Lite-On Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2015 and 2014 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Lite-On Technology Corporation

We have reviewed the accompanying consolidated balance sheets of Lite-On Technology Corporation ("Parent Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2015, December 31, 2014, March 31, 2014 and January 1, 2014 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Parent Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As disclosed in Note 14 to the consolidated financial statements, we did not review the financial statements as of and for the three months ended March 31, 2015 and 2014 of some consolidated subsidiaries. The assets of these subsidiaries were 29.63% (NT$59,176,758 thousand) and 20.20% (NT$41,001,958 thousand) of the consolidated total assets as of March 31, 2015 and 2014, respectively. The liabilities of these subsidiaries were 28.70% (NT$34,430,640 thousand) and 17.79% (NT$21,831,223 thousand) of the consolidated total liabilities as of March 31, 2015 and 2014, respectively. The comprehensive incomes of these subsidiaries were 37.40% (NT$220,566 thousand) and 15.89% (NT$266,277 thousand) of the total comprehensive income for the three months ended March 31, 2015 and 2014, respectively. Also, as disclosed in Note 15 to the financial statements, the Group had other investments accounted for by the equity method. The carrying values of these investments of NT$1,994,467 thousand and NT$1,922,600 thousand as of March 31, 2015 and 2014, respectively, and the consolidated equity in these investees' net gain amounting to NT$3,516 thousand and net loss amounting to NT$60,497 thousand for the three months ended March 31, 2015 and 2014, respectively, and related investment amounts as well as additional disclosures in Note 37 were based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the subsidiaries' and other equity-method investees' financial statements mentioned in the preceding paragraph and the information disclosed in Note 37 been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Lite-On Technology Corporation and its subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China, and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

As disclosed in Note 3 to the consolidated financial statements, Lite-On Technology Corporation and its subsidiaries has applied the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers since January 1, 2015 and has disclosed the effects of the retrospective application of the IFRSs and the financial statement restatement resulting from the retrospective IFRS application.

Deloitte & Touche

May 13, 2015

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail. Also, as stated in Note 4 to the financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2015 (Reviewed)		December 31, 2014 (Audited after Restated)		March 31, 2014 (Reviewed after Restated)		January 1, 2014 (Audited after Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	$ 58,701,055	29	$ 66,483,356	31	$ 61,398,182	30	$ 66,056,220	31
Financial instruments at fair value through profit or loss (Note 7)	46,205	-	13,111	-	26,250	-	14,867	-
Available-for-sale financial assets - current (Note 8)	-	-	-	-	16	-	13	-
Debt investments with no active market - current (Notes 10 and 34)	239,575	-	78,170	-	91,129	-	22,390	-
Notes receivable	264,069	-	311,666	-	243,599	-	175,756	-
Notes receivable from related parties (Note 33)	-	-	-	-	15	-	-	-
Trade receivables, net (Note 11)	45,144,744	23	51,134,012	23	45,420,645	23	49,500,169	23
Trade receivables from related parties (Note 33)	40,854	-	73,069	-	146,513	-	81,554	-
Other receivables	1,109,876	1	1,420,019	1	1,035,543	1	2,319,810	1
Other receivables from related parties (Note 33)	2,079	-	3,053	-	993	-	18,951	-
Inventories, net (Note 12)	28,554,024	14	29,513,791	14	28,488,828	14	27,203,533	13
Non-current assets classified as held for sale (Note 13)	-	-	129,505	-	-	-	-	-
Other current assets (Note 19)	4,541,390	2	4,561,144	2	4,374,047	2	5,037,428	3
Total current assets	138,643,871	69	153,720,896	71	141,225,760	70	150,430,691	71
NONCURRENT ASSETS								
Available-for-sale financial assets - noncurrent (Note 8)	1,159,994	1	1,326,255	1	2,295,720	1	2,143,990	1
Debt investments with no active market - noncurrent (Notes 10 and 34)	67,737	-	518	-	701	-	14,100	-
Investments accounted for using equity method (Note 15)	4,043,486	2	4,055,902	2	4,207,450	2	3,531,425	2
Property, plant and equipment, net (Note 16)	34,555,511	17	36,107,216	17	35,683,988	18	37,001,382	17
Investment properties, net (Note 17)	524,538	-	537,030	-	-	-	-	-
Intangible assets, net (Note 18)	16,170,015	8	16,298,963	8	15,865,863	8	15,716,262	7
Deferred tax assets	3,243,510	2	3,105,466	1	2,422,044	1	2,204,470	1
Refundable deposits	457,258	-	492,255	-	430,261	-	390,443	-
Other noncurrent assets (Note 19)	885,961	1	889,328	-	894,708	-	925,989	1
Total noncurrent assets	61,108,010	31	62,812,933	29	61,800,735	30	61,928,061	29
TOTAL	$ 199,751,881	100	$ 216,533,829	100	$ 203,026,495	100	$ 212,358,752	100
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Note 20)	$ 17,002,350	9	$ 22,911,114	11	$ 16,911,173	8	$ 15,576,780	7
Financial liabilities at fair value through profit or loss (Note 7)	4,348	-	38,408	-	35,368	-	27,836	-
Derivative financial instruments for hedging- current (Note 9)	6,128	-	11,989	-	-	-	-	-
Notes payable	129,517	-	122,947	-	317,707	-	191,488	-
Trade payables	52,873,138	26	61,920,859	29	52,906,153	26	60,307,826	29
Trade payables to related parties (Note 33)	694,753	-	953,666	-	536,834	-	568,624	-
Other payables	18,421,508	9	19,693,248	9	20,641,432	10	21,352,914	10
Other payables to related parties (Note 33)	4,895	-	6,741	-	33,538	-	11,699	-
Current tax liabilities	2,115,117	1	2,272,036	1	2,182,873	1	2,102,971	1
Provisions - current (Note 22)	1,113,657	1	1,080,628	-	931,510	1	874,502	1
Advance receipts	2,539,364	1	2,832,769	1	1,589,414	1	1,401,939	1
Current portion of long-term borrowings (Note 20)	5,660,704	3	8,358,989	4	9,131,648	5	8,867,669	4
Finance lease payables - current (Note 21)	85,457	-	85,232	-	74,157	-	72,735	-
Total current liabilities	100,650,936	50	120,288,626	55	105,291,807	52	111,356,983	53
NONCURRENT LIABILITIES								
Derivative financial instruments for hedging - noncurrent (Note 9)	-	-	-	-	34,934	-	46,969	-
Long-term borrowings (Note 20)	15,849,622	8	13,564,160	6	14,121,507	7	18,508,496	9
Deferred tax liabilities	3,235,210	2	3,229,792	2	2,773,851	1	2,721,656	1
Finance lease payables, net of current portion - noncurrent (Note 21)	76,374	-	101,721	-	151,657	-	172,948	-
Net defined benefit liabilities - noncurrent	86,536	-	96,021	-	246,076	-	219,709	-
Guarantee deposits	79,933	-	80,871	-	78,896	-	81,608	-
Credit balance of investments accounted for using equity method (Note 15)	-	-	-	-	41,161	-	-	-
Total noncurrent liabilities	19,327,675	10	17,072,565	8	17,448,082	8	21,751,386	10
Total liabilities	119,978,611	60	137,361,191	63	122,739,889	60	133,108,369	63
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
Share capital								
Ordinary shares	23,416,737	12	23,416,737	11	23,276,257	12	23,246,552	11
Advance receipts for common stock	-	-	-	-	-	-	29,705	-
Total share capital	23,416,737	12	23,416,737	11	23,276,257	12	23,276,257	11
Capital surplus								
Additional paid-in capital from share issuance in excess of par value	9,238,931	5	9,238,931	4	9,096,489	5	9,096,489	4
Bond conversion	7,534,962	4	7,534,962	4	7,540,388	4	7,540,388	4
Treasury stock transactions	445,694	-	445,694	-	430,851	-	430,851	-
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	32,498	-	30,960	-	-	-	-	-
Arising from share of changes in capital surplus of associates	244,943	-	231,446	-	157,269	-	15,487	-
Merger	10,112,934	5	10,112,934	5	10,120,217	5	10,120,217	5
Employee stock options	-	-	-	-	8,623	-	8,587	-
Total capital surplus	27,609,962	14	27,594,927	13	27,353,837	14	27,212,019	13
Retain earnings								
Legal reserve	9,476,876	5	9,476,876	5	8,601,391	4	8,601,391	4
Special reserve	49,669	-	49,669	-	689,913	-	689,913	-
Unappropriated earnings	13,078,289	6	11,432,541	5	13,600,722	7	12,176,414	6
Total retained earnings	22,604,834	11	20,959,086	10	22,892,026	11	21,467,718	10
Other equity								
Exchange differences on translating foreign operations	3,191,244	2	4,125,097	2	2,411,732	1	2,383,040	1
Unrealized gain on available-for-sale financial assets	72,651	-	139,072	-	279,623	-	83,231	-
Unrealized loss on cash flow hedging	(6,128)	-	(11,989)	-	(34,934)	-	(46,969)	-
Total other equity	3,257,767	2	4,252,180	2	2,656,421	1	2,419,302	1
Treasury shares	(1,248,722)	(1)	(1,248,722)	(1)	(1,334,660)	(1)	(1,334,660)	(1)
Total equity attributable to owners of the Company	75,640,578	38	74,974,208	35	74,843,881	37	73,040,636	34
NONCONTROLLING INTERESTS	4,132,692	2	4,198,430	2	5,442,725	3	6,209,747	3
Total equity	79,773,270	40	79,172,638	37	80,286,606	40	79,250,383	37
TOTAL	$ 199,751,881	100	$ 216,533,829	100	$ 203,026,495	100	$ 212,358,752	100

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

(With Deloitte & Touche review report dated May 13, 2015)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2015 (Reviewed)		2014 (Reviewed after Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 33)				
Sales	$ 52,800,392	102	$ 52,886,867	102
Less: Sales allowance	1,034,998	2	713,652	1
Sales returns	280,482	-	492,743	1
Other operating revenue	55,490	-	61,442	-
Total operating revenue	51,540,402	100	51,741,914	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 28 and 33)	45,052,432	88	45,294,024	87
Other operating cost	26,323	-	26,497	-
Total operating costs	45,078,755	88	45,320,521	87
GROSS PROFIT	6,461,647	12	6,421,393	13
OPERATING EXPENSES (Notes 28 and 33)				
Selling and marketing expenses	1,804,798	3	2,006,918	4
General and administrative expenses	1,413,460	3	1,465,748	3
Research and development expenses	1,534,163	3	1,549,917	3
Total operating expenses	4,752,421	9	5,022,583	10
OPERATING INCOME	1,709,226	3	1,398,810	3
NONOPERATING INCOME AND EXPENSES				
Share of profit (loss) of associates	15,757	-	(46,549)	-
Interest income	315,573	1	372,345	1
Dividend income	-	-	264	-
Other income (Notes 29 and 33)	295,584	-	365,151	1
Gain on disposal of investments	22,851	-	60	-
Net gain (loss) on foreign currency exchange	(51,803)	-	38,016	-
Valuation gain (loss) on financial instruments	178,137	-	(570)	-
Gain on reversal of impairment loss (Note 16)	-	-	209	-
Finance costs	(147,196)	-	(161,452)	(1)
Other expenses	(186,113)	-	(122,025)	-
Net loss on disposal of property, plant and equipment	(17,257)	-	(24,414)	-
Impairment loss (Note 16)	(27,451)	-	-	-
Total nonoperating income and expenses	398,082	1	421,035	1

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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 Three Months Ended March 31			
	2015 (Reviewed)		2014 (Reviewed after Restated)	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	$ 2,107,308	4	$ 1,819,845	4
INCOME TAX EXPENSE (Note 26)	414,526	1	391,571	1
NET PROFIT FOR THE PERIOD	1,692,782	3	1,428,274	3
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 26)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(1,150,566)	(2)	28,807	-
Unrealized gain (loss) on available-for-sale financial assets	(74,430)	-	172,554	-
Cash flow hedges	5,861	-	12,035	-
Share of other comprehensive income of associates	(35,902)	-	38,567	-
Income tax relating to items that may be reclassified subsequently to profit or loss	151,993	-	(4,896)	-
Other comprehensive income for the period, net of income tax	(1,103,044)	(2)	247,067	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 589,738	1	$ 1,675,341	3
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,645,748	3	$ 1,427,677	3
Non-controlling interests	47,034	-	597	-
	$ 1,692,782	3	$ 1,428,274	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 651,335	1	$ 1,679,585	3
Non-controlling interests	(61,597)	-	(4,244)	-
	$ 589,738	1	$ 1,675,341	3

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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 Three Months Ended March 31			
	2015 (Reviewed)		2014 (Reviewed after Restated)	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	$ 0.71		$ 0.62	
Diluted	$ 0.71		$ 0.62	

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

(With Deloitte & Touche review report dated May 13, 2015) (Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company: Issue of Share Capital (Note 24)				Capital Surplus (Note 24)								Retained Earnings (Notes 24 and 30)				Other Equity (Notes 24 and 29)						
	Share (In Thousands)	Amount	Advance Receipts for Common Stock	Total	Additional Paid-in Capital from Share Issuance in Excess of Par Value	Bond Conversion	Treasury Stock Transactions	Difference Between Consideration and Carry Amounts Adjusted Arising from Changes in Percentage of Ownership in Subsidiaries	Arising from Share of Changes in Capital Surplus of Associates	Merger	Employee Stock Options	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Shares (Note 24)	Non-controlling Interests (Notes 24, 29 and 30)	Total Equity
BALANCE AT JANUARY 1, 2014	2,324,655	$ 23,246,552	$ 29,705	$ 23,276,257	$ 9,096,489	$ 7,540,388	$ 430,851	$ -	$ 15,487	$ 10,120,217	$ 8,587	$ 27,212,019	$ 8,601,391	$ 689,913	$ 12,172,082	$ 21,463,386	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302	$ (1,334,660)	$ 6,200,851	$ 79,237,155
Effect of retrospective application of IFRSs and restatement of financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,332	4,332	-	-	-	-	-	8,896	13,228
BALANCE AT JANUARY 1, 2014 AS RESTATED	2,324,655	23,246,552	29,705	23,276,257	9,096,489	7,540,388	430,851	-	15,487	10,120,217	8,587	27,212,019	8,601,391	689,913	12,176,414	21,467,718	2,383,040	83,231	(46,969)	2,419,302	(1,334,660)	6,209,747	79,250,383
Other changes in capital surplus																							
Additional acquisition of partially owned subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,369)	(3,369)	-	-	-	-	-	(15,241)	(18,610)
Change in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	141,782	-	36	141,818	-	-	-	-	-	-	-	-	-	-	141,818
Issue of common shares under employee share options	2,971	29,705	(29,705)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,240)	-	-	(1,240)	-	-	(1,240)
Actual disposal of interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,549)	-	-	(13,549)	-	(747,537)	(761,086)
Net profit for the three months ended March 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,427,677	1,427,677	-	-	-	-	-	597	1,428,274
Other comprehensive income for the three months ended March 31, 2014, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,481	196,392	12,035	251,908	-	(4,841)	247,067
Total comprehensive income for the three months ended March 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,427,677	1,427,677	43,481	196,392	12,035	251,908	-	(4,244)	1,675,341
BALANCE AT MARCH 31, 2014	2,327,626	$ 23,276,257	$ -	$ 23,276,257	$ 9,096,489	$ 7,540,388	$ 430,851	$ -	$ 157,269	$ 10,120,217	$ 8,623	$ 27,353,837	$ 8,601,391	$ 689,913	$ 13,600,722	$ 22,892,026	$ 2,411,732	$ 279,623	$ (34,934)	$ 2,656,421	$ (1,334,660)	$ 5,442,725	$ 80,286,606
BALANCE AT JANUARY 1, 2015	2,341,674	$ 23,416,737	$ -	$ 23,416,737	$ 9,238,931	$ 7,534,962	$ 445,694	$ 30,960	$ 231,446	$ 10,112,934	$ -	$ 27,594,927	$ 9,476,876	$ 49,669	$ 11,429,060	$ 20,955,605	$ 4,125,097	$ 139,072	$ (11,989)	$ 4,252,180	$ (1,248,722)	$ 4,191,264	$ 79,161,991
Effect of retrospective application of IFRSs and restatement of financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,481	3,481	-	-	-	-	-	7,166	10,647
BALANCE AT JANUARY 1, 2015 AS RESTATED	2,341,674	23,416,737	-	23,416,737	9,238,931	7,534,962	445,694	30,960	231,446	10,112,934	-	27,594,927	9,476,876	49,669	11,432,541	20,959,086	4,125,097	139,072	(11,989)	4,252,180	(1,248,722)	4,198,430	79,172,638
Changes in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,141)	(4,141)
Other changes in capital surplus																							
Arising from changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	1,538	-	-	-	1,538	-	-	-	-	-	-	-	-	-	-	1,538
Change in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	13,497	-	-	13,497	-	-	-	-	-	-	-	-	-	-	13,497
Net profit for the three months ended March 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,645,748	1,645,748	-	-	-	-	-	47,034	1,692,782
Other comprehensive loss for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(933,853)	(66,421)	5,861	(994,413)	-	(108,631)	(1,103,044)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,645,748	1,645,748	(933,853)	(66,421)	5,861	(994,413)	-	(61,597)	589,738
BALANCE AT MARCH 31, 2015	2,341,674	$ 23,416,737	$ -	$ 23,416,737	$ 9,238,931	$ 7,534,962	$ 445,694	$ 32,498	$ 244,943	$ 10,112,934	$ -	$ 27,609,962	$ 9,476,876	$ 49,669	$ 13,078,289	$ 22,604,834	$ 3,191,244	$ 72,651	$ (6,128)	$ 3,257,767	$ (1,248,722)	$ 4,132,692	$ 79,773,270

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

(With Deloitte & Touche review report dated May 13, 2015)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2015 (Reviewed)	2014 (Reviewed after Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,107,308	$ 1,819,845
Adjustments for:		
Depreciation expenses	1,644,412	1,726,702
Amortization expenses	145,752	135,731
Impairment loss (reversal of impairment loss) recognized on trade receivables	(54,029)	3,383
Net loss (gain) on fair value change of financial assets designated as at fair value through profit or loss	(178,137)	570
Finance costs	147,196	161,452
Interest income	(315,573)	(372,345)
Dividend income	-	(264)
Share of loss (gain) of associates accounted for using equity method	(15,757)	46,549
Loss on disposal of property, plant and equipment	17,257	24,414
Loss on disposal of intangible assets	26	355
Gain on deconsolidation of subsidiaries (Note 29)	-	(8,348)
Net gain on disposal of available-for-sale financial assets	(15,150)	(60)
Gain on disposal of associates	(7,701)	-
Impairment loss recognized on non-financial assets	27,451	33,050
Reversal of impairment loss on non-financial assets	(151,865)	(209)
Unrealized net gain on foreign currency exchange	(222,725)	(210,389)
Recognition of provisions	141,400	57,124
Changes in operating assets and liabilities		
Financial instruments held for trading	110,983	(4,421)
Notes receivable	47,597	(67,843)
Notes receivables from related parties	-	(15)
Trade receivables	5,943,679	4,101,424
Trade receivables from related parties	32,215	(64,959)
Other receivables	303,018	1,306,921
Other receivables from related parties	974	17,958
Inventories	1,048,909	(1,287,383)
Other current assets	10,530	611,629
Notes payable	6,570	126,219
Trade payables	(8,739,820)	(7,219,454)
Trade payables from related parties	(258,913)	(31,790)
Other payable	(1,104,053)	(455,088)
Other payable from related parties	(1,846)	21,839
Provisions	(105,251)	(2,727)
Advance receipts	(289,715)	186,518
Net defined benefit liabilities	(9,485)	26,367
Cash generated from operations	265,257	682,755
Interest received	320,853	350,648

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2015 (Reviewed)	2014 (Reviewed after Restated)
Dividend received	$ -	$ 264
Interest paid	(142,817)	(157,935)
Income tax paid	(550,233)	(465,148)
Net cash generated from (used in) operating activities	(106,940)	410,584
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sales of available-for-sale financial assets	108,245	60
Acquisition of debt investments with no active market	(228,624)	(55,340)
Net cash inflow on disposal of associates	15,432	-
Net cash outflow on acquisition of subsidiaries (Note 29)	-	(902,385)
Proceeds from disposal of non-current assets held for sale	129,505	-
Payments for property, plant and equipment	(1,441,193)	(1,540,291)
Proceeds of the disposal of property, plant and equipment	319,175	335,319
Decrease (increase) in refundable deposits	34,997	(39,818)
Payments for intangible assets	(29,983)	(203,298)
Decrease in other noncurrent assets	1,522	20,803
Net cash used in investing activities	(1,090,924)	(2,384,950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) short-term borrowings	(5,882,937)	1,412,255
Repayment of long-term borrowings	(379,617)	(4,142,150)
Refund of guarantee deposits received	(938)	(2,712)
Decrease in finance lease payables	(25,122)	(19,869)
Partial acquisition of interests in subsidiaries (Note 30)	-	(18,610)
Capital return to noncontrolling interests	(4,141)	-
Net cash used in financing activities	(6,292,755)	(2,771,086)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(291,682)	87,414
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,782,301)	(4,658,038)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	66,483,356	66,056,220
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 58,701,055	$ 61,398,182

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

(With Deloitte & Touche review report dated May 13, 2015) (Concluded)

1. GENERAL INFORMATION

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

The Parent Company merged with Lite-On Electronics, Inc., Silitek Corp. and GVC Corp., with the Parent Company as the survivor entity. The merger took effect on November 4, 2002, and the Parent Company thus assumed all rights and obligations of the three merged companies on that date. The Parent Company merged with its subsidiary, Lite-On Enclosure Inc., with the Parent Company as the survivor entity. The merger took effect on April 1, 2004, and the Parent Company thus assumed all rights and obligations of its former subsidiary on that date.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 13, 2015.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC.

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

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

1) IFRS 10 "Consolidated Financial Statements"

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

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

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

   The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 32 for related disclosures.

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

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

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

5) Revision to IAS 19 "Employee Benefits"

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

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

On initial application of the revised IAS 19 in 2015, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to net defined benefit liabilities, deferred tax assets, other equity and retained earnings; the carrying amounts of inventories are not adjusted. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Group would elect not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The impact on the current period is set out below:

Impact on Assets, Liabilities and Equity	**March 31, 2015**
Decrease in deferred tax assets	$ (2,270)
Decrease in net defined benefit liabilities	$ (12,447)
Increase in retained earnings	$ 3,327
Increase in non-controlling interests	6,850
Total effect on equity	$ 10,177

Impact on Total Comprehensive Income	**For the Three Months Ended March 31, 2015**
Increase in operating cost	$ (96)
Increase in operating expense	(309)
Increase in income tax expense	(65)
Decrease in net profit for the period	$ (470)
Decrease in total comprehensive income for the period	$ (470)
Decrease in net profit attributable to:	
Owners of the Company	$ (154)
Non-controlling interests	(316)
	$ (470)

(Continued)

Impact on Total Comprehensive Income	For the Three Months Ended March 31, 2015
Decrease in total comprehensive income attributable to:	
Owners of the Company	$ (154)
Non-controlling interests	(316)
	$ (470)

(Concluded)

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

Impact on Assets, Liabilities and Equity	As Originally Stated	Adjustments Arising from Initial Application	Restated
December 31, 2014			
Deferred tax assets	$ 3,107,672	$ (2,206)	$ 3,105,466
Accrued pension liabilities	$ 108,874	$ (108,874)	$ -
Net defined benefit liabilities	$ -	$ 96,021	$ 96,021
Retained earnings	$ 20,955,605	$ 3,481	$ 20,959,086
Non-controlling interests	$ 4,191,264	$ 7,166	$ 4,198,430
March 31, 2014			
Deferred tax assets	$ 2,424,714	$ (2,670)	$ 2,422,044
Accrued pension liabilities	$ 261,661	$ (261,661)	$ -
Net defined benefit liabilities	$ -	$ 246,076	$ 246,076
Retained earnings	$ 22,887,798	$ 4,228	$ 22,892,026
Other equity	$ 2,656,419	$ 2	$ 2,656,421
Non-controlling interests	$ 5,434,040	$ 8,685	$ 5,442,725
January 31, 2014			
Deferred tax assets	$ 2,207,204	$ (2,734)	$ 2,204,470
Accrued pension liabilities	$ 235,671	$ (235,671)	$ -
Net defined benefit liabilities	$ -	$ 219,709	$ 219,709
Retained earnings	$ 21,463,386	$ 4,332	$ 21,467,718
Non-controlling interests	$ 6,200,851	$ 8,896	$ 6,209,747

Impact on Total Comprehensive Income	As Originally Stated	Adjustments Arising from Initial Application	Restated
For the three months ended March 31, 2014			
Operating cost	$ 45,320,423	$ 98	$ 45,320,521
Operating expense	$ 5,022,297	$ 286	$ 5,022,583

(Continued)

Impact on Total Comprehensive Income	As Originally Stated	Adjustments Arising from Initial Application	Restated
Income tax expense	$ 391,637	$ (66)	$ 391,571
Total effect on net profit for the period	$ 1,428,592	$ (318)	$ 1,428,274
Total effect on other comprehensive income for the period, net of income tax	$ 247,062	$ 5	$ 247,067
Total effect on total comprehensive income for the period	$ 1,675,654	$ (313)	$ 1,675,341
Impact on net profit attributable to:			
Owners of the Company	$ 1,427,781	$ (104)	$ 1,427,677
Non-controlling interests	811	(214)	597
	$ 1,428,592	$ (318)	$ 1,428,274
Impact on total comprehensive income attributable to:			
Owners of the Company	$ 1,679,687	$ (102)	$ 1,679,585
Non-controlling interests	(4,033)	(211)	(4,244)
	$ 1,675,654	$ (313)	$ 1,675,341
Impact on earnings per share:			
For the three months ended March 31, 2014			
Basic	$ 0.62	$ -	$ 0.62
Diluted	$ 0.62	$ -	$ 0.62

(Concluded)

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

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sales or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10, IFRS 12 and IAS 28"'Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

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

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

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

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

1) IFRS 9 "Financial Instruments"

   Recognition and measurement of financial assets

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

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

   a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method.

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

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

The impairment of financial assets

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

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

Hedge accounting

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

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

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

3) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations” and IFRS 8 “Operating Segments” 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.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker.

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.

4) Annual Improvements to IFRSs: 2011-2013 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 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.

5) IFRS 15 “Revenue from Contracts with Customers”

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

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

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

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

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

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

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

7) Annual Improvements to IFRSs: 2012-2014 Cycle

   Several standards including IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7 and IAS 34 were amended in this annual improvement.

   IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

   The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. In addition, the amendments clarify that the offsetting disclosures are not explicitly required for all interim periods; however, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 under specific conditions.

   IAS 34 was amended to clarify that other disclosure information required by IAS 34 should be included in interim financial statements. If the Group includes the information in other statements (such as management commentary or risk report) issued at the same time, it is not required to repeat the disclosure in the interim financial statements. However, it is required to include a cross-reference from the interim financial statements to that issued statements that is available to users on the same terms and at the same time as the interim financial statements.

8) Amendment to IAS 1 "Disclosure Initiative"

   The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

   The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, 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 financial statements shall prevail.

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 IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

For the information on subsidiaries, showing the name, principal business activities and ownership percentage, please refer to Note 14.

c. Other significant accounting policies

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group’s consolidated financial statements for the year ended December 31, 2014, except for those described below.

1) Retirement benefit costs

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

2) Income taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2014.

6. CASH AND CASH EQUIVALENTS

	March 31, 2015	December 31, 2014	March 31, 2014
Cash on hand	$ 70,498	$ 124,912	$ 92,443
Checking accounts	1,277,710	1,923,505	1,549,274
Demand deposits	34,291,256	35,292,046	33,803,818
Time deposits	23,061,591	29,142,893	25,952,647
	$ 58,701,055	$ 66,483,356	$ 61,398,182

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2015	December 31, 2014	March 31, 2014
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ 46,205	$ 12,222	$ 26,220
Currency swap contracts	-	889	30
	$ 46,205	$ 13,111	$ 26,250
Current	$ 46,205	$ 13,111	$ 26,250
Non-current	-	-	-
	$ 46,205	$ 13,111	$ 26,250
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 4,348	$ 38,206	$ 12,108
Currency swap contracts	-	202	23,260
	$ 4,348	$ 38,408	$ 35,368
Current	$ 4,348	$ 38,408	$ 35,368
Non-current	-	-	-
	$ 4,348	$ 38,408	$ 35,368

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

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2015			
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	EUR/USD	2015.04.29	EUR14,500/USD15,831
Forward exchange contracts	JPY/USD	2015.04.02	JPY150,000/USD1,257
Forward exchange contracts	USD/MXN	2015.04.29	USD4,000/MXN59,980
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	USD/THB	2015.04.07	USD2,000/THB66,086
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/CNY	2015.04.09	USD30,000/CNY189,294
Forward exchange contracts	USD/JPY	2015.04.09	USD1,150/JPY137,592
Forward exchange contracts	JPY/USD	2015.04.09	JPY137,592/USD1,146
Forward exchange contracts	USD/BRL	2015.04.16	USD2,500/BRL7,864
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2015.04.08-2015.05.20	USD1,280/MYR4,672
December 31, 2014			
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	USD/CNY	2015.01.12	USD45,000/CNY277,020
Currency swap contracts	USD/CNY	2015.01.22	USD15,000/CNY93,435
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	USD/CNY	2015.01.12	USD65,000/CNY402,870
Forward exchange contracts	EUR/USD	2015.01.30	EUR6,600/USD8,047
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	USD/THB	2015.04.07	USD2,000/THB66,086
DongGuan G-Pro Computer Co., Ltd.			
Forward exchange contracts	USD/CNY	2015.01.05	USD6,104/CNY38,058
LET (HK) Ltd.			
Forward exchange contracts	USD/EUR	2015.01.29	USD10,972/EUR9,000
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2015.01.05	USD7,000/CNY43,173
Forward exchange contracts	EUR/CNY	2015.01.05	EUR300/CNY2,307
Zhuhai Lite-On Mobile Telecommunication Co., Ltd.			
Forward exchange contracts	USD/CNY	2015.01.05	USD3,000/CNY18,503
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/CNY	2015.01.12	USD33,000/CNY204,072
Forward exchange contracts	EUR/USD	2015.01.12	EUR1,000/USD1,230
Forward exchange contracts	USD/JPY	2015.01.26	USD1,200/JPY144,114
Forward exchange contracts	USD/BRL	2015.01.15	USD2,500/BRL6,626
Forward exchange contracts	USD/INR	2015.01.15	USD1,500/INR93,759
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2015.01.06-2015.03.06	USD1,670/MYR5,737

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2014			
Lite-On IT Corp.			
Forward exchange contracts	CNY/USD	2014.04.03	CNY344,053/USD56,000
Forward exchange contracts	EUR/USD	2014.04.21	EUR3,000/USD4,167
Philips & Lite-On Digital Solutions Corp.			
Currency swap contracts	USD/NTD	2014.04.21	USD17,000/NTD515,440
Lite-On Automotive Corp.			
Forward exchange contracts	EUR/USD	2014.04.14	EUR832/USD1,133
Leotek Electronic Corp.			
Currency swap contracts	EUR/NTD	2014.05.26	EUR380/NTD15,984
Currency swap contracts	GBP/NTD	2014.04.25	GBP105/NTD5,274
Lite-On Automotive Electronics (Guang Zhou) Co., Ltd.			
Forward exchange contracts	USD/CNY	2014.04.16	USD7,000/CNY42,525
Lite-On Mobile Oyj (formerly Perlos Oyj)			
Currency swap contracts	USD/EUR	2014.04.09	USD30,500/EUR22,437
Forward exchange contracts	JPY/USD	2014.05.07	JPY75,000/USD737
Forward exchange contracts	USD/INR	2014.04.11	USD2,000/INR124,700
Forward exchange contracts	USD/BRL	2014.04.11	USD2,500/BRL5,920
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	EUR/CNY	2014.04.15	EUR200/CNY1,659
Forward exchange contracts	USD/CNY	2014.04.21	USD3,000/CNY18,343
Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2014.04.15	USD3,000/CNY18,420
Forward exchange contracts	EUR/CNY	2014.06.20	EUR600/CNY5,135
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/INR	2014.04.11	USD3,000/INR183,389
Currency swap contracts	EUR/USD	2014.04.11	EUR7,000/USD9,520
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	EUR/USD	2014.04.28	EUR2,400/USD3,312
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	USD/THB	2014.06.03	USD1,000/THB32,898
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2014.04.07-2014.05.19	USD700/MYR2,318
Forward exchange contracts	EUR/MYR	2014.04.28-2014.05.27	EUR100/MYR454

(Concluded)

The subsidiaries entered into derivative contracts during the three months ended March 31, 2015 and 2014 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the subsidiaries did not meet the criteria for hedge accounting. Thus, the derivative contracts classified as financial assets or financial liabilities at fair value through profit or loss. The financial risk management objectives of the subsidiaries were to minimize risks due to changes in fair value or cash flows.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2015	December 31, 2014	March 31, 2014
Domestic investments			
Quoted shares	$ 533,957	$ 626,191	$ 1,363,814
Emerging market shares	178,716	178,716	178,716
Unquoted shares	144,617	144,617	289,160
Foreign investments			
Unquoted shares	219,770	221,811	325,456
Mutual funds	71,574	143,434	130,403
Quoted shares	11,360	11,486	8,187
	$ 1,159,994	$ 1,326,255	$ 2,295,736
Current	$ -	$ -	$ 16
Non-current	1,159,994	1,326,255	2,295,720
	$ 1,159,994	$ 1,326,255	$ 2,295,736

Refer to Note 32 for information relating to the fair values of on available-for-sale financial assets determined.

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2015	December 31, 2014	March 31, 2014
Derivative financial liabilities under hedge accounting			
Cash flow hedges - interest rate swaps	$ 6,128	$ 11,989	$ 34,934
Current	$ 6,128	$ 11,989	$ -
Non-current	-	-	34,934
	$ 6,128	$ 11,989	$ 34,934

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

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

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
March 31, 2015			
NT$1,200,000	2015.09.23	1.895%	0.878%
December 31, 2014			
NT$2,400,000	2015.09.23	1.895%	0.888%
March 31, 2014			
NT$3,600,000	2015.09.23	1.895%	0.875%

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2015	December 31, 2014	March 31, 2014
Pledged deposits	$ 307,312	$ 78,688	$ 91,830
Current	$ 239,575	$ 78,170	$ 91,129
Noncurrent	67,737	518	701
	$ 307,312	$ 78,688	$ 91,830

Refer to Note 34 for information on bond investments with no active market pledged as security.

11. TRADE RECEIVABLES

	March 31, 2015	December 31, 2014	March 31, 2014
Trade receivables	$ 45,435,129	$ 51,479,864	$ 45,618,606
Allowance for impairment loss	(236,547)	(298,871)	(197,961)
Unrealized interest revenues	(53,838)	(46,981)	-
	$ 45,144,744	$ 51,134,012	$ 45,420,645

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

The aging of receivables was as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Not overdue	$ 43,393,159	$ 50,122,516	$ 44,053,586
Overdue			
1-60 days	1,762,416	1,038,287	1,286,113
61-210 days	129,521	156,447	187,185
211-240 days	6,149	47,805	4,294
Over 241 days	143,884	114,809	87,428
	2,041,970	1,357,348	1,565,020
	$ 45,435,129	$ 51,479,864	$ 45,618,606

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

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

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

For the three months ended March 31, 2014: None.

	March 31, 2015	December 31, 2014
Trade receivables	$ 966,328	$ 789,720
Unrealized interests revenue	(53,838)	(46,981)
	$ 912,490	$ 742,739

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

	For the Three Months Ended March 31	
	2015	2014
Balance at January 1	$ 298,871	$ 215,850
Allowance for impairment loss (reversal of impairment loss)	(54,029)	3,383
Foreign exchange translation	(6,938)	788
Effect of business combination	-	(22,060)
Reclassification	(1,357)	-
Balance at March 31	$ 236,547	$ 197,961

12. INVENTORIES, NET

	March 31, 2015	December 31, 2014	March 31, 2014
Finished goods	$ 16,458,046	$ 15,623,878	$ 13,375,306
Raw materials	7,637,687	7,413,962	7,178,295
Work in progress	3,800,553	3,834,591	4,942,898
Inventory in transit	378,535	2,336,889	2,728,557
Merchandise	279,203	304,471	263,772
	$ 28,554,024	$ 29,513,791	$ 28,488,828

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2015 and 2014 were $45,052,432 thousand and $45,294,024 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2015 included a reversal amounting to $151,865 thousand of inventory write-downs due to inventory write-off. The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2014 included inventory write-downs of $33,050 thousand, which resulted from write-downs of inventory to net realizable value.

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

a. Subsidiaries included in consolidated financial statements

			% of Ownership			
Investor	Investee	Main Business	March 31, 2015	December 31, 2014	March 31, 2014	Remark
The Parent Company	Lite-On IT Corporation	Manufacture and sale of optical disc drives	-	-	99.21	1)
	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	32.08	32.08	32.14	-
	Lite-On Integrated Service Inc.	Information outsourcing and system integrate	100.00	100.00	100.00	-
	Lite-On Automotive Corp.	Manufacture and sale of automotive electronic components	-	-	82.26	2)
	Lite-On Capital Corp.	Investment activities	100.00	100.00	100.00	-
	Lite-On Electronics H.K. Ltd.	Sale of LED optical products	100.00	100.00	100.00	-
	Lite-On Electronics (Thailand) Co., Ltd.	Manufacture and sale of LED optical products	100.00	100.00	100.00	-
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	49.49	49.49	49.49	-
	Lite-On International Holding Co., Ltd.	Investment activities	100.00	100.00	100.00	-
	LTC Group Ltd.	Investment activities	100.00	100.00	100.00	-
	Lite-On Technology USA, Inc.	Investment activities	100.00	100.00	100.00	-
	Lite-On Electronics (Europe) Ltd.	Manufacture and sale of power supplies	100.00	100.00	100.00	-
	Lite-On Technology (Europe) B.V.	Market research and after-sales service	54.00	54.00	54.00	-
	Lite-On Overseas Trading Co., Ltd.	Merchandising business	100.00	100.00	100.00	-
	Lite-On Singapore Pte. Ltd.	Manufacture and supply computer peripheral products	100.00	100.00	100.00	-
	Lite-On Vietnam Co., Ltd.	Electronic contract manufacturing	100.00	100.00	100.00	-
	Li Shin International Enterprise Corp.	Manufacture and sale of computer and appliance components	100.00	100.00	100.00	-
	Eagle Rock Investment Ltd.	Import and export business and investment activities	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership March 31, 2015	% of Ownership December 31, 2014	% of Ownership March 31, 2014	Remark
	LarView Technologies Corporation (Samoa)	Investment activities	100.00	100.00	-	3)
	Lite-On Mobile Pte. Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	4)
	High Yield Group Co., Ltd.	Holding company	100.00	100.00	100.00	5)
	Lite-On IT Singapore Pte. Ltd.	Sale of optical disc drives	-	100.00	100.00	6)
	Lite-On Information Technology B.V.	Market research and customer service	100.00	100.00	100.00	5)
	Philip & Lite-On Digital Solutions Corp.	Sale of optical disc drives	49.00	49.00	49.00	5)
	LET (HK) Ltd.	Sale of optical disc drives	100.00	100.00	100.00	5)
	Leotek Electronics Holding Limited	Holding company	100.00	100.00	100.00	7)
	Lite-On Clean Energy Technology Corp.	Manufacture and wholesale of electric car batteries	-	-	100.00	8)
	Lite-On Automotive Electronics (Europe) BV	Sale of automotive parts and other electronic products	100.00	100.00	100.00	9)
	Lite-On Automotive North America Inc.	Sale of automotive parts and other electronic products	100.00	100.00	100.00	9)
	Lite-On Automotive Service USA Inc.	Sale of automotive parts and other electronic products	100.00	100.00	100.00	9)
	Lite-On Automotive International (Cayman) Co., Ltd.	Investment activities	100.00	100.00	100.00	9)
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry.	99.00	-	-	10)
Lite-On Capital Corp.	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	0.61	0.61	0.61	-
	Leotek Electronics Corp.	Sale of optical products	-	-	100.00	11)
	Lite-On Green Technologies Inc.	Manufacture and wholesale of electronic components and energy technology services	100.00	100.00	100.00	-
	Lite-On Green Energy (HK) Limited	Investment activities	100.00	100.00	100.00	-
	Lite-On Technology (Europe) B.V.	Market research and after-sales services	46.00	46.00	46.00	-
	Lite-On Green Energy (Singapore) Pte. Ltd.	Investment activities	100.00	100.00	100.00	-
	Five Dimension Co., Ltd.	Development, manufacture and sale of cell phone and camera lens modules	69.94	69.94	-	12)
Five Dimension Co., Ltd.	FiiDi Optical Co., Ltd.	Wholesale of precision modules	40.00	40.00	-	12)
Lite-On Green Technologies Inc.	Lite-On Green Technologies B.V.	Solar energy engineering	100.00	100.00	100.00	-
	Lite-On Green Technologies (HK) Limited	Solar energy engineering	100.00	100.00	100.00	-
Lar View Technologies Corporation (Samoa)	LarView Technologies Corp. (Shenzhen)	Manufacture of optical instruments, general Instruments, optical instruments, computers and peripherals	100.00	100.00	-	3)
Lite-On Green Energy (Singapore) Pte. Ltd.	Lite-On Green Energy B.V.	Investment activities	100.00	100.00	100.00	-
	Lite-On Green Energy Kaiserslautern GmbH	Solar energy engineering	100.00	100.00	100.00	-
Lite-On Green Technologies (HK) Limited	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	100.00	100.00	100.00	-
Lite-On Green Energy B.V.	Romeo Tetti PV1 S.R.L	Solar energy engineering	100.00	100.00	100.00	-
	Lite-On Green Energy S.R.L	Solar energy engineering	100.00	100.00	100.00	-
Lite-On Electronics H.K. Ltd.	Lite-On Electronics (Tianjinn) Co., Ltd.	ODM services	100.00	100.00	100.00	-
	Lite-On Network Communication (Dongguan) Limited (formerly: Dong Guan G-Com Computer Ltd.)	Manufacture and sale of IT products	100.00	100.00	100.00	-
	Lite-On Power Technology (Chang Zhou) Co., Ltd. (formerly: Li Shin Enterprise (Su Zhou) Co., Ltd.)	Manufacture and sale of new-type electronic components and peripheral materials	100.00	100.00	100.00	-
	China Bridge (China) Co., Ltd.	Investment, sales agent	100.00	100.00	100.00	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	100.00	100.00	100.00	-
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	100.00	100.00	100.00	-
	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	100.00	100.00	100.00	-
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	100.00	100.00	100.00	-
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	79.29	79.29	79.29	-
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	100.00	100.00	100.00	-
Lite-On Network Communication (Dongguan) Limited (formerly: Dong Guan G-Com Computer Ltd.)	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	20.71	20.71	20.71	-
China Bridge (China) Co., Ltd.	Lite-On Opto Technology (Changzhou) Co., Ltd.	Development, manufacture of new-type electronic components and provide technology consulting services, maintenance equipment and after-sales services	12.59	12.59	12.59	-
	China Bridge Express (Wuxi) Co., Ltd.	Express and sale of power supplies, printers, display devices and scanners	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership March 31, 2015	December 31, 2014	March 31, 2014	Remark
Lite-On Electronics Co., Ltd.	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	-
	Lite-On Electronics (Guangzhou) Co., Ltd. (formerly: Silitek Elec. (Guangzhou) Co., Ltd.)	Manufacture and sale of printers and scanners	100.00	100.00	100.00	-
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	100.00	100.00	100.00	-
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	100.00	-
	Lite-On (Guangzhou) Infortech Co., Ltd.	Information outsourcing	67.03	67.03	67.03	-
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	-
	Lite-On Electronics (Jiangsu) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and precision instruments	100.00	100.00	100.00	-
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	100.00	100.00	100.00	-
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	100.00	100.00	100.00	-
Lite-On Technology (Guangzhou) Investment Co., Ltd.	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	32.97	32.97	32.97	-
	Zhuhai Lite-On Mobile Technology Co., Ltd.	Mobile phone mold, assembly line design, manufacture and sale activities.	100.00	100.00	100.00	13)
Lite-On Electronics (Jiangsu) Co., Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision technology consulting services, maintenance equipment and after-sales services	100.00	100.00	100.00	-
	Lite-On Opto Technology (Changzhou) Co., Ltd.	Development, manufacture and sale of new-type electronic components and LED and provision technology consulting services, maintenance equipment and after-sales services	87.41	87.41	87.41	-
	Lite-On Medical Device (Changzhou) Ltd.	Manufacture and sale of medical equipment	100.00	100.00	-	14)
Yet Foundate Ltd.	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	100.00	100.00	100.00	-
Fordgood Electronic Ltd.	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	-
Lite-On Technology USA, Inc.	Lite-On, Inc.	Sales data processing business of optoelectronic products and power supplies	100.00	100.00	100.00	-
	Lite-On Trading USA, Inc.	Sale of optical products	100.00	100.00	100.00	-
	Lite-On Service USA, Inc.	Sale of optical products	100.00	100.00	100.00	-
	Leotek Electronics USA LLC.	Sale of LED products	100.00	100.00	100.00	
	Power Innovations International, Inc.	Development, design and manufacture of power control and energy management	95.25	95.25	-	15)
	Lite-On Sales & Distribution Inc.	Sale of optical disc drives	100.00	100.00	100.00	16)
Lite-On International Holding Co., Ltd.	Ze Poly Pte. Ltd.	Manufacture and sale of thin-film solar cell	48.13	48.13	48.13	-
	Lite-On China Holding Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	100.00	-
Ze Poly Pte. Ltd.	Ze Poly Tomsk Ltd.	Solar energy industry	-	-	100.00	17)
Lite-On Singapore Pte. Ltd.	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	-
	Lite-On Technology (Xianging) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	-
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	100.00	100.00	-	14)
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	1.00	-	-	10)
LTC Group Ltd.	Titanic Capital Services Ltd.	Investment activities	100.00	100.00	100.00	-
	LTC International Ltd.	Manufacture and sale of system products	100.00	100.00	100.00	-
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
Lite-On (Finland) Oy	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	Investment activities	100.00	100.00	100.00	-
	Yet Foundate Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	-
	I-Solutions Limited	Original equipment manufacturer of electronic products	100.00	100.00	100.00	-
	Fordgood Electronic Ltd.	Import and export and real estate business	100.00	100.00	100.00	-
	G&W Technology (BVI) Ltd.	Real estate management	50.00	50.00	50.00	-
G&W Technology (BVI) Ltd.	G&W Technology Limited	Leasing business	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership March 31, 2015	% of Ownership December 31, 2014	% of Ownership March 31, 2014	Remark
Eagle Rock Investment Ltd.	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	100.00	-
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	100.00	-
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	100.00	100.00	100.00	-
High Yield Group Co., Ltd.	LET (HK) Ltd.	Sale of optical disc drives	100.00	100.00	100.00	-
LET (HK) Ltd.	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	-
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	-
	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	-
Lite-On Information Technology B.V.	Lite-On Information Technology GmbH	Sale of optical disc drives	100.00	100.00	100.00	-
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions Germany GmbH	Development and sale of modules of automotive recorders	100.00	100.00	100.00	-
	Philips & Lite-On Digital Solutions USA Inc.	Sale of optical disc drives	100.00	100.00	100.00	-
	Philips & Lite-On Digital Solutions Korea Ltd.	Sale of optical disc drives	100.00	100.00	100.00	-
	Philips & Lite-On Digital Solutions Netherlands B.V.	Sale and design of optical disc drives	100.00	100.00	100.00	-
	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	100.00	100.00	100.00	-
Silitech Technology Corp.	Silitech (BVI) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
	Lite-On Japan Ltd.	Sale of optical and power supply products	7.87	7.87	7.87	-
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	-
	Silitech Technology Corp. Sdn. Bhd.	Manufacture of computer peripheral products	100.00	100.00	100.00	-
	Silitech Technology (Europe) Ltd.	Sale of modules and keyboards	-	-	100.00	18)
	Silitech (Hong Kong) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
	Silitech International (India) Private Limited	Development, manufacture and sale of automotive parts	100.00	100.00	100.00	-
Silitech (Hong Kong) Holding Ltd.	Silitech Technology (SuZhou) Co., Ltd.	Manufacture and sale of automotive parts	100.00	100.00	100.00	-
Silitech Technology Corp. Ltd.	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of automotive parts, touch panels and plastic & rubber assembly	100.00	100.00	100.00	-
	SuZhou Xulong Mold Producing Co., Ltd.	Development, manufacture and sale of precision modules and new-type electronic components (chip components, testing elements, hybrid integrated circuits)	60.00	60.00	60.00	-
Leotek Electronics Holding Limited	Changzhou Leotek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	-
Lite-On Automotive International (Cayman) Co., Ltd.	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Investment activities	100.00	100.00	100.00	-
Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	-
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	-
Lite-On Japan Ltd.	Lite-On Japan (S) Pte. Ltd.	Import and export business of electronic components	100.00	100.00	100.00	-
	L&K Industries Philippines, Inc.	Import and export business of electronic components	100.00	100.00	100.00	-
	Lite-On Japan (H.K.) Limited	Import and export business of electronic components	100.00	100.00	100.00	-
	Lite-On Japan (Korea) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	-
Lite-On Japan (S) Pte. Ltd.	Lite-on Japan (Thailand) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	-
Lite-On Japan (H.K.) Limited	NL (Shanghai) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	-
Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile Sweden AB	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	3.44	3.53	3.87	-
Lite-On Mobile Pte. Ltd.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	96.56	96.47	96.13	-
	Perlos Precision Plastics Moulding Limited Liability Company	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Lite-On Mobile India Private Limited.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Lite-On Young Fast Pte. Ltd.	Investment activities	100.00	100.00	65.00	-
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
Lite-On Young Fast Pte. Ltd.	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	100.00	100.00	100.00	-

(Concluded)

Remark:

1) Lite-On IT Corporation was dissolved after merging with the Parent Company on June 30, 2014.

2) Lite-On Automotive Corp. was dissolved after merging with the Parent Company on June 1, 2014.

3) In April 2014, the Group acquired power to cast the majority of the equity of LarView Technologies Corp.; thus, this investee was included in the consolidated financial statement effective that month. LarView was dissolved after merging with the Parent Company in September 2014. Thus, LarView's subsidiaries became directly held by the Parent Company.

4) The Group reorganized its structure in June 2014, and the Parent Company acquired the entire equity of Lite-On Mobile Pte. Ltd. from its subsidiary, Lite-On Mobile Oyj (formerly: Perlos Oyj).

5) Lite-On IT Corporation was dissolved after merging with the Parent Company in June 2014. Thus, Lite-On IT's subsidiaries became directly held by the Parent Company.

6) Lite-On IT Corporation was dissolved after merging with the Parent Company in June 2014. Thus, Lite-On IT's subsidiaries became directly held by the Parent Company. Then, Lite-On IT Singapore Pte. Ltd. was dissolved after merging with Lite-On Singapore Pte. Ltd. on January 1, 2015.

7) Leotek Electronics Corp. was dissolved after merging with the Parent Company in June 2014. Thus, Leotek's subsidiaries became directly held by the Parent Company.

8) Lite-On Clean Energy Technology Corp. was dissolved after merging with the Parent Company on April 15, 2014.

9) Lite-On Automotive Corp. was dissolved after merging with the Parent Company in June 2014. Thus, Lite-On Auto's subsidiaries became directly held by the Parent Company.

10) Established in January 2014.

11) Leotek Electronics Corp. was dissolved after merging with the Parent Company on June 29, 2014.

12) In November 2014, the Group acquired power to cast the majority of the equity; thus, this investee was included in the consolidated financial statement effective that month.

13) The Group reorganized its structure on March 5, 2015, and Lite-On Technology (Guangzhou) Investment Co., Ltd. acquired the entire equity of Zhuhai Lite-On Mobile Technology Co., Ltd., from its subsidiary, Lite-On Mobile Pte. Ltd. and Guangzhou Lite-On Mobile Electronic Components Co., Ltd.

14) Established in October 2014.

15) The Group acquired power to cast the majority of the equity of Power Innovations International Inc. in April 2014; thus, this company was included in the consolidated financial statement effective that month.

16) Lite-On IT Corporation was dissolved after merging with the Parent Company in June 2014. Thus, Lite-On IT's subsidiaries became directly held by the Parent Company. The Group reorganized its structure on January 1, 2015, and Lite-On Sales & Distribution Inc. became directly held by Lite-On Technology USA, Inc.

17) Accomplished the liquidation in December 2014.

18) Accomplished the liquidation in November 2014.

b. Subsidiaries excluded from consolidated financial statements: None.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2015	December 31, 2014	March 31, 2014
Investments in associates	$ 4,043,486	$ 4,055,902	$ 4,206,372
Investments in joint ventures	-	-	1,078
	$ 4,043,486	$ 4,055,902	$ 4,207,450

a. Investments in associates

	March 31, 2015	December 31, 2014	March 31, 2014
Material associates			
Lite-On Semiconductor Corp.	$ 1,723,396	$ 1,698,507	$ 1,794,226
Dragonjet Corporation	1,061,199	1,060,414	1,046,439
Logah Technology Corp.	325,623	352,473	490,624
	3,110,218	3,111,394	3,331,289
Associates that are not individually material	933,268	944,508	833,922
Credit balance on the carrying value of investments accounted for using equity method	-	-	41,161
	$ 4,043,486	$ 4,055,902	$ 4,206,372

Material associates:

Name of Associate	Proportion of Ownership and Voting Rights		
	March 31, 2015	December 31, 2014	March 31, 2014
Lite-On Semiconductor Corp.	20.18%	20.23%	20.43%
Dragonjet Corporation	29.62%	29.62%	29.62%
Logah Technology Corp.	31.77%	32.53%	39.63%

Starting from March 28, 2014, the Group has no power to govern the financial and operating policies of Logah Technology Corp. The Group used the fair value measurement for its investments after it lost control of Logah Technology Corp. (please refer to Note 29). The Group still has significant influence on Logah Technology Corp.; thus, the Group accounted for this investment by the equity method.

The equity-method investees' financial statements, which had been used to determine the carrying amount of the Group's investments share of profit and other comprehensive income of associates, had not been reviewed, except for the financial statements as of and for the three months ended March 31, 2015 and 2014 of Lite-On Semiconductor Corp. and Logah Technology Corp.

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

Name of Associate	March 31, 2015	December 31, 2014	March 31, 2014
Lite-On Semiconductor Corp.	$ 1,620,908	$ 1,429,838	$ 1,958,528
Logah Technology Corp.	$ 587,520	$ 599,741	$ 490,624

The Group’s investments of the aboved mentioned associates are measured by equity method.

b. Investments in joint ventures

	March 31, 2015	December 31, 2014	March 31, 2014
Joint ventures that are not individually material	$ -	$ -	$ 1,078

Financial statements, which had been used to determine the carrying amounts of the Group’s investments and its share of profits and other comprehensive income of associates, had not been reviewed.

16. PROPERTY, PLANT AND EQUIPMENT, NET

	March 31, 2015	December 31, 2014	March 31, 2014
Freehold land	$ 2,330,631	$ 2,335,867	$ 2,339,118
Buildings	12,024,684	12,424,092	13,309,461
Machinery equipment	14,595,804	16,012,090	16,067,047
Tooling equipment	646,633	140,111	464,385
Transportation equipment	20,581	21,681	21,666
Office equipment	447,671	465,815	682,556
Equipment held under finance lease	238,539	267,468	275,521
Other equipment	4,250,968	4,440,092	2,524,234
	$ 34,555,511	$ 36,107,216	$ 35,683,988

	For the Three Months Ended March 31, 2015						
	January 1, 2015	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2015
Cost							
Freehold land	$ 2,335,867	$ -	$ -	$ -	$ -	$ (5,236)	$ 2,330,631
Buildings	20,591,355	4,939	10,898	-	-	(334,115)	20,251,281
Machinery equipment	42,733,143	596,096	968,172	-	(1,625,489)	(1,650,439)	39,085,139
Tooling equipment	3,884,972	287,897	55,927	-	1,851,404	(385,457)	5,582,889
Transportation equipment	83,156	618	3,508	-	-	(826)	79,440
Office equipment	2,730,452	51,675	147,723	-	51,443	(61,115)	2,624,732
Equipment held under finance lease	1,411,445	-	137	-	-	(50,260)	1,361,048
Other equipment	9,077,902	357,418	76,665	-	(277,299)	(463,646)	8,617,710
	82,848,292	$ 1,298,643	$ 1,263,030	$ -	$ 59	$ (2,951,094)	79,932,870

(Continued)

	For the Three Months Ended March 31, 2015						
	January 1, 2015	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2015
Accumulated depreciation							
Buildings	$ 7,821,429	$ 206,331	$ 9,021	$ -	$ 4,057	$ (102,402)	$ 7,920,394
Machinery equipment	25,607,321	927,341	651,224	-	(1,400,729)	(1,068,578)	23,414,131
Tooling equipment	3,704,341	246,172	49,828	-	1,400,729	(403,243)	4,898,171
Transportation equipment	60,551	2,048	3,310	-	-	(1,177)	58,112
Office equipment	2,254,755	83,198	130,364	-	207	(39,891)	2,167,905
Equipment held under finance lease	1,101,485	25,193	123	-	36	(46,235)	1,080,356
Other equipment	4,534,639	154,129	70,006	-	(4,150)	(353,126)	4,261,486
	45,084,521	$ 1,644,412	$ 913,876	$ -	$ 150	$ (2,014,652)	43,800,555
Accumulated impairment							
Freehold land	-	$ -	$ -	$ -	$ -	$ -	-
Buildings	345,834	(48)	-	-	-	(39,583)	306,203
Machinery equipment	1,113,732	25,885	11,904	-	-	(52,509)	1,075,204
Tooling equipment	40,520	-	-	-	-	(2,435)	38,085
Transportation equipment	924	-	170	-	-	(7)	747
Office equipment	9,882	-	648	-	-	(78)	9,156
Equipment held under finance lease	42,492	-	-	-	-	(339)	42,153
Other equipment	103,171	1,614	-	-	-	(471)	105,256
	1,656,555	$ 27,451	$ 12,722	$ -	$ -	$ (94,480)	1,576,804
	$ 36,107,216						$ 34,555,511

(Concluded)

	For the Three Months Ended March 31, 2014						
	January 1, 2014	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2014
Cost							
Freehold land	$ 2,398,990	$ -	$ -	$ (56,368)	$ (6,781)	$ 3,277	$ 2,339,118
Buildings	20,283,203	26,926	3,404	(135,706)	525,805	11,128	20,707,952
Machinery equipment	40,610,971	950,514	833,110	(410,181)	(427,485)	(40,107)	39,850,602
Tooling equipment	4,114,144	17,964	37,788	-	10,822	25,551	4,130,693
Transportation equipment	89,042	2,133	3,681	(1,600)	(2,039)	652	84,507
Office equipment	2,757,887	12,644	19,882	(32,556)	(3,430)	1,740	2,716,403
Equipment held under finance lease	1,420,378	5,770	1,250	(134,137)	(955)	(1,113)	1,288,693
Other equipment	6,784,900	274,211	60,339	(31,642)	(119,067)	(58,389)	6,789,674
	78,459,515	$ 1,290,162	$ 959,454	$ (802,190)	$ (23,130)	$ (57,261)	77,907,642
Accumulated depreciation							
Buildings	6,947,394	$ 223,666	$ 1,986	$ (11,582)	$ 74,399	$ (3,983)	7,227,908
Machinery equipment	22,822,096	1,083,148	477,533	(230,492)	(409,215)	104,697	22,892,701
Tooling equipment	3,611,874	138,393	34,323	-	3,433	(74,069)	3,645,308
Transportation equipment	64,939	3,242	3,331	(1,301)	(952)	244	62,841
Office equipment	2,016,021	65,215	17,595	(28,228)	(27)	(3,493)	2,031,893
Equipment held under finance lease	1,026,069	16,447	1,146	(41,081)	12,021	862	1,013,172
Other equipment	3,725,652	196,591	50,253	(26,012)	402,328	(11,822)	4,236,484
	40,214,045	$ 1,726,702	$ 586,167	$ (338,696)	$ 81,987	$ 12,436	41,110,307
Accumulated impairment							
Freehold land	-	$ -	$ -	$ -	$ -	$ -	-
Buildings	168,211	(501)	181	-	-	3,054	170,583
Machinery equipment	998,389	-	11,125	(79,978)	(7,762)	(8,670)	890,854
Tooling equipment	22,877	-	1,908	-	-	31	21,000
Transportation equipment	301	-	-	(299)	-	(2)	-
Office equipment	4,431	-	322	(2,133)	-	(22)	1,954
Equipment held under finance lease	14,338	-	-	(14,241)	-	(97)	-
Other equipment	35,541	292	18	(3,902)	(978)	(1,979)	28,956
	1,244,088	$ (209)	$ 13,554	$ (100,553)	$ (8,740)	$ (7,685)	1,113,347
	$ 37,001,382						$ 35,683,988

For the three months ended March 31, 2015, as the result of the declining sale of some of the products in the market, the estimated future cash flows expected to arise from the related equipment was decreased and recognized impairment loss $27,451 thousand. The Group carried out a review of the recoverable amount of that related equipment and determined that the carrying amount exceeded the recoverable amount. The impairment loss had been recognized in the consolidated statements of comprehensive income.

For the three months ended March 31, 2014, the Group recognized a reversal of impairment loss of $209 thousand. The 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

17. INVESTMENT PROPERTIES, NET

	March 31, 2015	December 31, 2014	March 31, 2014
Completed investment properties	$ 524,538	$ 537,030	$ -

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

For the three months ended March 31, 2015, the investment properties held by the Group had no significant increases, disposal and impairment for the three months ended March 31, 2015, but depreciation expenses were recognized for these properties.

The fair value of the investment properties as of December 31, 2014 was $613,771 thousand. The Group’s management estimated no significant differences between this fair value and that for the three months ended March 31, 2015. For the investment properties valued by an independent appraiser, the Group’s management determined their fair value by reference to the appraiser’s market evidence of the transaction price of real estate. The discount rate used was 6.5%.

18. OTHER INTANGIBLE ASSETS, NET

	March 31, 2015	December 31, 2014	March 31, 2014
Goodwill	$ 14,878,254	$ 14,953,187	$ 14,268,044
Patents	9,997	12,188	4,614
Patents use rights	730,133	786,297	954,790
Software	266,500	286,304	200,588
Other intangible assets	285,131	260,987	437,827
	$ 16,170,015	$ 16,298,963	$ 15,865,863

	For the Three Months Ended March 31, 2015						
	January 1, 2015	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2015
Cost							
Goodwill	$ 15,483,954	$ -	$ -	$ -	$ -	$ (74,933)	$ 15,409,021
Patents	39,481	-	-	-	-	(215)	39,266
Patents use rights	2,695,878	-	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	-	163,819
Software	563,576	31,323	22,597	-	(59)	(2,229)	570,014
Other intangible assets	3,859,575	10,109	39,245	-	-	38,126	3,868,565
	22,806,283	$ 41,432	$ 61,842	$ -	$ (59)	$ (39,251)	22,746,563
Accumulated amortization							
Goodwill	77,234	$ -	$ -	$ -	$ -	$ -	77,234
Patents	27,293	2,139	-	-	-	(163)	29,269
Patents use rights	1,909,581	56,164	-	-	-	-	1,965,745
Client relationships	163,819	-	-	-	-	-	163,819
Software	277,272	39,589	11,902	-	73	(1,518)	303,514
Other intangible assets	3,598,588	47,860	38,465	-	93	(24,642)	3,583,434
	6,053,787	$ 145,752	$ 50,367	$ -	$ 166	$ (26,323)	6,123,015
Accumulated impairment							
Goodwill	453,533	$ -	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-	-
Patents use rights	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	$ -	453,533
	$ 16,298,963						$ 16,170,015

	For the Three Months Ended March 31, 2014						
	January 1, 2014	Additions	Disposals	Effect of Business Combination	Reclassification	Effect of Foreign Currency Exchange Differences	March 31, 2014
Cost							
Goodwill	$ 14,792,433	$ -	$ -	$ (5,043)	$ -	$ 11,421	$ 14,798,811
Patents	37,328	-	-	-	(8,362)	35	29,001
Patents use rights	2,695,878	-	-	-	-	-	2,695,878
Client relationships	163,819	-	-	-	-	-	163,819
Software	265,373	176,004	1,524	(1,069)	(62,996)	1,280	377,068
Other intangible assets	3,427,496	27,294	771	-	266,804	1,942	3,722,765
	21,382,327	$ 203,298	$ 2,295	$ (6,112)	$ 195,446	$ 14,678	21,787,342
Goodwill	77,234	$ -	$ -	$ -	$ -	$ -	77,234
Patents	25,927	6,476	-	-	(4,305)	(3,711)	24,387
Patents use rights	1,684,924	56,164	-	-	-	-	1,741,088
Client relationships	163,819	-	-	-	-	-	163,819
Software	203,832	17,474	1,426	-	(44,610)	1,210	176,480
Other intangible assets	3,056,796	55,617	514	-	168,013	5,026	3,284,938
	5,212,532	$ 135,731	$ 1,940	$ -	$ 119,098	$ 2,525	5,467,946
Accumulated impairment							
Goodwill	453,533	$ -	$ -	$ -	$ -	$ -	453,533
Patents	-	-	-	-	-	-	-
Patents use rights	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-
	453,533	$ -	$ -	$ -	$ -	$ -	453,533
	$ 15,716,262						$ 15,865,863

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

Patents	6 years
Patents use rights	12 years
Client relationships	4 years
Software	2-14 years
Other intangible assets	1-10 years

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

	March 31, 2015	December 31, 2014	March 31, 2014
Lite-On Mobile Pte. Ltd.	$ 8,567,971	$ 8,638,905	$ -
The Parent Company	5,926,156	5,926,156	2,253,176
Power Innovations International Inc.	274,937	278,137	-
Five Domension Co., Ltd.	50,372	51,171	-
Lite-On Mobile Oyj (formerly Perlos Oyj)	-	-	8,651,532
Lite-On IT Corp.	-	-	2,806,508
Lite-On Automotive Corp.	-	-	303,073
Leotek Electronics Corp.	-	-	220,170
Others	58,818	58,818	33,585
	$ 14,878,254	$ 14,953,187	$ 14,268,044

1) The Group reorganized its structure on June 2014, and the Parent Company acquired the entire equity of Lite-On Mobile Pte. Ltd. from its subsidiary, Lite-On Mobile Oyj (formerly Perlos Oyj). This acquisition resulted in changes to the smallest identifiable group of cash-generating units. Thus, the original goodwill allocated to the cash-generating units of Lite-On Mobile Oyj (formerly Perlos Oyj) were reallocated to the subsidiary Lite-On Mobile Pte. Ltd.

2) To integrate its overall resources and enhance the efficiency of operations, the Parent Company had short-form mergers - in accordance with Article 19 of the Business Mergers and Acquisitions Act - with Li Shin International Enterprise Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corp. and LarView Technologies Corp. on March 22, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, respectively, under the board of directors' approval. The Parent Company was the survivor entity in all of these mergers. The investment premium from Li Shin International Enterprise Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corp., and LarView Technologies Corp. were $1,708,258 thousand, $277,840 thousand, $220,170 thousand, $2,806,508 thousand, and $368,462 thousand, respectively. The total amount of $5,381,238 thousand was transferred to the Parent Company and recorded as intangible assets - goodwill.

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

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

3) As of the goodwill resulting from the acquisition of Power Innovations International Inc. and Five Domension Co., Ltd. in 2014, refer to Note 29 of the consolidated financial report in 2014.

4) Goodwill is allocated to the Group's recoverable amount of cash-generating units. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering the future five-year period. As of March 31, 2015, December 31, 2014 and March 31, 2014, the recoverable amount of all cash-generating units

calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

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

19. OTHER ASSETS

	March 31, 2015	December 31, 2014	March 31, 2014
Prepayments	$ 2,532,730	$ 2,689,934	$ 2,242,794
Offset against business tax payable	1,615,303	1,530,386	1,698,093
Prepayments for lease	800,839	775,063	821,473
Prepayment for equipment	89,754	93,450	56,866
Others	388,725	361,639	449,529
	$ 5,427,351	$ 5,450,472	$ 5,268,755
Current	$ 4,541,390	$ 4,561,144	$ 4,374,047
Non-current	885,961	889,328	894,708
	$ 5,427,351	$ 5,450,472	$ 5,268,755

Prepayments for lease with carrying amounts of $544,168 thousand, $554,592 thousand and $539,856 thousand as of March 31, 2015, December 31, 2014 and March 31, 2014, respectively, referred to land use rights located in Mainland China.

20. BORROWINGS

a. Short-term borrowings

	March 31, 2015	December 31, 2014	March 31, 2014
Unsecured borrowings			
Line of credit borrowings	$ 17,002,350	$ 22,911,114	$ 16,911,173

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

	March 31, 2015	December 31, 2014	March 31, 2014
Short-term borrowings	0.76%-4.5%	0.82%-4.1%	0.79%-2.7%

b. Long-term borrowings

	March 31, 2015	December 31, 2014	March 31, 2014
Unsecured borrowings			
The Parent Company	$ 12,712,500	$ 12,925,000	$ 14,262,500
Lite-On Mobile Pte. Ltd.	6,178,765	6,319,993	6,073,115
Silitech Technology Corp.	1,440,000	1,440,000	1,440,000
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	988,603	1,011,199	1,213,976
Lite-On Japan Ltd.	158,579	193,630	263,564
Five Dimension Co., Ltd.	27,814	28,977	-
	21,506,261	21,918,799	23,253,155
Current portion	(5,659,732)	(8,358,016)	(9,131,648)
	15,846,529	13,560,783	14,121,507
Secured borrowings			
Power Innovations International Inc.	4,065	4,350	-
Current portion	(972)	(973)	-
Secured borrowings: Non-current	3,093	3,377	-
	$ 15,849,622	$ 13,564,160	$ 14,121,507

1) As of March 31, 2015, December 31, 2014 and March 31, 2014, the Parent Company had 4, 4 and 5 long-term bank loans respectively with contract terms between September 23, 2008 and September 23, 2018. The floating interest rates are (1.510% to 1.703%, 1.520% to 1.703%, and 1.468% to 1.675% and as of March 31, 2015, December 31, 2014 and March 31, 2014, respectively) 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 Parent Company signed a contract for a five-year syndicated loan with Citibank and 14 other financial institutions, and on May 16, 2011 changed the contract period to seven years from 2008. The repayment period is between September 23, 2008 and September 22, 2015. The credit line is $15 billion, consisting of (a) $12 billion and (b) $3 billion of the credit line of the above syndicated loan.

   On September 12, 2013, the Parent Company signed another contract for a five-year syndicated loan with Citibank and 16 other financial institutions. The credit line was $15 billion, which was for Company to repay the former syndicated loan with Citibank signed on September 23, 2008. This syndicated loan was for the Parent Company to repay the former syndicated loan with Citibank under a contract signed on September 23, 2008. It should be used as a medium-term loan but may not be used on a revolving basis. Subsequently, (b) $3 billion of the credit line of the above syndicated loan signed on September 23 was cancelled.

   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 Taipei Interbank Offered Rate plus 61 points.

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

   As of March 31, 2015, December 31, 2014 and March 31, 2014, the Parent Company all used $12 billion of the credit line of the above syndicated loan.

2) Lite-On Mobile Pte. Ltd., a subsidiary of the Parent Company, had a long-term, syndicated-bank loan. As of March 31, 2015, December 31, 2014 and March 31, 2014, the floating interest rates were 0.8526% to 1.3526%, 0.925% to 1.395% and 1.575% to 1.88%, respectively. The principal is repayable from April 29, 2014 in five semiannual installments.

   On April 29, 2011, Lite-On Mobile Pte. Ltd. signed a loan contract with Citibank and 13 other financial institutions (the endorsements and guarantees were provided by the Parent Company). This contract is on a five-year syndicated loan of US$200 million. As of March 31, 2015, December 31, 2014 and March 31, 2014, Lite-On Mobile Pte. Ltd. had used US$120 million, US$120 million and US$200 million, respectively, of the syndicated loan.

   On March 31, 2014, Lite-On Mobile Pte. Ltd. signed with Citibank and 12 other financial institutions (the endorsements and guarantees were provided by the Parent Company). This contract is on a five-year syndicated loan of US$200 million. This syndicated loan was for Lite-On Mobile Pte. Ltd. to prepay the syndicated loan with Citibank under a contract signed on April 29, 2011. As of March 31, 2015 and December 31, 2014, Lite-On Mobile Pte. Ltd. had used both US$80 million of the syndicated loan.

3) Silitech Technology Co., Ltd., a subsidiary of the Parent Company, entered into a $2.4 billion syndicated loan contract, with the Land Bank of Taiwan as lead bank and a contract term from February 18, 2013 to February 18, 2018. This loan was obtained for the purposes of supporting working capital and capital expenditure. As of March 31, 2015, December 31, 2014 and March 31, 2014, Silitech had all used $1.44 billion of the syndicated loan, with an interest rate of 1.6663% to 1.6669%, 1.6786% and 1.6469%., respectively.

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

4) Guangzhou Lite-On Mobile Electronic Components Co., Ltd., a subsidiary of the Parent Company, had a syndicated loan with Citibank. As of March 31, 2015, December 31, 2014 and March 31, 2014, the floating interest rates were 0.8668% to 0.8731%, 0.880% and 1.555% to 1.7%. 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 March 31, 2015, December 31, 2014 and March 31, 2014, Guangzhou Lite-On Mobile Electronic Components Co., Ltd. had used US$32 million, US$32 million and US$40 million of the credit line of the syndicated loan.

5) As of March 31, 2015, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 10 long-term bank loans, with contract terms from March 2011 to October 2018, with interest rate of 0.935% to 1.35% and principal repayable in trimestral installments.

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

   As of March 31, 2014, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 13 long-term bank loans, with contract terms from March 2011 to October 2018, with interest rate of 1.00% to 1.35% and principal repayable in trimestral installments.

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

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

21. FINANCE LEASE PAYABLES

	March 31, 2015	December 31, 2014	March 31, 2014
Minimum lease payments			
Not later than one year	$ 92,267	$ 93,485	$ 85,412
Later than one year and not later than five years	78,364	104,988	159,580
Later than five years	-	-	-
	170,631	198,473	244,992
Future finance charges	(8,800)	(11,520)	(19,178)
Present value of minimum lease payments	$ 161,831	$ 186,953	$ 225,814
Present value of minimum lease payments			
Not later than one year	$ 85,457	$ 85,232	$ 74,157
Later than one year and not later than five years	76,374	101,721	151,657
Later than five years	-	-	-
	$ 161,831	$ 186,953	$ 225,814
Current	$ 85,457	$ 85,232	$ 74,157
Non-current	76,374	101,721	151,657
	$ 161,831	$ 186,953	$ 225,814
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	$ 153,385	$ 177,962	$ 224,349
Power Innovations International Inc.	7,792	8,244	-
Lite-On Mobile Sweden AB	613	700	1,005
Lite-On Mobile Oyj (formerly Perlos Oyj)	41	47	447
Lite-On Japan Ltd.	-	-	13
	161,831	186,953	225,814
Current portion of long-term capital lease liabilities	(85,457)	(85,232)	(74,157)
	$ 76,374	$ 101,721	$ 151,657

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

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

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

d. Lite-On Mobile Oyj (formerly Perlos Oyj) leased machinery and equipment under capital leases valid from October 1, 2011 to September 30, 2015. The terms of these leases were four years, with 5.00% interest rate.

e. Lite-On Japan Ltd. leased machinery and equipment under capital leases valid from August 2009 to August 2014. The terms of these leases were five years, with 2.7% interest rate.

22. PROVISIONS

	March 31, 2015	December 31, 2014	March 31, 2014
Warranties	$ 1,113,657	$ 1,080,628	$ 931,510

Movements in the provisions were as follow:

	For the Three Months Ended March 31	
	2015	2014
Balance at January 1	$ 1,080,628	$ 874,502
Recognition of provisions	141,400	57,124
Usage	(105,251)	(2,727)
Effect of foreign currency exchange differences	(3,120)	2,611
Balance at March 31	$ 1,113,657	$ 931,510

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

23. RETIREMENT BENEFIT PLANS

The Group's retirement benefit plans include defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rate as of December 31, 2014 and 2013, and recognized in their respective periods.

Employee benefit expenses were included in the following line items by nature and function:

	For the Three Months Ended March 31	
	2015	2014
Post-employment benefits		
Defined contribution plans	$ 169,088	$ 139,264
Defined benefit plans	10,144	33,873
	$ 179,232	$ 173,137

24. EQUITY

a. Share capital

1) Common shares

	March 31, 2015	December 31, 2014	March 31, 2014
Number of shares authorized (in thousands)	3,500,000	3,500,000	3,500,000
Amount of shares authorized	$ 35,000,000	$ 35,000,000	$ 35,000,000
Number of shares issued and fully paid (in thousands)	2,341,674	2,341,674	2,327,626
Amount of shares issued	$ 23,416,737	$ 23,416,737	$ 23,276,257

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

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

2) Issued global depositary receipts

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

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

As of March 31, 2015, December 31, 2014 and March 31, 2014, the outstanding marketable equity securities were 5,213 thousand units, 5,213 thousand units and 5,206 thousand units, representing 52,127 thousand common share, 52,127 thousand common share and 52,064 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 March 31, 2015, December 31, 2014 and March 31, 2014, the unredeemed GDRs amounted to 811 thousand units, 994 thousand units, and 1,204 thousand units.

b. Capital surplus

The premium from shares issued in excess of par (including share premium from issuance of common shares, conversion of bonds, and treasury share transactions or acquisition) 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 share of changes in equities of subsidiaries, share of changes in equities of associates and joint venture and employee share options may not be used for any purpose.

c. Retained earnings and dividend policy

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

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

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

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

The bonus to employees and remuneration to directors were estimated at a certain percentage of net income. Material differences between these estimates amounts and the amounts proposed by the board of directors on or before the financial statements are authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the following year. If a share bonus will be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. The fair value of the shares refers to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

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

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 and the amounts of bonus to employees and remuneration to directors for 2014 proposed by the board of directors on March 25, 2015, and the amounts for 2013 approved in the shareholders' meeting on June 19, 2014, were as follows:

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

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
Bonus to employees	$ 768,033	$ 146,262	$ 997,212	$ 189,945
Remuneration of directors	54,924	-	70,039	-

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

There was no difference between (a) the amounts of the bonus to employees and the remuneration to directors proposed by the board of directors on March 25, 2015 and amounts approved in the shareholders' meeting on June 19, 2014 and (b) the amounts recognized in the consolidated financial statements for the years ended December 31, 2014 and 2013.

The appropriations of earnings, the bonus to employees, and the remuneration to directors and supervisors for 2014 are subject to the resolution of the shareholders' meeting to be held on June 24, 2015.

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:

	For the Three Months Ended March 31, 2015			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Balance at January 1	$ 4,125,097	$ 139,072	$ (11,989)	$ 4,252,180
Exchange differences arising on translating the financial statements of foreign operations	(1,019,680)	-	-	(1,019,680)
Loss arising on changes in the fair value of available-for-sale financial assets	-	(59,284)	-	(59,284)
Reclassification to income from disposal of available-for-sale financial assets	-	(15,150)	-	(15,150)
Gain arising on changes in the fair value of hedging instruments	-	-	5,861	5,861

(Continued)

	For the Three Months Ended March 31, 2015			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total
Share of other comprehensive income of subsidiaries and associates	$ (43,915)	$ 8,013	$ -	$ (35,902)
Income tax effect	129,742	-	-	129,742
Balance at March 31	$ 3,191,244	$ 72,651	$ (6,128)	$ 3,257,767

(Concluded)

	For the Three Months Ended March 31, 2014			
	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedge	Total
Balance at January 1	$ 2,383,040	$ 83,231	$ (46,969)	$ 2,419,302
Exchange differences arising on translating the financial statements of foreign operations	25,963	-	-	25,963
Gain arising on changes in the fair value of available-for-sale financial assets	-	179,816	-	179,816
Reclassification to income from disposal of available-for-sale financial assets	-	(60)	-	(60)
Gain arising on changes in the fair value of hedging instruments	-	-	12,035	12,035
Share of other comprehensive income of subsidiaries and associates	21,931	16,636	-	38,567
The proportionate share of other comprehensive income reclassified to profit or loss upon partial disposal of associates	(1,240)	-	-	(1,240)
Effect of deconsolidation of subsidiary (Note 29)	(13,549)	-	-	(13,549)
Income tax effect	(4,413)	-	-	(4,413)
Balance at March 31	$ 2,411,732	$ 279,623	$ (34,934)	$ 2,656,421

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

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

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

e. Non-controlling interests

	For the Three Months Ended March 31	
	2015	**2014**
Balance at January 1	$ 4,198,430	$ 6,209,747
Attributable to non-controlling interests:		
Share of profit for the year	47,034	597
Exchange difference arising on translation of foreign entities	(108,635)	2,361
Unrealized gains and losses on available-for-sale financial assets	4	(7,202)
Effect of deconsolidation of subsidiary (Note 29)	-	(747,537)
Acquisition of non-controlling interests in subsidiaries (Note 30)	-	(15,241)
Capital reduction paid to noncontrolling interests	(4,141)	-
Balance at March 31	$ 4,132,692	$ 5,442,725

f. Treasury shares

Unit: In Thousands of Shares

Purpose of Buyback	**Number of Shares at January 1**	**Increase During the Period**	**Decrease During the Period**	**Number of Shares at March 31**
For the three months ended March 31, 2015				
Shares held by subsidiaries	26,575	-	-	26,575
For the three months ended March 31, 2014				
Shares held by subsidiaries	28,118	-	-	28,118

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
March 31, 2015			
Lite-On Capital Inc.	14,966	$ 718,857	$ 606,870
LTC International Ltd.	6,935	297,469	286,411
Yet Foundate Ltd.	2,248	126,881	94,860
Lite-On Electronics Co., Ltd.	2,426	105,515	102,350
		$ 1,248,722	$ 1,090,491
December 31, 2014			
Lite-On Capital Inc.	14,966	$ 718,857	$ 544,761
LTC International Ltd.	6,935	297,469	272,328
Yet Foundate Ltd.	2,248	126,881	95,922
Lite-On Electronics Co., Ltd.	2,426	105,515	103,497
		$ 1,248,722	$ 1,016,508
March 31, 2014			
Lite-On Capital Inc.	14,892	$ 718,857	$ 676,072
LTC International Ltd.	6,900	297,469	299,565
Yet Foundate Ltd.	2,237	126,881	91,881
Lite-On Electronics Co., Ltd.	2,414	105,515	99,136
Lite-On IT Corp.	1,675	85,938	76,046
		$ 1,334,660	$ 1,242,700

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

25. REVENUE

	For the Three Months Ended March 31	
	2015	2014
Revenue from the sale of goods	$ 51,486,791	$ 51,696,596
Rental income from property	31,631	29,094
Solar power	21,980	16,224
	$ 51,540,402	$ 51,741,914

For segment revenue information, refer to Note 38.

26. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2015	**2014**
Current income tax expense	$ 405,446	$ 395,900
Deferred tax	9,080	(4,329)
Income tax expense recognized in profit or loss	$ 414,526	$ 391,571

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2015	**2014**
Deferred tax		
Income tax recognized in other comprehensive income		
Translation of foreign operations	$ (151,993)	$ 4,896

c. Integrated income tax

	March 31, 2015	**December 31, 2014**	**March 31, 2014**
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	$ 2,215	$ 2,215	$ 2,215
Unappropriated earnings generated on and after January 1, 1998	13,076,074	11,430,326	13,598,507
	$ 13,078,289	$ 11,432,541	$ 13,600,722
Imputation credits accounts	$ 1,604,093	$ 1,583,451	$ 568,173

The estimated and actual creditable ratios for the distribution of the earnings of 2014 and 2013 were 12.70% and 11.40%, respectively.

d. Income tax assessments

The tax returns through 2011 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2015	**2014**
Basic earnings per share	$ 0.71	$ 0.62
Diluted earnings per share	$ 0.71	$ 0.62

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

	For the Three Months Ended March 31	
	2015	**2014**
Earnings used in computation of basic earnings per share	$ 1,645,748	$ 1,427,677
Effect of dilutive potential ordinary share:		
Bonus issue to employee	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	$ 1,645,748	$ 1,427,677

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousands of Shares

	For the Three Months Ended March 31	
	2015	**2014**
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	2,315,098	2,308,245
Effect to dilutive potential ordinary share:		
Bonus issue to employee	7,423	11,624
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	2,322,521	2,319,869

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.

28. ADDITIONAL INFORMATION FOR EXPENSES

Net income included the following items:

	For the Three Months Ended March 31	
	2015	2014
a. Depreciation of property, plant and equipment		
Recognized in cost of revenue	$ 1,398,676	$ 1,374,286
Recognized in operating expenses	245,736	352,416
	$ 1,644,412	$ 1,726,702
b. Amortization of intangible assets		
Recognized in cost of revenue	$ 17,667	$ 17,166
Recognized in operating expenses	128,085	118,565
	$ 145,752	$ 135,731
c. Employee benefit expenses		
Post-employment benefits (Note 23)		
Defined contribution plans	$ 169,088	$ 139,264
Defined benefit plans	10,144	33,873
	179,232	173,137
Termination benefits	3,349	4,872
Other employee benefits	5,818,169	5,443,192
	$ 6,000,750	$ 5,621,201
Employee benefit expenses summarized by function		
Recognized in cost of revenue	$ 3,672,664	$ 3,271,763
Recognized in operating expenses	2,328,086	2,349,438
	$ 6,000,750	$ 5,621,201

29. DECONSOLIDATION OF SUBSIDIARY

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

a. Consideration received from the derecognition

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

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

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

c. Gain on deconsolidation of subsidiary

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

d. Net cash outflow on deconsolidation of subsidiary

	For the Three Months Ended March 31, 2014
The balance of cash and cash equivalents deconsolidated	$ 902,385

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In January to March 2014, the Parent Company acquired an additional 0.08% equity interest in Lite-On IT Corporation, and increased its continuing interest from 99.13 % to 99.21%.

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

	For the Three Months Ended March 31, 2014
Cash consideration paid	$ 18,610
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(15,241)
Differences arising from equity transaction	$ 3,369

Line items adjusted for equity transaction

Capital surplus - difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	$ -
Retained earnings	(3,369)
	$ (3,369)

31. 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.

32. FINANCIAL INSTRUMENTS

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

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

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

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

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

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1) Fair value hierarchy

March 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 46,205	$ -	$ 46,205
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 4,348	$ -	$ 4,348
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 533,957	$ -	$ -	$ 533,957
Securities listed in other countries - equity securities	11,360	-	-	11,360
Unlisted securities - ROC - equity securities	-	-	144,617	144,617
Unlisted securities - other countries - equity securities	-	-	219,770	219,770
Mutual funds	-	71,574	-	71,574
Emerging market stocks	-	178,716	-	178,716
	$ 545,317	$ 250,290	$ 364,387	$ 1,159,994

December 31, 2014

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

March 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 26,250	$ -	$ 26,250
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 35,368	$ -	$ 35,368
Available-for-sale financial assets				
Securities listed in ROC - equity securities	$ 1,363,814	$ -	$ -	$ 1,363,814
Securities listed in other countries - equity securities	8,187	-	-	8,187
Unlisted securities - ROC - equity securities	-	-	289,160	289,160
Unlisted securities - other countries - equity securities	-	-	325,456	325,456
Mutual funds	-	130,403	-	130,403
Emerging market stocks	-	178,716	-	178,716
	$ 1,372,001	$ 309,119	$ 614,616	$ 2,295,736

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

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

	Investments on Equity Instruments Unlisted Quotes
March 31, 2015	
Balance at January 1, 2015	$ 366,428
Total gains or losses	
In other comprehensive income	(2,041)
Balance at March 31, 2015	$ 364,387
March 31, 2014	
Balance at January 1, 2014	$ 613,534
Total gains or losses	
In other comprehensive income	1,082
Balance at March 31, 2014	$ 614,616

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

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

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

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

c. Categories of financial instruments

	March 31, 2015	December 31, 2014	March 31, 2014
Financial assets			
Fair value through profit or loss (FVTPL)			
Derivative instruments	$ 46,205	$ 13,111	$ 26,250
Loans and receivables (1)	105,569,989	119,503,863	108,337,320
Available-for-sale financial assets	1,159,994	1,326,255	2,295,736
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Derivative instruments	4,348	38,408	35,368
Derivative instruments in designated hedge accounting relationships	6,128	11,989	34,934
Amortized cost			
Short-term borrowings	17,002,350	22,911,114	16,911,173
Long-term borrowings (including current portion of long-term borrowings)	21,510,326	21,923,149	23,253,155
Payables (2)	72,123,811	82,697,461	74,435,664

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

2) The balances included financial liabilities measured at amortized cost, which comprise notes payable, trade payables, trade payables - inter, other payables and other payables - inter.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivable, trade payables, 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:

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

There had been no change to the 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 (Refer to Note 36).

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

Sensitivity analysis

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

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

	Currency USD Impact	
	For the Three Months Ended March 31	
	2015	**2014**
Profit or loss	$ 411,970	$ 1,105,901

b) Interest rate risk

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

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

	March 31, 2015	**December 31, 2014**	**March 31, 2014**
Fair value interest rate risk			
Financial assets (i)	$ 23,368,903	$ 29,221,581	$ 26,044,477
Financial liabilities (ii)	15,599,599	21,140,609	18,256,656
Cash flow interest rate risk			
Financial assets (iii)	34,291,256	35,292,046	33,803,818
Financial liabilities (iv)	23,074,908	23,880,607	22,133,486

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

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

iii. The balances included demand deposits.

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

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

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

Sensitivity analysis

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

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2015 and 2014 would increase by $7,010 thousand and decrease $7,294 thousand.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 7% higher, the pre-tax other comprehensive income for the three months ended March 31, 2015 and 2014 would increase by $38,172 thousand and $96,040 thousand as a result of the changes in fair value of available-for-sale financial assets.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

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

a) Business related credit risk

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

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

b) Financial related credit risk

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

3) Liquidity risk

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

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

March 31, 2015

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 72,123,811	$ 79,047	$ -	$ 886
Finance lease liabilities	2.36-7.11	85,457	76,374	-	-
Variable interest rate liabilities	0.4-1.6669	7,307,257	14,794,651	960,000	13,000
Fixed interest rate liabilities	0.8-2.673	15,355,797	75,713	4,767	1,491
		$ 94,872,322	$ 15,025,785	$ 964,767	$ 15,377

December 31, 2014

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

March 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 74,435,664	$ 78,032	$ -	$ 864
Finance lease liabilities	1.30-7.11	74,157	151,657	-	-
Variable interest rate liabilities	1.06-1.675	9,357,112	6,536,374	6,240,000	-
Fixed interest rate liabilities	0.79-5.65	16,685,709	1,301,937	43,196	-
		$ 100,552,642	$ 8,068,000	$ 6,283,196	$ 864

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

March 31, 2015

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 3,536,951	$ -	$ -	$ -
Outflows	(3,575,494)	-	-	-
	$ (38,543)	$ -	$ -	$ -

December 31, 2014

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

March 31, 2014

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	$ 973,057	$ -	$ -	$ -
Outflows	(961,162)	-	-	-
	11,895	-	-	-
Currency swap contracts				
Inflows	1,249,247	-	-	-
Outflows	(1,269,116)	-	-	-
	(19,869)	-	-	-
	$ (7,974)	$ -	$ -	$ -

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Sales of goods

	For the Three Months Ended March 31	
	2015	2014
Related parties categories		
Associates	$ 15,847	$ 46,186
Other related parties	432	893
	$ 16,279	$ 47,079

The Group's selling prices for Lite-On Semiconductor Corp. for the Group were at cost plus a negotiated profit. Except for this sales arrangement with Lite-On Semiconductor Corp., the sales terms between the Group and its related parties were normal.

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

b. Purchases of goods

	For the Three Months Ended March 31	
	2015	2014
Related parties categories		
Associates	$ 1,042,444	$ 251,404
Other related parties	168,074	648,817
	$ 1,210,518	$ 900,221

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

c. Receivables from related parties

Related parties categories	March 31, 2015	December 31, 2014	March 31, 2014
Accounts receivable			
Associates	$ 40,759	$ 72,417	$ 145,999
Other related parties	95	652	529
	$ 40,854	$ 73,069	$ 146,528

(Continued)

	March 31, 2015	December 31, 2014	March 31, 2014
Other receivable			
Associates	$ 1,918	$ 2,850	$ 991
Other related parties	161	203	2
	$ 2,079	$ 3,053	$ 993

(Concluded)

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

d. Payables to related parties

	March 31, 2015	December 31, 2014	March 31, 2014
Related parties categories			
Accounts payable			
Associates	$ 465,301	$ 677,197	$ 323,083
Other related parties	229,452	276,469	213,751
	$ 694,753	$ 953,666	$ 536,834
Other payable			
Associates	$ 731	$ 738	$ 24,960
Other related parties	4,164	6,003	8,578
	$ 4,895	$ 6,741	$ 33,538

The outstanding trade payables from related parties are unsecured.

e. Operating expense

	For the Three Months Ended March 31	
	2015	2014
Related parties categories		
Other related parties	$ 9,825	$ 1,278

f. Other revenues

	For the Three Months Ended March 31	
	2015	2014
Related parties categories		
Associates	$ 949	$ 891
Other related parties	446	379
	$ 1,395	$ 1,270

g. Compensation of key management personnel

	For the Three Months Ended March 31	
	2015	2014
Short-term employee benefits	$ 99,057	$ 123,495
Post-employment benefits	5,834	4,554
Termination benefits	17	66
Other employee benefits	-	137
	$ 104,908	$ 128,252

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

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	March 31, 2015	December 31, 2014	March 31, 2014
Pledge-time deposits	$ 307,312	$ 78,688	$ 91,830

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

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The European Commission issued a Statement of Objection to some CD-ROM factories in line with antitrust investigations in the third quarter of 2012. The Parent Company has assigned lawyers to deal with the lawsuit. As of March 31, 2015, the investigation was still in progress. The Parent Company believed that this case would not have a significant impact on its business and financial operations.

b. CMP Consulting Service, Inc., KI, Inc., Aaron Wagner, The Stereo Shop, David Carney, Jr., Tina Corse, Cynthia R. Rall, Richard R. Rall, Aaron Deshaw and Don Cheung filed an antitrust group lawsuit against the Parent Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses - with a court in California, from October 2009 to September 2010. The Parent Company assigned lawyers as its representative in these lawsuits. In October 2014, the U.S. District Court for the Northern District of California rejected the antitrust group lawsuit, but prosecutors appealed to the United States Court of Appeals for the Ninth Circuit against the rejection of the group litigation. In January 2015, the United States Court of Appeals for the Ninth Circuit dismissed the lawsuit. But in the same month, the judge of the U.S. District Court for the Northern District of California allowed the plaintiff to appeal against the antitrust group lawsuit again within a reduced litigation scope, and asked the disputing parties to reach a court settlement by May 2015. The Parent Company will plan its settlement strategy as soon as the plaintiff determines the reduction of its litigation scope. The Parent Company already accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize the losses quarterly on the basis of a reasonable estimation of the lawsuit until the settlement of this lawsuit.

c. In the second quarter of 2013, the Attorney General of the State of Florida filed antitrust lawsuits against the Parent Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation and Philips & Lite-On Digital Solutions USA, Inc. - as well as other companies with related businesses with the U.S. District Court for the Northern District of California (USDC-NDC). The Parent Company assigned lawyers as its representative in these lawsuits. In the second quarter of 2014, the USDC-NDC allowed the plaintiff to proceed with the lawsuits but dismissed certain parts of these lawsuits. Although the outcome of the proceedings had not been determined, the Parent Company already accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize the losses quarterly at this reasonably estimated amount until the settlement of this lawsuit.

d. In the second quarter of 2013, Dell Inc. and Dell Products L.P. filed a complaint with the United States District Court for Western District of Texas; In the fourth quarter of 2013, Acer Inc., Acer America Corporation, Gateway Inc. and Gateway U.S. Retail, Inc. filed a complaint with the United States District Court for the Northern District of California; In the fourth quarter of 2013, Ingram Micro Inc., and Synnex Corporation filed a complaint with the United States District Court for the Central District of California. All these complaints constituted an antitrust group lawsuit against the Parent Company and other companies with related businesses. The Parent Company assigned lawyers as its representative in these lawsuits. Although the outcome of the proceedings had not been determined, the Parent Company already accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize losses quarterly at this reasonably estimated amount until the settlement of this lawsuit.

e. From the second quarter of 2010 to the second quarter of 2014, petitioner Carlos Fogelman filed a motion for authorization to institute class action antitrust proceedings with the Superior Court of Quebec in the district of Montreal. The Fanshawe College of Applied Arts and Technology filed a statement of claim in Ontario court. Neil Godfrey filed a statement of claim with the Superior Court of British Columbia. Donald Woligroski filed a statement of claim in Manitoba court. Cindy Retallick filed a statement of claim in Saskatchewan court. All plaintiffs filed the antitrust group lawsuit against the Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses. The Parent Company assigned lawyers as its representative in these lawsuits. Although the outcome of the proceedings had not been determined, the Parent Company accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize the losses quarterly at this reasonably estimated amount until the settlement of this lawsuit.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2015		December 31, 2014		March 31, 2014	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
<u>Financial assets</u>						
Monetary items						
USD	$ 1,314,654	31.2500	$ 1,534,223	31.6000	$ 1,712,276	30.4200
THB	721,502	0.9604	742,958	0.9593	648,634	0.9386
JPY	202,492	0.2600	186,534	0.2641	2,106,548	0.2954
HKD	162,905	4.0299	157,663	4.0748	477,442	3.9216
EUR	18,821	33.6094	22,028	38.4003	58,518	41.8336

(Continued)

	March 31, 2015		December 31, 2014		March 31, 2014	
	Foreign Currencies	**Exchange Rate**	**Foreign Currencies**	**Exchange Rate**	**Foreign Currencies**	**Exchange Rate**
Non-monetary items						
Investments accounted for using equity method						
USD	$ 374	31.2500	$ 316	31.6000	$ 250	30.4200
Financial instruments at fair value through profit or loss						
USD	1,062	31.2500	392	31.6000	125	30.4200
JPY	1,008	0.2600	-	0.2641	-	0.2954
EUR	380	33.6094	19	38.4003	63	41.8336
Financial liabilities						
Monetary items						
USD	1,578,315	31.2500	1,887,114	31.6000	2,439,364	30.4200
JPY	343,170	0.2600	369,653	0.2641	1,821,944	0.2954
THB	250,561	0.9604	245,358	0.9593	216,269	0.9386
EUR	18,393	33.6094	15,477	38.4003	66,813	41.8336
HKD	4,143	4.0299	7,470	4.0748	13,431	3.9216
Non-monetary items						
Investments accounted for using equity method						
USD	-	31.2500	-	31.6000	1,353	30.4200
Financial instruments at fair value through profit or loss						
JPY	1,065	0.2600	-	0.2641	-	0.2954
USD	130	31.2500	1,215	31.6000	1,009	30.4200
EUR	-	33.6094	-	38.4003	1,181	41.8336

(Concluded)

For the three months ended March 31, 2015 realized and unrealized net foreign exchange losses was $51,803 thousand and the three months ended March 31, 2014 realized and unrealized net foreign exchange gains was $38,016 thousand. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions of the group entities.

37. 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 $300 million or 20 percent of paid-in capital or more: Note 4 to the financial statements

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

6) Disposal of real estate reaching $300 million or 20 percent of paid-in capital or more: None

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

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

9) Trading in derivative instruments: Notes 7, 9 and 32 to the financial statements

10) Information on investees: Note 4 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

c. Information on transactions between Parent Company and Subsidiaries: Note 4 to the financial statements

38. SEGMENT INFORMATION

a. General information

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

1) Optoelectronics: LED Components and Lighting Products, Camera Modules and Automotive Electronics.

2) Information technologies: Products used in Server, Networking Devices, NB, Tablets, DT and Multifunction Peripheral.

3) Storage: Optical Disk Drives and Solid State Drives.

4) The Group also had Mobile Mechanics and Others operating segments that did not exceed the quantitative threshold. These segments mainly engage in manufacturing and selling of Mechanical Products for Mobile Devices and others.

b. Measurement of segment information

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

c. Segment information

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

	Optoelectronics	Information Technologies	Storage	Mobile Mechanics and Others	Elimination	Total
For the three months ended March 31, 2015						
Sales from external customers	$ 13,108,748	$ 23,844,526	$ 8,164,712	$ 6,422,416	$ -	$ 51,540,402
Sales among segments	421,810	481,896	-	164,171	(1,067,877)	-
Operating profit (loss)	354,967	1,289,594	566,351	(269,280)	-	1,941,632
For the three months ended March 31, 2014						
Sales from external customers	14,109,341	22,282,556	9,009,402	6,340,615	-	51,741,914
Sales among segments	320,513	534,302	-	158,958	(1,013,773)	-
Operating profit (loss)	910,438	1,274,543	489,546	(1,012,096)	-	1,662,431

d. Reconciliation information for segment profit (loss)

1) The revenue from external parties reported to the chief operating decision-maker is used the same accounting policies in consistent with in the statement of comprehensive income.

2) A reconciliation of reportable segments profit (loss) and income before income tax is provided as follows:

	For the Three Months Ended March 31	
	2015	**2014**
Reportable segments' profit	$ 1,941,632	$ 1,662,431
Unclassified loss	(232,406)	(263,621)
Non-operating income and expenses	398,082	421,035
Profit before income tax	$ 2,107,308	$ 1,819,845

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