Lite-On Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2013 and 2012 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2013 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 "Consolidated and Separate Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

LITE-ON TECHNOLOGY CORPORATION

By

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RAYMOND SOONG
Chairman

March 27, 2014

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lite-On Technology Corporation

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Lite-On Technology Corporation as of and for the years ended December 31, 2013 and 2012 on which we have issued an unqualified report.

March 27, 2014

Notice to Readers

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2013		December 31, 2012		January 1, 2012	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 65,931,169	31	$ 51,224,870	26	$ 52,882,246	26
Financial assets at fair value through profit or loss - current (Note 7)	14,867	-	13,023	-	111,584	-
Available-for-sale financial assets - current (Notes 5 and 8)	13	-	10	-	9	-
Debt investments with no active market - current (Notes 10 and 32)	147,441	-	9,365,207	5	3,633,137	2
Notes receivable	175,756	-	119,941	-	82,039	-
Trade receivables, net (Note 11)	49,500,169	23	44,799,940	23	45,841,608	22
Trade receivables from related parties (Note 31)	81,554	-	83,421	-	1,099	-
Other receivables (Note 27)	2,319,810	1	1,559,231	1	1,590,264	1
Other receivables from related parties (Note 31)	18,951	-	2,231	-	955	-
Inventories, net (Notes 5 and 12)	27,203,533	13	20,566,117	10	27,659,384	13
Construction in progress in excess of progressive billings (Note 13)	-	-	72,527	-	38,294	-
Other current assets (Note 17)	5,037,428	3	5,058,662	2	4,429,820	2
Total current assets	150,430,691	71	132,865,180	67	136,270,439	66
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent (Notes 5 and 8)	2,143,990	1	2,154,465	1	4,271,326	2
Debt investments with no active market - noncurrent (Notes 10 and 32)	14,100	-	102,560	-	108,107	-
Investments accounted for using equity method (Note 14)	3,531,425	2	3,508,782	2	3,514,672	2
Property, plant and equipment, net (Notes 5 and 15)	37,001,382	17	37,697,741	19	38,886,577	19
Intangible assets, net (Notes 5 and 16)	15,716,262	7	16,033,575	8	16,303,412	8
Deferred tax assets (Notes 5 and 24)	2,207,204	1	2,215,617	1	2,116,283	1
Refundable deposits	390,443	-	311,277	1	314,903	-
Prepayments for investments	-	-	13,155	-	74,843	-
Other noncurrent assets (Note 17)	925,989	1	2,153,262	1	3,755,388	2
Total noncurrent assets	61,930,795	29	64,190,434	33	69,345,511	34
TOTAL	$ 212,361,486	100	$ 197,055,614	100	$ 205,615,950	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	$ 15,576,780	7	$ 7,010,394	4	$ 4,737,488	2
Financial liabilities at fair value through profit or loss - current (Note 7)	27,836	-	35,239	-	42,274	-
Notes payable	191,488	-	240,009	-	498,568	-
Trade payables	60,307,826	29	51,989,611	26	60,896,796	30
Trade payables to related parties (Note 31)	568,624	-	137,923	-	317,508	-
Other payables	20,723,468	10	16,304,341	8	18,074,382	9
Other payables to related parties (Note 31)	11,699	-	20,173	-	43,058	-
Current tax liabilities (Notes 5 and 24)	2,102,971	1	2,042,444	1	2,165,581	1
Provisions - current (Notes 5 and 20)	1,503,948	1	1,691,373	1	1,493,339	1
Current portion of long-term borrowings (Note 18)	8,867,669	4	4,411,168	2	1,173,473	1
Finance lease payables - current (Notes 4 and 19)	72,735	-	62,381	-	84,360	-
Advance receipts	1,401,939	1	826,445	1	1,154,215	-
Total current liabilities	111,356,983	53	84,771,501	43	90,681,042	44
NONCURRENT LIABILITIES						
Derivative financial liabilities for hedging - noncurrent (Notes 5 and 9)	46,969	-	101,563	-	165,225	-
Long-term borrowings, net of current portion (Note 18)	18,508,496	9	19,956,634	10	23,294,964	12
Deferred tax liabilities (Notes 5 and 24)	2,721,656	1	2,170,053	1	2,137,938	1
Finance lease payables, net of current portion (Note 19)	172,948	-	232,716	-	320,907	-
Accrued pension liabilities (Notes 5 and 21)	235,671	-	312,768	1	142,158	-
Guarantee deposits	81,608	-	89,068	-	85,224	-
Total noncurrent liabilities	21,767,348	10	22,862,802	12	26,146,416	13
Total liabilities	133,124,331	63	107,634,303	55	116,827,458	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	23,246,552	11	22,953,154	12	23,099,801	11
Advance receipts for common stock	29,705	-	6,840	-	-	-
Total share capital	23,276,257	11	22,959,994	12	23,099,801	11
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	9,096,489	4	8,551,730	4	8,533,185	4
Bond conversion	7,540,388	4	7,540,388	4	7,641,499	4
Treasury stock transactions	430,851	-	370,703	-	416,974	-
Difference between consideration and carry amounts adjusted arising from changes in percentage of ownership in subsidiaries	-	-	146,193	-	-	-
Arising from share of changes in capital surplus of associates or joint venture	15,487	-	16,645	-	-	-
Merger	10,120,217	5	10,120,217	5	10,255,921	5
Employee stock options	8,587	-	6,112	-	4,602	-
Total capital surplus	27,212,019	13	26,751,988	13	26,852,181	13
Retained earnings						
Legal reserve	8,601,391	4	7,847,905	4	7,125,313	3
Special reserve	689,913	-	-	-	-	-
Unappropriated earnings	12,172,082	6	13,654,612	7	12,392,930	6
Total retained earnings	21,463,386	10	21,502,517	11	19,518,243	9
Other equity						
Exchange differences on translating foreign operations	2,383,040	1	128,872	-	1,625,560	1
Unrealized gain (loss) on available-for-sale financial assets	83,231	-	(446,848)	-	(142,004)	-
Unrealized loss on cash flow hedging	(46,969)	-	(101,563)	-	(165,225)	-
Total other equity	2,419,302	1	(419,539)	-	1,318,331	1
Treasury shares	(1,334,660)	(1)	(1,334,660)	(1)	(2,088,230)	(1)
Total equity attributable to owners of the Company	73,036,304	34	69,460,300	35	68,700,326	33
NONCONTROLLING INTERESTS	6,200,851	3	19,961,011	10	20,088,166	10
Total equity	79,237,155	37	89,421,311	45	88,788,492	43
TOTAL	$ 212,361,486	100	$ 197,055,614	100	$ 205,615,950	100

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 5, 23 and 31)	$ 216,242,952	101	$ 218,947,484	101
Less: Sales allowance	2,211,370	1	2,428,040	1
Sales returns	1,094,900	-	845,582	-
Other operating revenue	277,615	-	373,148	-
Total operating revenue	213,214,297	100	216,047,010	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 15, 16, 21 and 31)	182,552,021	86	185,217,693	86
Other operating cost	161,682	-	271,319	-
Total operating costs	182,713,703	86	185,489,012	86
GROSS PROFIT	30,500,594	14	30,557,998	14
OPERATING EXPENSES (Notes 15, 16, 21 and 31)				
Selling and marketing expenses	8,390,499	4	8,079,917	4
General and administrative expenses	5,837,964	2	5,873,571	3
Research and development expenses	6,229,841	3	5,726,165	2
Total operating expenses	20,458,304	9	19,679,653	9
OPERATING INCOME	10,042,290	5	10,878,345	5
NONOPERATING INCOME AND EXPENSES				
Share of profit (loss) of associates and joint ventures (Note 14)	(68,569)	-	17,718	-
Interest income	1,244,842	-	1,064,375	-
Dividend income	38,596	-	57,166	-
Government grants	916,607	-	-	-
Other income (Note 31)	1,543,298	1	1,911,476	1
Gain on disposal of investments	147,283	-	438,359	-
Net gain on foreign currency exchange	213,763	-	8,177	-
Valuation gain (loss) on financial assets (Note 7)	(67,902)	-	73,203	-
Interest expense	(708,831)	-	(554,850)	-
Other expenses (Note 27)	(938,540)	(1)	(1,155,892)	(1)
Loss on disposal of property, plant and equipment	(267,939)	-	(157,087)	-
Impairment loss (Notes 8, 14 and 15)	(575,119)	-	(750,433)	-
Total nonoperating income and expenses	1,477,489	-	952,212	-

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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)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING PROFIT BEFORE INCOME TAX	$ 11,519,779	5	$ 11,830,557	5
INCOME TAX EXPENSE (Notes 5 and 24)	2,629,288	1	2,454,197	1
NET PROFIT FOR THE PERIOD	8,890,491	4	9,376,360	4
OTHER COMPREHENSIVE INCOME (Notes 14, 21, 22 and 24)				
Exchange differences on translating foreign operations	2,869,963	2	(2,023,819)	(1)
Unrealized gain (loss) on available-for-sale financial assets	512,434	-	(304,324)	-
Cash flow hedges	54,594	-	63,662	-
Actuarial losses on defined benefit plans	(284)	-	(134,530)	-
Share of profit (loss) of other comprehensive income of associates and joint ventures	116,528	-	(75,659)	-
Income tax relating to the components of other comprehensive income	(412,212)	-	229,169	-
Other comprehensive income (loss) for the period, net of income tax	3,141,023	2	(2,245,501)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 12,031,514	6	$ 7,130,859	3
NET PROFIT ATTRIBUTABLE TO:				
Owners of the company	$ 8,754,848	4	$ 7,402,423	3
Non-controlling interests	135,643	-	1,973,937	1
	$ 8,890,491	4	$ 9,376,360	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Parent company	$ 11,608,664	6	$ 5,559,609	2
Non-controlling interests	422,850	-	1,571,250	1
	$ 12,031,514	6	$ 7,130,859	3
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 25)				
Basic	$3.83		$3.25	
Diluted	$3.79		$3.20	

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company																					
				Capital Surplus (Note 22)												Other Equity (Note 22)						
	Issue of Share Capital (Note 22)											Retained Earnings (Note 22)										
	Shares (In Thousands)	Amount	Advance Receipts for Common Stock	Additional Paid-in Capital from Share Issuance in Excess of Par Value	Bond Conversion	Treasury Stock Transactions	Difference Between Consideration and Carry Amounts Adjusted Arising from Change in Percentage of Ownership in Subsidiaries	Arising from Share of Changes in Capital Surplus of Associates or Joint Venture	Merger	Employee Stock Options	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Stock (Note 22)	Non-controlling Interests (Notes 22 and 28)	Total Equity
BALANCE AT JANUARY 1, 2012	2,309,980	$ 23,099,801	$ -	$ 8,533,185	$ 7,641,499	$ 416,974	$ -	$ -	$ 10,255,921	$ 4,602	$ 26,852,181	$ 7,125,313	$ -	$ 12,392,930	$ 19,518,243	$ 1,625,560	$ (142,004)	$ (165,225)	$ 1,318,331	$ (2,088,230)	$ 20,088,166	$ 88,788,492
Appropriation of the 2011 earnings																						
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	722,592	-	(722,592)	-	-	-	-	-	-	-	-
Cash dividends - NT$2.27	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,174,335)	(5,174,335)	-	-	-	-	-	-	(5,174,335)
Stock dividends - NT$0.05	11,397	113,972	-	-	-	-	-	-	-	-	-	-	-	(113,972)	(113,972)	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,842,840)	(1,842,840)
Other changes in capital surplus																						
Partial disposal of interests in subsidiaries	-	-	-	-	-	-	146,193	-	-	-	146,193	-	-	-	-	(2,430)	-	-	(2,430)	-	144,435	288,198
Change in capital surplus from investments in associates accounted for using equity method	-	-	-	-	-	(3,928)	-	16,645	-	1,510	14,227	-	-	(22,468)	(22,468)	-	-	-	-	-	-	(8,241)
Stock dividends of employee transfer to capital	4,421	44,215	-	111,865	-	-	-	-	-	-	111,865	-	-	-	-	-	-	-	-	-	-	156,080
Issue of common shares under employee share options	82	816	6,840	19,589	-	-	-	-	-	-	19,589	-	-	-	-	-	-	-	-	-	-	27,245
Change in capital from cash dividends of the Parent Company paid to subsidiaries	-	-	-	-	-	55,853	-	-	-	-	55,853	-	-	-	-	-	-	-	-	-	-	55,853
Net profit for the year ended December 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	7,402,423	7,402,423	-	-	-	-	-	1,973,937	9,376,360
Other comprehensive loss for the year ended December 31, 2012, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	(107,374)	(107,374)	(1,494,258)	(304,844)	63,662	(1,735,440)	-	(402,687)	(2,245,501)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	7,295,049	7,295,049	(1,494,258)	(304,844)	63,662	(1,735,440)	-	1,571,250	7,130,859
Canceled of treasury shares	(30,565)	(305,650)	-	(112,909)	(101,111)	(98,196)	-	-	(135,704)	-	(447,920)	-	-	-	-	-	-	-	-	753,570	-	-
BALANCE AT DECEMBER 31, 2012	2,295,315	22,953,154	6,840	8,551,730	7,540,388	370,703	146,193	16,645	10,120,217	6,112	26,751,988	7,847,905	-	13,654,612	21,502,517	128,872	(446,848)	(101,563)	(419,539)	(1,334,660)	19,961,011	89,421,311
Appropriation of the 2012 earnings																						
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	753,486	-	(753,486)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	689,913	(689,913)	-	-	-	-	-	-	-	-
Cash dividends - NT$2.35	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,400,265)	(5,400,265)	-	-	-	-	-	-	(5,400,265)
Stock dividends - NT$0.05	11,490	114,899	-	-	-	-	-	-	-	-	-	-	-	(114,899)	(114,899)	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(450,532)	(450,532)
Other changes in capital surplus																						
Additional acquisition of partially owned subsidiaries	-	-	-	-	-	-	(146,193)	-	-	-	(146,193)	-	-	(3,293,007)	(3,293,007)	-	-	-	-	-	(13,732,478)	(17,171,678)
Change in capital surplus from investments in associates accounted for using equity method	-	-	-	-	-	-	-	(1,158)	-	2,475	1,317	-	-	(783)	(783)	-	-	-	-	-	-	534
Stock dividends of employee transfer to capital	3,669	36,689	-	134,320	-	-	-	-	-	-	134,320	-	-	-	-	-	-	-	-	-	-	171,009
Issue of common shares under employee share options	14,181	141,810	22,865	410,439	-	-	-	-	-	-	410,439	-	-	-	-	-	-	-	-	-	-	575,114
Change in capital from cash dividends of the Parent Company paid to subsidiaries	-	-	-	-	-	60,148	-	-	-	-	60,148	-	-	-	-	-	-	-	-	-	-	60,148
Net profit for the year ended December 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	8,754,848	8,754,848	-	-	-	-	-	135,643	8,890,491
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	14,975	14,975	2,254,168	530,079	54,594	2,838,841	-	287,207	3,141,023
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	8,769,823	8,769,823	2,254,168	530,079	54,594	2,838,841	-	422,850	12,031,514
BALANCE AT DECEMBER 31, 2013	2,324,655	$ 23,246,552	$ 29,705	$ 9,096,489	$ 7,540,388	$ 430,851	$ -	$ 15,487	$ 10,120,217	$ 8,587	$ 27,212,019	$ 8,601,391	$ 689,913	$ 12,172,082	$ 21,463,386	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302	$ (1,334,660)	$ 6,200,851	$ 79,237,155

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

(With Deloitte & Touche auditors' report dated XXXXXXXX)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 11,519,779	$ 11,830,557
Adjustments for:		
Depreciation expenses	6,510,013	6,489,143
Amortization expenses	482,885	567,978
Provision of impairment loss on trade receivable	10,198	50,833
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	67,902	(73,203)
Finance costs	708,831	554,850
Interest income	(1,244,842)	(1,064,375)
Dividend income	(38,596)	(57,166)
Share of (gain) loss of associates and joint ventures	68,569	(17,718)
Loss on disposal of property, plant and equipment	267,939	157,087
Loss on derecognition of subsidiaries	95,082	-
Gain on disposal of available-for-sale financial assets	(111,333)	(330,061)
Gain on disposal of associates	(35,950)	(108,298)
Impairment loss recognized on financial assets	417,975	661,697
Impairment loss recognized on non-financial assets	485,947	88,736
Reversal of impairment loss recognized on non-financial assets	-	(474,313)
Unrealized net gain on foreign currency exchange	(260,335)	(231,598)
Recognition of provisions	833,303	1,188,990
Changes in operating assets and liabilities		
Net (gain) loss on financial instruments at fair value through profit or loss	(77,149)	164,729
Notes receivable	(55,815)	(37,902)
Trade receivables	(3,737,367)	411,988
Trade receivables from related parties	1,867	(82,322)
Other receivables	690,642	24,193
Other receivables from related parties	(16,720)	(1,276)
Inventories	(6,427,561)	7,278,157
Construction in progress in excess of progressive billings	72,527	(34,233)
Other current assets	43,508	(701,198)
Notes payable	(48,521)	(258,559)
Trade payables	7,762,435	(8,781,520)
Trade payables from related parties	430,701	(179,585)
Other payable	4,304,767	(976,417)
Other payable from related parties	(8,474)	(22,885)
Provisions	(1,018,852)	(977,452)
Advance receipts	558,118	(315,711)
Accrued pension liabilities	(79,840)	56,826
Cash generated from operations	22,171,633	14,799,972
Interest received	1,246,466	1,047,096
Dividend received	38,596	57,166

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2013	**2012**
Interest paid	$ (742,236)	$ (536,643)
Income tax paid	(2,026,121)	(2,520,841)
Net cash generated from operating activities	20,688,338	12,846,750
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(7,529)	(236,812)
Proceeds on sales of available-for-sale financial assets	167,739	1,534,799
Proceeds from capital reduction of available-for-sale assets	83,696	-
Proceeds (acquisition) of debt investments with no active market	9,306,226	(5,859,175)
Acquisition of associates	(13,099)	(155,134)
Net cash inflow on disposal of associates	111,476	-
Net cash outflow on disposal of subsidiaries	(31,454)	-
Payments for property, plant and equipment	(6,198,402)	(7,964,228)
Proceeds from disposal of property, plant and equipment	1,119,266	1,708,219
(Increase) decrease in refundable deposits	(79,166)	3,626
Payments for intangible assets	(141,387)	(74,585)
(Increase) decrease in other noncurrent assets	(49,688)	1,565,949
Dividend received from associates	37,852	36,353
Net cash generated from (used in) investing activities	4,305,530	(9,440,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	8,357,873	2,357,321
Proceeds of long-term borrowings	3,244,009	176,729
Proceeds (refund) of guarantee deposits received	(7,460)	3,844
Decrease in finance lease payables	(49,414)	(110,170)
Payment cash interests	(5,340,117)	(5,118,482)
Proceeds of the exercise of employee stock options	575,114	27,245
Partial acquisition of subsidiaries	(17,171,678)	-
Partial disposal of interests in subsidiaries without losing control loss	-	288,198
Dividends paid to noncontrolling interests	(450,532)	(1,842,840)
Net cash used in financing activities	(10,842,205)	(4,218,155)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	554,636	(844,983)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,706,299	(1,657,376)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	51,224,870	52,882,246
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 65,931,169	$ 51,224,870

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 27, 2014.

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

a. New, amended and revised standards and interpretations (the "New IFRSs") in issue but not yet effective

The Parent Company and entities controlled by the Parent Company (the "Group") have not applied the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued by the IASB. On January 28, 2014, the Financial Supervisory Commission (FSC) announced the framework for the adoption of updated IFRSs version in the ROC. Under this framework, starting January 1, 2015, the previous version of IFRSs endorsed by the FSC (the 2010 IFRSs version) currently applied by companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market will be replaced by the updated IFRSs without IFRS 9 (the 2013 IFRSs version). However, as of the date that the consolidated financial statements were authorized for issue, the FSC has not endorsed the following new, amended and revised standards and interpretations issued by the IASB (the "New IFRSs") included in the 2013 IFRSs version. Furthermore, the FSC has not announced the effective date for the following New IFRSs that are not included in the 2013 IFRSs version.

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
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 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

The New IFRSs Not Included in the 2013 IFRSs Version	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 "Financial Instruments"	Note 3
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	Note 3
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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

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

Note 3: IASB tentatively decided that an entity should apply IFRS 9 for annual periods beginning on or after January 1, 2018.

b. Significant changes in accounting policy that would result from adoption of New IFRSs in issue but not yet effective

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model 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 end of reporting period. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

Hedge accounting

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

Effective date

The mandatory effective date of IFRS 9, which was previously set at January 1, 2015, was removed and will be reconsidered once the standard is complete with a new impairment model and finalization of any limited amendments to classification and measurement.

2) New and revised standards on consolidation, and associates and disclosure

a) IFRS 10 “Consolidated Financial Statements”

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

b) Revision to IAS 28 “Investments in Associates and Joint Ventures”

Revised IAS 28 requires when a portion of an investment in associates meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Previously, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

c) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

3) IFRS 13 “Fair Value Measurement”

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

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

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

5) Amendment to IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets”

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

6) Revision to IAS 19 "Employee Benefits"

Revised IAS 19 changes the definition of short-term employee benefits. The revised definition is "employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service". The Group's unused annual leave, which can be carried forward within 18 months after the end of the annual period in which the employee renders service and which is currently classified as short-term employee benefits, will be classified as other long-term employee benefits under revised IAS 19. Related defined benefit obligation of such other long-term benefit is calculated using the Projected Unit Credit Method. However, this change does not affect unused annual leave to be presented as a current liability in the consolidated balance sheet.

7) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 3 "Business Combinations" and IFRS 13 "Fair Value Measurement" were amended in this annual improvement.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

8) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3 "Business Combination", IFRS 13 "Fair Value Measurement" and IAS 40 "Investment Property" were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

c. The impact of the application of New IFRSs and the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") in issue but not yet effective on the Group's consolidated financial statements is as follows:

As of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of the above New IFRSs will have on the Group's financial position and operating result, and will disclose the relevant impact when the assessment is complete.

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 IFRS, IAS, IFRIC and SIC (the "IFRSs") endorsed by the FSC.

The Group's consolidated financial statements for the year ended December 31, 2013 were its first IFRS consolidated financial statements. The date of transition to IFRSs was January 1, 2012. Refer to Note 37 for the impact of IFRS conversion on the Group's 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 and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. 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 were 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 IFRS 1 prohibits retrospective application or grants optional exemptions to this general principle. For the exemptions that the Group elected, refer to Note 37.

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

c. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

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

Changes in the Group's ownership interests in existing subsidiaries

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

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

2) Subsidiary included in consolidated financial statements

Please refer to Table 1 for the chart of investment relationship and percentage of ownership of Parent Company and its subsidiaries.

3) Subsidiaries excluded from consolidated financial statements: None

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

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

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

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated. For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation, and the disposal involving loss of control, loss of joint control and loss of significant influence, all of the exchange differences accumulated in equity are reclassified to profit or loss.

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

f. Inventories

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

g. Investment in equity method

The investments of associates and joint ventures accounted for using the equity method.

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

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associates and joint ventures 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 associates and joint ventures. Besides, the Group also recognizes the share of the change in equity of the associates and joint ventures.

When the Group subscribes for additional new shares of the associate and joint venture 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 and joint venture. 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 and joint venture, 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.

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

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

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

h. Property, plant and equipment

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

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. 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.

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.

i. Goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit.

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

When testing for impairment loss for investments in equity, the cash-generating unit is determined based on the financial statements. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined net of amortization had no impairment loss been recognized on the asset in prior years.

j. Intangible assets

1) Intangible assets acquired separately

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

Intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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.

k. 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at fair value through profit or loss

Derivative financial instruments that do not meet the criteria for hedge accounting are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

ii. Available-for-sale financial assets

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

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

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

iii. Loans and receivables

Loans and receivables (primarily including cash and cash equivalent, note receivables, trade receivables, and other receivables) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within 3 months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

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

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities and equity instruments

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

a) Financial liabilities subsequent measurement

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

b) Derecognition of financial liabilities

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

c) Equity instruments

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

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

3) Derivative financial instruments

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

m. Hedge accounting

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

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

n. Provisions

Provisions are measured at the best estimate of the 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.

1) Warranties

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.

2) Returns and rebates

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 at the date of sale of the relevant products.

o. Revenue recognition

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

1) Sale of goods

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

a) The 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.

Income from properties developed for sale is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits received from sales of properties and installment payments are carried in the consolidated balance sheets under current liabilities.

2) Rental revenue

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

3) 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.

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.

p. 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.

q. Leasing

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

1) The Group as lessor

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

2) The Group as lessee

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

r. 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. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income.

The retirement benefit obligation recognized in the balance sheets represents the present value of the defined benefit obligation and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to 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.

s. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

t. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Impairment of goodwill

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

b. Estimated impairment of trade receivables

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

c. Income taxes

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

d. Derivative instruments and other fair value of financial instruments

As described in Note 30, 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 based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted equity instruments including assumptions based on unobservable market prices or rates. The Group's management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

e. Impairment of property, plant and equipment

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

f. Write-down of inventory

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

g. Recognition and measurement of defined benefit plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	December 31, 2013	December 31, 2012	January 1, 2012
Cash on hand	$ 228,007	$ 10,300	$ 10,415
Checking accounts	1,604,688	1,783,160	2,768,789
Demand deposits	32,826,589	21,017,052	22,226,441
Cash equivalent			
Time deposits with original maturities less than 3 months	31,271,885	28,414,358	27,876,601
	$ 65,931,169	$ 51,224,870	$ 52,882,246

Cash equivalents include time deposits that have a maturity of 3 months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

As of December 31, 2013, December 31, 2012 and January 1, 2012, the carrying amounts of time deposits with original maturities of over 3 months were NT$125,051 thousand, NT$9,365,207 thousand, and NT$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

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Currency swap contracts	$ 9,660	$ 663	$ 66,289
Foreign exchange forward contracts	5,207	12,360	45,295
	$ 14,867	$ 13,023	$ 111,584
Current	$ 14,867	$ 13,023	$ 111,584
Non-current	-	-	-
	$ 14,867	$ 13,023	$ 111,584
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Currency swap contracts	$ 23,552	$ 21,333	$ 23,922
Foreign exchange forward contracts	4,284	13,857	8,573
Interest swap contracts	-	49	362
Options-put	-	-	9,417
	$ 27,836	$ 35,239	$ 42,274

(Continued)

	December 31, 2013	December 31, 2012	January 1, 2012
Current	$ 27,836	$ 35,239	$ 42,274
Non-current	-	-	-
	$ 27,836	$ 35,239	$ 42,274

(Concluded)

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

December 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
JPY25,000	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
JPY125,000	2008.02.04-2013.01.31	1.48%	Note

Note: Based on the Taipei interbank offered rate (Tibor) for 3 month plus a margin of 0.35%.

The economic substance of the pay-fixed receive-floating 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 for hedge effectiveness and therefore were not subject to hedge accounting.

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2013			
Lite-On IT Corp.			
Currency swap contracts	USD/NTD	2014.01.07	USD40,000/NTD1,186,000
Forward exchange contracts	EUR/USD	2014.01.17	EUR3,000/USD4,125
Philips & Lite-On Digital Solutions Corp.			
Currency swap contracts	USD/NTD	2014.01.20	USD17,000/NTD503,540
Lite-On Automotive Corp.			
Forward exchange contracts	EUR/USD	2014.01.14	EUR876/USD1,151
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.			
Forward exchange contracts	USD/CNY	2014.04.16	USD7,000/CNY42,525

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Leotek Electronic Corp.			
Forward exchange contracts	USD/NTD	2014.01.07	USD860/NTD25,611
Forward exchange contracts	GBP/NTD	2014.01.14	GBP195/NTD9,394
Forward exchange contracts	EUR/NTD	2014.03.25	EUR380/NTD15,569
Lite-On Mobile Oyj (formerly Perlos Oyj)			
Currency swap contracts	USD/EUR	2014.01.17	USD15,500/EUR11,268
Forward exchange contracts	USD/BRL	2014.01.17	USD1,000/BRL2,375
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2014.01.23	USD3,000/CNY18,319
Forward exchange contracts	EUR/CNY	2014.01.20	EUR300/CNY2,463
Currency swap contracts	EUR/CNY	2014.02.14	EUR300/CNY2,515
Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2014.01.23	USD2,000/CNY12,204
Forward exchange contracts	EUR/CNY	2014.02.14	EUR200/CNY1,678
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/INR	2014.01.17	USD3,000/INR186,470
Currency swap contracts	EUR/USD	2014.01.17	EUR7,000/USD9,498
Currency swap contracts	CNY/USD	2014.01.17	CNY50,000/USD8,224
Lite-On Mobile India Private Limited			
Forward exchange contracts	USD/INR	2014.02.10	USD1,000/INR64,850
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	EUR/USD	2014.01.27	EUR2,400/USD3,284
Silitech Technology Corp.			
Currency swap contracts	USD/CNY	2014.01.06-2014.01.21	USD12,500/CNY75,928
Forward exchange contracts	USD/MYR	2014.01.08-2014.03.10	USD1,450/MYR4,694
Forward exchange contracts	EUR/MYR	2014.02.26	EUR50/MYR226
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	USD/THB	2014.04.23	USD1,000/THB32,898
Silitek Elec. (Guangzhou) Co., Ltd.			
Currency swap contracts	USD/CNY	2014.01.06	USD11,000/CNY66,714
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/CNY	2013.03.05	USD4,000/CNY25,108
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	CNY/USD	2013.01.28	CNY10,000/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/CNY	2013.02.06	USD9,000/CNY56,489
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2013.01.18	USD3,000/CNY18,842
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

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
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
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/CNY	2012.01.09	USD400/CNY2,542
Forward exchange contracts	EUR/CNY	2012.01.09	EUR696/CNY5,932
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/CNY	2012.02.21	EUR3,000/CNY25,696
Forward exchange contracts	USD/CNY	2012.02.07	USD20,000/CNY127,104
Forward exchange contracts	USD/EUR	2012.01.09	USD700/EUR511
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2012.01.17	USD2,000/CNY12,688
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 in 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 financial instruments with fair value through profit or loss (FVTPL), the Group had net losses of NT$67,902 thousand in 2013 and net gains of NT$73,203 thousand in 2012.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Domestic investments			
Quoted shares	$ 1,182,391	$ 903,046	$ 1,898,101
Unquoted shares	289,160	481,785	851,972
Emerging market shares	178,716	310,657	437,953
Foreign investments			
Unquoted shares	324,374	316,720	188,967
Mutual funds	127,705	106,310	749,051
Quoted shares	41,657	35,957	145,291
	$ 2,144,003	$ 2,154,475	$ 4,271,335
Current	$ 13	$ 10	$ 9
Non-current	2,143,990	2,154,465	4,271,326
	$ 2,144,003	$ 2,154,475	$ 4,271,335

Refer to Note 30 for information relating to the fair values of on available-for-sale financial assets determined.

There was objective evidence that the fair values of some financial assets were below their carrying costs and will permanently decline. As a result, the Group recognized impairment losses of NT$407,293 thousand and NT$661,697 thousand in 2013 and 2012.

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31, 2013	December 31, 2012	January 1, 2012
Derivative financial liabilities under hedge accounting			
Cash flow hedges - interest rate swaps	$ 46,969	$ 101,563	$ 165,225
Current	$ -	$ -	$ -
Non-current	46,969	101,563	165,225
	$ 46,969	$ 101,563	$ 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 floating rate of its liabilities to fixed rate. The cash flow hedge transactions are deemed sufficient.

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

December 31, 2013

Notional Amounts (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
NT$4,800,000	2015.09.23	1.895%	0.863%

December 31, 2012

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

January 1, 2012

Notional Amounts (In Thousands)	Maturity Date	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

	December 31, 2013	December 31, 2012	January 1, 2012
Time deposits with original maturity of more than 3 months	$ 125,051	$ 9,365,207	$ 3,633,137
Pledged deposits	36,490	102,560	108,107
	$ 161,541	$ 9,467,767	$ 3,741,244
Current	$ 147,441	$ 9,365,207	$ 3,633,137
Noncurrent	14,100	102,560	108,107
	$ 161,541	$ 9,467,767	$ 3,741,244

Refer to Note 32 for information on bond investments with no active market pledged as security.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2013	December 31, 2012	January 1, 2012
Trade receivables	$ 49,716,019	$ 45,123,260	$ 46,111,657
Allowance for impairment loss	(215,850)	(323,320)	(270,049)
	$ 49,500,169	$ 44,799,940	$ 45,841,608

As of December 31, 2013, December 31, 2012 and January 1, 2012, the Group did not have the age of the trade receivables that were past due but not impaired.

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

	For the Year Ended December 31	
	2013	**2012**
Balance at January 1	$ 323,320	$ 270,049
Allowance for impairment loss	10,198	50,833
Amounts written off during the period as uncollectible	(131,294)	(10,940)
Foreign exchange translation	13,631	(4,737)
Reclassification	(5)	18,115
Balance at December 31	$ 215,850	$ 323,320

The unexpired factored accounts receivable of the subsidiaries as of December 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
December 31, 2013					
Taishin International Bank	US$ 4,041	US$ 4,417	US$ -	0.17-0.19	US$ 8,500
December 31, 2012					
Taishin International Bank	US$ 7,244	US$ 7,311	US$ -	0.17-0.19	US$ 8,500

Silitech Technology Corp.

December 31, 2013: None

Counter-parties	Receivables Sold	Amounts Collected	Advances Received at Year-end	Interest Rates on Advances Received (%)	Credit Line
December 31, 2012					
Citibank	EUR 976	EUR 4,774	EUR -	1.47-1.81	US$30,000
	US$13,166	US$17,368	US$ -	1.78-1.85	

The above credit lines may be used on a revolving basis.

The subsidiaries (Philips & Lite-On Digital Solutions Corp. and Silitech Technology Corp.) signed accounts receivable factoring contracts with banks. Pursuant to the factoring agreements, losses from commercial disputes were borne by the subsidiaries, while losses from credit risk were borne by the banks.

12. INVENTORIES, NET

	December 31, 2013	December 31, 2012	January 1, 2012
Finished goods	$ 13,108,163	$ 11,436,105	$ 14,714,682
Raw materials	6,682,596	4,458,816	6,295,461
Work in progress	4,882,929	2,616,363	3,174,499
Inventory in transit	2,257,198	1,835,678	1,651,845
Merchandise	272,647	219,155	161,887
Power generation facility held for sale	-	-	1,661,010
	$ 27,203,533	$ 20,566,117	$ 27,659,384

The cost of inventories recognized as allowance for inventory write-down for the years ended December 31, 2013 and 2012 was NT$1,816,168 thousand and NT$1,487,365 thousand, respectively. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2013 and 2012 was NT$182,552,021 thousand and NT$185,217,693 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2013 included inventory write-downs of NT$328,803 thousand. The cost of inventories recognized as cost of goods sold for the year ended December 31, 2012 included reversal of inventory write-downs of NT$474,313 thousand. Inventory write-down made through allowance account was reversed after the inventory had been disposed of by direct write off.

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	Profit (Loss) to Be Recognized
December 31, 2013								
Solar power project	$ 508,192	$ 538,719	$ -	$ 508,192	$ 508,192	100	-	$ (30,527)
December 31, 2012								
Solar power project	$ 593,697	$ 514,691	$ 42,033	$ 547,916	$ 475,389	80-100	2013	$ 33,225
January 1, 2012								
Solar power project	$ 609,049	$ 479,217	$ 80,835	$ 525,796	$ 487,502	80-100	2013	$ 46,579

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31, 2013	December 31, 2012	January 1, 2012
Investments in associates	$ 3,530,347	$ 3,494,479	$ 3,500,398
Investments in jointly controlled entities	1,078	14,303	14,274
	$ 3,531,425	$ 3,508,782	$ 3,514,672

a. Investments in associates

Name of Associate	December 31, 2013	December 31, 2012	January 1, 2012
Listed companies			
Lite-On Semiconductor Corp.	$ 1,605,278	$ 1,460,323	$ 1,496,027
Jhen Vei Electronics Co., Ltd.	-	88,055	117,285
Unlisted companies			
Dragonjet Corporation	1,031,514	999,445	965,445
LiteStar JV Holding (BVI) Co., Ltd.	718,970	697,387	765,534
Epricrystal (Changzhou) Co., Ltd.	144,146	137,021	125,756
Lite-Space Technology Company Limited	18,848	108,355	26,208
Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda	7,795	-	-
Canfield Ltd.	3,796	3,893	4,143
	$ 3,530,347	$ 3,494,479	$ 3,500,398

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	December 31, 2013	December 31, 2012	January 1, 2012
Lite-On Semiconductor Corp.	20.45%	20.45%	20.45%
Jhen Vei Electronics Co., Ltd.	-	17.12%	17.12%
Dragonjet Corporation	29.66%	29.74%	29.74%
LiteStar JV Holding (BVI) Co., Ltd.	20.19%	26.72%	30.00%
Epricrystal (Changzhou) Co., Ltd.	3.71%	4.71%	5.00%
Lite-Space Technology Company Limited	39.23%	39.23%	27.00%
Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda	25.00%	-	-
Canfield Ltd.	33.33%	33.33%	33.33%

Fair values of investments in associates for which there are published price quotation are summarized as follows, based on the closing price of those investments at the balance sheet date:

Name of Associate	December 31, 2013	December 31, 2012	January 1, 2012
Lite-On Semiconductor Corp.	$ 1,635,893	$ 1,399,598	$ 1,095,140
Jhen Vei Electronics Co., Ltd.	$ -	$ 106,178	$ 96,523

Although Li Shin International Enterprise Corp. (“Li Shin”), as of December 31, 2012, and January 1, 2012, 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 a joint arrangements, 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.

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 NT$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
Carrying amount of investment on the date of loss of significant influence	(75,526)
Gain recognized	$ 35,950

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

	December 31, 2013	December 31, 2012	January 1, 2012
Total assets	$ 29,121,757	$ 27,373,390	$ 26,958,248
Total liabilities	$ 11,000,741	$ 11,564,387	$ 11,138,174

	For the Year Ended December 31	
	2013	2012
Revenue	$ 12,332,985	$ 13,576,167
Profit (loss) for the year	$ 118,687	$ (163,602)
Other comprehensive income	$ 629,954	$ (368,657)
Group's share of profits of associates for the year	$ 148,851	$ 134,303

The investments accounted for by the equity method including the share of profit or loss and other comprehensive income of those investments were based on the associates' financial statements audited by the auditors for the same years, except for the financial statements as of and for the years ended December 31, 2013 and 2012 of Canfield Ltd., an equity-method investee of Li Shin International Corp. which were not audited. The management believed that if the financial statements of Canfield Ltd. were audited, the audit would not result in significant adjustment to the consolidated financial statements.

b. Investments in jointly controlled entities

Name of Associate	December 31, 2013	December 31, 2012	January 1, 2012
Unlisted companies			
Kompaktsolar GmbH	$ 1,078	$ 14,303	$ 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	December 31, 2013	December 31, 2012	January 1, 2012
Kompaktsolar GmbH	51.00%	51.00%	51.00%

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

	December 31, 2013	December 31, 2012	January 1, 2012
Total assets	$ 84,730	$ 30,936	$ 66,064
Total liabilities	$ 44,082	$ 23,163	$ 58,218

	For the Year Ended December 31	
	2013	2012
Recognized in profit or loss		
Equity loss of joint ventures accounted by using equity method	$ 3,415	$ 429

There was objective evidence that the fair value of investment in jointly controlled entity was below tit carrying cost and will permanently decline. As a result, the Group recognized an impairment loss of NT$10,682 thousand in the consolidated statement of comprehensive income for the year ended December 31, 2013.

Kompak's financial statements, which had been used to determine the carrying amounts of the Group's investments, shares of profits and other comprehensive income of investments in jointly controlled entities, had been audited.

15. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31, 2013	December 31, 2012	January 1, 2012
Carrying amounts of each class of			
Freehold land	$ 2,398,990	$ 2,693,720	$ 2,747,664
Buildings	13,167,598	15,108,055	14,408,900
Machinery equipment	16,790,486	16,970,344	18,965,895
Tooling equipment	479,393	256,095	325,390
Transportation equipment	23,802	24,931	30,868
Office equipment	737,435	667,290	771,694
Equipment held under finance lease	379,971	126,682	129,918
Other equipment	3,023,707	1,850,624	1,506,248
	$ 37,001,382	$ 37,697,741	$ 38,886,577

	For the Year Ended December 31, 2013					
	January 1, 2013	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2013
Cost						
Freehold land	$ 2,693,720	$ 173	$ 280,305	$ 49,260	$ (63,858)	$ 2,398,990
Buildings	21,407,250	83,067	1,775,793	54,690	513,989	20,283,203
Machinery equipment	39,618,614	4,849,528	3,299,701	(1,445,875)	888,405	40,610,971
Tooling equipment	2,031,914	378,198	651,053	2,218,185	136,900	4,114,144
Transportation equipment	97,205	10,768	26,790	4,019	3,840	89,042
Office equipment	2,594,743	183,608	202,004	122,825	58,715	2,757,887
Equipment held under finance lease	526,456	92,943	151,518	926,414	26,083	1,420,378
Other equipment	5,898,277	685,221	324,057	(46,851)	572,310	6,784,900
	74,868,179	$ 6,283,506	$ 6,711,221	$ 1,882,667	$ 2,136,384	78,459,515
Accumulated depreciation						
Buildings	6,285,903	$ 860,224	$ 268,496	$ (48,976)	$ 118,739	6,947,394
Machinery equipment	21,603,815	3,668,056	1,776,008	(1,168,097)	494,330	22,822,096
Tooling equipment	1,775,819	875,248	581,743	1,416,194	126,356	3,611,874
Transportation equipment	72,274	10,823	21,921	1,429	2,334	64,939
Office equipment	1,927,453	218,497	177,051	(2,228)	49,350	2,016,021
Equipment held under finance lease	399,774	39,777	149,007	716,786	18,739	1,126,069
Other equipment	4,047,653	837,388	399,913	(1,174,242)	354,766	3,725,652
	36,112,691	$ 6,510,013	$ 3,314,139	$ (259,134)	$ 1,164,614	40,214,045
Accumulated impairment						
Freehold land	-	$ -	$ -	$ -	$ -	-
Buildings	13,292	-	-	145,394	9,525	168,211
Machinery equipment	1,044,455	310,847	162,731	(227,447)	33,265	998,389
Tooling equipment	-	-	-	22,877	-	22,877
Transportation equipment	-	-	-	298	3	301
Office equipment	-	1,850	-	2,570	11	4,431
Equipment held under finance lease	-	7,178	-	7,069	91	14,338
Other equipment	-	-	-	35,536	5	35,541
	1,057,747	$ 319,875	$ 162,731	$ (13,703)	$ 42,900	1,244,088
	$ 37,697,741					$ 37,001,382

	For the Year Ended December 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2012
Cost						
Freehold land	$ 2,747,664	$ -	$ 29,244	$ -	$ (24,700)	$ 2,693,720
Buildings	20,049,688	2,375,613	1,270,080	352,097	(100,068)	21,407,250
Machinery equipment	40,009,100	4,441,726	3,633,851	(277,409)	(920,952)	39,618,614
Tooling equipment	1,852,778	245,999	85,939	76,684	(57,608)	2,031,914
Transportation equipment	105,490	5,232	10,535	(97)	(2,885)	97,205
Office equipment	2,738,339	148,208	217,206	53,349	(127,947)	2,594,743
Equipment held under finance lease	526,270	24,129	47,580	62,356	(38,719)	526,456
Other equipment	5,622,995	292,274	45,108	122,758	(94,642)	5,898,277
	73,652,324	$ 7,533,181	$ 5,339,543	$ 389,738	$ (1,367,521)	74,868,179
Accumulated depreciation						
Buildings	5,632,706	$ 965,526	$ 474,252	$ (7,401)	$ 169,324	6,285,903
Machinery equipment	20,128,012	4,410,612	2,621,445	(6,311)	(307,053)	21,603,815
Tooling equipment	1,527,388	348,069	78,866	57	(20,829)	1,775,819
Transportation equipment	74,622	8,058	8,592	-	(1,814)	72,274
Office equipment	1,966,645	225,817	200,163	(2,275)	(62,571)	1,927,453

(Continued)

	For the Year Ended December 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2012
Equipment held under finance lease	$ 396,352	$ 49,390	$ 38,329	$ 4,272	$ (11,911)	$ 399,774
Other equipment	4,116,747	481,671	52,590	(6,159)	(492,016)	4,047,653
	33,842,472	$ 6,489,143	$ 3,474,237	$ (17,817)	$ (726,870)	36,112,691
Accumulated impairment						
Freehold land	-	$ -	$ -	$ -	$ -	-
Buildings	8,082	-	2,452	-	7,662	13,292
Machinery equipment	915,193	96,830	5,642	-	38,074	1,044,455
Tooling equipment	-	-	-	-	-	-
Transportation equipment	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-
Equipment held under finance lease	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-
	923,275	$ 96,830	$ 8,094	$ -	$ 45,736	1,057,747
	$ 38,886,577					$ 37,697,741

(Concluded)

An analysis of deprecation by function:

	2013	2012
Operating costs	$ 5,616,781	$ 5,626,595
Operating expenses	893,232	862,548
	$ 6,510,013	$ 6,489,143

For the years ended December 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 and recognized impairment loss NT$157,144 thousand and NT$88,736 thousand, respectively. The Group determined the recoverable amount of the relevant assets on the basis of their value in use. The impairment loss (reversal of impairment loss) was recognized in the consolidated statements of comprehensive income.

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, NET

	December 31, 2013	December 31, 2012	January 1, 2012
Carrying amounts of each class			
Goodwill	$ 14,261,666	$ 14,267,414	$ 14,261,731
Patents	11,401	10,175	14,698
Use rights	1,010,954	1,235,611	1,460,267
Client relationships	-	10,239	51,193
Software	61,541	63,064	68,105
Other intangible assets	370,700	447,074	447,418
	$ 15,716,262	$ 16,033,575	$ 16,303,412

	For the Year Ended December 31, 2013					
	January 1, 2013	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2013
Cost						
Goodwill	$ 14,798,181	$ -	$ -	$ -	$ (5,748)	$ 14,792,433
Patents	27,134	10,079	-	-	115	37,328
Use right	2,695,878	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	163,819
Software	251,569	5,346	-	14,696	(6,238)	265,373
Other intangible assets	2,833,194	125,962	(7,220)	718,630	(243,070)	3,427,496
	20,769,775	$ 141,387	$ (7,220)	$ 733,326	$ (254,941)	21,382,327
Accumulated amortization						
Goodwill	77,234	$ -	$ -	$ -	$ -	77,234
Patents	16,959	8,898	-	-	70	25,927
Use right	1,460,267	224,657	-	-	-	1,684,924
Client relationships	153,580	10,239	-	-	-	163,819
Software	188,505	5,672	-	14,690	(5,035)	203,832
Other intangible assets	2,386,122	233,420	(6,657)	575,008	(131,096)	3,056,796
	4,282,667	$ 482,885	$ (6,657)	$ 589,698	$ (136,061)	5,212,532
Accumulated impairment						
Goodwill	453,533	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-
Use right	-	-	-	-	-	-
Client relationships	-	-	-	-	-	-
Software	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	453,533
	$ 16,033,575					$ 15,716,262

	For the Year Ended December 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2012
Cost						
Goodwill	$ 14,792,498	$ -	$ -	$ -	$ 5,683	$ 14,798,181
Patents	27,134	2,248	-	(2,217)	(31)	27,134
Use right	2,695,878	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	163,819
Software	242,189	17,049	(4,259)	(4,508)	1,098	251,569
Other intangible assets	2,601,730	55,288	-	187,291	(11,115)	2,833,194
	20,523,248	$ 74,585	$ (4,259)	$ 180,566	$ (4,365)	20,769,775

(Continued)

	For the Year Ended December 31, 2012					
	January 1, 2012	Additions	Disposals	Reclassification	Effect of Foreign Currency Exchange Differences	December 31, 2012
Accumulated amortization						
Goodwill	$ 77,234	$ -	$ -	$ -	$ -	$ 77,234
Patents	12,436	6,799	-	(2,421)	145	16,959
Use right	1,235,611	224,656	-	-	-	1,460,267
Client relationships	112,626	40,954	-	-	-	153,580
Software	174,084	20,842	-	(6,418)	(3)	188,505
Other intangible assets	2,154,312	274,727	(4,085)	(30,392)	(8,440)	2,386,122
	3,766,303	$ 567,978	$ (4,085)	$ (39,231)	$ (8,298)	4,282,667
Accumulated impairment						
Goodwill	453,533	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-
Use right	-	-	-	-	-	-
Client relationships	-	-	-	-	-	-
Software	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	453,533
	$ 16,303,412					$ 16,033,575

(Concluded)

An analysis of amortization by function:

	For the Year Ended December 31	
	2013	2012
Operating costs	$ 59,698	$ 66,597
Operating expenses	423,187	501,381
	$ 482,885	$ 567,978

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
Other intangible assets	1-10 years

The goodwill arising from the Parent Company's acquisition of Lite-On Enclosure Inc. in 2004 was NT$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 December 31, 2013, December 31, 2012 and January 1, 2012, the carrying value of goodwill were all NT$132,986 thousand.

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. 38 - "Intangible Assets" define recognized goodwill as the sum of the acquisition cost plus other direct transaction costs minus the fair value of the identifiable net assets acquired. Thus, the calculation of goodwill generated as of December 31, 2009 was as follows:

Acquisition costs		$ 708,863
Fair value of identifiable assets acquired		
Inventories	$ 59,278	
Properties, plant and equipment	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 NT$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: NT$2,695,878 thousand, recorded under intangible assets - patent rights; and NT$2,806,508 thousand, recorded under goodwill.

Except for the goodwill generated through the acquisition of Lite-On Enclosure Inc. by the Parent Company for NT$132,986 thousand, the Parent Company's purchase of some assets of IrDA Department of Avago Technologies Limited for NT$411,932 thousand, and the goodwill carrying value of NT$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:

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Lite-On Mobile Oyj (formerly Perlos Oyj)	$ 8,640,111	$ 8,645,859	$ 8,640,922
Li Shin International Enterprise Corp.	1,708,258	1,708,258	1,708,258
Lite-On Automotive Corp.	303,073	303,073	303,073
Leotek Electronics Corp.	220,170	220,170	219,424
Others	38,628	38,628	38,628
	$ 10,910,240	$ 10,915,988	$ 10,910,305

The amounts of cash-generating unit used in amortization of Goodwill of the Group are listed as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Lite-On Mobile Oyj (formerly Perlos Oyj)	$ 8,640,111	$ 8,645,859	$ 8,640,922
Lite-On IT Corp.	2,806,508	2,806,508	2,806,508
Li Shin International Enterprise Corp.	1,708,258	1,708,258	1,708,258
The Parent Company	544,918	544,918	544,918
Lite-On Automotive Corp.	303,073	303,073	303,073
Leotek Electronics Corp.	220,170	220,170	219,424
Others	38,628	38,628	38,628
	$ 14,261,666	$ 14,267,414	$ 14,261,731

Goodwill is allocated to the Group's recoverable amount of cash-generating units. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering the future five-year period. For the years ended December 31, 2013 and 2012, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

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

17. OTHER ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Offset against business tax payable	$ 2,739,245	$ 1,269,470	$ 841,008
Prepayments	1,937,381	2,684,730	3,246,715
Prepayments for lease	782,061	572,519	620,211
Prepayment for equipment	85,771	1,236,480	2,631,249
Other financial assets	-	1,102,784	340,388
Others	418,959	345,941	505,637
	$ 5,963,417	$ 7,211,924	$ 8,185,208
Current	$ 5,037,428	$ 5,058,662	$ 4,429,820
Non-current	925,989	2,153,262	3,755,388
	$ 5,963,417	$ 7,211,924	$ 8,185,208

Land use rights with carrying amounts of NT$543,254 thousand, NT$572,519 thousand and NT$620,211 thousand as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively, referred to land located in Mainland China.

18. BORROWINGS

a. Short-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Unsecured borrowings			
Line of credit borrowings	$ 15,576,780	$ 7,010,394	$ 4,737,488

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

	December 31, 2013	December 31, 2012	January 1, 2012
Short-term borrowings	0.72%-1.96%	0.76-1.86%	0.86%-8.24%

b. Long-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Unsecured borrowings			
The Parent Company	$ 18,475,000	$ 15,700,000	$ 15,700,000
Lite-On Mobile Pte. Ltd.	5,960,993	5,808,000	6,053,601
Silitech Technology Corp.	1,440,000	1,005,000	1,809,000
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	1,192,206	1,161,605	-
Lite-On Japan Ltd.	307,966	489,890	602,923
Silitech Technology (SuZhou) Co., Ltd.	-	203,307	302,913
	27,376,165	24,367,802	24,468,437
Less: Current portion	8,867,669	4,411,168	1,173,473
Long-term borrowings: Non-current	$ 18,508,496	$ 19,956,634	$ 23,294,964

1) As of December 31, 2013, December 31, 2012 and January 1, 2012, the Parent Company had 6, 4 and 4 long-term bank loans with contract terms maturing between September 23, 2008 and September 23, 2018 and interest rates ranging from 1.448% to 1.663% and 1.518% to 1.694% for the years ended 2013 and 2012, payable monthly or quarterly. These loans should be repaid in 3, 5, or 8 installments or at lump sum on loan maturity.

   On September 23, 2008, the 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, which should be used as a medium-term loan and 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.

   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 61 points.

Under the syndicated loan agreement, the Company should maintain certain financial ratios based on the most recent semiannual or annual consolidated financial statements.

As of December 31, 2013, December 31, 2012 and January 1, 2012, the Company used a) NT$12 billion, NT$12 billion and NT$12 billion, respectively and b) NT$0, NT$0.5 billion, and NT$0.5 billion of the credit line of the above syndicated loan.

On March 19, 2013, the Company signed a contract for a five-year syndicated loan with Citibank and 10 other financial institutions. The credit line is NT$15 billion, consisting of (a) NT$6 billion and (b) NT$9 billion. This loan was obtained for the purposes of supporting operations and completing an acquisition and should be used as a medium-term loan but may not be used on a revolving basis.

At December 31, 2013, the Company used a) NT$1.23 billion and b) NT$2.77 billion of the credit line of the above syndicated loan.

The minimum payment of principal should be repaid at NT$4 billion by March 19, 2014. The remaining principal of this syndication loan should be repaid in five semiannual installments from March 19, 2016, and the interest rate is the 90-day Taiwan subprime commercial paper interest rate plus 65 points.

Under the syndicated loan agreement, the Company should maintain certain financial ratios based on the most recent semiannual or annual consolidated financial statements.

2) Lite-On Mobile Pte. Ltd., a subsidiary of the Parent Company, had a syndicated loan with Citibank. As of December 31, 2013, December 31, 2012 and January 1, 2012, the floating interest rates were 1.05% to 1.35%, 0.908% to 1.0968% and 1.625% to 2.2%. The principal is 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 13 other financial institutions (the endorsements and guarantees were provided by the Parent Company). As of December 31, 2013, December 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. ("Silitech"), a subsidiary of the Parent Company, 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 working capital and capital expenditure. As of December 31, 2013, Silitech had used NT$1.44 billion of the syndicated loan, with an interest rate of 1.6734%.

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

   Silitech entered into a contract for a NT$3 billion syndicated 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 had used NT$2.01 billion of the credit line of the syndicated loan. The floating interest rates were 1.7061% and 1.6712% as of December 31, 2012, January 1, 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.

4) Guangzhou Lite-On Mobile Electronic Components Co., Ltd., a subsidiary of the Parent Company, had a syndicated loan with Citibank. As of December 31, 2013, December 31, 2012, the floating interest rates were 1.05% to 1.725% and 0.91% to 0.93425%. The principal is repayable from December 28, 2014 in five semiannual installments.

This contract is a five-year syndicated loan of US$50 million and was signed with Citibank and 10 other financial institutions (the endorsements and guarantees were provided by the Parent Company). As of both December 31, 2013 and December 31, 2012, Guangzhou Lite-On Mobile Electronic Components Co., Ltd. had used US$40 million of the credit line of the syndicated loan.

5) As of December 31, 2013, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 19 long-term bank loans, with contract terms from April 2008 to October 2018, with interest rate of 1.00% to 1.75% and principal repayable in trimestral installments.

   As of December 31, 2012, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 23 long-term bank loans, with contract terms from January 2007 to February 2016, with interest rate of 1.06% to 1.75% and principal repayable in trimestral installments.

   As of January 1, 2012, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 18 long-term bank loans, with contract terms from January 2007 to February 2016, with interest rate of 1.16% to 1.75% and principal repayable in trimestral installments.

6) Silitech Technology (SuZhou) Co., Ltd., a subsidiary of the Parent Company, 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 1.0615% and 1.26806% as of December 31, 2012 and January 1, 2012, respectively. The principal is amortized semiannually and repayable from August 27, 2012, at US$3 million for each of the first two installments and at US$4 million on the third repayment.

19. FINANCE LEASE PAYABLES

	December 31, 2013	December 31, 2012	January 1, 2012
Minimum lease payments			
Not later than one year	$ 84,944	$ 62,483	$ 85,046
Later than one year and not later than five years	183,109	234,213	322,215
Later than five years	-	-	-
	268,053	296,696	407,261
Less: Future finance charges	22,370	1,599	1,994
Present value of minimum lease payments	$ 245,683	$ 295,097	$ 405,267
Present value of minimum lease payments			
Not later than one year	$ 72,735	$ 62,381	$ 84,360
Later than one year and not later than five years	172,948	232,716	320,907
Later than five years	-	-	-
	$ 245,683	$ 295,097	$ 405,267
Current	$ 72,735	$ 62,381	$ 84,360
Non-current	172,948	232,716	320,907
	$ 245,683	$ 295,097	$ 405,267

	December 31, 2013	December 31, 2012	January 1, 2012
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	$ 244,053	$ 291,839	$ 355,986
Lite-On Mobile Sweden AB	987	918	1,612
Lite-On Mobile Oyj (formerly Perlos Oyj)	630	1,470	2,048
Lite-On Japan Ltd.	13	417	4,441
The Parent Company	-	453	826
Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	-	-	40,064
Lite-On Mobile India Private Limited	-	-	290
	245,683	295,097	405,267
Less: Current portion of long-term capital lease liabilities	72,735	62,381	84,360
	$ 172,948	$ 232,716	$ 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 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 Sweden AB leased machinery and equipment under capital leases valid from January 1, 2009 to January 31, 2016. The terms of these leases were three years, with 2.36% to 3.63% interest rate

c. 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.

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 NT$42 thousand and NT$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. In the third quarter of 2012, Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd. fully rapid this loan in advance.

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 the second quarter of 2012, Lite-On Mobile India Private Limited fully rapid this loan in advance.

20. PROVISIONS

	December 31, 2013	December 31, 2012	January 1, 2012
Warranties	$ 874,502	$ 917,217	$ 1,121,504
Customer returns and rebates	629,446	774,156	371,835
	$ 1,503,948	$ 1,691,373	$ 1,493,339
Current	$ 1,503,948	$ 1,691,373	$ 1,493,339
Non-current	-	-	-
	$ 1,503,948	$ 1,691,373	$ 1,493,339

	Warranties	Customer Returns and Rebates	Total
Balance at January 1, 2013	$ 917,217	$ 774,156	$ 1,691,373
Additional provisions recognized	382,144	583,285	965,429
Usage	(293,843)	(725,009)	(1,018,852)
Reversing un-usage balances	(125,153)	(6,973)	(132,126)
Effect of foreign currency exchange differences	(5,863)	3,987	(1,876)
Balance at December 31, 2013	$ 874,502	$ 629,446	$ 1,503,948
Balance at January 1, 2012	$ 1,121,504	$ 371,835	$ 1,493,339
Additional provisions recognized	390,016	1,078,656	1,468,672
Usage	(305,071)	(672,381)	(977,452)
Reversing un-usage balances	(279,682)	-	(279,682)
Effect of foreign currency exchange differences	(9,550)	(3,954)	(13,504)
Balance at December 31, 2012	$ 917,217	$ 774,156	$ 1,691,373

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, The pension expenses recognized were NT$211,570 thousand in 2013 and NT$180,706 thousand in 2012.

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 NT$345,821 thousand in 2013 and NT$444,244 thousand in 2012.

	For the Year Ended December 31	
	2013	**2012**
By function		
Operating costs	$ 237,348	$ 283,606
Operating expenses	320,043	341,344
	$ 557,391	$ 624,950

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 6 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% 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 actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualifying actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Discount rate(s)	1.50%-2.00%	1.30%-3.75%	1.60%-4.00%
Expected return on plan assets	2.00%-5.00%	1.30%-2.50%	1.60%-2.25%
Expected rate(s) of salary increase	1.25%-3.50%	2.00%-5.00%	2.00%-5.00%

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	For the Year Ended December 31	
	2013	**2012**
Current service cost	$ 22,050	$ 17,963
Interest cost	19,432	19,387
Expected return on plan assets	(14,204)	(18,981)
Amortization on past service cost	13,088	9,474
Losses/(gains) arising from curtailment or settlement	(744)	106,778
	$ 39,622	$ 134,621

(Continued)

	For the Year Ended December 31	
	2013	2012
An analysis by function		
Operating cost	$ 3,030	$ 10,295
Operating expenses	36,592	124,326
	$ 39,622	$ 134,621

(Concluded)

Pre-tax actuarial losses recognized in other comprehensive income for the years ended December 31, 2013 and 2012 were NT$284 thousand and NT$134,530 thousand, respectively. The cumulative amount of pre-tax actuarial losses recognized in other comprehensive income as of December 31, 2013 and 2012 was NT$134,814 thousand and NT$134,530 thousand, respectively.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of funded defined benefit obligation	$ 1,205,365	$ 1,334,236	$ 1,216,778
Fair value of plan assets	(1,048,675)	(1,092,150)	(1,087,026)
	156,690	242,086	129,752
Present value of unfunded defined benefit obligation	75,899	81,430	32,621
Deficit	232,589	323,516	162,373
Past service cost not yet recognized	(1,773)	(14,861)	(24,335)
Fair value of plan assets adjustments	4,855	4,113	4,120
Accrued pension liabilities	$ 235,671	$ 312,768	$ 142,158

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2013	2012
Balance at January 1	$ 1,415,666	$ 1,249,399
Service cost	22,050	17,963
Interest cost	19,432	19,387
Actuarial losses/(gains)	(57,250)	42,536
Losses/(gains) on curtailments	(744)	106,778
Exchange differences on foreign plans	(612)	(23)
Benefits paid	(117,278)	(20,374)
Balance at December 31	$ 1,281,264	$ 1,415,666

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2013	**2012**
Balance at January 1	$ 1,088,037	$ 1,082,906
Expected return on plan assets	14,204	18,981
Exchange differences on foreign plans	(26)	(79)
Contributions from plan participants	116,417	98,597
Benefits paid	(117,278)	(20,374)
Actuarial losses	(57,534)	(91,994)
Balance at December 31	$ 1,043,820	$ 1,088,037

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

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Equity instruments	18	16	18
Debt instruments	11	9	9
Property	3	7	7
Others	68	68	66
	100	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

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Experience adjustments on plan liabilities	$ 23,956	$ 10,575	$ -
Experience adjustments on plan assets	$ 459	$ 2,360	$ -

The Group expects to make contributions of NT$195,997 thousand to the defined benefit plans in the next year starting from December 31, 2013.

22. EQUITY

a. Share capital

1) Ordinary shares

	December 31, 2013	December 31, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	3,500,000	3,500,000	3,500,000
Shares authorized	$ 35,000,000	$ 35,000,000	$ 35,000,000
Number of shares issued and fully paid (in thousands)	2,324,655	2,295,315	2,309,980
Shares issued	$ 23,246,552	$ 22,953,154	$ 23,099,801

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.

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 December 31, 2013, December 31, 2012 and January 1, 2012, the outstanding marketable equity securities were 5,206 thousand units, 5,201 thousand units and 5,196 thousand units, representing 52,064 thousand common share, 52,006 thousand common share and 51,957 thousand common shares of the Parent Company, respectively. The rights and obligation of security holders are the same as those of common shareholders, except for voting rights. As of December 31, 2013, December 31, 2012 and January 1, 2012, the unredeemed GDRs amounted to 1,194 thousand units, 984 thousand units, and 1,141 thousand units.

b. Capital surplus

The premium from shares issued in excess of par (including share premium from issuance of common shares, conversion of bonds, treasury share transactions, and excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) 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.

For the year ended December 31, 2013, the bonus to employees were estimated on the basis of net income after considering the effect of partial profit on share of subsidiaries and associates at 15%; the remuneration to directors were estimated on the basis of net income at 0.85%. For the year ended December 31, 2012, the bonus to employees and remuneration to directors represented 14.18% and 0.82%, respectively of net income. 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 shareholders' other equity items (including exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, and the gain or loss on the hedging instrument relating to the effective portion of cash flow hedge) 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.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", on the first-time adoption of IFRSs, a Parent Company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Parent Company's use of exemptions under IFRS 1. However, at

the date of transitions to IFRSs, if the increase in retained earnings that resulted from all IFRSs adjustments is not sufficient for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated on the first-time adoption of IFRSs may be used to offset deficits in subsequent years. No appropriation of earnings shall be made until any shortage of the aforementioned special reserve is appropriated in subsequent years if the Parent Company has earnings and the original need to appropriate a special reserve is not eliminated.

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

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

The appropriations of earnings for 2012 and 2011 had been approved in the shareholders' meetings on June 19, 2013 and 2012, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2012	2011	2012	2011
Legal reserve	$ 753,486	$ 722,592	$ -	$ -
Special reserve	689,913	-	-	-
Share dividends	114,899	113,972	0.05	0.05
Cash dividends	5,400,265	5,174,335	2.35	2.27

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

	For the Year Ended December 31			
	2012		2011	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
Bonus to employees	$ 897,799	$ 171,009	$ 819,420	$ 156,080
Remuneration of directors	61,420	-	61,420	-

The 4,421 thousand shares for 2011 was determined by dividing the amount of share bonus resolved in 2012 by the closing price of NT$35.3 (after considering the effect of cash and stock dividends) on the day immediately preceding the shareholders' meeting.

The 3,669 thousand shares for 2012 was determined by dividing the amount of share bonus resolved in 2013 by the closing price of NT$46.61 (after considering the effect of cash and stock dividends) on the day immediately preceding the shareholders' meeting.

The appropriation of the earnings for 2012 was approved by the Financial Supervisory Commission, Executive Yuan, ROC. The Parent Company's board of directors approved August 13, 2013 as the date of distributing stock dividends and cash dividends.

The appropriations of earnings for 2012 were proposed according to the Parent Company's financial statements for the year 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.

There was no difference between the amounts of the bonus to employees and the remuneration to directors approved in the shareholders' meetings in 2013 and 2012 and the amounts recognized in the financial statements for the years ended December 31, 2012 and 2011.

The appropriations of earnings for 2013 had been proposed by the Group's board of directors on March 27, 2014. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 875,485	
Reversal of special reserve	640,244	
Cash dividends	6,307,866	$2.71
Share dividends	116,381	0.05

The Board of Directors of the Parent Company also approved the cash dividends to employees, stock dividends to employees and the remuneration to directors in the amounts of NT$997,212 thousand, NT$189,945 and NT$70,039 thousand in cash for payment in 2013, respectively. There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2013.

The appropriations of earnings, the bonus to employees, and the remuneration to directors and supervisors for 2013 are subject to the resolution of the shareholders' meeting to be held on June 19, 2014.

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

d. Other equity items

Movements in other equity items were as follows:

	2013			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 128,872	$ (446,848)	$ (101,563)	$ (419,539)
Exchange differences arising on translating the foreign operations	2,541,491	-	-	2,541,491
Gain arising on changes in the fair value of available-for-sale financial assets	-	500,644	-	500,644
Gain arising on changes in the fair value of hedging instruments	-	-	54,594	54,594
Share of other comprehensive income of associates	87,450	29,435	-	116,885
Income tax effect	(374,773)	-	-	(374,773)
Balance at December 31	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302

	2012			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 1,625,560	$ (142,004)	$ (165,225)	$ 1,318,331
Exchange differences arising on translating the foreign operations	(1,607,425)	-	-	(1,607,425)
Loss arising on changes in the fair value of available-for-sale financial assets	-	(302,174)	-	(302,174)
Gain arising on changes in the fair value of hedging instruments	-	-	63,662	63,662
Share of other comprehensive income of subsidiaries and associates	(68,483)	(7,190)	-	(75,673)
Exchange differences on partial disposal of subsidiaries reclassified to equity	(2,430)	-	-	(2,430)
Income tax effect	181,650	4,520	-	186,170
Balance at December 31	$ 128,872	$ (446,848)	$ (101,563)	$ (419,539)

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

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

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

e. Non-controlling interests

	For the Year Ended December 31	
	2013	2012
Balance at January 1	$ 19,961,011	$ 20,088,166
Attributable to non-controlling interests:		
Share of profit for the year	135,643	1,973,937
Exchange difference arising on translation of foreign entities	328,472	(416,394)
Gain/(loss) arising on changes in the fair value of available-for-sale financial assets	11,790	(2,150)
Share of other comprehensive income of associates and jointly controlled entities accounted for using the equity method	(357)	14
Actuarial loss on defined benefit plans	(18,327)	(7,318)
Gain/(loss) on income tax of other comprehensive income	(34,371)	23,161
Equity transactions with non-controlling interests (Note 28)	(13,732,478)	144,435
Payment to non-controlling cash dividends	(450,532)	(1,842,840)
Balance at December 31	$ 6,200,851	$ 19,961,011

f. 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 December 31
For the year ended December 31, 2013				
Shares held by its subsidiaries	27,979	139	-	28,118
For the year ended December 31, 2012				
Shares held by its subsidiaries	27,840	139	-	27,979
Shares transferred to employees	30,565	-	30,565	-
	58,405	139	30,565	27,979

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
December 31, 2013			
Lite-On Capital Corporation	14,892	$ 718,857	$ 711,812
LTC International Ltd.	6,900	297,469	305,906
Yet Foundate Ltd.	2,237	126,881	90,023
Lite-On Electronics Co., Ltd.	2,414	105,515	97,132
Lite-On IT Corp.	1,675	85,938	80,066
		$ 1,334,660	$ 1,284,939
December 31, 2012			
Lite-On Capital Corporation	14,818	$ 718,857	$ 571,221
LTC International Ltd.	6,866	297,469	271,316
Yet Foundate Ltd.	2,226	126,881	90,511
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
January 1, 2012			
Lite-On Capital Corporation	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

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 Year Ended December 31	
	2013	2012
Revenue from the sale of goods	$ 212,915,644	$ 215,438,361
Power	197,313	483,128
Rental income from property	101,340	125,521
	$ 213,214,297	$ 216,047,010

Refer to Note 36 for segment revenue information.

24. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2013	2012
Current income tax expense (benefit)		
Current tax expense recognized in the current year	$ 2,529,610	$ 2,613,168
Income tax adjustments on prior years	(37,022)	(315,175)
	2,492,588	2,297,993
Deferred tax		
The origination and reversal of temporary differences	120,060	(101,299)
Investment tax credits	16,640	257,503
	136,700	156,204
Income tax expense recognized in profit or loss	$ 2,629,288	$ 2,454,197

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

	For the Year Ended December 31	
	2013	2012
Income before tax	$ 11,519,779	$ 11,830,557
Income tax expense at the statutory rate (17%)	$ 2,611,542	$ 2,823,194
Tax effect of adjusting items:		
Tax-exempt income	(156,105)	(175,681)
Additional income tax on unappropriated earnings	90,813	223,158
The origination and reversal of temporary differences	120,060	(101,299)
Income tax adjustments on prior years	(37,022)	(315,175)
Income tax expense recognized in profit or loss	$ 2,629,288	$ 2,454,197

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

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2013	**2012**
Deferred income tax benefit (expense)		
Translation of foreign operations	$ (409,816)	$ 203,903
Related to unrealized gain/loss on available-for-sale financial assets	-	4,520
Related to actuarial gain/loss from defined benefit plans	(2,459)	20,746
Share of other comprehensive income of associates and jointly controlled entities	63	-
	$ (412,212)	$ 229,169

c. Deferred income tax

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

	December 31, 2013	December 31, 2012	January 1, 2012
Investment tax credits	$ 48,324	$ 155,133	$ 468,383
Temporary differences			
Accumulated equity in the net loss of foreign investees	522,830	459,370	543,620
Unrealized loss and expense	475,000	190,792	178,573
Impairment loss on assets	298,231	572,053	174,795
Unrealized loss on inventories	151,972	161,854	210,972
Operating loss carryforward	149,223	58,372	8,085
Accrued warranty expense	139,097	127,404	159,255
Unrealized for sales returns and allowance	122,972	165,334	76,462
Unrealized sales profit	51,236	106,797	58,556
Accrued pension cost	42,290	42,224	44,721
Accumulated compensated absences	8,204	10,329	12,069
Available-for-sale financial assets	4,771	1,483	82,294
Others	193,054	164,472	98,498
	$ 2,207,204	$ 2,215,617	$ 2,116,283

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
2013					
Investment tax credits	$ 155,133	$ (108,945)	$ -	$ 2,136	$ 48,324
Temporary differences					
Accumulated equity in the net loss of foreign investees	459,370	160,767	(96,292)	(1,015)	522,830
Unrealized loss and expense	190,792	291,313	-	(7,105)	475,000
Impairment loss on assets	572,053	(278,203)	-	4,381	298,231
Unrealized loss on inventories	161,854	(10,376)	-	494	151,972
Operating loss carryforward	58,372	92,305	-	(1,454)	149,223
Accrued warranty expense	127,404	11,880	-	(187)	139,097
Unrealized for sales returns and allowance	165,334	(43,040)	-	678	122,972
Unrealized sales profit	106,797	(56,450)	-	889	51,236
Accrued pension cost	42,224	2,525	(2,459)	-	42,290
Accumulated compensated absences	10,329	(2,125)	-	-	8,204
Available-for-sale financial assets	1,483	3,361	-	(73)	4,771
Others	164,472	29,725	-	(1,143)	193,054
	$ 2,215,617	$ 92,737	$ (98,751)	$ (2,399)	$ 2,207,204
2012					
Investment tax credits	$ 468,383	$ (306,985)	$ -	$ (6,265)	$ 155,133
Temporary differences					
Accumulated equity in the net loss of foreign investees	543,620	(107,395)	23,819	(674)	459,370
Unrealized loss and expense	178,573	11,914	-	305	190,792
Impairment loss on assets	174,795	392,292	-	4,966	572,053
Unrealized loss on inventories	210,972	(46,908)	-	(2,210)	161,854
Operating loss carryforward	8,085	49,482	-	805	58,372
Accrued warranty expense	159,255	(31,341)	-	(510)	127,404
Unrealized for sales returns and allowance	76,462	90,116	-	(1,244)	165,334
Unrealized sales profit	58,556	47,759	-	482	106,797
Accrued pension cost	44,721	(23,243)	20,746	-	42,224
Accumulated compensated absences	12,069	(1,740)	-	-	10,329
Available-for-sale financial assets	82,294	(84,038)	4,520	(1,293)	1,483
Others	98,498	63,999	-	1,975	164,472
	$ 2,116,283	$ 53,912	$ 49,085	$ (3,663)	$ 2,215,617

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

	December 31, 2013	December 31, 2012	January 1, 2012
Temporary differences			
Accumulated equity in the net gain of investees	$ 2,080,163	$ 1,587,279	$ 1,623,594
Land value increment tax	239,693	239,693	239,693
Unrealized amortization of goodwill	334,048	301,814	254,411
Available-for-sale financial assets	-	3,361	-
Others	67,752	37,906	20,240
	$ 2,721,656	$ 2,170,053	$ 2,137,938

	Opening Balance	Recognized in (Profit) Loss	Recognized in Other Comprehensive Loss (Income)	Exchange Differences	Closing Balance
2013					
Temporary differences					
Accumulated equity in the net gain of investees	$ 1,587,279	$ 173,508	$ 313,461	$ 5,915	$ 2,080,163
Land value increment tax	239,693	-	-	-	239,693
Unrealized amortization of goodwill	301,814	29,655	-	2,579	334,048
Available-for-sale financial	3,361	(3,294)	-	(67)	-
Others	37,906	29,568	-	278	67,752
	$ 2,170,053	$ 229,437	$ 313,461	$ 8,705	$ 2,721,656
2012					
Temporary differences					
Accumulated equity in the net gain of investees	$ 1,623,594	$ 144,786	$ (180,084)	$ (1,017)	$ 1,587,279
Land value increment tax	239,693	-	-	-	239,693
Unrealized amortization of goodwill	254,411	44,796	-	2,607	301,814
Available-for-sale financial	-	3,287	-	74	3,361
Others	20,240	17,247	-	419	37,906
	$ 2,137,938	$ 210,116	$ (180,084)	$ 2,083	$ 2,170,053

d. As of December 31, 2013 and 2012 and January 1, 2012, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to NT$616,546 thousand, NT$567,729 thousand and NT$628,788 thousand, respectively.

e. Integrated income tax

	December 31, 2013	December 31, 2012	January 1, 2012
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	$ 2,215	$ 2,215	$ 2,215
Unappropriated earnings generated on and after January 1, 1998	12,169,867	13,652,397	12,390,715
	$ 12,172,082	$ 13,654,612	$ 12,392,930
Imputation credits accounts	$ 568,173	$ 485,212	$ 514,845

The estimated and actual creditable ratio for distribution of earnings of 2013 and 2012 were 3.71% and 3.46%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Parent Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Parent Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs.

f. Income tax assessments

The tax authorities have examined the income tax returns of the Parent Company through 2011. The Corporation disagreed with the tax authorities' assessment of its 2009 to 2011 tax returns and applied for a reexamination. The Parent Company has made a provision for the income tax assessed.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2013	**2012**
Basic earnings per share	$ 3.83	$ 3.25
Diluted earnings per share	$ 3.79	$ 3.20

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

	Amounts (Numerator)	**Shares (Denominator) (Thousands)**	**Earnings Per Share (NT$)**
2013			
Basic EPS			
The net income of common shareholders	$ 8,754,848	2,286,684	$ 3.83
Effect of dilutive potential common stock			
Bonus to employees	-	24,733	
Common stock-based compensation	-	-	
Diluted EPS			
The net income of common shareholders plus the effect of potential dilutive common stock	$ 8,754,848	2,311,417	$ 3.79
2012			
Basic EPS			
The net income of common shareholders	$ 7,402,423	2,276,009	$ 3.25
Effect of dilutive potential common stock			
Bonus to employees	-	34,342	
Common stock-based compensation	-	-	
Diluted EPS			
The net income of common shareholders plus the effect of potential dilutive common stock	$ 7,402,423	2,310,351	$ 3.20

The average number of shares outstanding for EPS calculation was adjusted retroactively for the issuance of stock dividends. Thus, in 2012, basic and diluted EPS decreased from NT$3.27 to NT$3.25 and from NT$3.22 to NT$3.20, respectively.

If the Parent Company was able to settle the bonuses paid to employees by cash or shares, the Parent Company 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 effect is dilutive. 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.

At the end of 2012, the stock-based compensation exercise price was greater than the average price of the shares, the number of common shares outstanding decreased and earnings per share increased, and these developments had an anti-dilutive effect; thus, these shares were not included in the calculation of diluted EPS.

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 Year Ended December 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	(16,468)	33.7-35.5	(766)	35.5-38.0
Options expired	(1,256)	33.7-35.5	(1,329)	35.5-38.0
Balance at December 31	$ -	-	$ 17,724	35.5
Weighted-average fair value of options granted (NT$)	$ 16.964		$ 16.964	

Information about outstanding options at the end of the reporting period was as follows:

December 31, 2013		December 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)	Range of Exercise Price (NT$)	Weighted-average Remaining Contractual Life (Years)
$33.7	0	$35.5	1	$38.0	2

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

	December 31, 2007
Expected volatility	40.07%
Expected life (years)	6 years
Expected dividend yield	7.07%
Risk-free interest rate	2.5101%

27. DISPOSAL OF SUBSIDIARY

On December 11, 2013, subsidiary Lite-On Green Technologies B.V. disposed of its 100% ownership in Lite-On Green Technologies S.R.L. Lite-On Green Technologies B.V. lost its control over Lite-On Green Tecnologies S.R.L.; thus, the relevant assets and liabilities had been derecognized.

a. Consideration received from the disposal

	December 11, 2013
Sales proceeds receivable	$ 437,888

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

	December 11, 2013
Current assets	
Cash and cash equivalents	$ 31,454
Prepayments	63,236
Others	18,746
Non-current assets	
Property, plant and equipment	1,047,048
Current liabilities	
Payables	(583,167)
Others	(44,347)
Net assets disposed of	$ 532,970

c. Loss on disposal of subsidiary

	For the Year Ended December 31, 2013
Net assets disposed of	$ 532,970
Less: Consideration received	437,888
Loss on disposal (recorded as nonoperating income and expense: Other expenses)	$ 95,082

d. Net cash outflow on disposal of subsidiary

	For the Year Ended December 31, 2013
Consideration received in cash and cash equivalents	$ 437,888
Less: Cash and cash equivalent balances disposed of	31,454
Sales proceeds receivable	437,888
	$ 31,454

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In March 2012, the Parent Company disposed of 2.21% of its interest in Silitech Technology Crop. Limited, and reduced its continuing interest from 34.90 % to 32.69%.

In March to December 2013, the Parent Company acquired an additional 56.8% equity interest in Lite-On IT Corporation. Limited, and increased its continuing interest from 42.33 % to 99.13%.

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

	Silitech Technology Crop	Lite-On IT Corporation
Cash consideration received (paid)	$ 288,198	$ (17,171,678)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(144,435)	13,732,478
Reattribution of other equity 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	$ (3,439,200)

	Silitech Technology Crop.	Lite-On IT Corporation	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	-	(3,293,007)	(3,293,007)
	$ 146,193	$ (3,439,200)	$ (3,293,007)

29. 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.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

The fair value of financial instruments not carried at fair value was finance lease payables. The Group's management considers the carrying amounts of finance lease payables recognized in the financial statements approximate their fair values.

2) Fair value measurements recognized in the consolidated 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).

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 14,867	$ -	$ 14,867
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 27,836	$ -	$ 27,836
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 1,182,391	$ -	$ -	$ 1,182,391
Securities listed in other countries - equity securities	41,657	-	-	41,657
Unlisted securities - ROC - equity securities	-	-	289,160	289,160
Unlisted securities - other countries - equity securities	-	-	324,374	324,374
Mutual funds	-	127,705	-	127,705
Emerging market stocks	-	178,716	-	178,716
	$ 1,224,048	$ 306,421	$ 613,534	$ 2,144,003

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 liabilities	$ -	$ 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	-	106,310	-	106,310
Emerging market stocks	-	310,657	-	310,657
	$ 939,003	$ 416,967	$ 798,505	$ 2,154,475

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 liabilities	$ -	$ 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	-	749,051	-	749,051
Emerging market stocks	-	437,953	-	437,953
	$ 2,043,392	$ 1,187,004	$ 1,040,939	$ 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

For the year ended December 31, 2013

	Investments on Equity Instruments
	Unlisted Quotes
Balance at January 1, 2013	$ 798,505
Impairment loss	
In profit or loss	(108,929)
In other comprehensive income	8,539
Disposals	(84,581)
Balance at December 31, 2013	$ 613,534

For the year ended December 31, 2012

	Investments on Equity Instruments Unlisted Quotes
Balance at January 1, 2012	$ 1,040,939
Impairment loss	
In profit or loss	(470,187)
In other comprehensive income	(9,059)
Purchases	236,812
Balance at December 31, 2012	$ 798,505

The total gains or losses for the period included a loss of NT$108,929 thousand and NT$470,187 thousand relating to assets held years ended December 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;

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.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets			
Fair value through profit or loss (FVTPL) derivative instruments	$ 14,867	$ 13,023	$ 111,584
Loans and receivables (i)	118,188,950	107,257,401	104,139,455
Available-for-sale financial assets	2,144,003	2,154,475	4,271,335
Financial liabilities			
Fair value through profit or loss (FVTPL) derivative instruments	27,836	35,239	42,274
Derivative instruments in designated hedge accounting relationships	46,969	101,563	165,225
Amortized cost			
Short-term borrowings	15,576,780	7,010,394	4,737,488
Long-term loans (included current portion of long-term debts)	27,376,165	24,367,802	24,468,437
Payables (ii)	81,803,105	68,692,057	79,830,312

i: The balances included cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, trade receivables - inter, other receivables and other receivables - inter.

ii: The balances included notes payable, trade payables, trade payables - inter, other payables and other payables - inter.

c. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Forward foreign exchange contracts to hedge the exchange rate risk arising on the export;

b) Interest rate swaps to mitigate the risk of rising interest rates; 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 34).

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.

	December 31, 2013	December 31, 2012	January 1, 2012
Assets			
USD	$ 10,753	$ 13,023	$ 88,771
EUR	3,619	-	13,383
CNY	495	-	-
JPY	-	-	9,430
Liabilities			
USD	17,516	29,140	32,495
EUR	10,090	6,050	-
GBP	230	-	-
JPY	-	49	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	
	2013	2012
Profit or loss	$ (657,995)	$ (553,417)

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Fair value interest rate risk			
Financial assets (i)	$ 31,433,426	$ 37,882,125	$ 31,617,845
Financial liabilities (ii)	16,570,115	11,226,695	8,460,842
Cash flow interest rate risk			
Financial assets (iii)	32,826,589	21,017,052	22,226,441
Financial liabilities (iv)	26,628,513	20,446,598	21,150,350

i: The balances included time deposit and debt investments with no active market

ii: The balances included financial liabilities exposed to fair value risk from interest rate fluctuation.

iii: The balances included demand deposits.

iv: The balances included financial liabilities exposed to cash flow risk from interest rate fluctuation.

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

The Parent Company was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings and pay-fixed/receive-floating interest rate swaps. It is the Parent Company's policy to keep its borrowings at floating rate of interests so as to minimize the fair value interest rate risk. The Parent Company's cash flow interest rate risk was mainly concentrated in the fluctuation of the average rate for 90-day notes in Taiwan's secondary market arising from the Group's New Taiwan dollars denominated borrowings.

Sensitivity analysis

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

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2013 and 2012 would increase by NT$15,495 thousand and NT$1,426 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 years ended December 31, 2013 and 2012 would increase by NT$85,683 thousand and NT$65,730 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 on business-related exposures is managed separately from that on financial-related exposures.

a) Business related credit risk

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

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

b) Financial 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 Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations.

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 Company's non-derivative financial liabilities based on contractual undiscounted payments.

December 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 81,803,105	$ 80,745	$ -	$ 863
Finance lease liabilities	1.30%-7.11%	72,735	172,948	-	-
Fixed interest rate liabilities	0.745%-2.7%	11,286,074	9,102,439	6,240,000	-
Variable interest rate liabilities	0.86%-1.55%	13,158,375	3,078,083	87,974	-
		$ 106,320,289	$ 12,434,215	$ 6,327,974	$ 863

December 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 68,692,057	$ 88,247	$ -	$ 821
Finance lease liabilities	1.3%-15.6%	62,381	232,716	-	-
Fixed interest rate liabilities	0.01%-1.610%	6,700,998	6,276,000	7,469,600	-
Variable interest rate liabilities	1.10%-1.75%	4,720,564	6,207,670	3,364	-
		$ 80,176,000	$ 12,804,633	$ 7,472,964	$ 821

January 1, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 79,830,312	$ 84,289	$ -	$ 935
Finance lease liabilities	1.3%-15.6%	84,360	320,907	-	-
Fixed interest rate liabilities	0.01%-1.74%	4,169,955	2,726,794	14,253,601	-
Variable interest rate liabilities	1.10%-8.235%	1,741,006	295,054	6,019,515	-
		$ 85,825,633	$ 3,427,044	$ 20,273,116	$ 935

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

December 31, 2013

	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 649,675	$ -	$ -	$ -
Outflows	(655,200)	-	-	-
	(5,525)	-	-	-

(Continued)

	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Currency swap contracts				
Inflows	$ 1,451,250	$	$	$
Outflows	(1,455,348)	-	-	-
	(4,098)	-	-	-
	$ (9,623)	$ -	$ -	$ -

(Concluded)

December 31, 2012

	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 768,527	$ -	$ -	$ -
Outflows	(764,314)	-	-	-
	4,213	-	-	-
Currency swap contracts				
Inflows	1,840,192			
Outflows	(1,850,325)	-	-	-
	(10,133)	-	-	-
	$ (5,920)	$ -	$ -	$ -

January 1, 2012

	On Demand or Less than 1 Year	1-3 Years	3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 784,113	$ -	$ -	$ -
Outflows	(628,849)	-	-	-
	155,264	-	-	-
Currency swap contracts				
Inflows	2,563,951			
Outflows	(2,494,563)	-	-	-
	69,388	-	-	-
	$ 224,652	$ -	$ -	$ -

31. 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.

a. Sales of goods

	For the Year Ended December 31	
	2013	2012
Related parties categories		
Associates	$ 234,637	$ 262,545
Other related parties	476	492
	$ 235,113	$ 263,037

The price of the Group's sales to Lite-On Semiconductor Corp. For the years ended December 31, 2013 and 2012, price was calculated at cost plus specific profit. Except for these sales, the sales terms between the Group and its related parties were normal.

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

b. Purchases of goods

	For the Year Ended December 31	
	2013	**2012**
Related parties categories		
Other related parties	$ 1,949,975	$ 2,811,111
Associates	1,069,126	282,510
	$ 3,019,101	$ 3,093,621

The cost of the Group's purchases from Lite-On Semiconductor Corp. for the year ended December 31 in 2013 and 2012 was based on cost plus specific profit. Except for these purchases, the purchase terms between the Group and its related parties were normal.

c. Receivables from related parties

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Related parties categories			
Accounts receivable			
Associates	$ 81,025	$ 82,892	$ 353
Other related parties	529	529	746
	$ 81,554	$ 83,421	$ 1,099
Other receivable			
Other related parties	$ 18,162	$ 236	$ -
Associates	789	1,995	955
	$ 18,951	$ 2,231	$ 955

d. Payables to related parties

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Related parties categories			
Accounts payable			
Associates	$ 315,595	$ 103,231	$ 273,160
Other related parties	253,029	34,692	44,348
	$ 568,624	$ 137,923	$ 317,508

(Continued)

	December 31, 2013	December 31, 2012	January 1, 2012
Other payable			
Other related parties	$ 11,038	$ 20,135	$ 43,058
Associates	661	38	-
	$ 11,699	$ 20,173	$ 43,058

(Concluded)

e. Operating expense

	For the Year Ended December 31	
	2013	2012
Related parties categories		
Other related parties	$ 95,669	$ 123,437

f. Other revenues

	For the Year Ended December 31	
	2013	2012
Related parties categories		
Other related parties	$ 4,664	$ 1,506
Associates	3,570	3,598
	$ 8,234	$ 5,104

g. Compensation of key management personnel

	For the Year Ended December 31	
	2013	2012
Short-term employee benefits	$ 622,153	$ 649,699
Termination benefits	54,692	16,078
Share-based payments	869	3,202
Post-employment benefits	9,506	9,079
	$ 687,220	$ 678,058

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	December 31, 2013	December 31, 2012	January 1, 2012
Pledge-time deposits	$ 36,490	$ 102,560	$ 108,107

Mortgaged or pledged assets - noncurrent included the guarantee deposits of Lite-On IT Corporation, Philips & Lite-On Digital Solutions 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.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. In May 2010, INPRO II Licensing Sarl (INPRO) filed a lawsuit with the U.S. District Court for the Northern District of California 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. But because of the court's lack of jurisdiction, INPRO dismissed the case later. On September 3, 2010, the Parent Company filed a lawsuit with the Intellectual Property Court ("IP Court") in Taiwan against INPRO, alleging that the Parent Company had no patent obligations. On September 8, 2010, INPRO filed a lawsuit with the Superior Court of California (SCC) in the County of San Francisco. In December 2010, the SCC ruled that the U.S. proceedings in the U.S. should be stopped because the same facts had been filed with the IP Court in Taiwan. In July 2012, INPRO file a counterclaim with the IP Court in Taiwan and demanded a royalty payment of US$5.4 million. In June 2013, on the basis of its presentence investigation, the IP Court made a final judgment in favor of INPRO and ruled that the Parent Company should pay royalties of US$5.4 million plus interest. In July 2013, the Parent Company filed an appeal, claiming that the Parent Company had no patent obligations under the former patent licensing contract. Parent Company accrued a reasonable amount in case of a loss on this lawsuit. Parent Company will continue to recognize the losses based upon reasonable estimation of the lawsuit quarterly until the settlement of this lawsuit.

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, but Lite-On IT believes that the case will not have a significant impact on the financial operations.

c. 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. These cases were still in proceeding, but Lite-On IT believes that the case will not have a significant impact on the financial operations.

d. CMP Consulting Service, Inc., KI, Inc., Aaron Wagner, The Stereo Shop, David Carney, Jr. Tina Corse, Cynthia R. Rall, Richard R. Rall, Aaron Deshaw and Don Cheung filed an antitrust group lawsuit against 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, from October 2009 to September 2010. 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.

e. On May 13, 2013, Dell Inc. and Dell Products L.P. filed a complaint with the United States District Court for Western District of Texas; on October 24, 2013, Hewlett Packard Company filed a complaint with the United States District Court for Southern District of Texas; on October 25, 2013, Acer Inc, Acer America Corporation, Gateway Inc and Gateway U.S. Retail, Inc. filed a complaint with the United States District Court for the Northern District of California; on October 31, 2013, Ingram Micro Inc., and Synnex Corporation filed a complaint with the United States District Court for the Central District of California. All these complaints constituted an antitrust group lawsuit against Lite-On IT and other companies with related businesses. Lite-On IT assigned lawyers as its representative in

these lawsuits. 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.

f. In April 2010, petitioner Carlos Fogelman filed a motion for authorization to institute class action antitrust proceedings with the Superior Court of Quebec in the district of Montreal. In June 2010, the Fanshawe College of Applied Arts and Technology filed a statement of claim in Ontario court. In September 2010, Neil Godfrey filed a statement of claim with the Superior Court of British Columbia. In September 2011, Donald Woligroski filed a statement of claim in Manitoba court. 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. 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.

g. 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. Lite-On IT has assigned lawyers to deal with the lawsuits. In December 2011, the United States Patent and Trademark office determined that the case has no validity. The plaintiff has filed an appeal, and the legal research for the validity remains to be completed. The legal procedure will be postponed accordingly. The outcome cannot be determined, but Lite-On IT believes that the case will not have a significant impact on the financial operations.

h. On July 23, 2013, Lake Cherokee Hard Drive Technologies, instituted class action proceedings against Lite-On Sales & Distribution Inc. and other companies with related businesses, with the United States District Court for Eastern District of Texas, alleging infringement of patent. 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.

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

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

	December 31, 2013		December 31, 2012		January 1, 2012	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets						
Monetary items						
USD	$ 2,834,676	29.8050	$ 1,726,192	29.0400	$ 2,406,629	30.2680
INR	1,939,704	0.4821	2,170,846	0.5299	2,586,306	0.5678
THB	720,707	0.9081	370,358	0.9506	509,548	0.9609
HKD	175,896	3.8436	190,306	3.7464	214,211	3.8956
EUR	106,441	41.0623	51,370	38.4780	129,898	39.1668
Non-monetary items						
USD	8,860	29.8050	40,332	29.0400	141,784	30.2680
JPY	6,348	0.2842	4,554	0.3364	55,944	0.3903
HKD	5,838	3.8436	5,900	3.7464	54,050	3.8956
EUR	-	41.0623	960	38.4780	17,490	39.1668

(Continued)

	December 31, 2013		December 31, 2012		January 1, 2012	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial liabilities						
Monetary items						
USD	$ 3,276,209	29.8050	$ 2,107,333	29.0400	$ 8,689,211	30.2680
INR	972,394	0.4821	2,491,401	0.5299	1,309,431	0.5678
JPY	319,678	0.2842	1,075,705	0.3364	1,948,319	0.3903
THB	239,047	0.9081	193,477	0.9506	143,239	0.9609
EUR	122,758	41.0623	70,961	38.4780	174,281	39.1668

(Concluded)

35. 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$300 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

5) Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None

6) Disposal of real estate reaching NT$300 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 30 to the financial statements

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. Note 4 to the financial statements

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

36. OPERATING SEGMENT INFORMATION

The Group's reportable segments were Optoelectronics and Communications, IT Products and Optical Storage segments. These segments mainly performance were as follows:

a. Optoelectronics and communications: Produce LEDs, designs and mass-manufactures of phone camera modules;

b. IT Products: Provides a full range products for Computing, Server and Networking; manufactures and sells multifunction and all-in-one printers.

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 4.

The Group's operating segment information is as follows:

a. Industry financial information

	Foundry	IT Products	Photoelectric	Others	Elimination	Total
2013						
Sales from external customers	$ 66,334,325	$ 90,553,985	$ 44,382,462	$ 11,943,525	$ -	$ 213,214,297
Sales among segments	1,473,214	2,183,250	9,889	264,920	(3,931,273)	-
Operating profit (loss)	3,223,083	6,560,810	1,932,298	(2,825,700)	-	8,890,491
Segment assets	56,313,299	53,851,411	39,658,343	65,028,154	(2,489,721)	212,361,486
2012						
Sales from external customers	41,144,029	84,671,825	50,462,897	39,768,259	-	216,047,010
Sales among segments	1,395,417	2,251,655	8,276	275,674	(3,931,022)	-
Operating profit (loss)	3,417,166	6,210,560	2,672,385	(2,923,751)	-	9,376,360
Segment assets	41,189,058	48,517,842	41,403,932	67,822,835	(1,878,053)	197,055,614

b. Geographic information

	Sales to Other Than Consolidated Entities		Non-current Assets	
	2013	2012	2013	2012
Asia	$ 150,692,417	$ 156,544,176	$ 47,597,784	$ 55,598,984
United States	37,792,454	23,806,841	169,092	467,530
Europe	24,186,976	20,539,434	8,474,404	2,252,862
Others	542,450	15,156,559	-	105,251
	$ 213,214,297	$ 216,047,010	$ 56,241,280	$ 58,424,627

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

c. Production information

The Group mainly engages in manufacturing optoelectronics and network, system integration, optical storage, LED transit modules, automotive electronics, renewable energy and efficiency-related technologies and products, etc.

d. Major customers representing at least 10% of gross sales

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
Customer A	$ -	-	$ 26,355,806	12

There is no customer representing at least 10% of gross sales for the year ended December 31, 2013.

37. FIRST-TIME ADOPTION OF IFRSS

a. Basis of the preparation for financial information under IFRSs

The Group's consolidated financial statements for the year ended December 31, 2013 not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. 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.

The exemption of not elected to apply IFRS 3 "Business Combinations" also applied to investments in associates acquired in the past.

Share-based payment transactions

The Group elected to take the optional exemption from applying IFRS 2 "Share-based Payment" retrospectively for the shared-based payment transactions granted and vested before the date of transition.

Deemed cost

All other property, plant and equipment, investment properties and intangible assets applied IFRSs retrospectively at the date of the transition.

Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses in retained earnings as of the date of transition. In addition, the Group elected to apply the exemption disclosure requirement provided by IFRS 1, in which the experience adjustments are determined for each accounting period prospectively from the transition date.

c. Impact on the transition to IFRSs

The impact on the Group's consolidated balance sheets and consolidated statements of comprehensive income after transition to IFRSs is 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	-	2,116,283	2,116,283	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	$ 1,554,964	$ 205,615,950	
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	1,390,316	2,137,938	d) and g)
Other	94,658,734	-	94,658,734	
Total liabilities	114,982,624	1,844,834	116,827,458	
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	$ 1,554,964	$ 205,615,950	

2) 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)

(Continued)

Item	ROC GAAP Amount	Effect of Transition to IFRSs	IFRSs Amount	Note
Deferred income tax assets - current	$ 1,110,308	$ (1,110,308)	$ -	c)
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	-	2,215,617	2,215,617	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	$ 1,857,448	$ 197,055,614	
Other payables	$ 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	1,326,805	2,170,053	d) and g)
Other	86,923,052	-	86,923,052	
Total liabilities	105,379,163	2,255,140	107,634,303	
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	$ 1,857,448	$ 197,055,614	

(Concluded)

3) 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)	(69,699)	(185,489,012)	m), n) and s)
Gross profit	30,627,697	(69,699)	30,557,998	
Operating expenses	(19,735,700)	56,047	(19,679,653)	l), m), n) and s)
Operating income	10,891,997	(13,652)	10,878,345	
Nonoperating gains and loss				
Net profit on disposal of investments	585,557	(147,198)	438,359	r)
Investment income recognized under the equity method, net	15,217	2,501	17,718	o)
Other	478,617	17,518	496,135	-
Total nonoperating expenses and losses	1,079,391	(127,179)	952,212	
Income before income tax	11,971,388	(140,831)	11,830,557	
Income tax	(2,451,510)	(2,687)	(2,454,197)	m), n) and o)
Consolidated net income	$ 9,519,878	$ (143,518)	9,376,360	
Exchange differences on translating foreign operations			(2,023,819)	
Unrealized loss on available-for-sale financial assets			(304,324)	
Cash flow hedges			63,662	
Actuarial loss of defined benefits			(134,530)	m)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method			(75,659)	
Income tax relating to components of other comprehensive income			229,169	
Total comprehensive income for the period			$ 7,130,859	

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

Material differences between the accounting policies under ROC GAAP and the accounting policies adopted under IFRSs were as follows:

a) Bank deposits with original maturity more than 3 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 3 months or less from the date of acquisition. Thus, some certificates of deposit the Group held that had maturities of more than 3 months from the date of investment have been reclassified to bond investments with no active market.

As of December 31, 2012 and January 1, 2012, the amounts reclassified to bond investments with no active market were NT$9,365,207 thousand and NT$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.

As of December 31, 2012 and January 1, 2012, the amounts reclassified from allowance for sales returns and discounts to provisions were NT$774,156 thousand and NT$372,114 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 and January 1, 2012, the amounts reclassified from deferred income tax assets - current to deferred income tax assets - noncurrent were NT$1,110,308 thousand and NT$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 and January 1, 2012, the offset amounts of the Group's deferred tax assets and deferred tax liabilities were NT$1,087,112 thousand and NT$1,150,623 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 and January 1, 2012, the amount reclassified from leased assets and idle assets to properties were NT$314,627 thousand and NT$249,381 thousand, respectively.

f) Financial assets carried at cost

Under Regulations Governing the Preparation of Financial Reports by Securities Issuers before its amendment, 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 and January 1, 2012, the Group's financial assets carried at cost reclassified to available for sale financial assets amounted to NT$1,122,230 thousand and NT$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 both December 31, 2012 and January 1, 2012, the amount reclassified from land value increment tax to deferred income tax liabilities were NT$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 NT$17,618 thousand, NT$1,189,471 thousand, NT$516,087 thousand and NT$343,840 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 NT$12,858 thousand, NT$1,296,031 thousand, NT$598,025 thousand and NT$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 NT$1,678 thousand and NT$570,841 thousand, respectively.

As of January 1, 2012, the Group's land use rights reclassified to other current assets and other noncurrent assets amounted to NT$1,709 thousand and NT$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 NT$73,410 thousand and NT$1,236,480 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 NT$48,426 thousand and NT$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 both December 31, 2012 and January 1, 2012, the Group's unrealized loss of NT$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 cost.

As of December 31, 2012, the IFRS-based adjustment resulted in increases in properties by NT$227,744 thousand and unappropriated earnings by NT$15,138 thousand, respectively.

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

The depreciation expense for the year ended 2012 was adjusted for an increase of NT$16,150 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 NT$13,245 thousand; accrued pension liabilities by NT$131,476 thousand; and (b) decreases in other noncurrent assets by NT$15,413 thousand; unappropriated earnings by NT$79,141 thousand; noncontrolling interests by NT$42,876 thousand.

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 January 1, 2012, the IFRS-based adjustments resulted in (a) increases in deferred income tax assets by NT$7,624 thousand; other noncurrent assets by NT$46,252 thousand; accrued pension liabilities by NT$81,378 thousand; and (b) decreases in unappropriated earnings by NT$3,104 thousand.

For the year ended 2012, IFRS adoption resulted in a decrease of NT$11,571 thousand (NT$9,730 thousand recorded as cost of sales and NT$1,841 thousand recorded as operating expenses) in salary expenses and an increase of NT$1,434 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. The Group 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 increases in other payables by NT$248,303 thousand. This adjustment also resulted in decreases in unappropriated earnings by NT$187,443 thousand and noncontrolling interests by NT$50,875 thousand.

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

For the year ended December 31, 2012, IFRS adoption resulted in an increase of NT$9,073 thousand (resulting in a decrease of NT$14,820 thousand in cost of sales and an increase of NT$23,893 thousand in operating expenses) in salary expenses and NT$1,277 thousand in income tax.

o) Investments accounted for using the equity method

The Parent Company 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 differences mentioned above resulted in an increase in unappropriated earnings by NT$175,012 thousand. In addition, the adjustment resulted in decreases in investments accounted for by the equity method by NT$49,346 thousand and capital surplus by NT$255,568 thousand.

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

For the year ended 2012, the IFRS-based adjustments resulted in increases in investment income recognized under the equity method by NT$2,501 thousand, and a decrease of NT$24 thousand in income tax.

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 NT$651,137 thousand in capital surplus - long term investments and an increase of NT$651,137 thousand in unappropriated earnings.

As of January 1, 2012, the foregoing adjustments resulted in a decrease of NT$738,398 thousand in capital surplus - long term investments and an increase of NT$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 NT$29,536 thousand and a decrease of NT$29,536 thousand in unappropriated earnings.

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

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, the IFRS-based adjustments resulted in an increase of NT$146,193 thousand in capital surplus - difference between consideration and carry amounts adjusted arising from changes in percentage of ownership in subsidiaries, and a decrease of NT$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 NT$94,250 thousand for year ended 2012 to cost of sales.

5) Explanation of material adjustments to the statement of cash flows.

The Parent Company partially disposed of its interest in Subsidiary-Silitech Technology Corp. without loss of control for the year ended December 31, 2012. Under R.O.C. GAAP, the resulting cash flows were classified as investing activities. Under IAS 7 “Statement of Cash Flows”, the resulting cash flows of NT$288,198 thousand 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, 3 months or less from the date of acquisition. Therefore, time deposits with a carrying amount of NT$9,365,207 thousand and NT$3,633,137 thousand as of December 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 received, interests paid and dividends received by the Group of NT$1,047,096 thousand, NT$536,643 thousand and NT$57,166 thousand, respectively, for the year ended December 31, 2012 were presented separately at the date of transition to IFRSs.

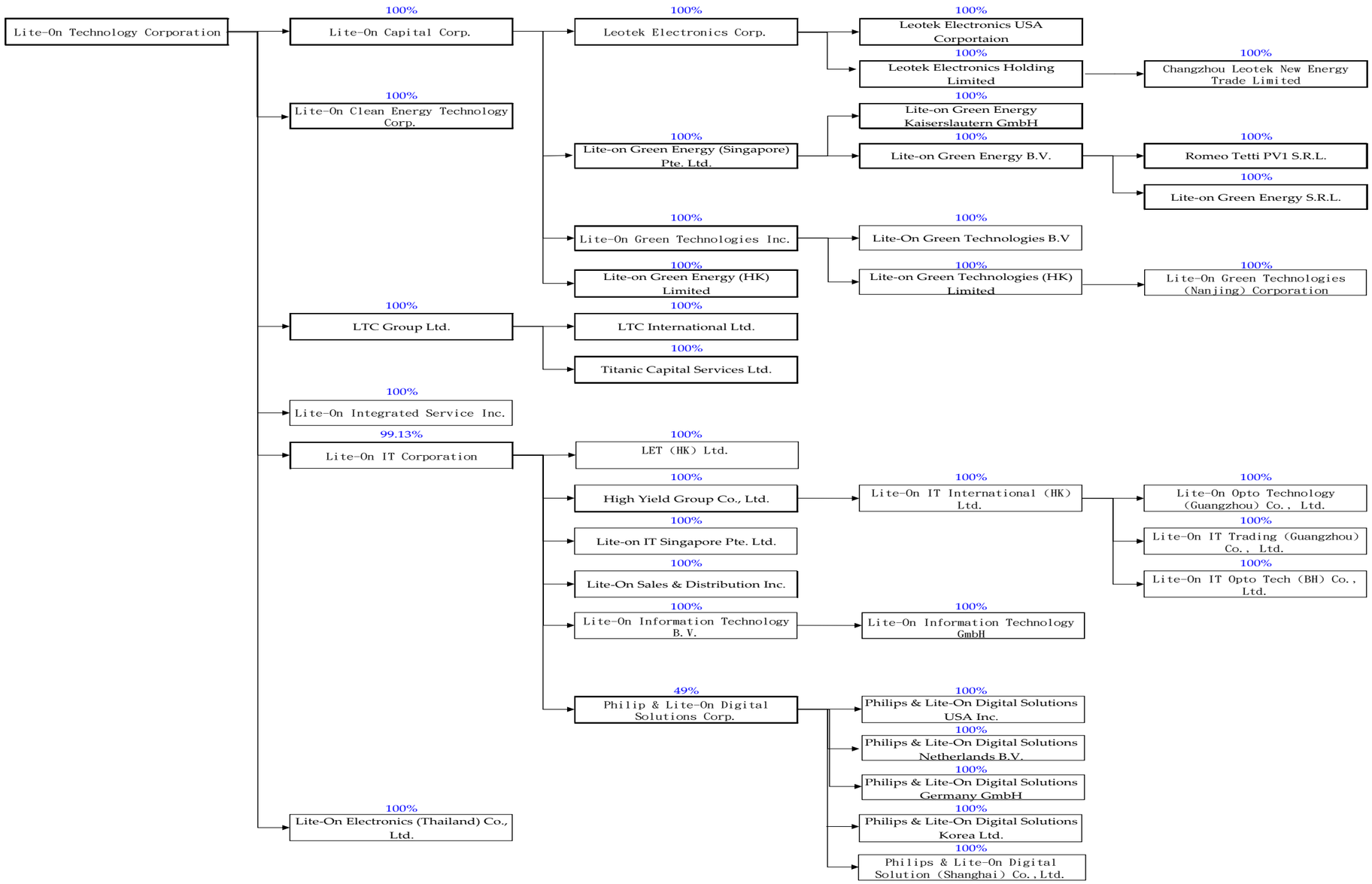
Except for the above differences, there are no other significant differences between ROC GAAP and IFRSs in the statement of cash flows.

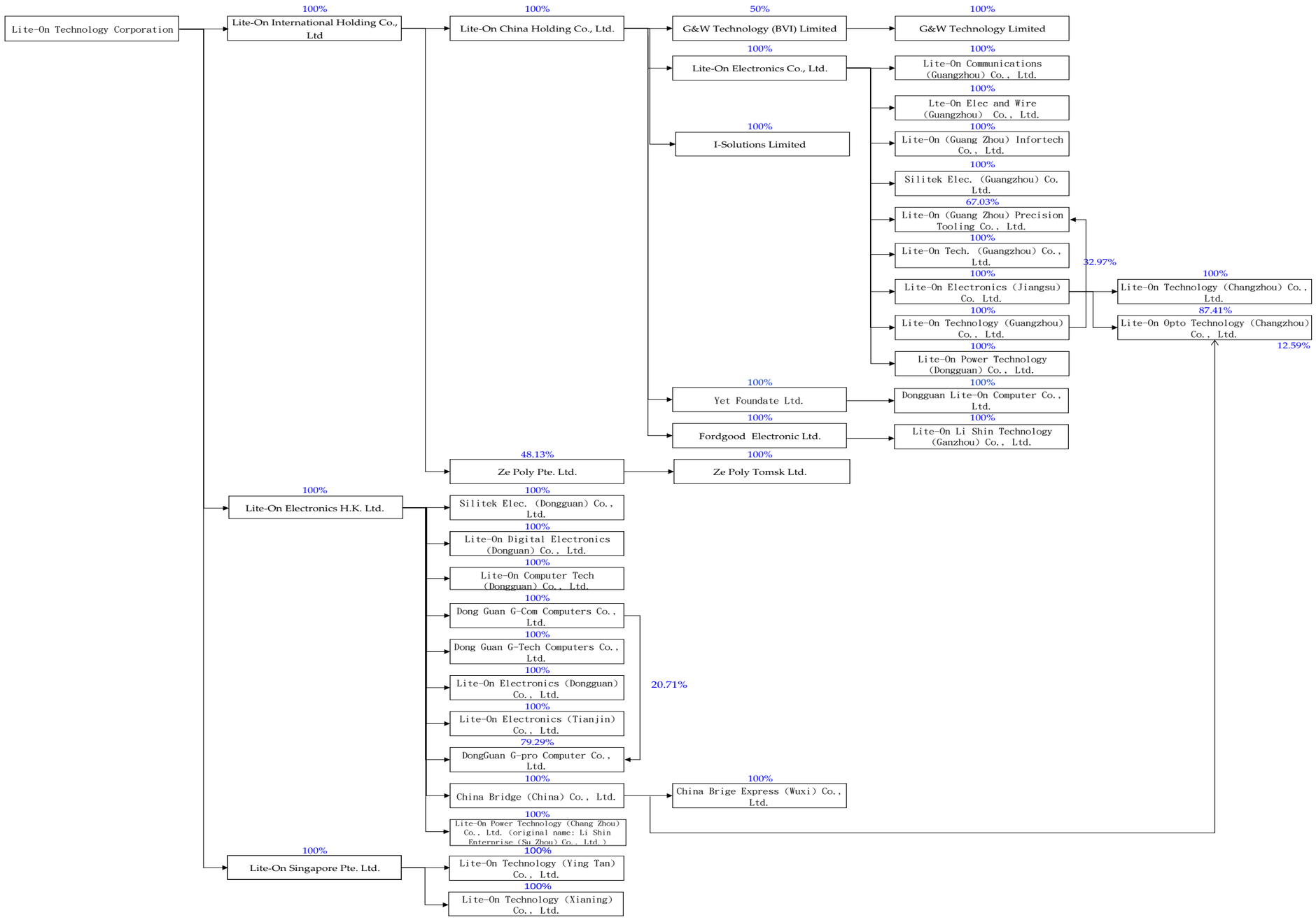
TABLE 1

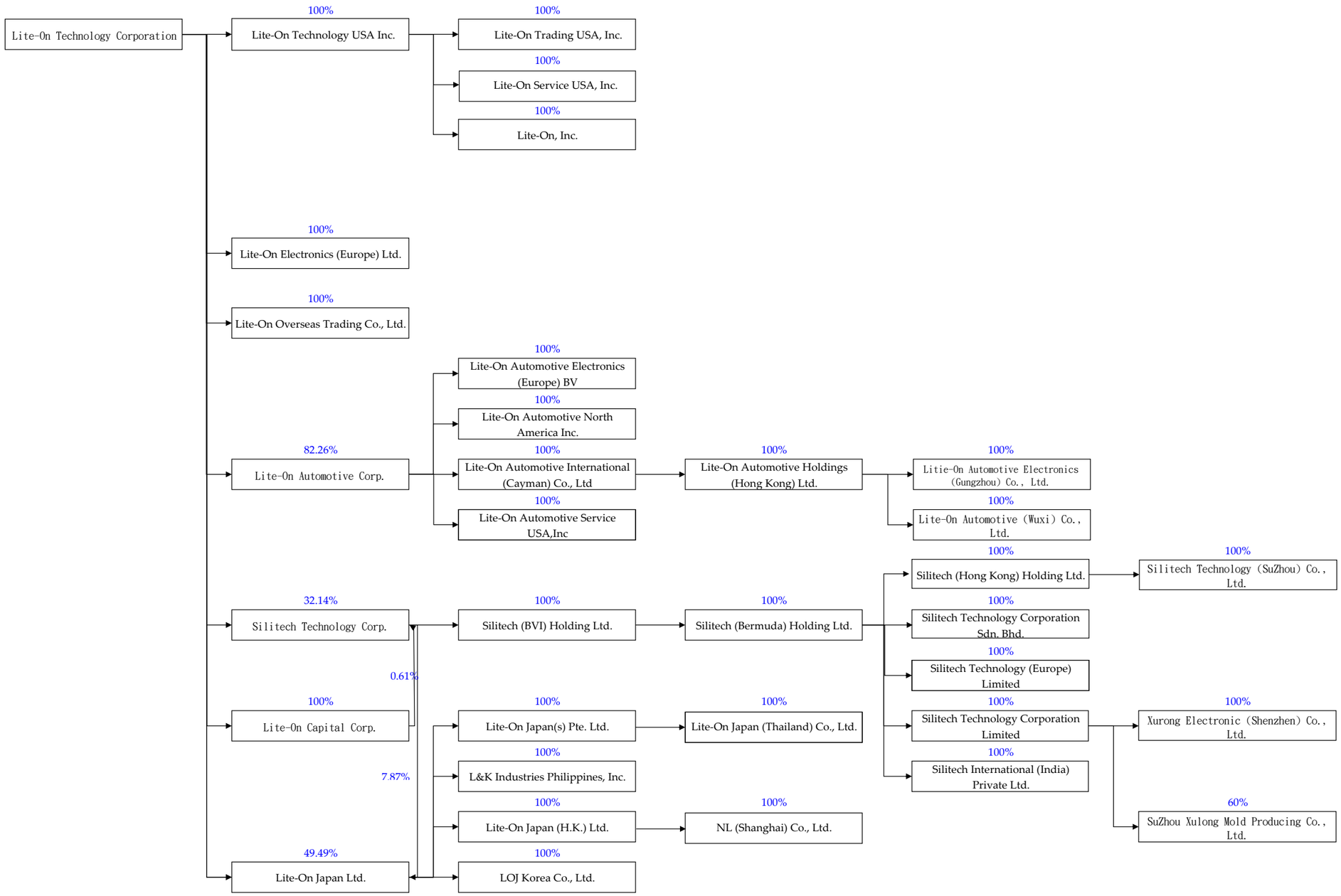
LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

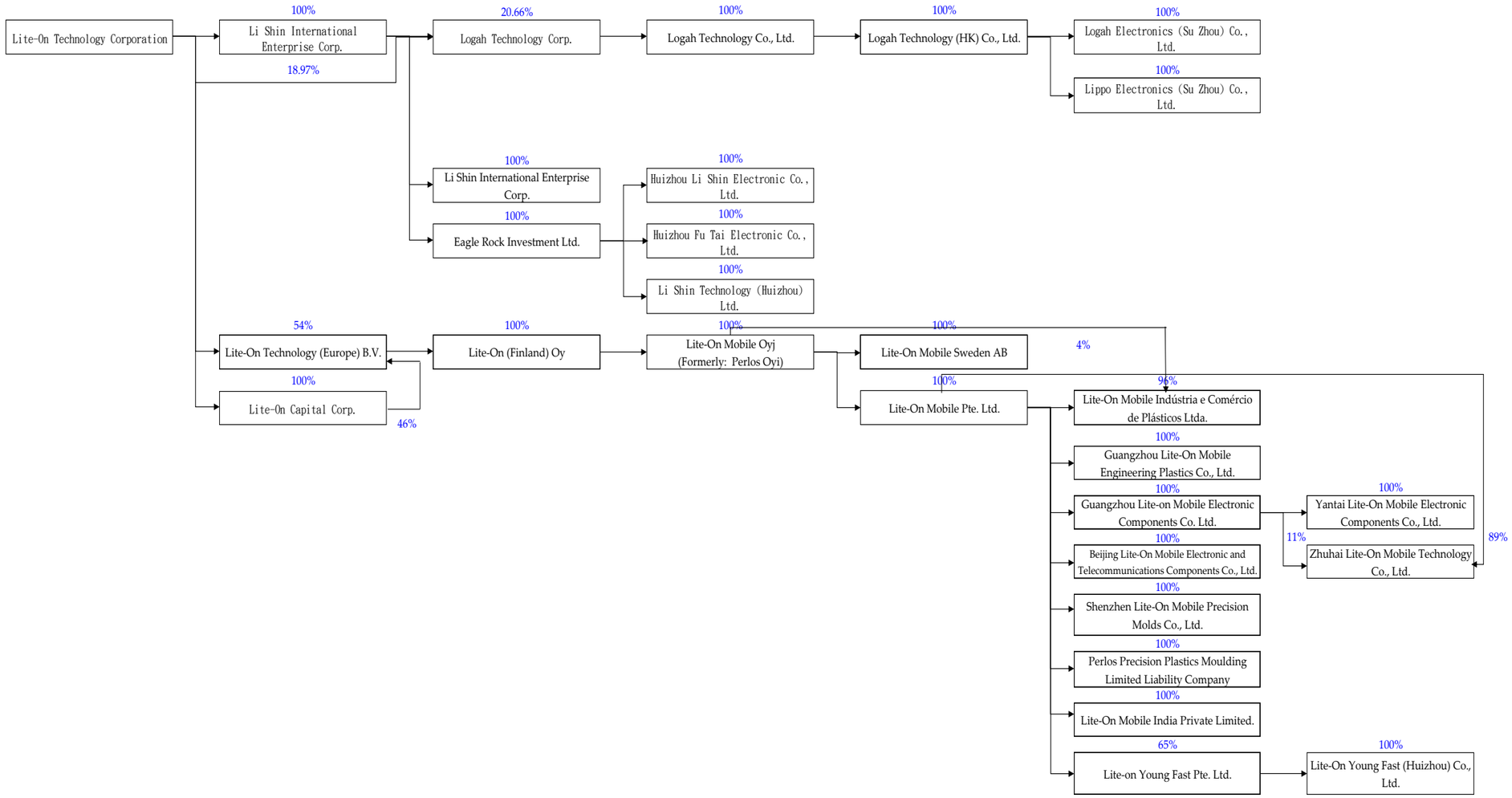
INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
AS OF DECEMBER 31, 2013, DECEMBER 31, 2012 AND JANUARY 1, 2012

December 31, 2013

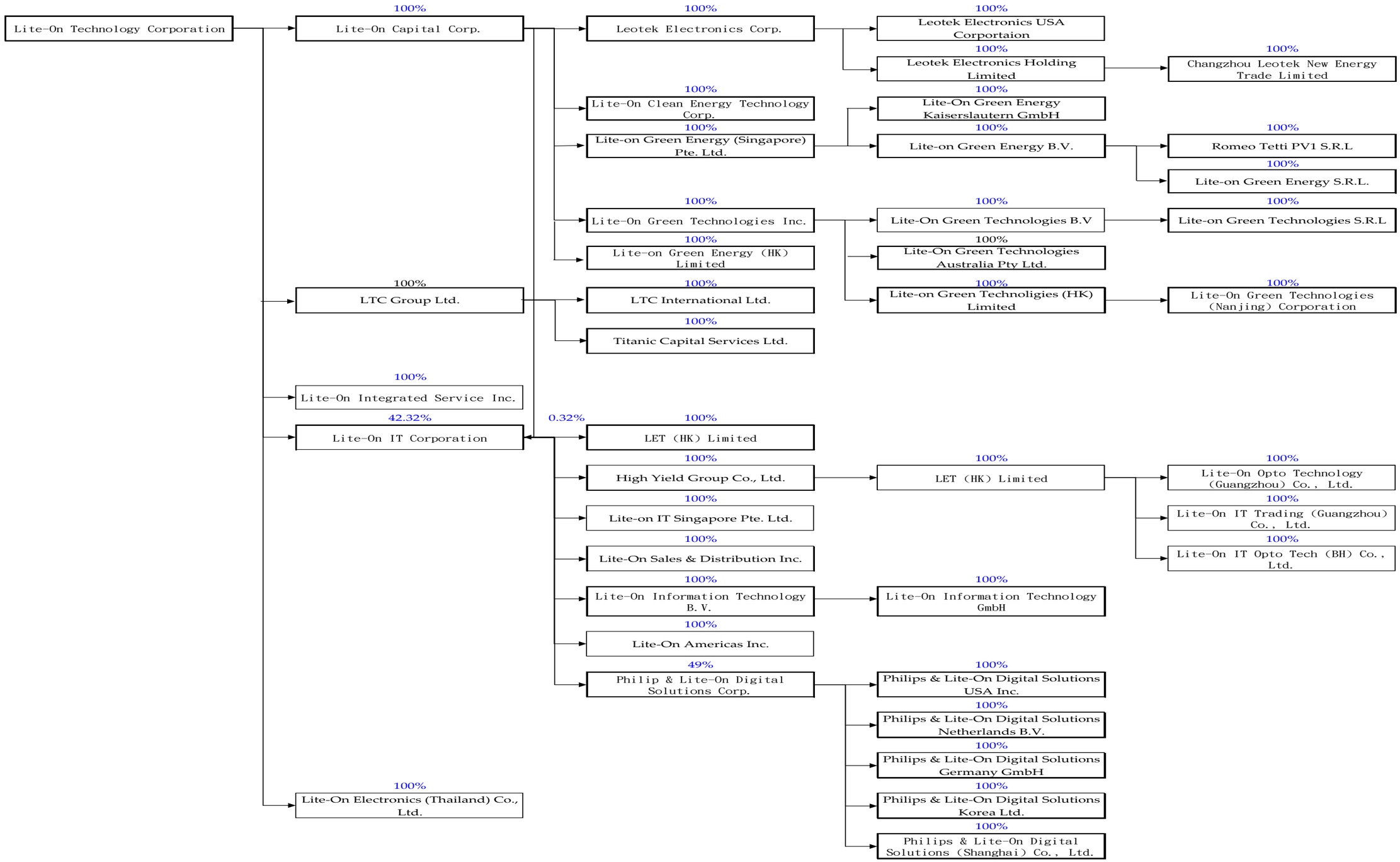


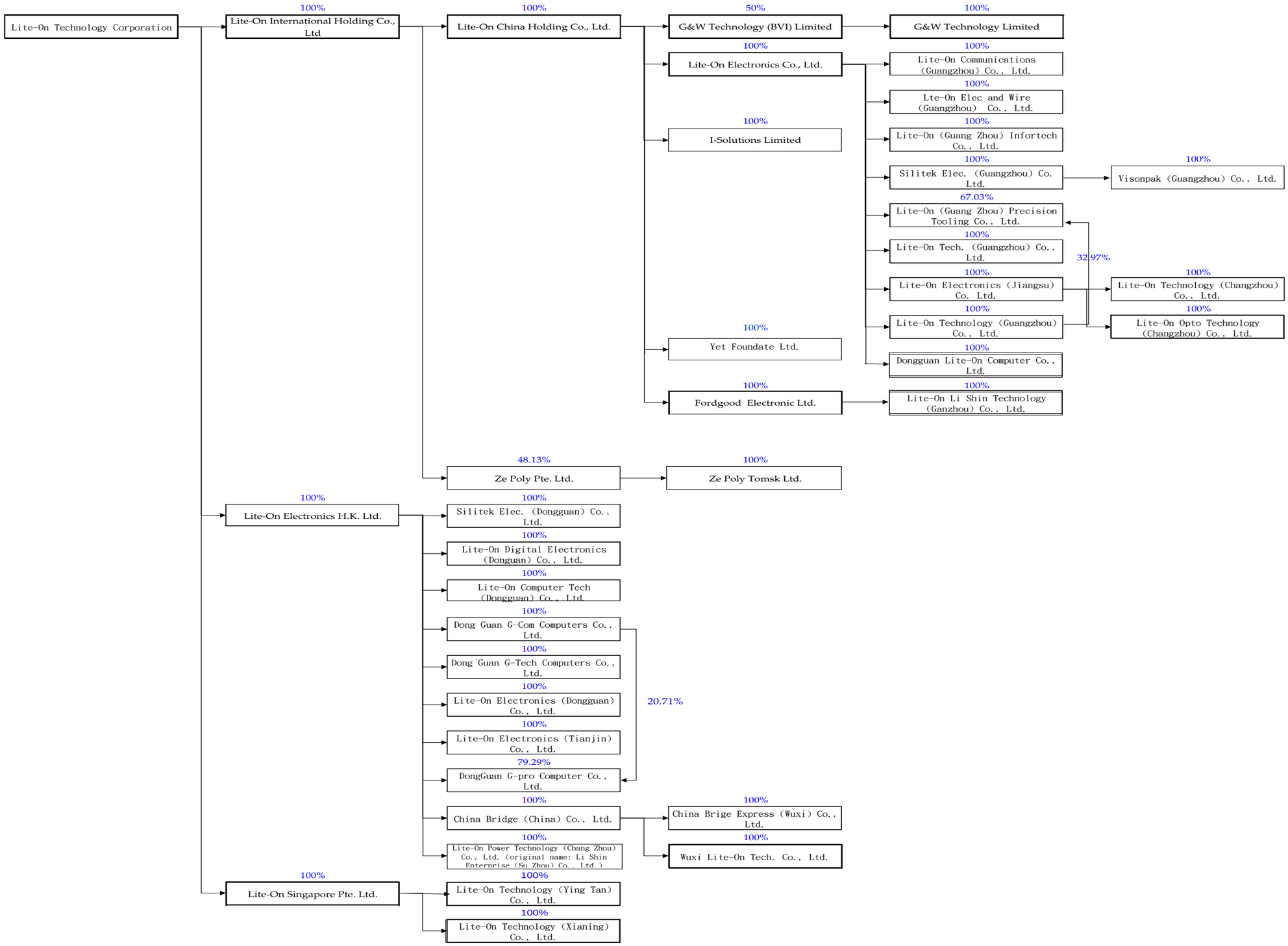

Lite-On Technology Corporation
100%
Lite-On International Holding Co., Ltd
100%
Lite-On China Holding Co., Ltd.
50%
G&W Technology (BVI) Limited
100%
G&W Technology Limited
100%
Lite-On Electronics Co., Ltd.
100%
Lite-On Communications (Guangzhou) Co., Ltd.
100%
Lte-On Elec and Wire (Guangzhou) Co., Ltd.
100%
Lite-On (Guang Zhou) Infortech Co., Ltd.
100%
Silitek Elec. (Guangzhou) Co. Ltd.
67.03%
Lite-On (Guang Zhou) Precision Tooling Co., Ltd.
100%
Lite-On Tech. (Guangzhou) Co., Ltd.
32.97%
100%
Lite-On Electronics (Jiangsu) Co. Ltd.
100%
Lite-On Technology (Changzhou) Co., Ltd.
100%
Lite-On Technology (Guangzhou) Co., Ltd.
87.41%
Lite-On Opto Technology (Changzhou) Co., Ltd.
12.59%
100%
Lite-On Power Technology (Dongguan) Co., Ltd.
100%
I-Solutions Limited
100%
Yet Foundate Ltd.
100%
Dongguan Lite-On Computer Co., Ltd.
100%
Fordgood Electronic Ltd.
100%
Lite-On Li Shin Technology (Ganzhou) 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. (original name: Li Shin Enterprise (Su Zhou) 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%
Lite-On Electronics (Europe) Ltd.
100%
Lite-On Overseas Trading Co., Ltd.
82.26%
Lite-On Automotive Corp.
100%
Lite-On Automotive Electronics (Europe) BV
100%
Lite-On Automotive North America Inc.
100%
Lite-On Automotive International (Cayman) Co., Ltd
100%
Lite-On Automotive Service USA,Inc
100%
Lite-On Automotive Holdings (Hong Kong) Ltd.
100%
Litie-On Automotive Electronics (Gungzhou) Co., Ltd.
100%
Lite-On Automotive (Wuxi) Co., Ltd.
32.14%
Silitech Technology Corp.
100%
Silitech (BVI) Holding Ltd.
100%
Silitech (Bermuda) Holding Ltd.
100%
Silitech (Hong Kong) Holding Ltd.
100%
Silitech Technology (SuZhou) Co., Ltd.
100%
Silitech Technology Corporation Sdn. Bhd.
100%
Silitech Technology (Europe) Limited
100%
Silitech Technology Corporation Limited
100%
Xurong Electronic (Shenzhen) Co., Ltd.
60%
SuZhou Xulong Mold Producing Co., Ltd.
100%
Silitech International (India) Private Ltd.
0.61%
100%
Lite-On Capital Corp.
100%
Lite-On Japan(s) Pte. Ltd.
100%
Lite-On Japan (Thailand) Co., Ltd.
100%
L&K Industries Philippines, Inc.
7.87%
100%
Lite-On Japan (H.K.) Ltd.
100%
NL (Shanghai) 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 Corp.
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%
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.

December 31, 2012




Lite-On Technology Corporation
100%
Lite-On International Holding Co., Ltd
100%
Lite-On China Holding Co., Ltd.
50%
G&W Technology (BVI) Limited
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G&W Technology Limited
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Lite-On Electronics Co., Ltd.
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Lite-On Communications (Guangzhou) Co., Ltd.
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Lte-On Elec and Wire (Guangzhou) Co., Ltd.
100%
Lite-On (Guang Zhou) Infortech Co., Ltd.
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Silitek Elec. (Guangzhou) Co. Ltd.
100%
Visonpak (Guangzhou) Co., Ltd.
67.03%
Lite-On (Guang Zhou) Precision Tooling Co., Ltd.
100%
Lite-On Tech. (Guangzhou) Co., Ltd.
32.97%
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Lite-On Electronics (Jiangsu) Co. Ltd.
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Lite-On Technology (Changzhou) Co., Ltd.
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Lite-On Technology (Guangzhou) Co., Ltd.
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Lite-On Opto Technology (Changzhou) Co., Ltd.
100%
Dongguan Lite-On Computer Co., Ltd.
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I-Solutions Limited
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Yet Foundate Ltd.
100%
Fordgood Electronic Ltd.
100%
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.
48.13%
Ze Poly Pte. Ltd.
100%
Ze Poly Tomsk Ltd.
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Lite-On Electronics H.K. Ltd.
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Silitek Elec. (Dongguan) Co., Ltd.
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Lite-On Digital Electronics (Donguan) Co., Ltd.
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Dong Guan G-Com Computers Co., Ltd.
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Dong Guan G-Tech Computers Co., Ltd.
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Lite-On Electronics (Dongguan) Co., Ltd.
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Lite-On Electronics (Tianjin) Co., Ltd.
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DongGuan G-pro Computer Co., Ltd.
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China Bridge (China) Co., Ltd.
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China Brige Express (Wuxi) Co., Ltd.
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Wuxi Lite-On Tech. Co., Ltd.
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Lite-On Power Technology (Chang Zhou) Co., Ltd. (original name: Li Shin Enterprise (Su Zhou) Co., Ltd.)
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Lite-On Technology (Ying Tan) Co., Ltd.
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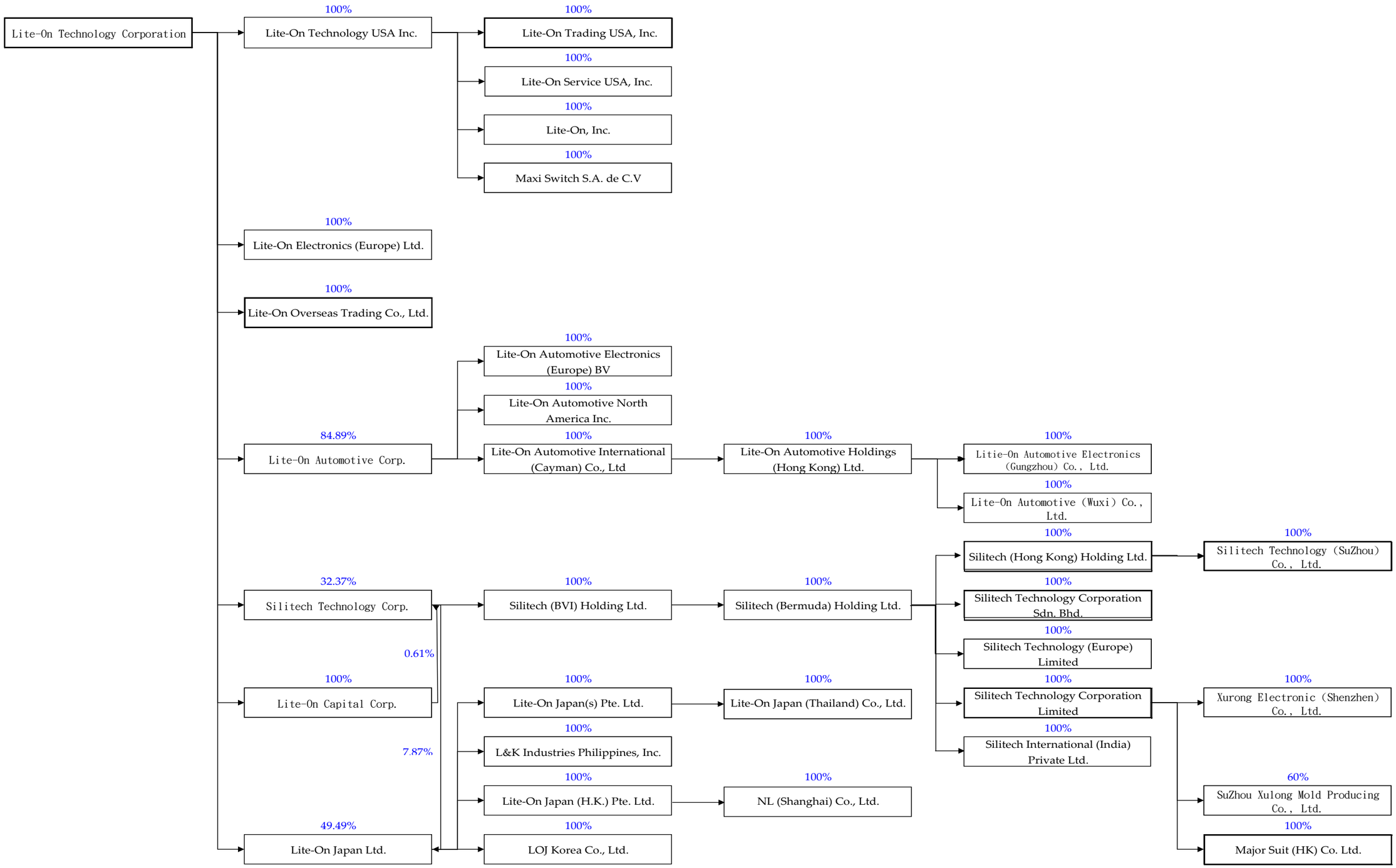
Lite-On Technology (Xianing) Co., Ltd.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Lite-On Technology USA Inc.
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Maxi Switch S.A. de C.V
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Lite-On Electronics (Europe) Ltd.
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Lite-On Overseas Trading Co., Ltd.
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Lite-On Automotive Electronics (Europe) BV
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Lite-On Automotive North America Inc.
84.89%
Lite-On Automotive Corp.
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Lite-On Automotive International (Cayman) Co., Ltd
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Lite-On Automotive Holdings (Hong Kong) Ltd.
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Litie-On Automotive Electronics (Gungzhou) Co., Ltd.
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Lite-On Automotive (Wuxi) Co., Ltd.
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Silitech (Hong Kong) Holding Ltd.
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Silitech Technology (SuZhou) Co., Ltd.
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Silitech (Bermuda) Holding Ltd.
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Silitech Technology (Europe) Limited
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Lite-On Capital Corp.
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Lite-On Japan(s) Pte. Ltd.
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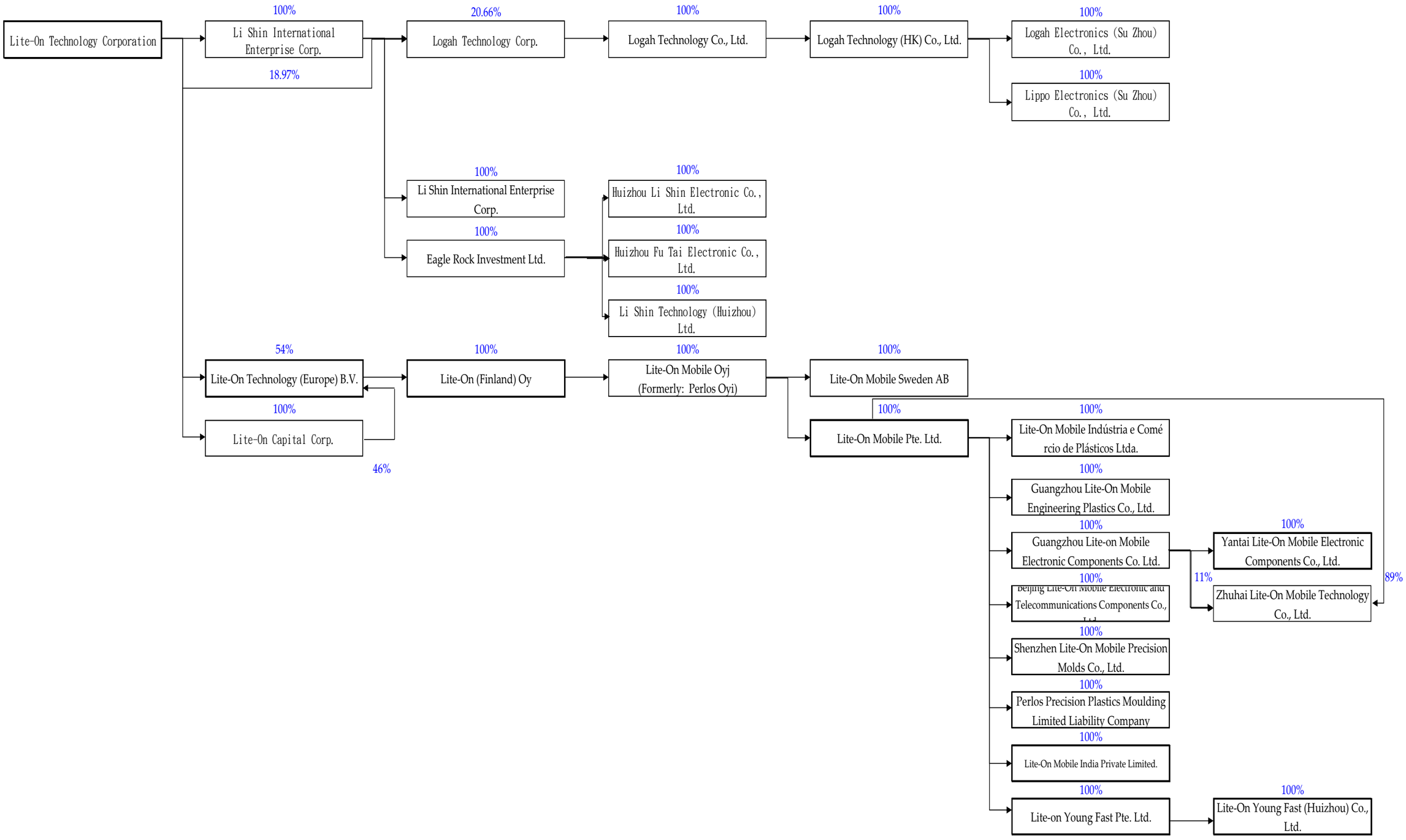
Lite-On Japan (Thailand) Co., Ltd.
100%
Silitech Technology Corporation Limited
100%
Xurong Electronic (Shenzhen) Co., Ltd.
100%
L&K Industries Philippines, Inc.
7.87%
100%
Silitech International (India) Private Ltd.
100%
Lite-On Japan (H.K.) Pte. Ltd.
100%
NL (Shanghai) Co., Ltd.
60%
SuZhou Xulong Mold Producing Co., Ltd.
49.49%
Lite-On Japan Ltd.
100%
LOJ Korea Co., Ltd.
100%
Major Suit (HK) Co. Ltd.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Li Shin International Enterprise Corp.
18.97%
20.66%
Logah Technology Corp.
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Logah Technology Co., Ltd.
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Logah Technology (HK) Co., Ltd.
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Logah Electronics (Su Zhou) Co., Ltd.
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Lippo Electronics (Su Zhou) Co., Ltd.
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Li Shin International Enterprise Corp.
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Eagle Rock Investment Ltd.
100%
Huizhou Li Shin Electronic Co., Ltd.
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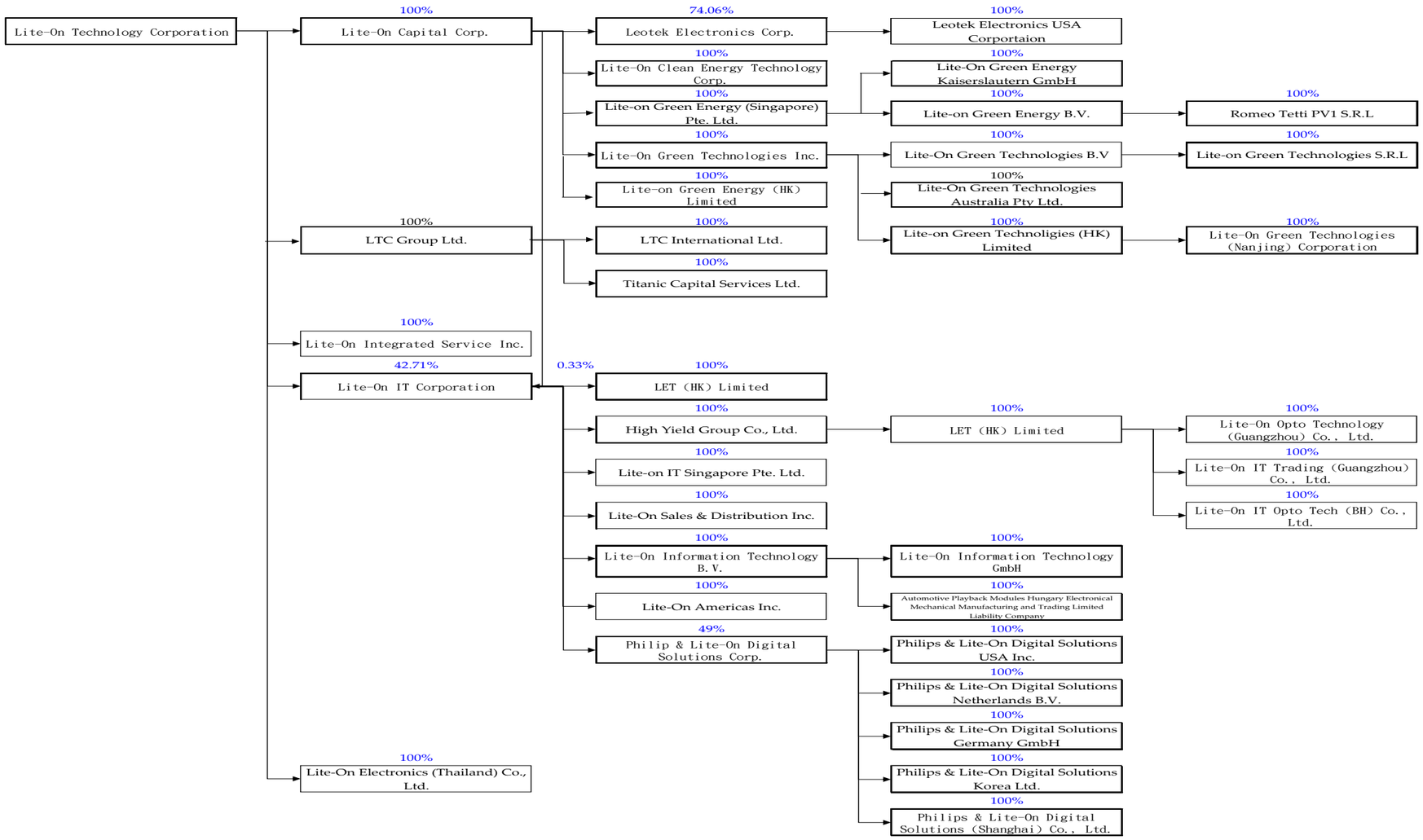
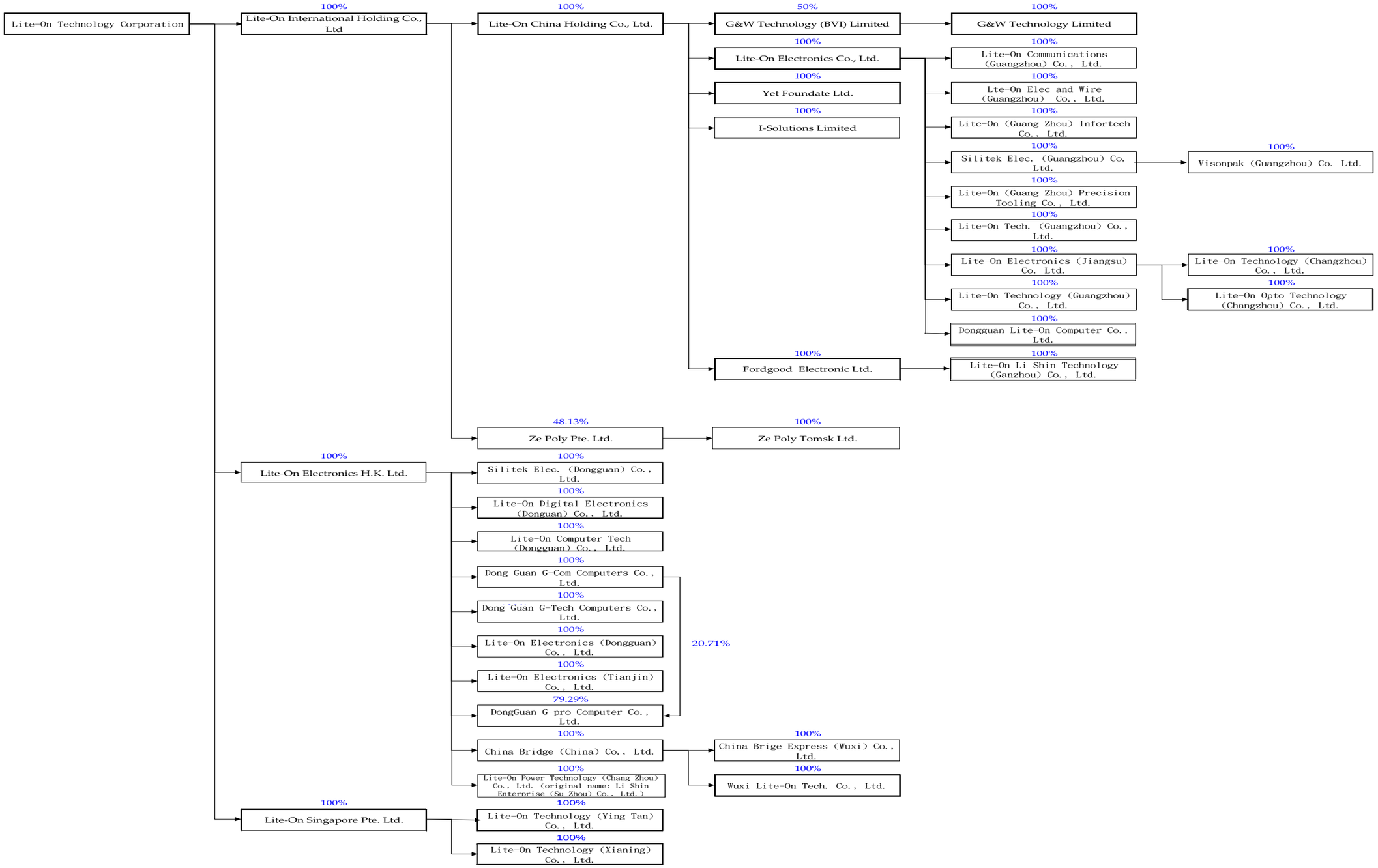
Huizhou Fu Tai Electronic Co., Ltd.
100%
Li Shin Technology (Huizhou) Ltd.
54%
Lite-On Technology (Europe) B.V.
100%
Lite-On Capital Corp.
46%
100%
Lite-On (Finland) Oy
100%
Lite-On Mobile Oyj (Formerly: Perlos Oyi)
100%
Lite-On Mobile Sweden AB
100%
Lite-On Mobile Pte. Ltd.
100%
Lite-On Mobile Indústria 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%
100%
Beijing Lite-On Mobile Electronic and Telecommunications Components Co., Ltd.
Zhuhai Lite-On Mobile Technology 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.
100%
Lite-on Young Fast Pte. Ltd.
100%
Lite-On Young Fast (Huizhou) Co., Ltd.

January 1, 2012




Lite-On Technology Corporation
100%
Lite-On International Holding Co., Ltd
100%
Lite-On China Holding Co., Ltd.
50%
G&W Technology (BVI) Limited
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G&W Technology Limited
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Lite-On Electronics Co., Ltd.
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Lite-On Communications (Guangzhou) Co., Ltd.
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Yet Foundate Ltd.
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Lte-On Elec and Wire (Guangzhou) Co., Ltd.
100%
I-Solutions Limited
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Lite-On (Guang Zhou) Infortech Co., Ltd.
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Silitek Elec. (Guangzhou) Co. Ltd.
100%
Visonpak (Guangzhou) Co. Ltd.
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Lite-On (Guang Zhou) Precision Tooling Co., Ltd.
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Lite-On Tech. (Guangzhou) Co., Ltd.
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Lite-On Electronics (Jiangsu) Co. Ltd.
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Lite-On Technology (Changzhou) Co., Ltd.
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Lite-On Technology (Guangzhou) Co., Ltd.
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Lite-On Opto Technology (Changzhou) Co., Ltd.
100%
Dongguan Lite-On Computer Co., Ltd.
100%
Fordgood Electronic Ltd.
100%
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.
48.13%
Ze Poly Pte. Ltd.
100%
Ze Poly Tomsk Ltd.
100%
Lite-On Electronics H.K. Ltd.
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Silitek Elec. (Dongguan) Co., Ltd.
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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.
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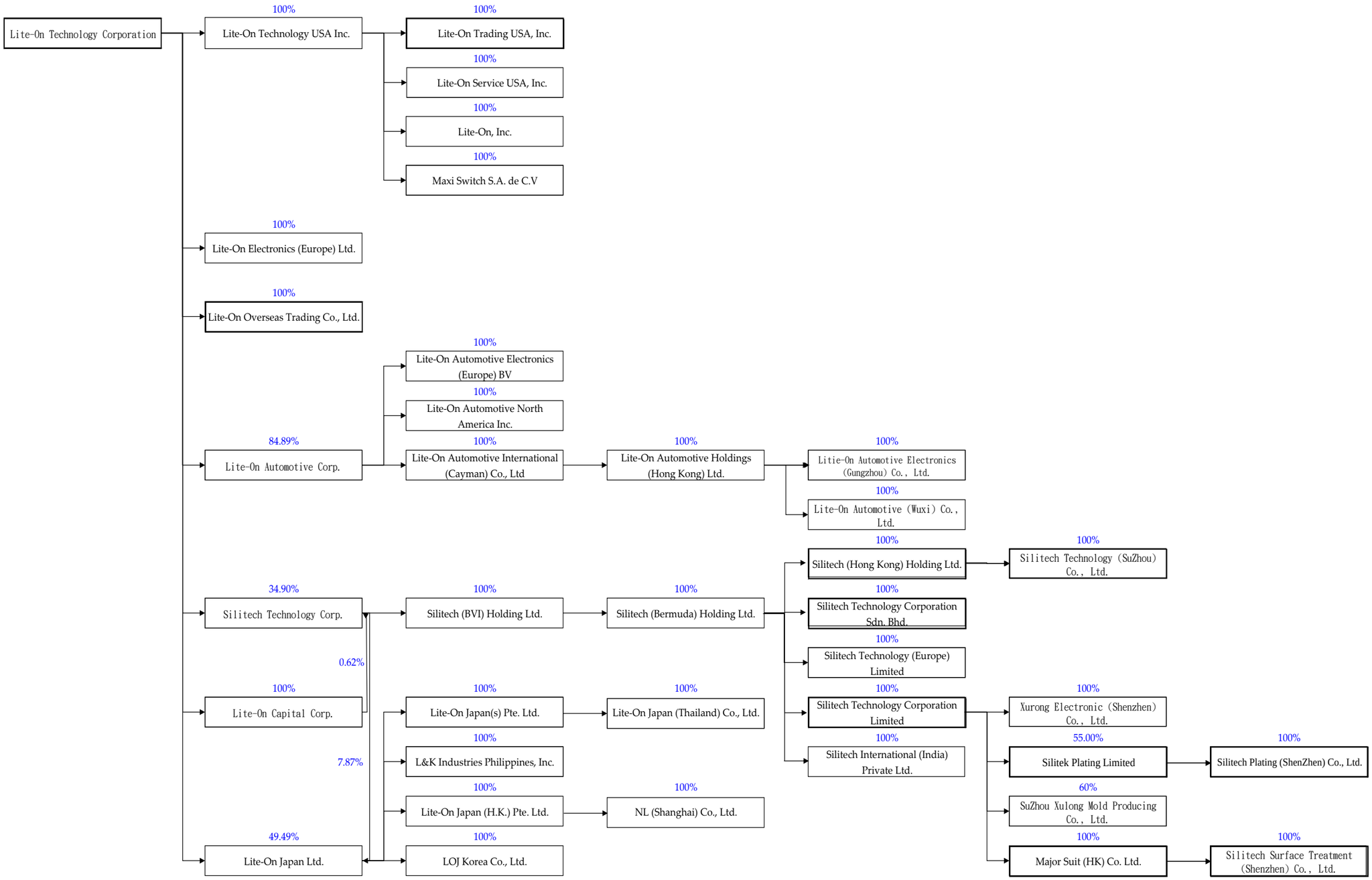
DongGuan G-pro Computer Co., Ltd.
100%
China Bridge (China) Co., Ltd.
100%
China Brige Express (Wuxi) Co., Ltd.
100%
Lite-On Power Technology (Chang Zhou) Co., Ltd. (original name: Li Shin Enterprise (Su Zhou) Co., Ltd.)
100%
Wuxi Lite-On Tech. Co., Ltd.
100%
Lite-On Singapore Pte. Ltd.
100%
Lite-On 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.
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Lite-On Service USA, Inc.
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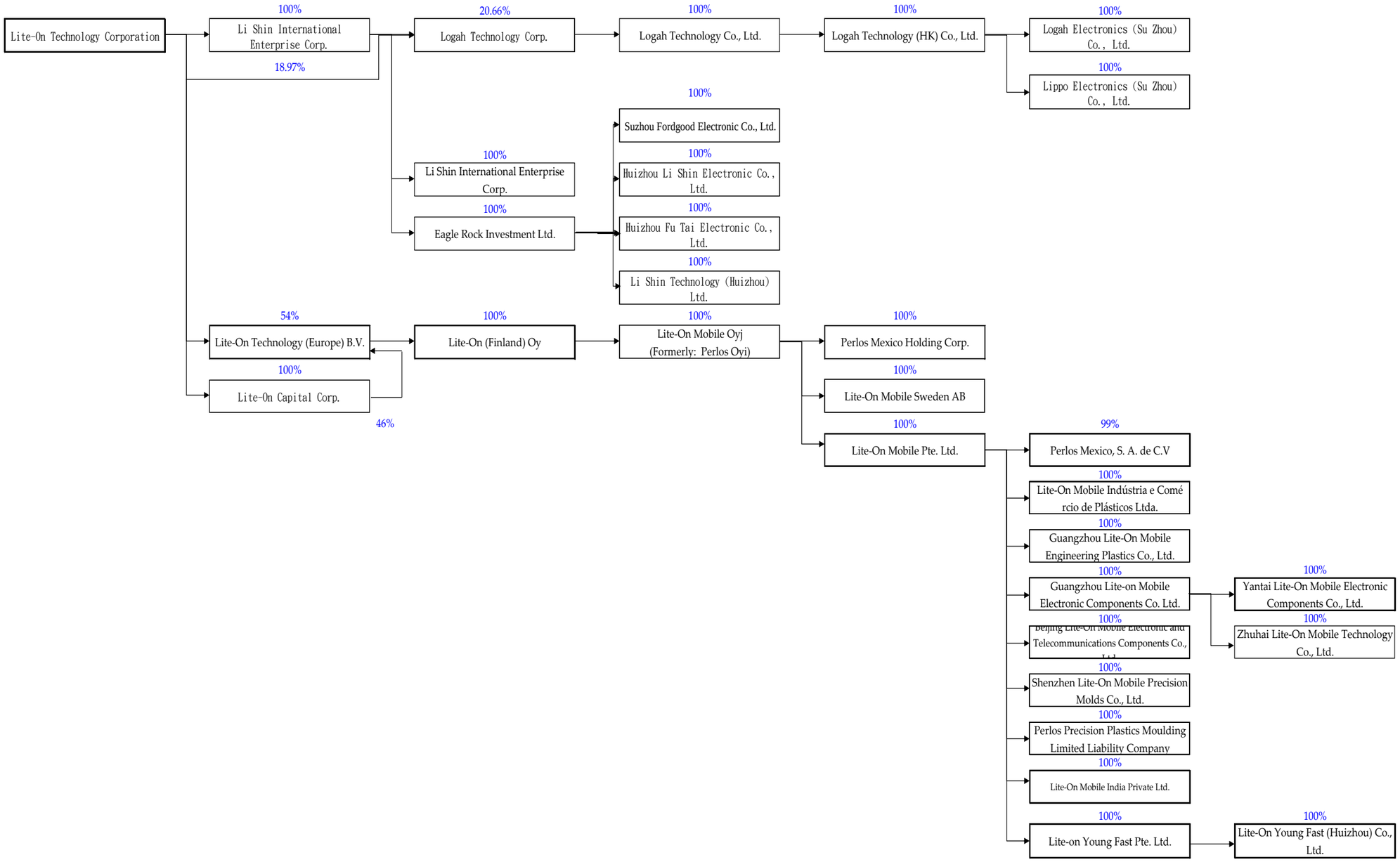
Lite-On, Inc.
100%
Maxi Switch S.A. de C.V
100%
Lite-On Electronics (Europe) Ltd.
100%
Lite-On Overseas Trading Co., Ltd.
100%
Lite-On Automotive Electronics (Europe) BV
100%
Lite-On Automotive North America Inc.
84.89%
Lite-On Automotive Corp.
100%
Lite-On Automotive International (Cayman) Co., Ltd
100%
Lite-On Automotive Holdings (Hong Kong) Ltd.
100%
Litie-On Automotive Electronics (Gungzhou) Co., Ltd.
100%
Lite-On Automotive (Wuxi) Co., Ltd.
100%
Silitech (Hong Kong) Holding Ltd.
100%
Silitech Technology (SuZhou) Co., Ltd.
34.90%
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 Corp.
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.) Pte. 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.


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%
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.
100%
Li Shin Technology (Huizhou) Ltd.
54%
Lite-On Technology (Europe) B.V.
100%
Lite-On (Finland) Oy
100%
Lite-On Mobile Oyj (Formerly: Perlos Oyi)
100%
Perlos Mexico Holding Corp.
100%
Lite-On Capital Corp.
46%
100%
Lite-On Mobile Sweden AB
100%
Lite-On Mobile Pte. Ltd.
99%
Perlos Mexico, S. A. de C.V
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.
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Zhuhai Lite-On Mobile Technology Co., Ltd.
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Beijing Lite-On Mobile Electronic and Telecommunications Components Co., Ltd.
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Perlos Precision Plastics Moulding Limited Liability Company
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Lite-On Mobile India Private Ltd.
100%
Lite-on Young Fast Pte. Ltd.
100%
Lite-On Young Fast (Huizhou) Co., Ltd.