
Others	1,106,422	(419,539)	216,037	1,318,331
Share buy-back	(1,334,660)	(1,334,660)	(1,334,660)	(2,088,230)
Non-controlling interests	8,278,280	19,961,011	20,467,383	20,088,166
	$ 77,925,730	$ 89,421,311	$ 89,445,926	$ 88,788,492

a. Share capital

1) Ordinary shares

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	3,500,000	3,500,000	3,500,000	3,500,000
Shares authorized	$ 35,000,000	$ 35,000,000	$ 35,000,000	$ 35,000,000
Number of shares issued and fully paid(in thousands)	2,295,999	2,295,315	2,279,415	2,309,980
Shares issued	$ 22,959,994	$ 22,953,154	$ 22,794,151	$ 23,099,801
Advance receipts for common stock	69,893	6,840	275	-
Share premiums	8,729,957	8,551,730	8,421,047	8,533,185
	$ 31,759,844	$ 31,511,724	$ 31,215,473	$ 31,632,986

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

Of the Parent Company's authorized shares, 120,000 thousand shares and 100,000 thousand shares had been reserved for the issuance of convertible bonds and employee share options, respectively.

A reconciliation of the number of shares outstanding was as follows:

	Number of Shares (In Thousands)	Share Capital	Share Premium
Balance at January 1, 2013	2,295,315	$ 22,953,154	$ 8,551,730

(Continued)

	Number of Shares (In Thousands)	Share Capital	Share Premium
Employee share options (registration not yet filed)	-	$ -	$ 178,227
Employee share options (with approved registration)	684	6,840	-
Balance at March 31, 2013	2,295,999	$ 22,959,994	$ 8,729,957
Balance at January 1, 2012	2,309,980	$ 23,099,801	$ 8,533,185
Employee share options (no apply for registration)	-	-	770
Shares repurchased and cancelled	(30,565)	(305,650)	(112,908)
Balance at March 31, 2012	2,279,415	$ 22,794,151	$ 8,421,047

In their meeting on August 27, 2008, the Parent Company's Board of Directors approved a plan to repurchase up to 30,000 thousand shares listed on the Taiwan Stock Exchange (TSE) between September 28, 2008 and October 27, 2008, with the buyback price ranging from NT$20.48 to NT$43.60. On October 28, 2008, the Parent Company's Board of Directors approved the repurchase of up to 40,000 thousand shares listed on the TSE between October 29, 2008 and December 28, 2008, with the buyback price ranging from NT$13.00 to NT$37.10. The Parent Company bought back a total of 30,565 thousand shares during the repurchase periods and retired all these shares in January 2012.

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 units of GDRs on the London Stock Exchange. These GDRs represented 25,000 thousand common shares of GVC Corp., which were assumed by the Corporation as a result of a merger, with the Parent Company as the survivor entity. 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 March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the outstanding marketable equity securities were 5,201 thousand units, 5,201 thousand units, 5,196 thousand units and 5,196 thousand units. The rights and obligation of security holders are the same as those of common shareholders, except for voting rights. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the unredeemed GDRs amounted to 1,005 thousand units, 984 thousand units, 988 thousand units, 1,141 thousand units.

b. Capital surplus

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

The capital surplus from long-term investments, employee share options and share warrants may not be used for any purpose.

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.

The bonus to employees and the remuneration to directors recognized were estimated on the basis of net income at 14.18% and 0.82%, respectively, for the three months ended March 31, 2013, and 13.8% and 0.9%, respectively, for the three months ended March 31, 2012. Material differences between these estimates and the amounts proposed by the Board of Directors in the following year are adjusted in the year of the proposal. If the actual amounts subsequently resolved by shareholders differ from the proposed amounts, the differences are recorded in the year of the shareholders' resolution as a change in accounting estimate. If stock bonuses are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonuses by the closing price (after considering the effect of cash and stock dividends) of the shares on the day preceding the shareholders' meeting.

Under Rule No. 100116 and Rule No. 0950000507 issued by the FSC, an amount equal to the net debit balance of certain shareholders' equity accounts (including unrealized revaluation increment, unrealized gain or loss on financial instruments, net loss not recognized as pension cost, cumulative translation adjustments) shall be transferred from unappropriated earnings to a special reserve before any appropriation of earnings generated before January 1, 2012 shall be made. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Parent Company's capital surplus. 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 capital surplus, 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 2011 and 2010 had been approved in the shareholders' meetings on June 19, 2012 and June 20, 2011, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2012	2011	2012	2011
Legal reserve	$ 722,592	$ 898,646	$ -	$ -
Share dividends	113,972	112,711	0.05	0.05
Cash dividends	5,174,335	6,469,637	2.27	2.87

The bonus to employees and the remuneration to directors and supervisors for 2012 and 2011 approved in the shareholders' meetings on March 29, 2013 and June 19, 2012, respectively, were as follows:

	For the Years Ended December 31			
	2012		2011	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
Bonus to employees	$ 897,799	$ 171,010	$ 819,420	$ 156,080
Remuneration of directors and supervisors	61,420	-	61,420	-

The number of shares of 4,421 thousand for 2011 was determined by dividing the amount of share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

The appropriations of earnings for 2012 were proposed according to the Parent Company's financial statements for the years ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (revised) and International Financial Reporting Standards. Thus, they are still subject to the resolution of the shareholders' meeting to be held on June 19, 2013. There was no significant difference between the approved amounts of the bonus to employees and the remuneration to directors and supervisors and the accrual amounts recognized in the financial statements for the year ended December 31, 2011.

Related information may be accessed through the Market Observation Post System through the Web site of the Taiwan Stock Exchange.

d. Non-controlling interests

	For the Three Months Ended March 31	
	2013	2012
Balance at January 1	$ 19,961,011	$ 20,088,166
Attributable to non-controlling interests:		
Share of profit for the year	214,246	389,460
Exchange difference arising on translation of foreign entities	294,393	(162,519)
Unrealized gains and losses on available-for-sale financial assets	4,115	7,841

(Continued)

	For the Three Months Ended March 31	
	2013	2012
Additional non-controlling interests arising on partial disposal of subsidiaries(Note 28)	$ -	$ 144,435
Acquisition of non-controlling interests in Subsidiaries(Note 28)	(12,195,485)	-
Balance at March 31	$ 8,278,280	$ 20,467,383

(Concluded)

e. Treasury shares

Unit: In Thousands of Shares

Purpose of Buy-Back (Please Specify Reasons)	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at March 31
For the three months ended March 31, 2013				
Shares held by its subsidiaries	27,979	-	-	27,979
For the three months ended March 31, 2012				
Shares held by its subsidiaries	27,840	-	-	27,840
Shares transferred to employees	30,565	-	30,565	-
	58,405	-	30,565	27,840

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
March 31, 2013			
Lite-On Capital Inc.	14,818	$ 718,857	$ 714,212
LTC International Ltd.	6,866	297,469	310,657
Yet Foundate Ltd.	2,226	126,881	92,957
Lite-On Electronics Co., Ltd.	2,402	105,515	100,298
Lite-On IT Corp.	1,667	85,938	80,336
		$ 1,334,660	$ 1,298,460
December 31, 2012			
Lite-On Capital Inc.	14,818	$ 718,857	$ 571,221
LTC International Ltd.	6,866	297,469	271,316
Yet Foundate Ltd.	2,226	126,881	90,511

(Continued)

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
Lite-On Electronics Co., Ltd.	2,402	$ 105,515	$ 97,658
Lite-On IT Corp.	1,667	85,938	64,252
		$ 1,334,660	$ 1,094,958
March 31, 2012			
Lite-On Capital Inc.	14,744	$ 718,857	$ 526,359
LTC International Ltd.	6,832	297,469	261,435
Yet Foundate Ltd.	2,215	126,881	91,484
Lite-On Electronics Co., Ltd.	2,390	105,515	98,708
Lite-On IT Corp.	1,659	85,938	59,206
		$ 1,334,660	$ 1,037,192
January 1, 2012			
Lite-On Capital Inc.	14,744	$ 718,857	$ 502,769
LTC International Ltd.	6,832	297,469	258,888
Yet Foundate Ltd.	2,215	126,881	93,869
Lite-On Electronics Co., Ltd.	2,390	105,515	101,281
Lite-On IT Corp.	1,659	85,938	56,552
		$ 1,334,660	$ 1,013,359

(Concluded)

In their meeting on August 27, 2008, the Parent Company's Board of Directors approved a plan to repurchase up to 30,000 thousand shares listed on the Taiwan Stock Exchange (TSE) between September 28, 2008 and October 27, 2008, with the buyback price ranging from NT$20.48 to NT$43.60. On October 28, 2008, the Parent Company's Board of Directors approved the repurchase of up to 40,000 thousand shares listed on the TSE between October 29, 2008 and December 28, 2008, with the buyback price ranging from NT$13.00 to NT$37.10. The Parent Company bought back a total of 30,565 thousand shares during the repurchase periods and retired all these shares in January 2012.

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

23. REVENUE

	For the Three Months Ended March 31	
	2013	2012
Revenue from the sale of goods	$ 46,701,016	$ 52,579,844
Power	39,530	-
Rental income from property	27,948	30,221
	$ 46,768,494	$ 52,610,065

For segment revenue information, refer to Note 35.

24. INCOME TAX

a, Income tax recognized in profit or loss

The major components of tax expense (income) were as follows:

	For the Three Months Ended March 31	
	2013	2012
Current tax		
In respect of the current period	$ 594,961	$ 638,428
In respect of prior periods	(37,580)	(158,901)
	557,381	479,527
Deferred tax		
In respect of the current period	(46,668)	88,079
Income tax expense recognized in profit or loss	$ 510,713	$ 567,606

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2013	2012
Deferred tax		
Recognized in other comprehensive income		
Translation of foreign operations	$ 261,687	$ (248,358)

c. Integrated income tax

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unappropriated earnings				
Unappropriated earnings generated before January 1, 1998	$ 2,215	$ 2,215	$ 2,215	$ 2,215
Unappropriated earnings generated on and after January 1, 1998	12,213,866	13,652,397	13,608,541	12,390,715
	$ 12,216,081	$ 13,654,612	$ 13,610,756	$ 12,392,930
Imputation credits accounts	$ 494,075	$ 494,075	$ 514,845	$ 514,845

The creditable ratio for distribution of earnings of 2012 and 2011 was 4.94% and 5.43%.

For distribution of earnings generated after January 1, 1998, the ratio for the imputation credits allocated to shareholders of the Parent Company was based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2012 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

d. Income tax assessments

Income tax returns through 2010 have been examined by the tax authorities. The Parent Company disagreed with the tax authorities' assessment of its 2008 to 2010 tax returns and had applied for a reexamination. Nevertheless, the Parent Company made a provision for the income tax assessed.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2013	**2012**
Basic earnings per share	$0.70	$0.54
Diluted earnings per share	$0.69	$0.53

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus issue. This adjustment caused the basic and diluted after-tax earnings per share for the three months ended March 31, 2012.

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2013	**2012**
Earnings used in computation of basic earnings per share	$ 1,576,661	$ 1,214,035
Effect of dilutive potential ordinary share:		
Bonus issue to employee	-	-
Employee share option	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	$ 1,576,661	$ 1,214,035

Weighted average number of ordinary shares outstanding

Unit: In Thousands of Shares

	For the Three Months Ended March 31	
	2013	**2012**
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	2,267,336	2,262,972
Effect to dilutive potential ordinary share:		
Bonus issue to employee	8,649	36,449
Employee share option	123	-
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	2,276,108	2,299,421

If the Group was able to settle the bonuses paid to employees by cash or shares, the Group presumed that the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the shares had a dilutive effect. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan

Qualified employees of the Parent Company and its subsidiaries were granted 30,000 options in December 2007. Each option entitles the holder to subscribe for one thousand common shares of the Parent Company. The options granted are valid for 6 years and exercisable at certain percentages after the second, third and fourth anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Parent Company's common shares listed on the grant date. For any subsequent changes in the Parent Company's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Three Months Ended March 31			
	2013		**2012**	
Employee Share Option Plan	**Number of Options (In Thousands)**	**Weighted-average Exercise Price (NT$)**	**Number of Options (In Thousands)**	**Weighted-average Exercise Price (NT$)**
Balance at January 1	17,724	$ 35.5	19,819	$ 38.0
Options exercised	(6,989)	35.5	(28)	38.0
Options expired	(56)	35.5	(132)	38.0
Balance at March 31	10,679	35.5	19,659	38.0
Options exercisable, end of period	10,679		19,659	
Weighted-average fair value of options granted (NT$)	$ 16.964		$ 16.964	

Information about outstanding options as of March 31, 2013 and 2012 was as follows:

March 31, 2013		December 31, 2012	
Range of Exercise Price (NT$)	**Weighted-average Remaining Contractual Life (Years)**	**Range of Exercise Price (NT$)**	**Weighted-average Remaining Contractual Life (Years)**
$35.5	0.75	$35.5	1

March 31, 2012		January 1, 2012	
Range of Exercise Price (NT$)	**Weighted-average Remaining Contractual Life (Years)**	**Range of Exercise Price (NT$)**	**Weighted-average Remaining Contractual Life (Years)**
$38.0	1.75	$38.0	2

Options granted in December 2007 were priced using the (Binomial option pricing model pricing model) and the inputs to the model were as follows:

	March 31, 2013	March 31, 2012
Expected volatility	40.07%	40.07%
Expected life (years)	0.75 years	1.75 years
Expected dividend yield	7.07%	7.07%
Risk-free interest rate	2.5101%	2.5101%

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On March 2012, the Parent Company disposed of 2.21% of its interest in Silitech Technology Corp., reducing its continuing interest from 34.90% to 32.69%.

On March 2013, the Group acquired an additional 50.71% of its interest in Lite-On IT Corp., increasing its continuing interest from 42.33 % to 93.04%.

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

	Silitech Technology Corp.	Lite-On IT Corp.
Cash consideration received (paid)	$ 288,198	$ (15,356,870)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(144,435)	12,195,485
Reattribution of other comprehensive income to (from) non-controlling interests		
Exchange differences arising on the translation of the financial statements of foreign operations	2,430	-
Differences arising from equity transaction	$ 146,193	$ (3,161,385)

	Silitech Technology Corp.	Lite-On IT Corp.	Total
Line items adjusted for equity transaction			
Capital surplus - difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	$ 146,193	$ (146,193)	$ -
Retained earnings	-	(3,015,192)	(3,015,192)
	$ 146,193	$ (3,161,385)	$ (3,015,192)

28. CAPITAL MANAGEMENT

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

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

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

The management consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

2) Fair value measurements recognized in the balance sheets

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:

a) Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;

b) 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

c) 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).

March 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 33,226	$ -	$ 33,226
Financial liabilities at FVTPL				
Derivative financial assets	$ -	$ 43,876	$ -	$ 43,876
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 999,316	$ -	$ -	$ 999,316
Securities listed in other countries - equity securities	56,713	-	-	56,713
Unlisted securities - ROC - equity securities	-	-	481,785	481,785
Unlisted securities - other countries - equity securities	-	-	322,380	322,380
Mutual funds	-	95,836	26,918	122,754
Emerging market stocks	-	301,042	-	301,042
	$ 1,056,029	$ 396,878	$ 831,083	$ 2,283,990

December 31, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 13,023	$	$ 13,023
Financial liabilities at FVTPL				
Derivative financial assets	$	$ 35,239	$	$ 35,239
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 903,046	$ -	$ -	$ 903,046
Securities listed in other countries - equity securities	35,957	-	-	35,957
Unlisted securities - ROC - equity securities	-	-	481,785	481,785
Unlisted securities - other countries - equity securities	-	-	316,720	316,720
Mutual funds	-	93,242	13,068	106,310
Emerging market stocks	-	310,657	-	310,657
	$ 939,003	$ 403,899	$ 811,573	$ 2,154,475

March 31, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 21,413	$ -	$ 21,413
Financial liabilities at FVTPL				
Derivative financial assets	$ -	$ 44,006	$ -	$ 44,006
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 1,060,985	$ -	$ -	$ 1,060,985
Securities listed in other countries - equity securities	153,385	-	-	153,385
Unlisted securities - ROC - equity securities	-	-	381,785	381,785
Unlisted securities - other countries - equity securities	-	-	229,192	229,192
Mutual funds	-	95,796	8,850	104,646
Emerging market stocks	-	437,953	-	437,953
	$ 1,214,370	$ 533,749	$ 619,827	$ 2,367,946

January 1, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 111,584	$ -	$ 111,584
Financial liabilities at FVTPL				
Derivative financial assets	$ -	$ 42,274	$ -	$ 42,274
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 1,898,101	$ -	$ -	$ 1,898,101
Securities listed in other countries - equity securities	145,291	-	-	145,291
Unlisted securities - ROC - equity securities	-	-	851,972	851,972
Unlisted securities - other countries - equity securities	-	-	188,967	188,967
Mutual funds	-	739,971	9,080	749,051
Emerging market stocks	-	437,953	-	437,953
	$ 2,043,392	$ 1,177,924	$ 1,050,019	$ 4,271,335

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

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

March 31, 2013

	Available-for-sale Financial Assets		
	Unlisted Shares	Mutual funds	Total
Balance at January 1, 2013	$ 798,505	$ 13,068	$ 811,573
Total gains or losses			
In other comprehensive income	5,660	366	6,026
Purchases	-	13,484	13,484
Balance at March 31, 2013	$ 804,165	$ 26,918	$ 831,083

December 31, 2012

	Available-for-sale Financial Assets		
	Unlisted Shares	Mutual funds	Total
Balance at January 1, 2012	$ 1,040,939	$ 9,080	$ 1,050,019
Total gains or losses			
In profit or loss	(435,820)	-	(435,820)
In other comprehensive income	(1,395)	3,988	2,593
Purchases	194,781	-	194,781
Balance at December 31, 2012	$ 798,505	$ 13,068	$ 811,573

March 31, 2012

	Available-for-sale Financial Assets		
	Unlisted Shares	Mutual funds	Total
Balance at January 1, 2012	$ 1,040,939	$ 9,080	$ 1,050,019
Total gains or losses			
In profit or loss	(470,187)	-	(470,187)
In other comprehensive income	40,225	(230)	39,995
Balance at March 31, 2012	$ 610,977	$ 8,850	$ 619,827

January 1, 2012

	Available-for-sale Financial Assets		
	Unlisted Shares	Mutual funds	Total
Balance at December 31, 2011	$ 1,309,891	$ -	$ 1,309,891
Total gains or losses			
In profit or loss	(74,722)	-	(74,722)
In other comprehensive income	2,149	-	2,149
Purchases	138,062	9,080	147,142
Disposals	(334,441)	-	(334,441)
Balance at January 1, 2012	$ 1,040,939	$ 9,080	$ 1,050,019

The total gains or losses for the period included a loss of $0 thousand and $470,187 thousand relating to assets held for the three months ended March 31, 2013 and 2012. Such fair value gains or losses were included in impairment losses.

4) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices (includes listed redeemable bonds, bills of exchange, corporate bonds and perpetual notes). Where such prices were not available, valuation techniques were applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument;

b) The fair values of derivative instruments were calculated using quoted prices. Where such prices were not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group were consistent with those that market participants would use in setting a price for the financial instrument;

c) The fair values of other financial assets and financial liabilities (excluding those described above) were determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

b. Categories of financial instruments

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Financial assets				
Fair value through profit or loss (FVTPL)				
Derivative financial assets	$ 33,226	$ 13,023	$ 21,413	$ 111,584
Loans and receivables (i)	104,116,459	107,257,401	100,224,256	104,139,455
Available-for-sale financial assets	2,283,990	2,154,475	2,367,946	4,271,335

(Continued)

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Financial liabilities				
Fair value through profit or loss (FVTPL)				
Derivative financial liabilities	$ 43,876	$ 35,239	$ 44,006	$ 42,274
Derivative instruments in designated hedge accounting relationships	86,790	101,563	139,636	165,225
Amortized cost				
Short-term borrowings	7,961,159	7,010,394	6,646,588	4,737,488
Long-term loans (included current portion of long-term debts)	37,350,093	24,367,802	24,083,060	24,468,437
Payables (ii)	64,404,559	68,692,057	67,745,681	79,830,312

(Concluded)

i: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, and trade and other receivables. Those reclassified to held-for-sale disposal groups are also included.

ii: The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payables, and bonds issued.

c. Financial risk management objectives and policies

The Group's major financial instruments included [equity and debt investments, trade receivable, trade payables, bonds payable, borrowings and convertible notes]. 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 (1) below) and interest rates (see (2) 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 of electronic equipment to B Land and C Land;

b) Interest rate swaps to mitigate the risk of rising interest rates; and

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

Several subsidiaries of the Parent Company 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 (Note 33).

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.

The carrying amounts of the Group's derivatives exposed to foreign currency risk at the end of the reporting period were as follows.

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Assets				
USD	$ 24,050	$ 13,023	$ 21,124	$ 88,771
EUR	9,176	-	289	13,383
JPY	-	-	-	9,430
Liabilities				
USD	43,876	29,140	36,799	32,495
EUR	-	6,050	6,201	-
RMB	-	-	768	-
JPY	-	49	238	9,779

Sensitivity analysis

The Group was mainly exposed to the Currency USD.

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 Three Months Ended March 31	
	2013	2012
Profit or loss	$ 30,008	$ 841,767

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.

	March 31, 2013	**December 31, 2012**	**March 31, 2012**	**January 1, 2012**
Fair value interest rate risk				
Financial assets	$ 34,290,286	$ 37,882,125	$ 32,376,452	$ 31,617,845
Financial liabilities	4,815,911	5,096,882	3,690,574	2,050,685
Cash flow interest rate risk				
Financial assets	26,005,707	21,017,052	22,359,121	22,226,441
Financial liabilities	40,495,341	26,281,314	27,039,074	27,155,240

The Group aims to keep borrowings at variable rates. In order to achieve this result, the Group 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 Group was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings and pay-fixed/receive-floating interest rate swaps. It is the Group’s policy to keep its borrowings at floating rate of interests so as to minimize the fair value interest rate risk. The Group’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/lower and all other variables were held constant, the Group’s pre-tax profit for the three months ended March 31, 2013 and 2012 would decrease by $9,056 thousand and $2,925 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 7% higher, the pre-tax other comprehensive income for the three months ended March 31, 2013 and 2012 would increase by $73,922 thousand and $85,006 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 Group.

The Group is exposed to credit risk from trade receivables, deposits, and other financial instruments. Credit risk for business-related exposures are managed separately from that for 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 credit risk

Bank deposits and other financial instruments are credit risk sources required by the Parent Company'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 combined company has sufficient financial flexibility.

a) Liquidity and interest risk rate tables

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

March 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 13,360,444	$ 23,826,603	$ 26,404,854	$ 205,579	$ 846
Finance lease liabilities	1.3%-15.6%	-	-	65,645	221,315	-
Variable interest rate liabilities	0.8801%-5.6%	477,200	3,039,792	9,870,121	27,108,228	-
Fixed interest rate liabilities	0.72%-0.78%	1,969,379	2,542,797	156,206	147,529	-
		$ 15,807,023	$ 29,409,192	$ 36,496,826	$ 27,682,651	$ 846

December 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 14,272,283	$ 25,299,068	$ 29,093,920	$ 202,237	$ 821
Finance lease liabilities	1.3%-15.6%	-	-	62,381	232,716	-
Variable interest rate liabilities	0.908-1.86%	-	2,666,312	3,858,184	19,756,818	-
Fixed interest rate liabilities	0.76%-0.79%	2,614,770	1,535,887	746,409	199,816	-
		$ 16,887,053	$ 29,501,267	$ 33,760,894	$ 20,391,587	$ 821

March 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 13,299,519	$ 26,743,159	$ 27,564,763	$ 218,338	$ 825
Finance lease liabilities	1.3%-15.6%	-	-	82,520	287,183	-
Variable interest rate liabilities	1.70365%-8.24%	88,474	3,352,323	1,082,881	22,515,396	-
Fixed interest rate liabilities	1.03%-1.722%	31,487	2,657,062	702,407	299,618	-
		$ 13,419,480	$ 32,752,544	$ 29,432,571	$ 23,320,535	$ 825

January 1, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 15,643,687	$ 33,159,011	$ 30,931,861	$ 196,469	$ 1,391
Finance lease liabilities	1.3%-15.6%	-	-	84,360	320,907	-
Variable interest rate liabilities	1.16%-8.24%	187,308	3,283,904	703,632	22,980,396	-
Fixed interest rate liabilities	1.54%-1.71%	317,914	156,686	1,261,517	314,568	-
		$ 16,148,909	$ 36,599,601	$ 32,981,370	$ 23,812,340	$ 1,391

The following table details the Group's expected maturity for some of its non-derivative financial assets. The tables below had been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

March 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 25,338,567	$ 9,551,821	$ 8,363,031	$ 863,324	$ 3,708
Variable interest rate assets	0.00%-0.75%	26,005,707	-	-	-	-
Fixed interest rate assets	0.001%-4.2%	13,685,593	16,678,601	3,822,911	103,181	-
		$ 65,029,867	$ 26,230,422	$ 12,185,942	$ 966,505	$ 3,708

December 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 29,604,624	$ 9,743,521	$ 8,784,681	$ 533,076	$ 3,599
Variable interest rate assets	0.00%-0.75%	21,017,052	-	-	-	-
Fixed interest rate assets	0.01%-4.5%	10,395,044	21,827,105	5,555,846	104,130	-
		$ 61,016,720	$ 31,570,626	$ 14,340,527	$ 637,206	$ 3,599

March 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 24,905,891	$ 12,608,093	$ 8,233,694	$ 474,656	$ 3,632
Variable interest rate assets	0.00%-1.05%	22,359,121	-	-	-	-
Fixed interest rate assets	0.01%-4.5%	10,275,205	16,481,584	5,511,478	108,185	-
		$ 57,540,217	$ 29,089,677	$ 13,745,172	$ 582,841	$ 3,632

January 1, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 25,106,277	$ 14,722,983	$ 10,475,449	$ 301,717	$ 3,646
Variable interest rate assets	0.00%-1.05%	22,226,441	-	-	-	-
Fixed interest rate assets	0.01%-5%	14,552,496	15,573,766	1,381,922	109,661	-
		$ 61,885,214	$ 30,296,749	$ 11,857,371	$ 411,378	$ 3,646

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

March 31, 2013

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Forward exchange contracts	$ 9,512	$ 3,837	$ -	$ -	$ -
Currency swap contracts	(19,479)	-	-	-	-
	$ (9,967)	$ 3,837	$ -	$ -	$ -

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Forward exchange contracts					
Inflows	$ 402,611	$ 156,895	$ -	$ -	$ -
Outflows	(401,730)	(127,769)	-	-	-
	881	29,126	-	-	-
Currency swap contracts					
Inflows	947,792	746,605			
Outflows	(244,405)	(737,758)	-	-	-
	703,387	8,847	-	-	-
	$ 704,268	$ 37,973	$ -	$ -	$ -

December 31, 2012

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Forward exchange contracts	$ (4,895)	$ 4,943	$ (474)	$ -	$ -
Currency swap contracts	(4,833)	-	-	-	-
	$ (9,728)	$ 4,943	$ (474)	$ -	$ -
Gross settled					
Forward exchange contracts					
Inflows	$ 107,964	$ 349,892	$ -	$ -	$ -
Outflows	(108,068)	(348,269)	-	-	-
	(104)	1,623	-	-	-
Currency swap contracts					
Inflows	406,101	1,429,232	-	-	-
Outflows	(408,249)	(1,442,076)	-	-	-
	(2,148)	(12,844)	-	-	-
	$ (2,252)	$ (11,221)	$	$	$

March 31, 2012

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Interest rate swaps	$ -	$ 1,256	$ 2,153	$ -	$ -
Forward exchange contracts	(6,305)	3,511	1,378	-	-
Currency swap contracts	(173)	1,168	-	-	-
	$ (6,478)	$ 5,935	$ 3,532	$ -	$ -
Gross settled					
Forward exchange contracts					
Inflows	$ 59,046	$ 480,765	$ -	$ -	$ -
Outflows	(59,000)	(307,439)	-	-	-
	46	173,326	-	-	-
Currency swap contracts					
Inflows	533,968	1,017,585	65,759		
Outflows	(537,145)	(1,030,771)	(67,632)	-	-
	(3,177)	(13,186)	(1,873)	-	-
	$ (3,131)	$ 160,140	$ (1,873)	$	$

January 1, 2012

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Forward exchange contracts	$ 3,017	$ 22,931	$ 14,383	$ -	$ -
Currency swap contracts	(12,907)	-	-	-	-
	$ (9,890)	$ 22,931	$ 14,383	$ -	$ -
Gross settled					
Forward exchange contracts					
Inflows	$ 176,881	$ 269,930	$ -	$ -	$ -
Outflows	(177,411)	(141,071)	-	-	-
	(530)	128,859	-	-	-
Currency swap contracts					
Inflows	979,846	1,565,611	-		
Outflows	(970,011)	(1,524,511)	-	-	-
	9,835	41,060	-	-	-
	$ 9,305	$ 169,919	$ -	$	$

b) Financing facilities

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unsecured bank overdraft facility:				
Amount used	$ 1,384,077	$ 1,571,864	$ 1,341,221	$ 1,309,362
Amount unused	1,562,273	1,371,336	871,224	794,038
	$ 2,964,350	$ 2,943,200	$ 2,212,445	$ 2,103,400

(Continued)

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Secured bank loan facilities with various maturity dates through to 2014				
Amount used	$ 7,140,701	$ 6,969,600	$ 5,887,444	$ 6,053,601
Amount unused	-	-	1,471,861	1,513,400
	$ 7,140,701	$ 6,969,600	$ 7,359,305	$ 7,567,001

(Concluded)

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Parent Company and its subsidiaries, which were related parties of the Parent Company, had been eliminated on consolidation and are not disclosed in this note. Significant transactions with related parties are summarized below and in the accompanying Tables 1 and 2:

a. The price of the Parent Company's and subsidiaries' sales to Lite-On Semiconductor Corp. For the three months ended March 31 in 2013 and 2012 was calculated at cost plus specific profit. Except for these sales, the sales terms between the Parent Company and its related parties were normal.

b. The cost of the Parent Company's and subsidiaries' purchases from Lite-On Semiconductor Corp. for the three months ended March 31 in 2013 and 2012 was based on cost plus specific profit. Except for these purchases, the purchase terms between the Parent Company and its related parties were normal.

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

d. Compensation of directors, supervisors and management personnel:

	For the Three Months Ended March 31	
	2013	2012
Short-term benefits	$ 119,226	$ 178,562
Post-employment benefits	8,413	218
Other long-term benefits	3,880	-
Termination benefits	35,587	4,026
Share-based payments	369	786
	$ 167,475	$ 183,592

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

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Pledge-time deposits	$ 102,448	$ 102,560	$ 106,605	$ 108,107

Mortgaged or pledged assets - noncurrent included the guarantee deposits of Lite-On IT Corporation, Logah Electronics (Su Zhou) Co., Ltd. and Lippo Electronics (Su Zhou) Co., Ltd. provided to a supplier and the export customs agency for shipment clearance in advance of customs duty payments.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. On September 8, 2010, INPRO II Licensing Sarl (INPRO) filed a lawsuit with the Superior Court of California in the County of San Francisco and charged the Parent Company with breach of contract. INPRO alleged that the Parent Company incurred a debt on patent rights obtained from Hitachi Limited. INPRO also claimed it had assumed Hitachi's rights to payments for patent use. The Parent Company dismissed INPRO's claims and filed a lawsuit against INPRO, alleging that the Parent Company had no patent obligations. As of May 13, 2013, the date the board of directors approved the financial statements and authorized the issue of these statements, this case was still under litigation. Thus, the Parent Company could not determine the possible results and impact of this case.

b. In October 2009, the U.S. Department of Justice (DOJ) announced that it would make antitrust investigations of CD-ROM factories. Lite-On IT Corp. ("Lite-On IT") received an investigation notice from the DOJ. Lite-ON IT stated it would cooperate with the DOJ in the investigation. This case was still in the preliminary stage, and Lite-On IT could not estimate the outcome of the case or range of possible loss as of May 13, 2013, the date the board of directors approved the accompanying financial statements and authorized the issue of these statements.

c. In October 2009, CMP Consulting Service, Inc. and KI, Inc. filed an antitrust group lawsuit against Lite-On IT 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. Also in October 2009, Aaron Deshaw also filed an antitrust lawsuit against Lite-On IT and the foregoing subsidiaries with a court in Oregon. In 2010, Aaron Wagner, The Stereo Shop, David Carney, Jr. Tina Corse, Cynthia R. Rall and Richard R. Rall also filed an antitrust group lawsuit against Lite-On IT and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses. Lite-On IT assigned lawyers to deal with these lawsuits. In 2012, although the outcome of the proceedings had not been determined, Lite-On IT accrued a reasonable amount in case of a loss on this lawsuit. Lite-On IT will continue to recognize the losses based upon reasonable estimation of the lawsuit quarterly until the settlement of this lawsuit.

d. In April 2010, petitioner Carlos Fogelman filed a motion for authorization to institute class action antitrust proceedings against Lite-On IT and the foregoing subsidiaries before the Superior Court of Quebec in the district of Montreal. In June 2010, the Fanshawe College of Applied Arts and Technology filed a statement of claim in Ontario. In September 2010, Neil Godfrey filed a statement of claim with the Superior Court of British Columbia. All plaintiffs filed the antitrust group lawsuit against Lite-On IT Corporation and its subsidiaries - Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses. Lite-On IT assigned lawyers as its representative in these lawsuits. These cases were still in the preliminary stage, and Lite-On IT could not estimate the outcome of the case or amount of possible loss as of May 13, 2013, the date the board of directors approved the accompanying financial statements and authorized the issue of these statements.

e. In April 2011, Orinda Intellectual Properties USA Holding Group, Inc. instituted class action proceedings against Lite-On IT Corp., Lite-On Americans, Inc. and other companies with related businesses, with the United States District Court for the Northern District of California, alleging infringement of a single patent on Blue-ray discs. On September 9, 2011, FastVDO, LLC filed a complaint with the U.S. District Court for the District of Delaware against Lite-On Sales & Distribution Inc. and other companies with related business, alleging that the defendants infringed its patent. Lite-On IT assigned lawyers as its representative in these lawsuits. In October 2012, FastVDO, LLC negotiated a settlement agreement, under which claims and counterclaims were dismissed without prejudice. The judge entered the dismissal order ("Stipulated Motion for Dismissal without Prejudice Order"). However, the other cases were still in the preliminary stage, and Lite-On IT could not estimate the outcome of the case or amount of possible loss as of May 13, 2013, the date the board of directors approved the accompanying financial statements and authorized the issue of these statements.

f. The European Commission issued a Statement of Objection to some CD-ROM factories to make antitrust investigations in the third quarter of 2012. When Lite-On IT Corp. ("Lite-On IT") received in July 2012 the investigation notice from the European Commission, it stated that it would cooperate with the European Commission in the investigation. Lite-On IT has assigned lawyers to deal with the lawsuits. As of May 13, 2013, the date the board of directors approved the accompanying financial statements and authorized the issue of these statements, these cases were still in the preliminary stage, and Lite-On IT could not estimate the outcome of the case or amount of possible loss.

33. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2013		December 31, 2012		March 31, 2012		December 1, 2011	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets								
Monetary items								
CNY	$ 5,776,418	4.8135	$ 7,207,969	4.6722	$ 4,955,944	4.6831	$ 6,197,811	4.8044
JPY	2,068,502	0.3173	2,007,618	0.3364	2,571,017	0.3589	3,201,028	0.3903
USD	2,117,531	29.8250	1,726,192	29.0400	2,291,814	29.4990	2,406,629	30.2680
THB	774,652	1.0218	370,358	0.9506	401,537	0.9621	509,548	0.9609
HKD	156,768	3.8419	190,306	3.7464	188,390	3.7999	214,211	3.8956
EUR	57,784	38.1849	51,370	38.4780	109,705	39.3399	129,898	39.1668
Non-monetary items								
CNY	30,963	4.8135	6,725	4.6722	68,801	4.6831	5,661	4.8044
JPY	10,150	0.3173	4,554	0.3364	5,661	0.3589	55,944	0.3903
USD	6,007	29.8250	40,332	29.0400	221,784	29.4990	141,784	30.2680
HKD	5,904	3.8419	5,900	3.7464	54,050	3.7999	54,050	3.8956
EUR	8,035	38.1849	960	38.4780	12,844	39.3399	17,490	39.1668
Financial liabilities								
Monetary items								
CNY	3,047,451	4.8135	3,768,259	4.6722	3,687,841	4.6831	3,861,125	4.8044
JPY	1,181,209	0.3173	1,075,705	0.3364	1,425,129	0.3589	1,948,319	0.3903
USD	2,097,408	29.8250	2,107,333	29.0400	1,721,105	29.4990	2,024,131	30.2680
THB	226,396	1.0218	193,477	0.9506	285,741	0.9621	143,239	0.9609
HKD	14,426	3.8419	20,200	3.7464	29,575	3.7999	130,549	3.8956
EUR	61,520	38.1849	70,961	38.4780	162,434	39.3399	174,281	39.1668
Non-monetary items								
JPY	-	0.3173	146	0.3364	662	0.3589	51,531	0.3903
USD	134,130	29.8250	3,512	29.0400	10,820	29.4990	12,907	30.2680
EUR	-	38.1849	-	38.4780	-	39.3399	131	39.1668

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Lending funds to others: Note 4 to the financial statements

2) Providing endorsements or guarantees for others: Note 4 to the financial statements

3) Holding of securities at the end of the period: Note 4 to the financial statements

4) Aggregate purchases or sales of the same securities reaching NT$100 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

5) Acquisition of real estate reaching NT$100 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

6) Disposal of real estate reaching NT$100 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

7) Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

8) Trade receivables from related parties reaching NT$100 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

9) Information on investees: Note 4 to the financial statements

10) Trading in derivative instruments: Notes 7, 9 and 29 to the financial statements

b. Information on investments in mainland China

Investment in Mainland China: Note 4 to the financial statements

c. Significant direct or indirect transactions with the investee, prices, payment terms, and unrealized gain or loss: Note 4 to the financial statements

35. SEGMENT INFORMATION

Segment information is provided to the Group's chief operating decision maker for allocating resources to the segments and assessing their performance. The information focuses on every type of products sold or services provided. The Group's segment information disclosed in accordance with Statement of Financial Accounting Standards No. 41 - "Operating Segments" is as follows:

a. Optoelectronics and Network: Designs and mass-manufactures of phone camera modules;

b. System Integration: Provides well-recognized integrated system solutions for the consumer electronics markets;

c. Optical Storage: Manufactures and sells CD-ROM, CD-RW, and DVD-ROM as well as more advanced products.

The Group also had other operating segments that did not exceed the quantitative threshold. These segments mainly engage in the LED Transit Modules, Automotive Electronics, and renewable energy and efficiency related technologies and products.

The Group uses net profit as the measurement for segment profit and the basis of performance assessment. There was no material inconsistency between the accounting policies of the operating segment and the accounting policies described in Note 2.

The Group's operating segment information is as follows:

Industry financial information:

	For the Three Months Ended March 31, 2013					
	Foundry	IT Products	Photoelectric	Others	Elimination	Total
Sales from external customers	$ 15,155,691	$ 18,481,955	$ 10,325,663	$ 2,805,185	$ -	$ 46,768,494
Sales among segments	269,552	440,388	3,682	67,080	(780,702)	-
Operating profit (loss)	735,067	1,184,263	433,021	(561,444)	-	1,790,907
Segment assets	57,104,161	45,917,252	41,589,973	52,922,623	(2,002,377)	195,531,632

	For the Three Months Ended March 31, 2012					
	Foundry	IT Products	Photoelectric	Others	Elimination	Total
Sales from external customers	$ 17,951,278	$ 19,766,959	$ 12,053,000	$ 2,838,828	$ -	$ 52,610,065
Sales among segments	509,431	452,891	2,735	51,677	(1,016,734)	-
Operating profit (loss)	410,407	1,448,213	472,958	(728,083)	-	1,603,495
Segment assets	61,932,611	44,173,202	42,110,064	49,612,983	(2,207,104)	195,621,756

The geographic information is presented by billing regions.

36. FIRST-TIME ADOPTION OF IFRSS

a. Basis of the preparation for financial information under IFRSs

The Group's consolidated financial statements for the three months ended March 31, 2013 were the first IFRS interim financial statements for part of the period covered by its first IFRS financial statements, the consolidated financial statement for 2013. The Group not only follows the significant accounting policies stated in Note 4 but also complied with the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. Effects of transition to IFRSs

After transition to IFRSs, the effect on the Group's consolidated balance sheets and consolidated statements of comprehensive income is stated as follows:

1) Reconciliation of the consolidated balance sheet as of January 1, 2012

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Cash and cash equivalents	$ 56,515,383	$ (3,633,137)	$ 52,882,246	a)
Bond investments with no active market	-	3,633,137	3,633,137	a)
Accounts receivable	45,469,494	372,114	45,841,608	b)
Other current assets	4,364,455	65,365	4,429,820	h), i), j) and m)
Deferred income tax assets - current	951,668	(951,668)	-	c)
Available-for-sale financial assets - noncurrent	2,783,354	1,487,972	4,271,326	f)
Financial assets carried at cost - noncurrent	1,487,972	(1,487,972)	-	f)
Investments accounted for by the equity method	3,590,108	(75,436)	3,514,672	o)
Properties	39,985,995	(1,099,418)	38,886,577	e), h), j) and l)
Intangible assets	16,408,099	(104,687)	16,303,412	h), i) and l)
Assets leased to others, net	113,843	(113,843)	-	e)
Idle assets, net	135,538	(135,538)	-	e)
Deferred expense, net	2,273,596	(2,273,596)	-	h)
Deferred income tax assets	-	1,637,153	1,637,153	c), d), m), n) and o)
Other noncurrent assets	-	3,755,388	3,755,388	h), i), j), l) and m)
Other	29,981,481	-	29,981,481	
Total	$ 204,060,986	$ 1,075,834	$ 205,136,820	

(Continued)

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Other payables	$ 17,848,327	$ 226,055	$ 18,074,382	n)
Provision	1,028,614	464,725	1,493,339	b)
Obligations under capital leases - noncurrent	316,466	4,441	320,907	l)
Reserve for land value increment tax	239,693	(239,693)	-	g)
Accrued pension liabilities	143,168	(1,010)	142,158	m)
Deferred income tax liabilities	747,622	911,186	1,658,808	d), g) and m)
Other	94,658,734	-	94,658,734	
Total liabilities	114,982,624	1,365,704	116,348,328	
Capital surplus	27,759,251	(907,070)	26,852,181	o) and p)
Unappropriated earnings	11,729,938	662,992	12,392,930	l), m), n), o), p) and q)
Net loss not recognized as pension cost	(17,182)	17,182	-	q)
Unrealized loss on financial instruments	(372,591)	230,587	(142,004)	k)
Treasury stock	(1,857,643)	(230,587)	(2,088,230)	k)
Other	31,685,449	-	31,685,449	
Noncontrolling interests	20,151,140	(62,974)	20,088,166	m) and n)
Total shareholders' equity	89,078,362	(289,870)	88,788,492	
Total	$ 204,060,986	$ 1,075,834	$ 205,136,820	

(Concluded)

2) Reconciliation of the consolidated balance sheet as of March 31, 2012

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Cash and cash equivalents	$ 56,039,996	$ (9,295,202)	$ 46,744,794	a)
Bond Investments with no active market	-	9,295,202	9,295,202	a)
Accounts receivable	41,691,385	447,217	42,138,602	b)
Other current assets	4,003,262	128,500	4,131,762	h), i) and j)
Deferred income tax assets - current	1,032,917	(1,032,917)	-	c)
Available-for-sale financial assets - noncurrent	1,310,157	1,057,780	2,367,937	f)
Financial assets carried at cost - noncurrent	1,057,780	(1,057,780)	-	f)
Investments accounted for by the equity method	3,598,181	(71,227)	3,526,954	o)
Properties	37,950,823	(612,480)	37,338,343	e), h), j) and l)
Intangible assets	16,313,871	(138,944)	16,174,927	h), i), l) and o)
Assets leased to others, net	113,232	(113,232)	-	e)
Idle assets, net	135,305	(135,305)	-	e)
Deferred expense, net	2,177,178	(2,177,178)	-	h)
Deferred income tax assets	-	2,061,317	2,061,317	c), d), n) and o)
Other noncurrent assets	-	3,079,771	3,079,771	h), i), j), l) and m)
Other	28,762,147	-	28,762,147	
Total	$ 194,186,234	$ 1,435,522	$ 195,621,756	
Other payables	$ 15,862,788	$ 283,810	$ 16,146,598	b), n) and o)
Provision	1,070,886	445,820	1,516,706	b)
Obligations under capital leases - noncurrent	284,149	3,034	287,183	l)
Reserve for land value increment tax	239,693	(239,693)	-	g)
Accrued pension liabilities	156,652	(35,086)	121,566	m)
Deferred income tax liabilities	971,034	1,254,669	2,225,703	d), g) and m)
Other	85,878,074	-	85,878,074	
Total liabilities	104,463,276	1,712,554	106,175,830	
Capital surplus	27,327,547	(760,876)	26,566,671	o), p) and r)
Unappropriated earnings	13,077,348	533,408	13,610,756	l), m), n), o), p), q) and r)
Net loss not recognized as pension cost	(13,964)	13,964	-	q)
Unrealized loss on financial instruments	(372,382)	230,587	(141,795)	k)
Foreign currency translation reserve	495,889	1,579	497,468	n) and o)
Treasury stock	(1,104,073)	(230,587)	(1,334,660)	k)
Other	29,780,103	-	29,780,103	
Noncontrolling interests	20,532,490	(65,107)	20,467,383	m), n) and o)
Total shareholders' equity	89,722,958	(277,032)	89,445,926	
Total	$ 194,186,234	$ 1,435,522	$ 195,621,756	

3) Reconciliation of the consolidated balance sheet as of December 31, 2012

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Cash and cash equivalents	$ 60,590,077	$ (9,365,207)	$ 51,224,870	a)
Bond Investments with no active market	-	9,365,207	9,365,207	a)
Accounts receivable	44,025,784	774,156	44,799,940	b)
Other current assets	4,965,958	92,704	5,058,662	h), i) and j)
Deferred income tax assets - current	1,110,308	(1,110,308)	-	c) and m)
Available-for-sale financial assets - noncurrent	1,032,235	1,122,230	2,154,465	f)
Financial assets carried at cost - noncurrent	1,122,230	(1,122,230)	-	f)
Investments accounted for by the equity method	3,554,690	(45,908)	3,508,782	o)
Properties	37,475,790	221,951	37,697,741	e), h), j) and l)
Intangible assets	16,095,958	(62,383)	16,033,575	h), i), l) and m)
Assets leased to others, net	111,394	(111,394)	-	e)
Idle assets, net	203,233	(203,233)	-	e)
Deferred expense, net	2,067,016	(2,067,016)	-	h)
Deferred income tax assets	-	1,515,761	1,515,761	c), d), m), n) and o)
Other noncurrent assets	-	2,153,262	2,153,262	h), i), j) and m)
Other	22,843,493	-	22,843,493	
Total	$ 195,198,166	$ 1,157,592	$ 196,355,758	
Other payable	$ 16,144,977	$ 159,364	$ 16,304,341	b), m) and n)
Provision	820,311	871,062	1,691,373	b)
Obligations under capital leases - noncurrent	232,299	417	232,716	l)
Reserve for land value increment tax	239,693	(239,693)	-	g)
Accrued pension liabilities	175,583	137,185	312,768	m)
Deferred income tax liabilities	843,248	626,949	1,470,197	d), g) and m)
Other	86,923,052	-	86,923,052	
Total liabilities	105,379,163	1,555,284	106,934,447	
Capital surplus	27,504,826	(752,838)	26,751,988	o), p) and r)
Unappropriated earnings	13,253,899	400,713	13,654,612	l), m), n), o), p), q) and r)
Net loss not recognized as pension cost	(29,536)	29,536	-	q)
Unrealized loss on financial instruments	(677,435)	230,587	(446,848)	k)
Foreign currency translation reserve	126,009	2,863	128,872	l), m), n) and o)
Treasury stock	(1,104,073)	(230,587)	(1,334,660)	k)
Other	30,706,336	-	30,706,336	
Noncontrolling interests	20,038,977	(77,966)	19,961,011	l), m), n) and o)
Total shareholders' equity	89,819,003	(397,692)	89,421,311	
Total	$ 195,198,166	$ 1,157,592	$ 196,355,758	

4) Reconciliation of the consolidated statement of comprehensive income for the three months ended March 31, 2012.

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Net sales	$ 52,610,783	$ (718)	$ 52,610,065	
Cost of sales	(45,610,796)	16,234	(45,594,562)	m) and n)
Gross profit	6,999,987	15,516	7,015,503	
Operating expenses	(4,917,703)	(5,323)	(4,923,026)	l), m) and n)
Operating income	2,082,284	10,193	2,092,477	
Nonoperating gains and loss				
Gain on disposal of investments, net	441,887	(146,193)	295,694	p) and r)
Investment income recognized under the equity method, net	(23,243)	3,544	(19,699)	o)
Other	(197,381)	10	(197,371)	
Total nonoperating expenses and losses	221,263	(142,639)	78,624	
Income before income tax	2,303,547	(132,446)	2,171,101	
Income tax	(567,081)	(525)	(567,606)	m) and n)
Consolidated net income	$ 1,736,466	$ (132,971)	1,603,495	
Cash flow hedges			25,589	
Exchange differences on translating foreign operations			(1,528,727)	

(Continued)

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Unrealized gain on available-for-sale financial assets			$ 209	
Income tax relating to components of other comprehensive income			248,358	
Total comprehensive income for the period			$ 348,924	

(Concluded)

5) Reconciliation of the consolidated statement of comprehensive income for the year ended December 31, 2012.

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Net sales	$ 216,047,010	$ -	$ 216,047,010	
Cost of sales	(185,419,313)	(69,700)	(185,489,013)	m), n) and s)
Gross profit	30,627,697	(69,700)	30,557,997	
Operating expenses	(19,735,700)	56,047	(19,679,653)	l), m), n) and s)
Operating income	10,891,997	13,653	10,878,344	
Nonoperating gains and loss				
Gain on disposal of investments, net	585,557	(147,199)	438,358	p) and r)
Investment income recognized under the equity method, net	15,217	2,501	17,718	o)
Other	478,617	17,519	496,136	
Total nonoperating expenses and losses	1,079,391	(127,179)	952,212	
Income before income tax	11,971,388	(140,832)	11,830,556	
Income tax	(2,451,510)	(2,687)	(2,454,197)	m), n) and o)
Consolidated net income	$ 9,519,878	$ (143,519)	9,376,359	
Exchange differences on translating foreign operations			(1,496,688)	
Actuarial loss on defined benefit plan			(76,037)	m)
Unrealized loss on available-for-sale financial assets			(304,844)	
Cash flow hedges			63,662	
Total comprehensive income for the period			$ 7,562,452	

6) Exemptions from IFRS 1

IFRS 1 establishes the procedures for the Group's first consolidated financial statements prepared in accordance with IFRSs. According to IFRS 1, the Group is required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs, January 1, 2012; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The major optional exemptions the Group adopted are summarized as follows:

Business combinations

The Group elected not to apply IFRS 3, "Business Combinations," retrospectively to business combinations that occurred before the date of transition. Therefore, in the opening balance sheet, the amount of goodwill generated from past business combinations remains the same compared with the one under ROC GAAP as of December 31, 2011.

Share-based payment transactions

The Group elected to use the exemption from the retrospective application of IFRS 2 - "Share-based Payment" on all equity instruments that were granted and vested before the date of transition to IFRSs.

Cost recognition

The Group elected to measure properties and intangible properties at cost, not at market price, at the date of transition to IFRS.

Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses relating to employee benefits in retained earnings at the date of transition to IFRSs.

The effects of applying the foregoing optional exemptions on the Group are stated under the following section "6. Notes to the reconciliation of the significant differences."

7) Explanations of significant reconciling items in the transition to IFRSs

Material differences between the accounting policies under R.O.C. GAAP and the accounting policies adopted under IFRSs were as follows:

a) Bank deposits with original maturity more than three months

Under ROC GAAP, the term "cash and cash equivalents" used in the financial statements includes cash on hand, demand deposits, check deposits, time deposits that are cancelable but without any loss of principal and negotiable certificates of deposit that are readily salable without any loss of principal. However, under IFRSs, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Thus, some certificates of deposit the Group held that had maturities of more than three months from the date of investment have been reclassified to bond investments with no active market.

As of December 31, 2012, March 31, 2012, and January 1, 2012, the amounts reclassified to bond investments with no active market were $9,365,207 thousand, $9,295,202 thousand and $3,633,137 thousand respectively.

b) Allowance for sales returns and discounts

Under ROC GAAP, provisions for estimated sales returns and discounts are recognized as a reduction of revenue in the period the related revenue is recognized on the basis of historical experience. Allowance for sales returns and discounts is recorded as a deduction from accounts receivable. Under IFRSs, the allowance for sales returns and discounts is a present obligation arising from past events and with uncertain timing of settlement and is thus reclassified to provisions (classified under other current liabilities).

As of December 31, 2012, March 31, 2012, and January 1, 2012, the amounts reclassified from allowance for sales returns and discounts to provisions were $774,156 thousand, $445,820 thousand and $371,835 thousand, respectively.

c) Classifications of deferred income tax asset/liability and valuation allowance

Under ROC GAAP, valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. Under IFRSs, deferred tax assets are only recognized to the extent that it is probable that there will be sufficient taxable profits against which the deductible temporary differences can be used; thus, a valuation allowance account is not needed.

In addition, under ROC GAAP, a deferred tax asset and liability is classified as current or noncurrent in accordance with the related asset or liability for financial reporting. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, it is classified as current or noncurrent on the basis of the expected length of time before it is realized or settled. Under IFRSs, a deferred tax asset and liability is classified as noncurrent asset or liability.

As of December 31, 2012, March 31, 2012, and January 1, 2012, the amounts reclassified from deferred income tax assets - current to deferred income tax assets - noncurrent were $1,112,774 thousand, $1,032,917 thousand, and $951,668 thousand, respectively.

d) Offsetting between deferred tax assets/liabilities

Under ROC GAAP, deferred current tax assets - current should be offset against deferred tax liability - current under the same taxable entity. The same rule applies to deferred tax asset/liability - noncurrent. Under IFRSs, an entity is eligible to offset tax assets against tax liabilities generated from the same taxable entity only (a) if the entity has a legally enforceable right to make this offset and (b) the deferred tax assets and liabilities relate to income taxes levied by the same tax authorities on either the same taxable entity or different taxable entities that intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

As of December 31, 2012, March 31, 2012, and January 1, 2012, the offset amounts of the Group's deferred tax assets and deferred tax liabilities were $387,256 thousand, $1,014,976 thousand and $671,493 thousand, respectively.

e) Classification of leased assets and idle asset

Under ROC GAAP, leased assets and idle assets are classified under other assets and idle assets. Under IFRSs, the aforementioned items are classified as properties in accordance with their nature. Leased assets are mainly dormitories leased to employees and factories leased to suppliers. Based on IAS 40 - "Investment Property," the dormitories leased to employees and factories leased to suppliers are not considered investment properties since they cannot be sold separately and comprise only an insignificant portion of the plant.

As of December 31, 2012, March 31, 2012, and January 1, 2012, the amounts reclassified from leased assets and idle assets to properties were $314,627 thousand, $248,537 thousand and $249,381 thousand, respectively.

f) Financial assets carried at cost

Under Regulations Governing the Preparation of Financial Reports by Securities Issuers, the non-publicly traded stocks or stocks that are not traded in the Emerging Stock Market and pertaining to an investment in which the investor has no significant influence on the investee should be measured as financial assets carried at cost.

Under IFRSs, the financial instruments designated as at fair value through other comprehensive income and financial assets carried at cost should be classified as at fair value through profit or loss.

As of December 31, 2012, March 31,2012, and January 1, 2012, the Group's financial assets carried at cost reclassified to available for sale financial assets amounted to $1,122,230 thousand, $1,057,780 thousand, and $1,487,972 thousand, respectively.

g) Reserve for land value increment tax

Based on the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, land revaluation surplus is classified as reserve for land value increment tax and recorded under other liabilities. Under IFRSs, the Group reclassified land value increment tax to deferred income tax liabilities. As of December 31, 2012, March 31, 2012, and January 1, 2012, the amount reclassified from land value increment tax to deferred income tax liabilities was $239,693 thousand.

h) Classification of deferred expenses

Under ROC GAAP, deferred expenses are recorded under other assets. Under IFRSs, the Group reclassified deferred expenses to other current assets, properties, intangible assets, and other noncurrent assets in accordance with their nature.

As of December 31, 2012, the Group had reclassified deferred expenses of $17,618 thousand, $1,189,471 thousand, $516,087 thousand, and $343,840 thousand to other current assets, properties, intangible assets, and other noncurrent assets, respectively.

As of March 31, 2012, the Group had reclassified deferred expenses of $11,618 thousand, $1,261,864 thousand, $517,092 thousand, and $386,604 thousand to other current assets, properties, intangible assets, and other noncurrent assets, respectively.

As of January 1, 2012, the Group had reclassified deferred expenses of $12,858 thousand, $1,296,031 thousand, $598,025 thousand, and $366,682 thousand to other current assets, properties, intangible assets, and other noncurrent assets, respectively.

i) Land use rights

Under ROC GAAP, land use rights are classified as intangible asset. Under IFRSs, based on their nature, a land use right is classified as prepayment in accordance with International Accounting Standard (IAS) No. 17 - "Leases."

As of December 31, 2012, the Group's land use rights reclassified to other current assets and other noncurrent assets amounted to $1,678 thousand and $570,841 thousand, respectively.

As of March 31, 2012, the Group's land use rights reclassified to other current assets and other noncurrent assets amounted to $1,682 thousand and $574,137 thousand, respectively.

As of January 1, 2012, the Group's land use rights reclassified to other current assets and other noncurrent assets amounted to $1,709 thousand and $618,502 thousand, respectively.

j) Classification of the prepayments for equipment

Under ROC GAAP, the prepayments for equipment are usually recorded under fixed assets. Under IFRSs, prepayments for equipment are usually recorded under other current assets or other noncurrent assets.

As of December 31, 2012, on the basis of the nature of the prepayments for equipment, the Group reclassified prepayments for equipment to other current assets and other noncurrent assets of $73,410 thousand and $1,236,481 thousand, respectively.

As of March 31, 2012, on the basis of the nature of the prepayments for equipment, the Group reclassified prepayments for equipment to other current assets and other noncurrent assets of $113,523 thousand and $2,041,127 thousand, respectively.

As of January 1, 2012, on the basis of the nature of the prepayments for equipment, the Group reclassified prepayments for equipment to other current assets and other noncurrent assets of

$48,426 thousand and $2,631,249 thousand, respectively.

k) Treasury stock

Under ROC GAAP on the accounting for treasury stocks, effective January 1, 2002, the Group accounted for its shares held by its subsidiary as treasury stock when it recognized the investment income at the market price. The difference in carrying value and market value of this treasury stock was recorded as unrealized loss on available-for-sale financial assets. Under IFRSs, treasury shares are recognized immediately at the time when treasury shares are acquired by subsidiaries.

As of December 31, 2012, March 31, 2012, and January 1, 2012, the Group's unrealized loss of $230,587 thousand on available-for-sale financial assets was reclassified to treasury stock.

l) Capitalization of lease payments

Under ROC GAAP, lease payments are recorded as rental expense in the period the lessee actually uses the item leased. Under IFRSs, they should be capitalized as part of asset acquisition cos.

As of December 31, 2012, the IFRS-based adjustment resulted in increases in properties by $27,744 thousand and unappropriated earnings by $15,138 thousand.

As of March 31, 2012, the IFRS-based adjustment resulted in increases in properties by $31,769 thousand and unappropriated earnings by $33,084 thousand.

As of January 1, 2012, the IFRS-based adjustment resulted in increases in properties by $34,845 thousand and unappropriated earnings by $33,084 thousand.

The depreciation expense for the years ended December 31, 2012 and for the three months ended March 31, 2012, were adjusted for an increase of $1,745 thousand and $532 thousand (recorded as operating expenses).

m) Employee benefits

The Group had previously applied actuarial valuation to its defined benefit obligations and recognized the related pension cost and retirement benefit obligation in conformity with ROC GAAP. Under IFRSs, the group should carry out actuarial valuation on defined benefit obligations in accordance with IAS No. 19 - "Employee Benefits." The Group has opted to recognize actuarial gains and losses as other comprehensive income immediately in full in the period in which they occur. The subsequent reclassification to earnings is not permitted.

At the transition date, the Group performed the actuarial valuation under IAS No. 19 - "Employee Benefits" and recognized the valuation difference directly as retained earnings under IFRS 1. As of December 31, 2012, the IFRS-based adjustments resulted in (a) increases in deferred income tax assets by $13,245 thousand and accrued pension liabilities by $131,476 thousand; and (b) decreases in other noncurrent assets by $15,413 thousand; unappropriated earnings by $79,141 thousand and noncontrolling interests by $42,876 thousand.

As of March 31, 2012, the IFRS-based adjustments resulted in (a) increases in other noncurrent assets by $24,415 thousand; and accrued pension liabilities by $24,639 thousand; and (b) decreases in unappropriated earnings by $5,895 thousand.

As of January 1, 2012, the IFRS-based adjustments resulted in (a) increases in deferred income tax assets by $7,624 thousand; long-term prepayments by $46,252 thousand; and accrued pension liabilities by $81,378 thousand; and (b) a decrease in unappropriated earnings by $3,104 thousand.

For the year ended December 31, 2012, IFRS adoption resulted in a decrease of $11,571 thousand ($9,730 thousand recorded as cost of sales and $1,841 thousand recorded as operating expenses) in salary expenses and an increase of $1,434 thousand in income tax.

For the three months ended March 31, 2012, IFRS adoption resulted in a decrease of $820 thousand ($467 thousand recorded as cost of sales and $353 thousand recorded as operating expenses) in salary expenses and an increase of $91 thousand in income tax.

n) Employee benefits - short-term accumulated compensated absences

Under ROC GAAP, there are no specific requirements for recognizing accumulated compensated absences at the end of reporting periods. Companies usually recognize the related costs when the employees actually go on leave. Under IFRSs, the expected cost of short-term accumulated compensated absences should be recognized as the employees render services that increase their entitlement to these compensated absences.

As of December 31, 2012, the IFRS-based evaluation adjustment resulted in an increase of other payables by $248,303 thousand. This adjustment also resulted in decreases in unappropriated earnings by $187,443 thousand and noncontrolling interests by $50,875 thousand.

As of March 31, 2012, the IFRS-based evaluation adjustment resulted in an increase of other payables by $218,114 thousand. This adjustment also resulted in decreases in unappropriated earnings by $179,786 thousand and noncontrolling interests by $31,184 thousand.

As of January 1, 2012, the IFRS-based evaluation adjustment resulted in an increase of the deferred tax assets by $6,471 thousand and other payables by $256,609 thousand. This adjustment also resulted in decreases in unappropriated earnings by $179,786 thousand and noncontrolling interests by $70,352 thousand.

For the year ended December 31, 2012, the salary expenses were adjusted for an increase of $9,073 thousand (resulting in a decrease of $14,820 thousand in cost of sales and an increase of $23,893 thousand in operating expenses). The income tax was also adjusted for an increase of $1,277 thousand. For the three months ended March 31, 2012, the salary expenses were adjusted for an decrease of $9,903 thousand (resulting in a decrease of $18,969 thousand in cost of sales and an increase of $9,066 thousand in operating expenses). The income tax was also adjusted for an increase of $433 thousand.

o) Investments accounted for using the equity method

The Group has evaluated significant differences between current accounting policies and IFRSs for the Group's associates and joint ventures accounted for by the equity method. The significant difference is mainly due to the adjustment to employee benefits and leases.

As of December 31, 2012, the adoption of IFRS resulted in an increase of $175,012 thousand in unappropriated earnings. Another result was decreases of $49,346 thousand in investments accounted for by the equity method and $255,568 thousand in capital surplus.

As of March 31, 2012, the adoption of IFRS resulted in an increase of $13,777 thousand in deferred tax assets, $64,214 thousand in other payables and $91,583 thousand in unappropriated earnings. Another result was decreases of $71,316 thousand in investments accounted for by the equity method, $170,935 thousand in capital surplus and $37,015 thousand in noncontrolling interests.

As of January 1, 2012, the differences mentioned above resulted in an increase in unappropriated earnings by $91,583 thousand. In addition, the adjustment resulted in decreases of $75,436 thousand in investments accounted for by the equity method and of $168,671 thousand in capital surplus.

For the year ended December 31, 2012, the IFRS-based adjustments resulted in increases of $2,501 thousand in investment income recognized under the equity method. The income tax was adjusted for a decrease of $24 thousand.

For the three months ended March 31, 2012, the IFRS-based adjustments resulted in decreases of $3,544 thousand in investment income recognized under the equity method. The unrealized gain on the transactions with associates and joint ventures was adjusted for a decrease of $11 thousand.

p) Accounting treatment of the Parent Company for increases in carrying values of equity-method investments due to not subscribing proportionally to the additional shares issued by the investees and relevant adjustment of capital surplus - long-term equity investment.

Under ROC GAAP, if an investee issues new shares and an investor does not buy new shares proportionately, the investor's ownership percentage and its interest in net assets of the investment will change. The resulting difference should be used to adjust the capital surplus and long-term equity investment accounts.

Under IFRSs, any equity changes in the invested associates without the loss of significant influence on the associates will be recognized as a deemed acquisition or a deemed disposal of the shares in the invested associates. Any equity changes in the invested subsidiaries without losing significant control over the subsidiaries will be deemed equity transactions. In addition, in accordance with the "Q&A on the Adoption of IFRSs" issued by the Taiwan Stock Exchange, capital surplus not covered by the IFRSs, the ROC Company Law and the relevant legal interpretations of the Ministry of Economic Affairs, ROC should be adjusted accordingly at the date of transition to IFRSs.

As of December 31, 2012, the foregoing adjustments resulted in a decrease of $651,137 thousand in the Parent Company's capital surplus - long term investments and an increase of $651,137 thousand in unappropriated earnings.

As of March 31 and January 1, 2012, the foregoing adjustments resulted in a decrease of $738,398 thousand in the Parent Company's capital surplus - long term investments and an increase of $738,398 thousand in unappropriated earnings.

q) Employee benefits - minimum pension liability to be recognized

Under ROC GAAP, the minimum pension liability should be should be recognized as such in the balance sheet; if the accrued pension liability is lower than this minimum, any shortfall should be recorded.

Under the IFRSs, there is no requirement for recognizing minimum pension liability.

As of December 31, 2012, net loss not recognized as pension cost was adjusted for an increase of $29,536 thousand and unappropriated earnings for a decrease of $29,536 thousand.

As of March 31, 2012, net loss not recognized as pension cost was adjusted for an increase of $13,964 thousand and unappropriated earnings for a decrease of $13,964 thousand.

As of January 1, 2012, net loss not recognized as pension cost was adjusted for an increase of $17,182 thousand and unappropriated earnings for a decrease of $17,182 thousand.

r) Disposal of partial shares without losing significant influence on the investee

Under ROC GAAP, if the stock ownership percentage changes during the year, the investor company should recognize investment gains or losses in proportion to the actual stock ownership percentage on the disposition date.

Under IFRSs, disposal of the shares of subsidiaries without losing significant control over the subsidiaries is deemed an equity transaction.

As of December 31, 2012 and March 31, 2012, the IFRS-based adjustments resulted in an increase of $146,193 thousand in the Parent Company's capital surplus - long term investments under the equity method and a decrease of $146,193 thousand in the gain on disposal of investments.

s) The reclassification of line items in the consolidated statement of comprehensive income

Under IFRSs, based on the nature of operating transactions, the Group reclassified a repair and warranty expense of $8,936 thousand in 2012 and $94,250 thousand for the three months ended March 31, 2012 to cost of sales.

8) Explanations of significant reconciling items in statement of cash flows

The Group partially disposed of its interest in Silitech Technology Corp. without loss of control in the year ended December 31, 2012. Under R.O.C. GAAP, the resulting cash flows $288,198 thousand were classified as investing activities. Under IAS 7 "Statement of Cash Flows", the resulting cash flows were classified as financing activities.

Time deposits that can be readily cancelled without eroding the principal and negotiable certificates of deposit that can be readily sold without eroding the principal meet the definition of cash in accordance with ROC GAAP. However, under IAS 7" Statement of Cash Flow", cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

Therefore, time deposits with a carrying amount of $9,365,207 thousand, $9,295,202 thousand and $3,633,137 thousand as of December 31, 2012, March 31, 2012 and January 1, 2012, respectively, held by the Group was for investment purposes and thus no longer classified as cash under IFRSs.

According to ROC GAAP, interest paid and received and dividends received are classified as operating activities while dividends paid are classified as financing activities. Additional disclosure is required for interest expenses when reporting cash flow using indirect method. However, under IAS 7" Statement of Cash Flow", cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as operating, investing or financing activities. Therefore, interests and dividends received by the Group of $208,100 thousand and $318 thousand, respectively; and the interest paid by the Group of $177,882 thousand for the three months ended March 31, 2012 were presented separately at the date of transition to IFRSs.

Except for the above differences, there are no other significant differences between ROC GAAP and IFRSs in the consolidated statement of cash flows.

TABLE 1

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS
MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars)

Related Party	Nature of Relationship (Notes 1 and 5)	Receivable from Related Parties					Payable to Related Parties				
		Accounts Receivable		Other Receivable			Accounts Payable		Other Payable		
		Amount	% (Note 2)	Amount	% (Note 2)	Total	Amount	% (Note 2)	Amount	% (Note 2)	Total
March 31, 2013											
Lite-On Semiconductor Corp.	a	$ 60,479	97	$ 935	2	$ 61,414	$ 81,189	68	$ 59	-	$ 81,248
Silpert Travel Service Co., Ltd.	d	-	-	155	-	155	-	-	5,928	5	5,928
Chi Mei Mold Co., Ltd.	c	-	-	-	-	-	18,611	16	11,713	10	30,324
Lite-On Cultural Foundation	f	-	-	-	-	-	-	-	915	1	915
Other related parties (Note 3)		529	1	-	-	529	35	-	9	-	44
		$ 61,008	98	$ 1,090	2	$ 62,098	$ 99,835	84	$ 18,624	16	$ 118,459
December 31, 2012											
Lite-On Semiconductor Corp.	a	$ 82,892	97	$ 1,945	2	$ 84,837	$ 98,061	62	$ 38	-	$ 98,099
Silpert Travel Service Co., Ltd.	d	-	-	236	-	236	-	-	7,006	5	7,006
Chi Mei Mold Co., Ltd.	c	-	-	-	-	-	20,176	13	13,129	8	33,305
Lite-Space Technology Company Limited	b	-	-	-	-	-	14,516	9	-	-	14,516
Other related parties (Note 4)		529	1	50	-	579	5,170	3	-	-	5,170
		$ 83,421	98	$ 2,231	2	$ 85,652	$ 137,923	87	$ 20,173	13	$ 158,096
March 31, 2012											
Lite-On Semiconductor Corp.	a	$ 78,872	94	4,266	5	$ 83,138	$ 201,626	73	-	-	$ 201,626
Silpert Travel Service Co., Ltd.	d	-	-	-	-	-	-	-	4,666	2	4,666
Chi Mei Mold Co., Ltd.	c	-	-	-	-	-	33,900	12	24,311	8	58,211
Other related parties (Note 5)		747	1	-	-	747	12,251	5	-	-	12,251
		$ 79,619	95	$ 4,266	5	$ 83,885	$ 247,777	90	$ 28,977	10	$ 276,754
January 1, 2012											
Co Tech Copper Foil Corp.	e	$ 746	36	$ -	-	$ 746	$ -	-	$ -	-	$ -
Lite-On Semiconductor Corp.	a	353	17	955	47	1,308	266,987	74	-	-	266,987
Chi Mei Mold Co., Ltd.	c	-	-	-	-	-	44,348	12	37,654	10	82,002
Silpert Travel Service Co., Ltd.	d	-	-	-	-	-	-	-	5,404	2	5,404
Other related parties (Note 6)		-	-	-	-	-	6,173	2	-	-	6,173
		$ 1,099	53	$ 955	47	$ 2,054	$ 317,508	88	$ 43,058	12	$ 360,566

(Continued)

Note 1: a. Equity-method investee.
b. An investee of an equity-method subsidiary.
c. An investee of an equity-method subsidiary is its chairman.
d. Its chairman is a relative of the Parent Company's chairman.
e. The Parent Company's chairman is its director.
f. The Parent Company is its main contributor.

Note 2: Percentage of specific account balance.

Note 3: Other Related Parties including:

a. An investee of an equity-method subsidiary: Lite-Space Technology Company Limited.
b. The Parent Company's chairman is its director: Co Tech Copper Foil Corp.
c. The Parent Company's chairman is same person: Diodes Taiwan Co., Ltd.

Note 4: Other Related Parties including:

a. An investee of an equity-method subsidiary: Jhen Vei Electronic (Shenzhen) Co., Ltd. and Jhen Vei Electronic (Wujian) Co., Ltd.
b. The Parent Company's chairman is its director: Co Tech Copper Foil Corp.

Note 5: Other Related Parties including:

a. An investee of an equity-method subsidiary: Jhen Vei Electronic (Shenzhen) Co., Ltd. and Jhen Vei Electronic (Wujian) Co., Ltd.
b. The Parent Company's chairman is its director: Co Tech Copper Foil Corp.

Note 6: An investee of an equity-method subsidiary: Jhen Vei Electronic (Shenzhen) Co., Ltd.

Note 7: Significant intercompany transactions have already been eliminated.

(Concluded)

TABLE 2

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS
MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars)

Related Party	Nature of Relationship (Notes 1 and 7)	Sales (Note 2) Amount	Sales (Note 2) % (Note 3)	Purchases (Note 2) Amount	Purchases (Note 2) % (Note 3)	Rental Revenue	Other Revenue	Rental Expense	Other Expense (Note 4)	Property Transaction Book Value	Property Transaction Proceeds	Property Transaction Disposal Gain (Loss)	Property Transaction Cost
March 31, 2013													
Lite-On Semiconductor Corp.	a	$ 43,901	-	$ 225,816	1	$ -	$ 589	$ -	$ -	$ -	$ -	$ -	$ -
Lite-On Cultural Foundation	e	25	-	-	-	86	9	-	915	-	-	-	-
Silpert Travel Service Co., Ltd.	c	-	-	-	-	14	-	-	22,147	-	-	-	-
Chi Mei Machinery Corp.	b	-	-	7,005	-	-	229	-	5,109	-	-	-	-
Diodes Taiwan Co., Ltd.	d	-	-	76,441	-	-	-	-	-	-	-	-	-
Other related parties (Note 5)		756	-	11,980	-	-	-	-	-	-	-	-	-
		$ 44,682	-	$ 321,242	1	$ 100	$ 827	$ -	$ 28,171	$ -	$ -	$ -	$ -
March 31, 2012													
Lite-On Semiconductor Corp.	a	$ 49,835	-	$ 112,898	-	$ -	$ 749	$ -	$ -	$ -	$ -	$ -	$ -
Lite-On Cultural Foundation	e	21	-	-	-	86	9	-	-	-	-	-	-
Silpert Travel Service Co., Ltd.	c	-	-	-	-	14	197	-	21,291	-	-	-	-
Chi Mei Machinery Corp.	b	-	-	11,203	-	-	229	-	2,371	-	-	-	-
Other related parties (Note 6)		756	-	4,569	-	-	-	-	-	-	-	-	-
		$ 50,612	-	$ 128,670	-	$ 100	$ 1,184	$ -	$ 23,662	$ -	$ -	$ -	$ -

Note 1:
a. Equity-method investee.
b. An investee of an equity-method subsidiary is its chairman.
c. Its chairman is a relative of the Parent Company's chairman.
d. The Parent Company is same person.
e. The Parent Company is its main contributor.

Note 2: Except for transactions disclosed in Note 31, the sales prices and payment terms to related parties were not significantly different from those of sales to third parties.

Note 3: Percentage of specific account balance.

Note 4: Mainly included travel fees and repair expenses.

Note 5: Other related parties including:

a. An investee of an equity-method subsidiary: Jhen Vei Electronic (Shenzhen) Co., Ltd. and Jhen Vei Electronic (Wujian) Co., Ltd.
b. The Parent Company's chairman is its director: Co Tech Copper Foil Corp.

(Continued)

Note 6: Other related parties including:

a. An investee of an equity-method subsidiary: Jhen Vei Electronic (Shenzhen) Co., Ltd.
b. The Parent Company's chairman is its director: Co Tech Copper Foil Corp.

Note 7: Significant intercompany transactions between the entities of consolidation have already been eliminated.

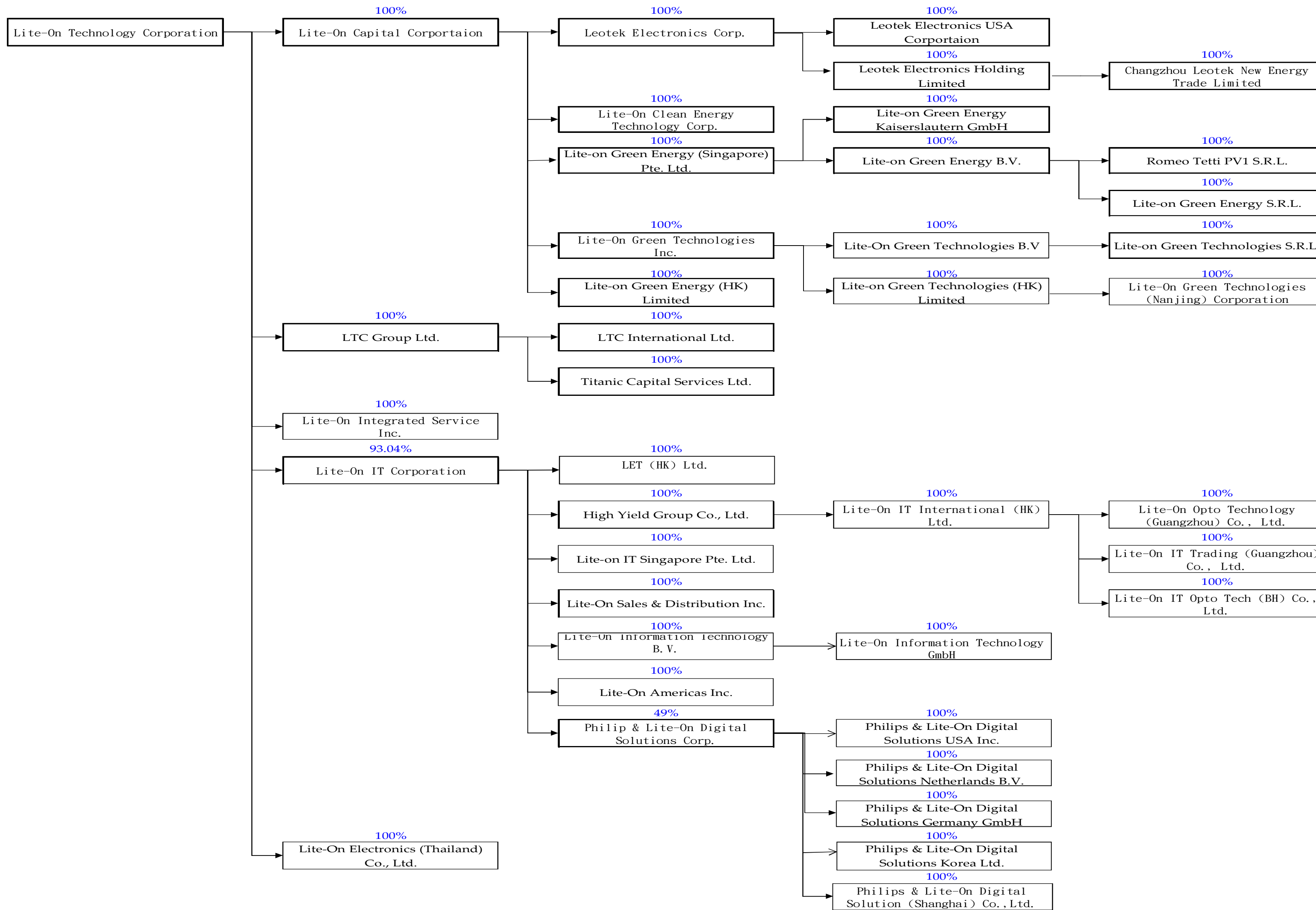
(Concluded)

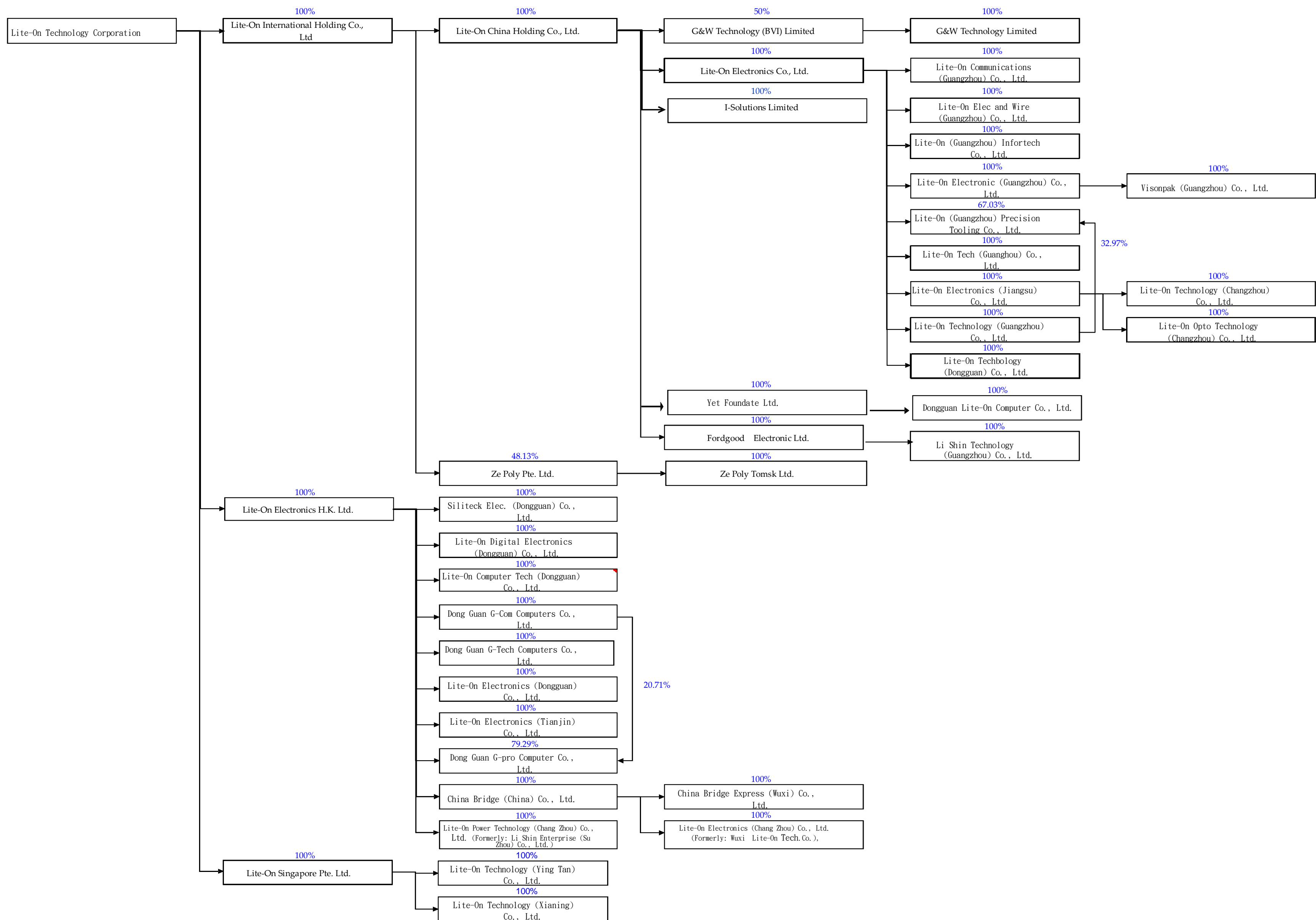
TABLE 3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

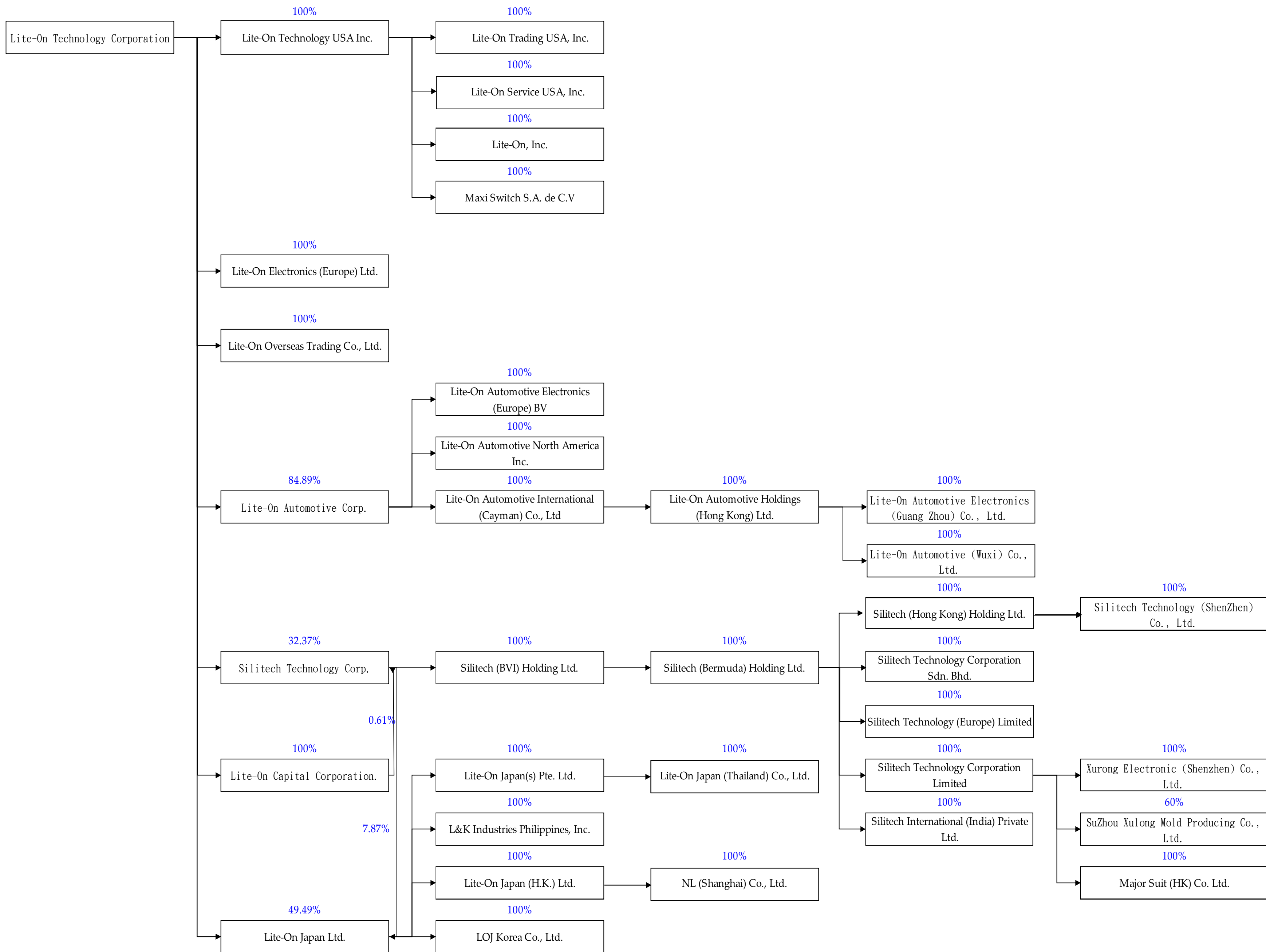
INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
THREE MONTHS ENDED MARCH 31, 2013 AND 2012

March 31, 2013

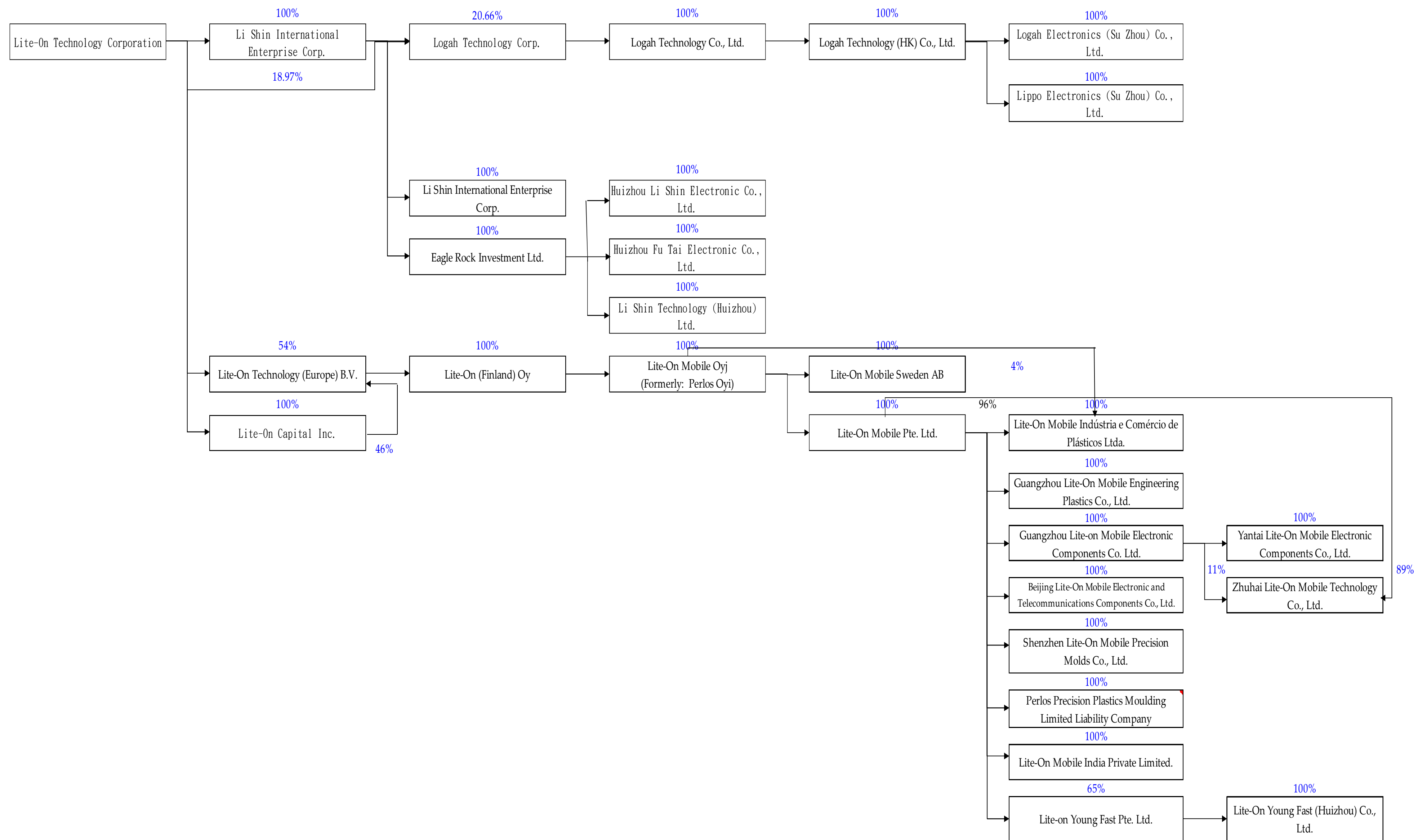




Lite-On Technology Corporation
100%
Lite-On International Holding Co., Ltd
100%
Lite-On China Holding Co., Ltd.
50%
G&W Technology (BVI) Limited
100%
G&W Technology Limited
100%
Lite-On Electronics Co., Ltd.
100%
Lite-On Communications (Guangzhou) Co., Ltd.
100%
I-Solutions Limited
100%
Lite-On Elec and Wire (Guangzhou) Co., Ltd.
100%
Lite-On (Guangzhou) Infortech Co., Ltd.
100%
Lite-On Electronic (Guangzhou) Co., Ltd.
100%
Visonpak (Guangzhou) Co., Ltd.
67.03%
Lite-On (Guangzhou) Precision Tooling Co., Ltd.
32.97%
100%
Lite-On Tech (Guanghou) Co., Ltd.
100%
Lite-On Electronics (Jiangsu) Co., Ltd.
100%
Lite-On Technology (Changzhou) Co., Ltd.
100%
Lite-On Technology (Guangzhou) Co., Ltd.
100%
Lite-On Opto Technology (Changzhou) Co., Ltd.
100%
Lite-On Techbology (Dongguan) Co., Ltd.
100%
Yet Foundate Ltd.
100%
Dongguan Lite-On Computer Co., Ltd.
100%
Fordgood Electronic Ltd.
100%
Li Shin Technology (Guangzhou) Co., Ltd.
48.13%
Ze Poly Pte. Ltd.
100%
Ze Poly Tomsk Ltd.
100%
Lite-On Electronics H.K. Ltd.
100%
Siliteck Elec. (Dongguan) Co., Ltd.
100%
Lite-On Digital Electronics (Dongguan) Co., Ltd.
100%
Lite-On Computer Tech (Dongguan) Co., Ltd.
100%
Dong Guan G-Com Computers Co., Ltd.
100%
Dong Guan G-Tech Computers Co., Ltd.
100%
Lite-On Electronics (Dongguan) Co., Ltd.
20.71%
100%
Lite-On Electronics (Tianjin) Co., Ltd.
79.29%
Dong Guan G-pro Computer Co., Ltd.
100%
China Bridge (China) Co., Ltd.
100%
China Bridge Express (Wuxi) Co., Ltd.
100%
Lite-On Power Technology (Chang Zhou) Co., Ltd. (Formerly: Li Shin Enterprise (Su Zhou) Co., Ltd.)
100%
Lite-On Electronics (Chang Zhou) Co., Ltd. (Formerly: Wuxi Lite-On Tech.Co.),
100%
Lite-On Singapore Pte. Ltd.
100%
Lite-On Technology (Ying Tan) Co., Ltd.
100%
Lite-On Technology (Xianing) Co., Ltd.

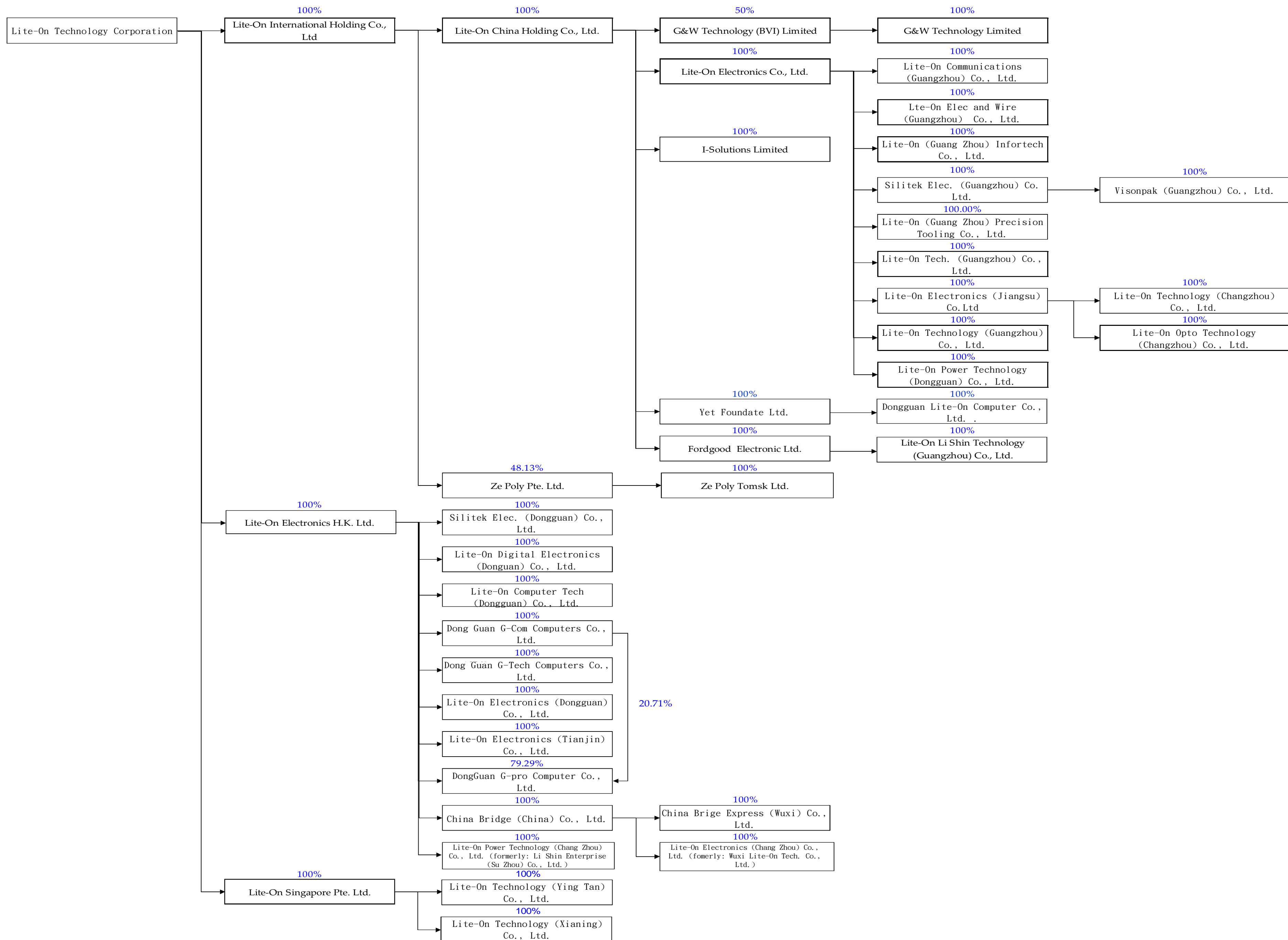


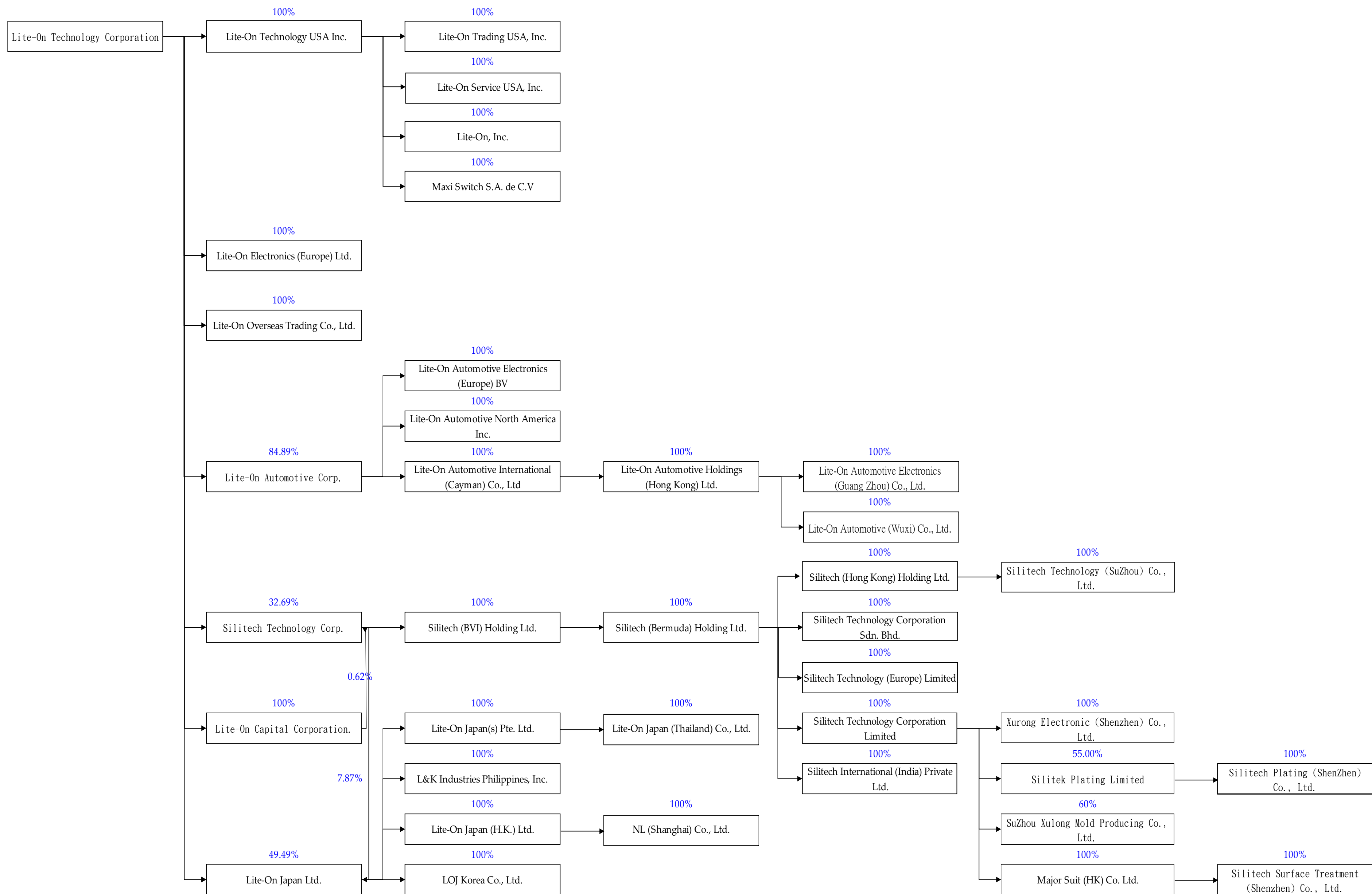
Lite-On Technology Corporation
100%
Lite-On Technology USA Inc.
100%
Lite-On Trading USA, Inc.
100%
Lite-On Service USA, Inc.
100%
Lite-On, Inc.
100%
Maxi Switch S.A. de C.V
100%
Lite-On Electronics (Europe) Ltd.
100%
Lite-On Overseas Trading Co., Ltd.
100%
Lite-On Automotive Electronics (Europe) BV
100%
Lite-On Automotive North America Inc.
84.89%
Lite-On Automotive Corp.
100%
Lite-On Automotive International (Cayman) Co., Ltd
100%
Lite-On Automotive Holdings (Hong Kong) Ltd.
100%
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.
100%
Lite-On Automotive (Wuxi) Co., Ltd.
100%
Silitech (Hong Kong) Holding Ltd.
100%
Silitech Technology (ShenZhen) Co., Ltd.
32.37%
Silitech Technology Corp.
100%
Silitech (BVI) Holding Ltd.
100%
Silitech (Bermuda) Holding Ltd.
100%
Silitech Technology Corporation Sdn. Bhd.
100%
Silitech Technology (Europe) Limited
0.61%
100%
Lite-On Capital Corporation.
100%
Lite-On Japan(s) Pte. Ltd.
100%
Lite-On Japan (Thailand) Co., Ltd.
100%
Silitech Technology Corporation Limited
100%
Xurong Electronic (Shenzhen) Co., Ltd.
100%
L&K Industries Philippines, Inc.
100%
Silitech International (India) Private Ltd.
60%
SuZhou Xulong Mold Producing Co., Ltd.
7.87%
100%
Lite-On Japan (H.K.) Ltd.
100%
NL (Shanghai) Co., Ltd.
100%
Major Suit (HK) Co. Ltd.
49.49%
Lite-On Japan Ltd.
100%
LOJ Korea Co., Ltd.


Lite-On Technology Corporation
100%
Li Shin International Enterprise Corp.
18.97%
20.66%
Logah Technology Corp.
100%
Logah Technology Co., Ltd.
100%
Logah Technology (HK) Co., Ltd.
100%
Logah Electronics (Su Zhou) Co., Ltd.
100%
Lippo Electronics (Su Zhou) Co., Ltd.
100%
Li Shin International Enterprise Corp.
100%
Eagle Rock Investment Ltd.
100%
Huizhou Li Shin Electronic Co., Ltd.
100%
Huizhou Fu Tai Electronic Co., Ltd.
100%
Li Shin Technology (Huizhou) Ltd.
54%
Lite-On Technology (Europe) B.V.
100%
Lite-On Capital Inc.
46%
100%
Lite-On (Finland) Oy
100%
Lite-On Mobile Oyj (Formerly: Perlos Oyi)
100%
Lite-On Mobile Sweden AB
4%
100%
Lite-On Mobile Pte. Ltd.
96%
100%
Lite-On Mobile Indústria e Comércio de Plásticos Ltda.
100%
Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.
100%
Guangzhou Lite-on Mobile Electronic Components Co. Ltd.
100%
Yantai Lite-On Mobile Electronic Components Co., Ltd.
11%
89%
Zhuhai Lite-On Mobile Technology Co., Ltd.
100%
Beijing Lite-On Mobile Electronic and Telecommunications Components Co., Ltd.
100%
Shenzhen Lite-On Mobile Precision Molds Co., Ltd.
100%
Perlos Precision Plastics Moulding Limited Liability Company
100%
Lite-On Mobile India Private Limited.
65%
Lite-on Young Fast Pte. Ltd.
100%
Lite-On Young Fast (Huizhou) Co., Ltd.

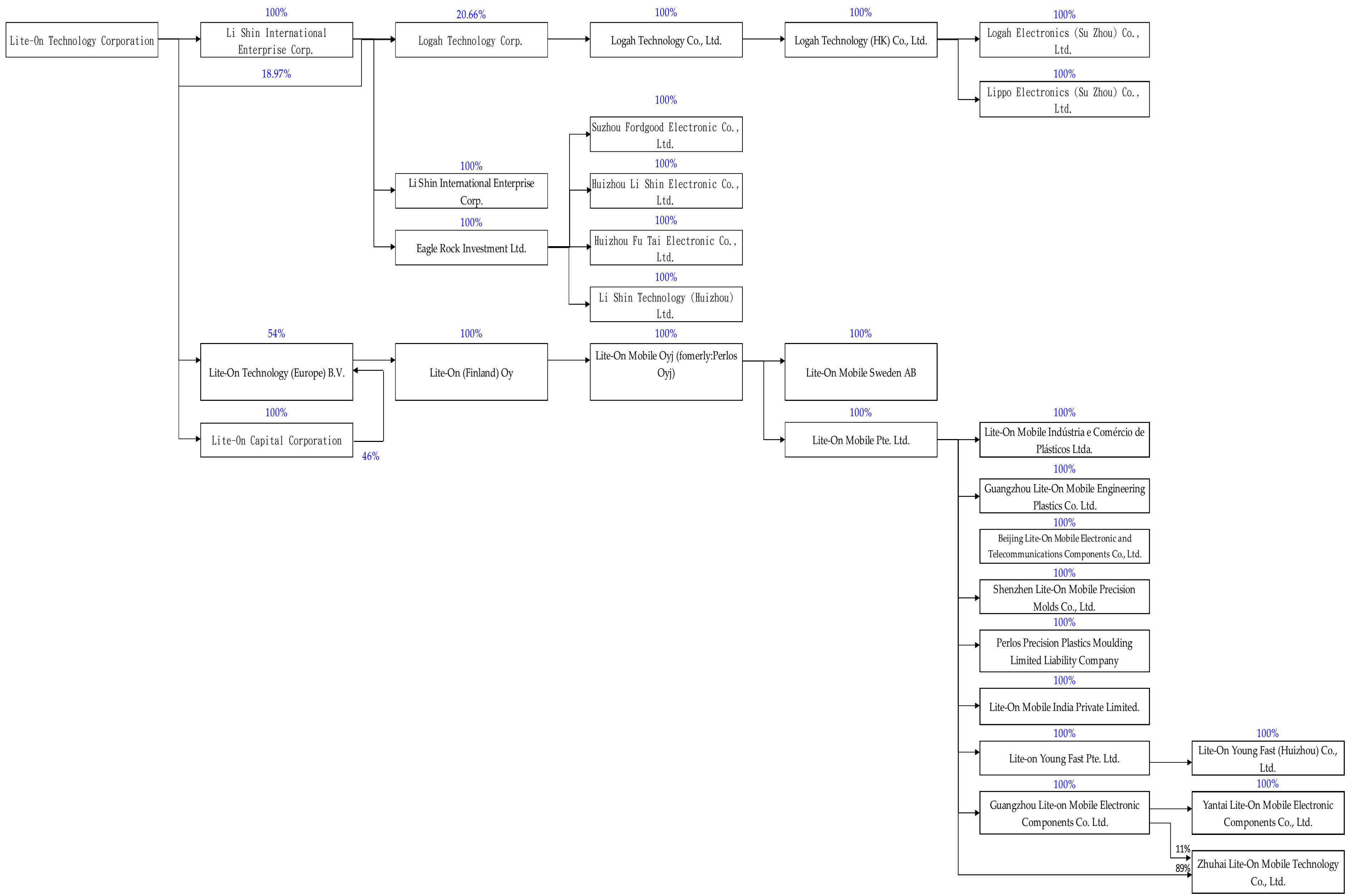
March 31, 2012

- Lite-On Technology Corporation
  - 100% Lite-On Capital Corportaion
    - 74.06% Leotek Electronics Corp.
      - 100% Leotek Electronics USA Corportaion
      - 100% Leotek Electronics Holding Limited
        - 100% Changzhou Leotek New Energy Trade Limited
    - 100% Lite-On Clean Energy Technology Corp.
    - 100% Lite-on Green Energy (Singapore) Pte. Ltd.
      - 100% Lite-On Green Energy Kaiserslauter GmbH
      - 100% Lite-on Green Energy B.V.
        - 100% Romeo Tetti PV1 S.R.L
    - 100% Lite-On Green Technologies Inc.
      - 100% Lite-On Green Technologies B.V
        - 100% Lite-on Green Technologies S.R.L
      - 100% Lite-on Green Technoligies Australia Pty Ltd.
      - 100% Lite-on Green Technoligies (HK) Limited
        - 100% Lite-On Green Technologies (Nanjing) Corporation
    - 100% Lite-on Green Energy (HK) Limited
    - 0.33% Lite-On IT Corporation
  - 100% LTC Group Ltd.
    - 100% LTC International Ltd.
    - 100% Titanic Capital Services Ltd.
  - 100% Lite-On Integrated Service Inc.
  - 42.70% Lite-On IT Corporation
    - 100% LET (HK) Ltd.
    - 100% High Yield Group Co., Ltd.
      - 100% Lite-On IT International (HK) Ltd.
        - 100% Lite-On Opto Technology (Guangzhou) Ltd.
        - 100% Lite-On IT Trading (Guangzhou) Ltd.
        - 100% Lite-On IT Opto Tech (BH) Co., Ltd.
    - 100% Lite-on IT Singapore Pte. Ltd.
    - 100% Lite-On Sales & Distribution Inc.
    - 100% Lite-On Information Technology B.V.
      - 100% Lite-On Information Technology GmbH
      - 100% Automotive Playback Modules Hungary Electronical Mechanical Manufacturing and Trading Limited Liability Company
    - 100% Lite-On Americas Inc.
    - 49% Philip & Lite-On Digital Solutions Corp.
      - 100% Philips & Lite-On Digital Solutions USA Inc.
      - 100% Philips & Lite-On Digital Solutions Netherlands B.V.
      - 100% Philips & Lite-On Digital Solutions Germany GmbH
      - 100% Philips & Lite-On Digital Solutions Korea Ltd.
      - 100% Philips & Lite-On Digital Solutions (Shanghai) Co., Ltd.
  - 100% Lite-On Electronics (Thailand) Co., Ltd.


Lite-On Technology Corporation
100%
Lite-On International Holding Co., Ltd
100%
Lite-On China Holding Co., Ltd.
50%
G&W Technology (BVI) Limited
100%
G&W Technology Limited
100%
Lite-On Electronics Co., Ltd.
100%
Lite-On Communications (Guangzhou) Co., Ltd.
100%
Lte-On Elec and Wire (Guangzhou) Co., Ltd.
100%
I-Solutions Limited
100%
Lite-On (Guang Zhou) Infortech Co., Ltd.
100%
Silitek Elec. (Guangzhou) Co. Ltd.
100%
Visonpak (Guangzhou) Co., Ltd.
100.00%
Lite-On (Guang Zhou) Precision Tooling Co., Ltd.
100%
Lite-On Tech. (Guangzhou) Co., Ltd.
100%
Lite-On Electronics (Jiangsu) Co.Ltd
100%
Lite-On Technology (Changzhou) Co., Ltd.
100%
Lite-On Technology (Guangzhou) Co., Ltd.
100%
Lite-On Opto Technology (Changzhou) Co., Ltd.
100%
Lite-On Power Technology (Dongguan) Co., Ltd.
100%
Yet Foundate Ltd.
100%
Dongguan Lite-On Computer Co., Ltd. .
100%
Fordgood Electronic Ltd.
100%
Lite-On Li Shin Technology (Guangzhou) Co., Ltd.
48.13%
Ze Poly Pte. Ltd.
100%
Ze Poly Tomsk Ltd.
100%
Lite-On Electronics H.K. Ltd.
100%
Silitek Elec. (Dongguan) Co., Ltd.
100%
Lite-On Digital Electronics (Donguan) Co., Ltd.
100%
Lite-On Computer Tech (Dongguan) Co., Ltd.
100%
Dong Guan G-Com Computers Co., Ltd.
100%
Dong Guan G-Tech Computers Co., Ltd.
100%
Lite-On Electronics (Dongguan) Co., Ltd.
20.71%
100%
Lite-On Electronics (Tianjin) Co., Ltd.
79.29%
DongGuan G-pro Computer Co., Ltd.
100%
China Bridge (China) Co., Ltd.
100%
China Brige Express (Wuxi) Co., Ltd.
100%
Lite-On Power Technology (Chang Zhou) Co., Ltd. (formerly: Li Shin Enterprise (Su Zhou) Co., Ltd.)
100%
Lite-On Electronics (Chang Zhou) Co., Ltd. (fomerly: Wuxi Lite-On Tech. Co., Ltd.)
100%
Lite-On Singapore Pte. Ltd.
100%
Lite-On Technology (Ying Tan) Co., Ltd.
100%
Lite-On Technology (Xianing) Co., Ltd.



Lite-On Technology Corporation
100%
Lite-On Technology USA Inc.
100%
Lite-On Trading USA, Inc.
100%
Lite-On Service USA, Inc.
100%
Lite-On, Inc.
100%
Maxi Switch S.A. de C.V
100%
Lite-On Electronics (Europe) Ltd.
100%
Lite-On Overseas Trading Co., Ltd.
100%
Lite-On Automotive Electronics (Europe) BV
100%
Lite-On Automotive North America Inc.
84.89%
Lite-On Automotive Corp.
100%
Lite-On Automotive International (Cayman) Co., Ltd
100%
Lite-On Automotive Holdings (Hong Kong) Ltd.
100%
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.
100%
Lite-On Automotive (Wuxi) Co., Ltd.
100%
Silitech (Hong Kong) Holding Ltd.
100%
Silitech Technology (SuZhou) Co., Ltd.
32.69%
Silitech Technology Corp.
100%
Silitech (BVI) Holding Ltd.
100%
Silitech (Bermuda) Holding Ltd.
100%
Silitech Technology Corporation Sdn. Bhd.
100%
Silitech Technology (Europe) Limited
0.62%
100%
Lite-On Capital Corporation.
100%
Lite-On Japan(s) Pte. Ltd.
100%
Lite-On Japan (Thailand) Co., Ltd.
100%
Silitech Technology Corporation Limited
100%
Xurong Electronic (Shenzhen) Co., Ltd.
100%
L&K Industries Philippines, Inc.
100%
Silitech International (India) Private Ltd.
55.00%
Silitek Plating Limited
100%
Silitech Plating (ShenZhen) Co., Ltd.
7.87%
100%
Lite-On Japan (H.K.) Ltd.
100%
NL (Shanghai) Co., Ltd.
60%
SuZhou Xulong Mold Producing Co., Ltd.
49.49%
Lite-On Japan Ltd.
100%
LOJ Korea Co., Ltd.
100%
Major Suit (HK) Co. Ltd.
100%
Silitech Surface Treatment (Shenzhen) Co., Ltd.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Logah Electronics (Su Zhou) Co., Ltd.
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Lippo Electronics (Su Zhou) Co., Ltd.
100%
Suzhou Fordgood Electronic Co., Ltd.
100%
Li Shin International Enterprise Corp.
100%
Huizhou Li Shin Electronic Co., Ltd.
100%
Eagle Rock Investment Ltd.
100%
Huizhou Fu Tai Electronic Co., Ltd.
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100%
Lite-On Mobile Sweden AB
100%
Lite-On Capital Corporation
46%
100%
Lite-On Mobile Pte. Ltd.
100%
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Perlos Precision Plastics Moulding Limited Liability Company
100%
Lite-On Mobile India Private Limited.
100%
Lite-on Young Fast Pte. Ltd.
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Guangzhou Lite-on Mobile Electronic Components Co. Ltd.
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Yantai Lite-On Mobile Electronic Components Co., Ltd.
11%
89%
Zhuhai Lite-On Mobile Technology Co., Ltd.