

**Lite-On Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2017 and 2016 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Lite-On Technology Corporation

We have reviewed the accompanying consolidated balance sheets of Lite-On Technology Corporation ("Parent Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2017 and 2016. These consolidated financial statements are the responsibility of the Parent Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As disclosed in Note 12 to the consolidated financial statements, we did not review the financial statements as of and for the three months ended March 31, 2017 and 2016 of some consolidated subsidiaries. The assets of these subsidiaries were 24.77% (NT\$48,268,946 thousand) and 26.83% (NT\$52,903,085 thousand) of the consolidated total assets as of March 31, 2017 and 2016, respectively. The liabilities of these subsidiaries were 18.57% (NT\$21,713,690 thousand) and 25.14% (NT\$29,361,879 thousand) of the consolidated total liabilities as of March 31, 2017 and 2016, respectively. The comprehensive losses and incomes of these subsidiaries were 19.58% (NT\$ 260,340 thousand) and 19.20% (NT\$145,961 thousand) of the total comprehensive loss and income for the three months ended March 31, 2017 and 2016, respectively. Also, as disclosed in Note 13 to the consolidated financial statements, the Group had other investments accounted for using equity method. The carrying values of these investments of NT\$3,660,567 thousand and NT\$2,042,858 thousand as of March 31, 2017 and 2016, respectively, and the consolidated equity in these investees' net gain amounting to NT\$6,591 thousand and NT\$12,119 thousand for the three months ended March 31, 2017 and 2016, respectively, and related investment amounts as well as additional disclosures in Note 34 were based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

Based on our reviews, except for 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 34 been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Lite-On Technology Corporation and its subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 28, 2017

Notice to Readers

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2017 (Reviewed)		December 31, 2016 (Audited)		March 31, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 64,130,748	33	\$ 65,208,491	31	\$ 62,477,263	32
Financial assets at fair value through profit or loss (Note 7)	136,779	-	173,068	-	218,280	-
Debt investments with no active market (Note 9)	748,756	-	802,348	-	799,559	-
Notes receivable, net	239,565	-	374,182	-	166,529	-
Trade receivables, net (Note 10)	48,403,757	25	60,829,435	29	43,458,914	22
Trade receivables from related parties (Note 30)	44,943	-	60,178	-	44,821	-
Other receivables	917,989	1	1,093,853	1	1,021,067	1
Other receivables from related parties (Note 30)	1,588	-	5,840	-	10,320	-
Inventories, net (Note 11)	25,696,774	13	26,756,909	13	27,569,785	14
Other current assets (Note 17)	<u>3,138,873</u>	<u>2</u>	<u>2,619,735</u>	<u>1</u>	<u>4,016,372</u>	<u>2</u>
Total current assets	<u>143,459,772</u>	<u>74</u>	<u>157,924,039</u>	<u>75</u>	<u>139,782,910</u>	<u>71</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets (Note 8)	743,746	-	658,655	-	667,450	1
Debt investments with no active market (Note 9)	670,242	-	684,614	-	331,536	-
Investments accounted for using equity method (Note 13)	3,660,567	2	3,810,433	2	4,043,456	2
Property, plant and equipment, net (Note 14)	26,495,182	14	27,826,214	13	31,681,875	16
Investment properties, net (Note 15)	399,196	-	429,790	-	485,908	-
Intangible assets, net (Note 16)	15,088,538	8	15,209,734	7	15,853,410	8
Deferred tax assets	3,024,274	2	3,041,666	2	3,130,166	2
Refundable deposits	523,411	-	510,142	-	579,673	-
Prepaid investment	90,355	-	4,457	-	-	-
Other non-current assets (Note 17)	<u>720,534</u>	<u>-</u>	<u>757,044</u>	<u>1</u>	<u>650,268</u>	<u>-</u>
Total non-current assets	<u>51,416,045</u>	<u>26</u>	<u>52,932,749</u>	<u>25</u>	<u>57,423,742</u>	<u>29</u>
TOTAL	<u>\$ 194,875,817</u>	<u>100</u>	<u>\$ 210,856,788</u>	<u>100</u>	<u>\$ 197,206,652</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 12,522,016	7	\$ 14,386,282	7	\$ 14,610,442	7
Financial liabilities at fair value through profit or loss (Note 7)	353,121	-	128,685	-	63,752	-
Notes payable	28,458	-	18,473	-	118,072	-
Trade payables	53,232,442	27	64,139,696	30	50,194,877	25
Trade payables to related parties (Note 30)	811,639	-	1,004,079	-	710,383	-
Other payables	21,569,358	11	22,541,026	11	19,663,247	10
Other payables to related parties (Note 30)	7,607	-	9,428	-	11,784	-
Current tax liabilities	3,174,620	2	3,186,867	2	2,578,866	1
Provisions (Note 20)	905,019	1	1,032,113	-	1,047,757	1
Advance receipts	1,995,862	1	1,981,913	1	2,991,195	2
Current portion of long-term borrowings (Note 18)	12,322,939	6	7,890,899	4	7,155,192	4
Finance lease payables (Note 19)	<u>1,576</u>	<u>-</u>	<u>1,657</u>	<u>-</u>	<u>71,277</u>	<u>-</u>
Total current liabilities	<u>106,924,657</u>	<u>55</u>	<u>116,321,118</u>	<u>55</u>	<u>99,216,844</u>	<u>50</u>
NON-CURRENT LIABILITIES						
Long-term borrowings, net of current portion (Note 18)	7,208,791	4	12,039,170	6	13,843,637	7
Deferred tax liabilities	2,522,211	1	2,932,121	1	3,474,426	2
Finance lease payables, net of current portion (Note 19)	3,028	-	3,646	-	4,885	-
Net defined benefit liabilities	183,824	-	189,104	-	153,097	-
Guarantee deposits	88,416	-	88,629	-	79,073	-
Credit balance of investments accounted for using equity method (Note 13)	<u>2,564</u>	<u>-</u>	<u>2,564</u>	<u>-</u>	<u>1,894</u>	<u>-</u>
Total non-current liabilities	<u>10,006,270</u>	<u>5</u>	<u>15,255,234</u>	<u>7</u>	<u>17,557,012</u>	<u>9</u>
Total liabilities	<u>116,930,927</u>	<u>60</u>	<u>131,576,352</u>	<u>62</u>	<u>116,773,856</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY						
Share capital						
Ordinary shares	<u>23,508,670</u>	<u>12</u>	<u>23,508,670</u>	<u>11</u>	<u>23,349,283</u>	<u>12</u>
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	9,372,488	5	9,372,488	4	9,251,603	5
Bond conversion	7,462,138	4	7,462,138	4	7,462,138	4
Treasury shares transactions	328,800	-	328,800	-	275,516	-
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership of subsidiaries	43,486	-	45,612	-	42,569	-
Change in capital surplus from investments in associates and joint ventures accounted for using equity method	272,375	-	273,487	-	272,858	-
Merger	<u>10,015,194</u>	<u>5</u>	<u>10,015,194</u>	<u>5</u>	<u>10,015,194</u>	<u>5</u>
Total capital surplus	<u>27,494,481</u>	<u>14</u>	<u>27,497,719</u>	<u>13</u>	<u>27,319,878</u>	<u>14</u>
Retained earnings						
Legal reserve	10,845,332	6	10,845,332	5	10,123,042	5
Special reserve	398,602	-	398,602	-	232,213	-
Unappropriated earnings	<u>18,234,559</u>	<u>9</u>	<u>16,252,206</u>	<u>8</u>	<u>14,719,016</u>	<u>8</u>
Total retained earnings	<u>29,478,493</u>	<u>15</u>	<u>27,496,140</u>	<u>13</u>	<u>25,074,271</u>	<u>13</u>
Other equity						
Exchange differences on translating foreign operations	(4,311,347)	(2)	(1,195,684)	(1)	2,438,402	1
Unrealized loss on available-for-sale financial assets	<u>(30,316)</u>	<u>-</u>	<u>(126,588)</u>	<u>-</u>	<u>(135,945)</u>	<u>-</u>
Total other equity	<u>(4,341,663)</u>	<u>(2)</u>	<u>(1,322,272)</u>	<u>(1)</u>	<u>2,302,457</u>	<u>1</u>
Treasury shares	<u>(1,248,722)</u>	<u>(1)</u>	<u>(1,248,722)</u>	<u>-</u>	<u>(1,248,722)</u>	<u>(1)</u>
Total equity attributable to owners of the Parent Company	<u>74,891,259</u>	<u>38</u>	<u>75,931,535</u>	<u>36</u>	<u>76,797,167</u>	<u>39</u>
NON-CONTROLLING INTERESTS	<u>3,053,631</u>	<u>2</u>	<u>3,348,901</u>	<u>2</u>	<u>3,635,629</u>	<u>2</u>
Total equity	<u>77,944,890</u>	<u>40</u>	<u>79,280,436</u>	<u>38</u>	<u>80,432,796</u>	<u>41</u>
TOTAL	<u>\$ 194,875,817</u>	<u>100</u>	<u>\$ 210,856,788</u>	<u>100</u>	<u>\$ 197,206,652</u>	<u>100</u>

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2017		2016	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 23 and 30)	\$ 52,886,521	103	\$ 50,881,315	102
Less: Sales allowance	1,306,786	3	819,614	2
Sales returns	228,035	-	219,646	-
Total operating revenue	51,351,700	100	49,842,055	100
COST OF GOODS SOLD (Notes 11, 26 and 30)	44,659,368	87	43,250,498	87
GROSS PROFIT	6,692,332	13	6,591,557	13
OPERATING EXPENSES (Notes 26 and 30)				
Selling and marketing expenses	1,641,120	3	1,769,581	3
General and administrative expenses	1,474,715	3	1,314,497	3
Research and development expenses	1,523,330	3	1,470,414	3
Total operating expenses	4,639,165	9	4,554,492	9
OPERATING INCOME	2,053,167	4	2,037,065	4
NONOPERATING INCOME AND EXPENSES				
Share of profit of associates	6,591	-	6,096	-
Interest income	317,159	1	281,986	1
Other income (Notes 27 and 30)	405,733	1	239,622	1
Net gain on disposal of investments	-	-	2,528	-
Net gain (loss) on financial assets at fair value through profit or loss	(134,427)	-	183,983	-
Finance costs	(165,980)	-	(133,170)	-
Other expenses	(271,437)	(1)	(357,110)	(1)
Net gain (loss) on disposal of property, plant and equipment	(6,081)	-	40	-
Net gain (loss) on foreign currency exchange	269,983	-	(31,428)	-
Impairment loss (Note 14)	(1,960)	-	(781)	-
Total nonoperating income and expenses	419,581	1	191,766	1
PROFIT BEFORE INCOME TAX	2,472,748	5	2,228,831	5
INCOME TAX EXPENSE (Note 24)	(625,189)	(2)	(567,450)	(1)
NET PROFIT FOR THE PERIOD	1,847,559	3	1,661,381	4

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LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2017		2016	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS (Notes 22 and 24)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (3,708,941)	(7)	\$ (1,029,395)	(2)
Unrealized gain on available-for-sale financial assets	92,678	-	3,099	-
Share of the other comprehensive loss of associates accounted for using the equity method	(151,696)	-	(53,144)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>590,966</u>	<u>1</u>	<u>178,366</u>	<u>-</u>
Other comprehensive loss for the period, net of income tax	<u>(3,176,993)</u>	<u>(6)</u>	<u>(901,074)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (1,329,434)</u>	<u>(3)</u>	<u>\$ 760,307</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Parent Company	\$ 1,982,353	4	\$ 1,707,943	3
Non-controlling interests	<u>(134,794)</u>	<u>-</u>	<u>(46,562)</u>	<u>-</u>
	<u>\$ 1,847,559</u>	<u>4</u>	<u>\$ 1,661,381</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Parent Company	\$ (1,037,038)	(2)	\$ 815,212	2
Non-controlling interests	<u>(292,396)</u>	<u>(1)</u>	<u>(54,905)</u>	<u>-</u>
	<u>\$ (1,329,434)</u>	<u>(3)</u>	<u>\$ 760,307</u>	<u>2</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 25)				
Basic	<u>\$ 0.85</u>		<u>\$ 0.74</u>	
Diluted	<u>\$ 0.85</u>		<u>\$ 0.73</u>	

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

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

(Concluded)

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

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated April 28, 2017)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,472,748	\$ 2,228,831
Adjustments for:		
Depreciation expenses	1,456,773	1,652,356
Amortization expenses	103,211	117,017
Impairment loss recognized (reversed) on trade receivables	(6,367)	44,712
Net loss (gain) on fair value change of financial assets designated as at fair value through profit or loss	134,427	(183,983)
Finance costs	165,980	133,170
Interest income	(317,159)	(281,986)
Share of profit of associates accounted for using equity method	(6,591)	(6,096)
Net loss (gain) on disposal of property, plant and equipment	6,081	(40)
Gain on deconsolidation of subsidiary (Note 27)	-	(226)
Net gain on disposal of available-for-sale financial assets	-	(2,528)
Impairment loss recognized on non-financial assets	123,309	781
Reversal of impairment loss on non-financial assets	-	(50,460)
Unrealized net gain on foreign currency exchange	(510,819)	(188,432)
Recognition of provisions	55,280	32,652
Changes in operating assets and liabilities		
Financial instruments held for trading	120,572	22,965
Notes receivable	118,536	132,191
Trade receivables	10,957,395	6,307,006
Trade receivables from related parties	15,235	21,517
Other receivables	163,620	272,255
Other receivables from related parties	4,252	161
Inventories	(175,839)	1,055,578
Other current assets	(757,832)	(260,599)
Notes payable	10,261	(59,609)
Trade payables	(9,280,829)	(7,346,491)
Trade payables to related parties	(192,440)	(146,562)
Other payables	(173,541)	(859,203)
Other payables to related parties	(1,822)	(1,157)
Provisions	(176,223)	(51,434)
Advance receipts	147,383	(259,493)
Net defined benefit liabilities	(3,318)	(3,369)
Cash generated from operations	4,452,283	2,319,524
Interest received	293,440	272,123
Interest paid	(173,459)	(136,152)
Income tax paid	(516,728)	(555,430)
Net cash generated from operating activities	4,055,536	1,900,065

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	\$ -	\$ (1,545)
Proceeds from sales of available-for-sale financial assets	-	8,447
Purchase of debt investments with no active market	-	(431,424)
Proceeds from sale of debt investments with no active market	53,252	-
Increase in prepayments for investments	(86,940)	-
Net cash inflow on deconsolidation of subsidiary (Note 27)	-	293,821
Payments for property, plant and equipment	(1,248,651)	(1,081,432)
Proceeds from disposal of property, plant and equipment	8,789	18,471
Increase in refundable deposits	(27,600)	(2,857)
Payments for intangible assets	(30,173)	(17,400)
Proceeds from disposal of intangible assets	246	20,535
Decrease (increase) in other noncurrent assets	(1,615)	88,810
Net cash used in investing activities	<u>(1,332,692)</u>	<u>(1,104,574)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	(1,638,820)	(2,994,510)
Repayment of long-term borrowings	(13,598)	(22,708)
Proceeds from guarantee deposits received	3,205	-
Refund of guarantee deposits received	-	(11,000)
Decrease in finance lease payables	(397)	(23,547)
Changes on non-controlling interests	(2,874)	(4,548)
Net cash used in financing activities	<u>(1,652,484)</u>	<u>(3,056,313)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(2,148,103)</u>	<u>(763,722)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,077,743)</u>	<u>(3,024,544)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>65,208,491</u>	<u>65,501,807</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 64,130,748</u>	<u>\$ 62,477,263</u>

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

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

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

The FSC announced that amendments to IFRS 9 and IFRS 15 will take effect starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new IFRSs.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendments to IFRS 15 “Clarifications to IFRS 15 Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 40 “Transfers of Investment Property”	January 1, 2018
IFRIC 22 “Foreign Currency Transactions and Advance Consideration”	January 1, 2018

(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 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

1) IFRS 9 “Financial Instruments”

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

Impairment of financial assets

IFRS 9 requires impairment loss on financial assets to be recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, 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.

Transition

Financial instruments that have been derecognized prior to the effective date of IFRS 9 cannot be reversed to apply IFRS 9 when it becomes effective. Under IFRS 9, the requirements for classification, measurement and impairment of financial assets are applied retrospectively with the difference between the previous carrying amount and the carrying amount at the date of initial application recognized in the current period and restatement of prior periods is not required. The requirements for general hedge accounting shall be applied prospectively and the accounting for hedging options shall be applied retrospectively.

2) IFRS 15 “Revenue from Contracts with Customers”

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

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

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

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.

3) IFRS 16 “Leases”

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

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

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

4) IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

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

The Group shall apply IFRIC 22 either retrospectively or prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after (a) the beginning of the reporting period in which the entity first applies IFRIC 22, or (b) the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies IFRIC 22.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

See Note 12 and Table 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

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

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	March 31, 2017	December 31, 2016	March 31, 2016
Cash on hand	\$ 14,516	\$ 17,623	\$ 132,882
Checking accounts	904,278	1,377,065	987,457
Demand deposits	37,857,646	30,644,835	36,114,886
Time deposits	<u>25,354,308</u>	<u>33,168,968</u>	<u>25,242,038</u>
	<u>\$ 64,130,748</u>	<u>\$ 65,208,491</u>	<u>\$ 62,477,263</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Financial assets held for trading</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 136,779	\$ 59,115	\$ 217,006
Currency swap contracts	<u>-</u>	<u>113,953</u>	<u>1,274</u>
	<u>\$ 136,779</u>	<u>\$ 173,068</u>	<u>\$ 218,280</u>
Current	<u>\$ 136,779</u>	<u>\$ 173,068</u>	<u>\$ 218,280</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Currency swap contracts	\$ 196,486	\$ -	\$ 12,720
Foreign exchange forward contracts	<u>156,635</u>	<u>128,685</u>	<u>51,032</u>
	<u>\$ 353,121</u>	<u>\$ 128,685</u>	<u>\$ 63,752</u>
Current	<u>\$ 353,121</u>	<u>\$ 128,685</u>	<u>\$ 63,752</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2017</u>			
The Parent Company			
Currency swap contracts	USD/NTD	2017.10.06- 2017.12.08	USD170,000/NTD5,304,775
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	CNY/USD	2017.05.04- 2017.07.17	CNY304,010/USD43,800
Forward exchange contracts	NTD/USD	2017.04.05- 2017.04.07	NTD2,147,175/USD67,000
Forward exchange contracts	USD/NTD	2017.04.05- 2017.06.20	USD297,000/NTD9,122,660
Forward exchange contracts	USD/EUR	2017.04.07- 2017.04.11	USD16,488/EUR15,600
Forward exchange contracts	USD/JPY	2017.04.07	USD1,405/JPY160,000
Forward exchange contracts	USD/CAD	2017.04.06	USD1,126/CAD1,500
Forward exchange contracts	USD/BRL	2017.04.07	USD2,500/BRL7,860
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2017.04.10- 2017.05.15	THB137,720/USD4,000

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Philip & Lite-On Digital Solutions Corp. Forward exchange contracts	USD/EUR	2017.04.07	USD5,843/EUR5,500
Lite-On Mobile Pte. Ltd. Forward exchange contracts	USD/CNY	2017.07.20	USD60,000/CNY424,800
Silitech Technology Corp. Forward exchange contracts	USD/MYR	2017.04.07- 2017.05.19	USD350/MYR1,558
Forward exchange contracts	EUR/MYR	2017.04.26- 2017.06.23	EUR300/MYR1,436
<u>December 31, 2016</u>			
The Parent Company Currency swap contracts	USD/NTD	2017.10.06- 2017.12.08	USD170,000/NTD5,304,775
Lite-On Overseas Trading Co., Ltd. Forward exchange contracts	CNY/USD	2017.03.08- 2017.03.14	CNY202,869/USD30,000
Lite-On Singapore Pte. Ltd. Forward exchange contracts	USD/EUR	2017.01.06	USD13,887/EUR13,000
Forward exchange contracts	USD/BRL	2017.02.06	USD2,500/BRL8,291
Forward exchange contracts	NTD/USD	2017.01.12- 2017.04.07	NTD6,072,165/USD189,000
Forward exchange contracts	USD/NTD	2017.01.12- 2017.03.27	USD62,000/NTD1,949,226
Lite-On Singapore Pte. Ltd. Forward exchange contracts	CNY/USD	2017.03.23- 2017.05.04	CNY205,470/USD29,800
Forward exchange contracts	USD/JPY	2017.01.06	USD1,234/JPY140,000
Lite-On Electronics (Thailand) Co., Ltd. Forward exchange contracts	THB/USD	2017.01.10- 2017.01.17	THB235,915/USD6,700
Philip & Lite-On Digital Solutions Corp. Forward exchange contracts	USD/EUR	2017.01.06	USD5,346/EUR5,000
Lite-On Mobile Pte. Ltd. Forward exchange contracts	USD/CNY	2017.01.20- 2017.02.28	USD90,000/CNY618,415
Silitech Technology Corp. Forward exchange contracts	USD/MYR	2017.01.10- 2017.03.08	USD1,421/MYR6,331
Forward exchange contracts	EUR/MYR	2017.01.25- 2017.02.24	EUR150/MYR707

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2016</u>			
The Parent Company			
Currency swap contracts	USD/NTD	2016.11.09	USD100,000/NTD3,212,900
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	USD/BRL	2016.04.28	USD1,400/BRL5,156
Forward exchange contracts	NTD/USD	2016.04.18- 2016.06.01	NTD3,963,128/USD119,000
Forward exchange contracts	USD/NTD	2016.04.11- 2016.04.25	USD75,000/NTD2,434,825
Forward exchange contracts	USD/EUR	2016.04.08	USD11,972/EUR11,000
Forward exchange contracts	USD/MXN	2016.04.08	USD1,000/MXN17,895
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	HKD/USD	2016.07.25	HKD179,984/USD23,000
Currency swap contracts	CNY/USD	2016.04.15	CNY8,022/USD1,200
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2016.04.08- 2016.07.11	THB377,809/USD10,600
Philip & Lite-On Digital Solutions Corp.			
Forward exchange contracts	USD/EUR	2016.04.08	USD4,354/EUR4,000
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/EUR	2016.04.22	USD5,096/EUR4,500
Forward exchange contracts	USD/CNY	2016.04.20- 2016.06.01	USD9,000/CNY595,970
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.			
Forward exchange contracts	USD/CNY	2016.04.14	USD7,000/CNY45,724
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2016.04.22- 2016.06.08	USD300/MYR1,260
Forward exchange contracts	EUR/MYR	2016.04.27	EUR50/MYR236
			(Concluded)

The Group entered into derivative contracts during the three months ended March 31, 2017 and 2016 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the Group did not meet the criteria for hedge accounting. Thus, the derivative contracts are classified as financial assets or financial liabilities at fair value through profit or loss. The financial risk management objectives of the Group were to minimize risks due to changes in fair value or cash flows.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 405,722	\$ 313,185	\$ 321,714
Emerging market shares	178,716	178,716	178,716
Unlisted shares	<u>15,785</u>	<u>15,785</u>	<u>83,923</u>
	<u>600,223</u>	<u>507,686</u>	<u>584,353</u>
Foreign investments			
Unlisted shares	85,249	89,370	26,528
Mutual funds	54,465	57,973	53,744
Listed shares	<u>3,809</u>	<u>3,626</u>	<u>2,825</u>
	<u>143,523</u>	<u>150,969</u>	<u>83,097</u>
	<u>\$ 743,746</u>	<u>\$ 658,655</u>	<u>\$ 667,450</u>

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

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2017	December 31, 2016	March 31, 2016
Financial product	\$ 734,278	\$ 779,462	\$ 783,081
Pledged time deposits and restricted bank deposits	<u>684,720</u>	<u>707,500</u>	<u>348,014</u>
	<u>\$ 1,418,998</u>	<u>\$ 1,486,962</u>	<u>\$ 1,131,095</u>
Current	\$ 748,756	\$ 802,348	\$ 799,559
Non-current	<u>670,242</u>	<u>684,614</u>	<u>331,536</u>
	<u>\$ 1,418,998</u>	<u>\$ 1,486,962</u>	<u>\$ 1,131,095</u>

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

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

10. TRADE RECEIVABLES, NET

	March 31, 2017	December 31, 2016	March 31, 2016
Trade receivables	\$ 48,669,909	\$ 61,117,721	\$ 43,805,401
Allowance for impairment loss	(204,729)	(219,021)	(282,620)
Unrealized interest revenues	<u>(61,423)</u>	<u>(69,265)</u>	<u>(63,867)</u>
	<u>\$ 48,403,757</u>	<u>\$ 60,829,435</u>	<u>\$ 43,458,914</u>

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

The aging of receivables was as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Not overdue	\$ 47,987,802	\$ 60,359,423	\$ 42,871,200
Overdue			
1-60 days	463,399	532,570	563,174
61-210 days	54,061	54,002	226,970
211-240 days	940	3,430	2,852
Over 240 days	<u>163,707</u>	<u>168,296</u>	<u>141,205</u>
	<u>682,107</u>	<u>758,298</u>	<u>934,201</u>
	<u>\$ 48,669,909</u>	<u>\$ 61,117,721</u>	<u>\$ 43,805,401</u>

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

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

	March 31, 2017	December 31, 2016	March 31, 2016
Trade receivables	\$ 941,996	\$ 1,114,886	\$ 996,150
Unrealized interests revenue	<u>(61,423)</u>	<u>(69,265)</u>	<u>(63,867)</u>
	<u>\$ 880,573</u>	<u>\$ 1,045,621</u>	<u>\$ 932,283</u>

The amount of the above trade receivables is expected to be recovered at \$38,567 thousand, \$203,333 thousand, \$197,762 thousand, \$195,237 thousand, \$194,229 thousand, \$32,475 thousand, \$36,203 thousand, \$17,495 thousand, \$16,187 thousand and \$10,508 thousand per year from 2017 to 2026, respectively.

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

	For the Three Months Ended March 31	
	2017	2016
Balance at January 1	\$ 219,021	\$ 239,849
Allowance for impairment loss (reversal of impairment loss)	(6,367)	44,712
Amounts written off during the period as uncollectible	(113)	-
Foreign exchange translation	<u>(7,812)</u>	<u>(1,941)</u>
Balance at March 31	<u>\$ 204,729</u>	<u>\$ 282,620</u>

11. INVENTORIES, NET

	March 31, 2017	December 31, 2016	March 31, 2016
Finished goods	\$ 16,243,626	\$ 17,128,762	\$ 16,577,178
Raw materials	5,721,092	6,744,483	6,678,995
Work in progress	3,373,986	2,456,458	3,849,779
Merchandise	189,488	209,435	236,792
Inventory in transit	<u>168,582</u>	<u>217,771</u>	<u>227,041</u>
	<u>\$ 25,696,774</u>	<u>\$ 26,756,909</u>	<u>\$ 27,569,785</u>

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2017 and 2016 were \$44,659,368 thousand and \$43,250,498 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2017 included an increase in cost of goods sold amounting to \$121,349 thousand due to inventory write-downs to net realizable value. The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2016 included a reduction of cost of goods sold amounting to \$50,460 thousand due to an increase in inventory's net realizable value. The increase was due to the Group writing off part of its inventories that had been impaired.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2017	December 31, 2016	March 31, 2016	
The Parent Company	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	33.87	33.87	33.87	-
	Lite-On Integrated Service Inc.	Information outsourcing and system integrate	100.00	100.00	100.00	1)
	Lite-On Capital Corp.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Electronics H.K. Ltd.	Sale of LED optical products	100.00	100.00	100.00	1)
	Lite-On Electronics (Thailand) Co., Ltd.	Manufacture and sale of LED optical products	100.00	100.00	100.00	1)
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	49.49	49.49	49.49	1)
	Lite-On International Holding Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	LTC Group Ltd.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Technology USA, Inc.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Electronics (Europe) Ltd.	Manufacture and sale of power supplies	100.00	100.00	100.00	1)
	Lite-On Technology (Europe) B.V.	Market research and after-sales service	54.00	54.00	54.00	1)
	Lite-On Overseas Trading Co., Ltd.	Merchandising business	100.00	100.00	100.00	-
	Lite-On Singapore Pte. Ltd.	Manufacture and supply computer peripheral products	100.00	100.00	100.00	-
	Lite-On Vietnam Co., Ltd.	Electronic contract manufacturing	100.00	100.00	100.00	1)
	Li Shin International Enterprise Corp.	Manufacture and sale of computer and appliance components	100.00	100.00	100.00	1)
	Eagle Rock Investment Ltd.	Import and export business and investment activities	100.00	100.00	100.00	1)
	Lite-On Mobile Pte. Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	High Yield Group Co., Ltd.	Holding company	100.00	100.00	100.00	1)
	Lite-On Information Technology B.V.	Market research and customer service	100.00	100.00	100.00	1)
	Philip & Lite-On Digital Solutions Corp.	Sale of optical disc drives	49.00	49.00	49.00	-
	LET (HK) Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Leotek Electronics Holding Limited	Holding company	-	-	100.00	1), 2)
	Lite-On Automotive Electronics (Europe) B.V.	Sale of automotive parts and other electronic products	100.00	100.00	100.00	1)
	Lite-On Automotive Service USA Inc.	Sale of automotive parts and other electronic products	-	-	100.00	1), 3)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2017	December 31, 2016	March 31, 2016	
Lite-On Capital Corp.	Lite-On Automotive International (Cayman) Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	99.00	99.00	99.00	1)
Lite-On Capital Corp.	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	0.64	0.64	0.64	-
	Lite-On Green Technologies Inc.	Manufacture and wholesale of electronic components and energy technology services	100.00	100.00	100.00	1)
	Lite-On Green Energy (HK) Limited	Investment activities	100.00	100.00	100.00	1)
	Lite-On Technology (Europe) B.V.	Market research and after-sales services	46.00	46.00	46.00	1)
	Lite-On Green Energy (Singapore) Pte. Ltd.	Investment activities	100.00	100.00	100.00	1)
	Five Dimension Co., Ltd.	Development, manufacture and sale of cell phone and camera lens modules	39.10	39.10	69.94	1), 4)
Lite-On Green Technologies Inc.	Lite-On Green Technologies B.V.	Solar energy engineering	100.00	100.00	100.00	1)
	Lite-On Green Technologies (HK) Limited	Solar energy engineering	100.00	100.00	100.00	1)
Lite-On Green Energy (Singapore) Pte. Ltd.	Lite-On Green Energy B.V.	Investment activities	100.00	100.00	100.00	1)
Lite-On Green Technologies (HK) Limited	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	100.00	100.00	100.00	1)
Lite-On Green Energy B.V.	Lite-On Green Energy S.R.L	Solar energy engineering	-	-	100.00	1), 5)
Lite-On Electronics H.K. Ltd.	Lite-On Electronics (Tianjin) Co., Ltd.	ODM services	100.00	100.00	100.00	1)
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	100.00	100.00	100.00	1)
	China Bridge (China) Co., Ltd.	Investment, sales agent	100.00	100.00	100.00	1)
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	100.00	100.00	100.00	1)
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	100.00	100.00	100.00	1)
	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	100.00	100.00	100.00	1)
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	100.00	100.00	100.00	1)
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	79.29	79.29	79.29	1)
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	100.00	100.00	100.00	1)
Lite-On Network Communication (Dongguan) Limited	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	20.71	20.71	20.71	1)
China Bridge (China) Co., Ltd.	Lite-On Opto Technology (Changzhou) Co., Ltd.	Development, manufacture of new-type electronic components and provide technology consulting services, maintenance equipment and after-sales services	12.59	12.59	12.59	-
Lite-On Electronics Co., Ltd.	China Bridge Express (Wuxi) Co., Ltd.	Express and sale of power supplies, printers, display devices and scanners	100.00	100.00	100.00	1)
	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	100.00	100.00	100.00	-
	Lite-On (Guangzhou) Infotech Co., Ltd.	Information outsourcing	100.00	100.00	100.00	1)
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	-
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	67.03	67.03	67.03	-
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	100.00	-
	Lite-On Electronics (Jiangsu) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and precision instruments	100.00	100.00	100.00	1)
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	100.00	100.00	100.00	1)
Lite-On Technology (Guangzhou) Investment Co., Ltd.	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	32.97	32.97	32.97	-
	Zhuhai Lite-On Mobile Technology Co., Ltd.	Mobile phone mold, assembly line design, manufacture and sale activities.	100.00	100.00	100.00	-
Lite-On Electronics (Jiangsu) Co., Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision technology consulting services, maintenance equipment and after-sales services	100.00	100.00	100.00	-
	Lite-On Opto Technology (Changzhou) Co., Ltd.	Development, manufacture and sale of new-type electronic components and LED and provision technology consulting services, maintenance equipment and after-sales services	87.41	87.41	87.41	-

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2017	December 31, 2016	March 31, 2016	
Yet Foundate Ltd.	Lite-On Medical Device (Changzhou) Ltd.	Manufacture and sale of medical equipment	100.00	100.00	100.00	1)
	Changzhou Leotek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
	Lite-On Computer (Changzhou) Co., Ltd.		100.00	100.00	-	1), 6)
	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	100.00	100.00	100.00	1)
Fordgood Electronic Ltd.	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
Lite-On Technology USA, Inc.	Lite-On, Inc.	Sales data processing business of optoelectronic products and power supplies	100.00	100.00	100.00	1)
Lite-On International Holding Co., Ltd.	Lite-On Trading USA, Inc.	Sale of optical products	100.00	100.00	100.00	1)
	Lite-On Service USA, Inc.	After-sales service of optical products	-	-	100.00	1), 7)
	Leotek Electronics USA LLC.	Sale of LED products	100.00	100.00	100.00	1)
	Power Innovations International, Inc.	Development, design and manufacture of power control and energy management	95.25	95.25	95.25	1)
	Lite-On Sales & Distribution Inc.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Technology Service, Inc.	After-sales service of optical products	100.00	100.00	100.00	1)
	Lite-On China Holding Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	100.00	-
	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
	Lite-On Technology (Xiangning) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	100.00	100.00	100.00	1)
Lite-On Singapore Pte. Ltd.	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	1.00	1.00	1.00	1)
	Lite-On Technology (Shanghai) Ltd.	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
	LTC Group Ltd.	Investment activities	100.00	100.00	100.00	1)
	LTC International Ltd.	Manufacture and sale of system products	100.00	100.00	100.00	1)
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
Lite-On (Finland) Oy	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	Yet Foundate Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	1)
	I-Solutions Limited	Original equipment manufacturer of electronic products	100.00	100.00	100.00	1)
	Fordgood Electronic Ltd.	Import and export and real estate business	100.00	100.00	100.00	1)
G&W Technology (BVI) Ltd.	G&W Technology (BVI) Ltd.	Real estate management	50.00	50.00	50.00	1)
	G&W Technology Limited	Leasing business	100.00	100.00	100.00	1)
	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	100.00	1)
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	100.00	1)
High Yield Group Co., Ltd.	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	100.00	100.00	100.00	1)
	Lite-On IT International (HK) Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
Lite-On Information Technology B.V.	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Information Technology GmbH	Sale of optical disc drives	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions Germany GmbH	Development and sale of modules of automotive recorders	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions USA Inc.	Sale of optical disc drives	100.00	100.00	100.00	-
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions Korea Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions Netherlands B.V.	Sale and design of optical disc drives	100.00	100.00	100.00	1)
	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Silitech Technology Corp.	Investment activities	100.00	100.00	100.00	-
Silitech (BVI) Holding Ltd.	Silitech (BVI) Holding Ltd.	Sale of LED optical products and power supplies	7.87	7.87	7.87	1)
	Silitech (Bermuda) Holding Ltd.	Investment activities	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2017	December 31, 2016	March 31, 2016	
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	-
	Silitech Technology Corp. Sdn. Bhd.	Manufacture of computer peripheral products	100.00	100.00	100.00	-
	Silitech (Hong Kong) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
	Silitech International (India) Private Limited	Development, manufacture and sale of automotive parts	100.00	100.00	100.00	1)
Silitech (Hong Kong) Holding Ltd.	Silitech Technology (SuZhou) Co., Ltd.	Manufacture and sale of automotive parts	100.00	100.00	100.00	-
Silitech Technology Corp. Ltd.	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of automotive parts, touch panels and plastic and rubber assembly	100.00	100.00	100.00	-
	SuZhou Xulong Mold Producing Co., Ltd.	Development, manufacture and sale of precision modules and new-type electronic components (chip components, testing elements, hybrid integrated circuits)	60.00	60.00	60.00	1)
Lite-On Automotive International (Cayman) Co., Ltd.	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	1)
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	1)
Lite-On Japan Ltd.	Lite-On Japan (S) Pte. Ltd.	Import and export business of electronic components	-	-	100.00	1), 8)
	L&K Industries Philippines, Inc.	Import and export business of electronic components	100.00	100.00	100.00	1)
	Lite-On Japan (H.K.) Limited	Import and export business of electronic components	100.00	100.00	100.00	1)
	Lite-On Japan (Korea) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	1)
	Lite-On Japan (Thailand) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	1)
Lite-On Japan (H.K.) Limited	NL (Shanghai) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	1)
Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile Sweden AB	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	3.08	3.08	3.08	1)
	Lite-On Mobile India Private Limited	Manufacture and sale of mobile phone modules and design for assembly line	11.59	11.59	11.59	1), 9)
Lite-On Mobile Pte. Ltd.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	96.92	96.92	96.92	1)
	Perlos Precision Plastics Moulding Limited Liability Company	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Lite-On Mobile India Private Limited.	Manufacture and sale of mobile phone modules and design for assembly line	88.41	88.41	88.41	1), 9)
	Lite-On Young Fast Pte. Ltd.	Investment activities	100.00	100.00	100.00	1)
	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
Lite-On Young Fast Pte. Ltd.	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	100.00	100.00	100.00	1)

(Concluded)

Remark:

- 1) This is an immaterial subsidiary for which the financial statements are not reviewed by the Company's independent accountants.
- 2) Dissolved after liquidation in December 2016.
- 3) Dissolved after liquidation in April 2016.
- 4) The Group subscribed for additional new shares of Five Dimension Co., Ltd. at a percentage different from its existing ownership percentage and disposed part of its holdings. As a result, the Group has lost control of Five Dimension Co., Ltd. starting from May 2016. Five Dimension Co., Ltd. is no longer consolidated and is accounted for using the equity method for subsequent measurement.
- 5) Dissolved after liquidation in December 2016.

6) Established in June 2016.

7) Dissolved after liquidation in December 2016.

8) Dissolved after liquidation in June 2016.

9) In March 2016, a loan to Lite-On Mobile India Private Limited from Lite-On Mobile Oyj and Lite-On Mobile Pte. Ltd. was reclassified to additional capital investment in Lite-On Mobile India Private Limited.

b. Subsidiaries excluded from consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

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

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Three Months Ended March 31		Accumulated Non-controlling Interests		
	2017	2016	March 31, 2017	December 31, 2016	March 31, 2016
Silitech Technology Corp.	\$ (42,168)	\$ (55,244)	\$ 2,441,528	\$ 2,581,986	\$ 2,822,473
Others	(92,626)	8,682	612,103	766,915	813,156
	<u>\$ (134,794)</u>	<u>\$ (46,562)</u>	<u>\$ 3,053,631</u>	<u>\$ 3,348,901</u>	<u>\$ 3,635,629</u>

The summarized financial information below represents amounts before intragroup eliminations.

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

	March 31, 2017	December 31, 2016	March 31, 2016
Current assets	\$ 4,414,937	\$ 4,725,000	\$ 5,111,230
Non-current assets	1,561,303	1,615,292	1,930,233
Current liabilities	(2,147,091)	(1,340,826)	(1,129,444)
Non-current liabilities	<u>(101,678)</u>	<u>(1,057,556)</u>	<u>(1,601,058)</u>
Equity	<u>\$ 3,727,471</u>	<u>\$ 3,941,910</u>	<u>\$ 4,310,961</u>
Equity attributable to:			
Parent Company	\$ 1,285,943	\$ 1,359,924	\$ 1,488,488
Non-controlling interests of Silitech Technology Corp.	2,440,348	2,580,743	2,824,721
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	<u>1,180</u>	<u>1,243</u>	<u>(2,248)</u>
	<u>\$ 3,727,471</u>	<u>\$ 3,941,910</u>	<u>\$ 4,310,961</u>

	For the Three Months Ended March 31	
	2017	2016
Revenue	<u>\$ 528,686</u>	<u>\$ 605,467</u>
Loss for the year	\$ (64,391)	\$ (78,222)
Other comprehensive loss for the year	<u>(150,048)</u>	<u>(11,598)</u>
Total comprehensive loss for the year	<u>\$ (214,439)</u>	<u>\$ (89,820)</u>
Loss attributable to:		
Parent Company	\$ (22,223)	\$ (22,978)
Non-controlling interests of Silitech Technology Corp.	(42,173)	(43,605)
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	<u>5</u>	<u>(11,639)</u>
	<u>\$ (64,391)</u>	<u>\$ (78,222)</u>
Total comprehensive loss attributable to:		
Parent Company	\$ (73,981)	\$ (27,004)
Non-controlling interests of Silitech Technology Corp.	(140,395)	(51,245)
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	<u>(63)</u>	<u>(11,571)</u>
	<u>\$ (214,439)</u>	<u>\$ (89,820)</u>
Net cash flow from:		
Operating activities	\$ (316,611)	\$ (54,186)
Investing activities	32,447	(382,795)
Financing activities	1,295	(10)
Foreign exchange translation	<u>(102,048)</u>	<u>(12,730)</u>
Net cash outflow	<u>\$ (384,917)</u>	<u>\$ (449,721)</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2017	December 31, 2016	March 31, 2016
Associates that are not individually material	\$ 3,660,567	\$ 3,807,869	\$ 4,041,562
Credit balance on the carrying value of investments accounted for using equity method	<u>-</u>	<u>2,564</u>	<u>1,894</u>
	<u>\$ 3,660,567</u>	<u>\$ 3,810,433</u>	<u>\$ 4,043,456</u>

Aggregate Information of Associates That are Not Individually Material

	March 31	
	2017	2016
The Group's share of:		
Profit for the year	\$ 6,591	\$ 6,096
Other comprehensive loss	<u>(151,696)</u>	<u>(53,144)</u>
Total comprehensive loss for the year	<u>\$ (145,105)</u>	<u>\$ (47,048)</u>

14. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Equipment Held under Finance Lease	Other Equipment	Total
Cost									
January 1, 2017	\$ 2,324,761	\$ 18,915,082	\$ 39,797,206	\$ 2,707,256	\$ 63,509	\$ 2,163,576	\$ 786,526	\$ 7,513,576	\$ 74,271,492
Additions	-	52,503	244,565	4,013	947	22,041	5,190	859,007	1,188,266
Disposals	-	(10,171)	(582,112)	(1,878)	-	(57,640)	(264)	(10,506)	(662,571)
Reclassification	4,118	1,542,960	297,839	13,088	97	2,050	-	(1,872,160)	(12,008)
Effect of foreign currency exchange differences	(3,464)	(724,843)	(1,750,698)	(91,450)	(2,433)	(67,904)	(32,922)	(280,219)	(2,953,933)
March 31, 2017	<u>\$ 2,325,415</u>	<u>\$ 19,775,531</u>	<u>\$ 38,006,800</u>	<u>\$ 2,631,029</u>	<u>\$ 62,120</u>	<u>\$ 2,062,123</u>	<u>\$ 758,530</u>	<u>\$ 6,209,698</u>	<u>\$ 71,831,246</u>
Accumulated depreciation									
January 1, 2017	\$ -	\$ 8,718,781	\$ 27,497,682	\$ 2,514,537	\$ 54,910	\$ 1,830,294	\$ 580,760	\$ 4,046,477	\$ 45,243,441
Additions	-	179,582	1,070,866	38,604	1,373	48,186	6,026	104,785	1,449,422
Disposals	-	(8,087)	(435,735)	(1,839)	-	(57,443)	(264)	(8,521)	(511,889)
Reclassification	-	6,175	(44,968)	-	-	3,351	-	24,101	(11,341)
Effect of foreign currency exchange differences	-	(329,678)	(1,203,643)	(87,008)	(2,085)	(59,803)	(27,423)	(151,621)	(1,861,261)
March 31, 2017	<u>\$ -</u>	<u>\$ 8,566,773</u>	<u>\$ 26,884,202</u>	<u>\$ 2,464,294</u>	<u>\$ 54,198</u>	<u>\$ 1,764,585</u>	<u>\$ 559,099</u>	<u>\$ 4,015,221</u>	<u>\$ 44,308,372</u>
Accumulated impairment									
January 1, 2017	\$ -	\$ 254,172	\$ 734,237	\$ 13,624	\$ 453	\$ 7,055	\$ 38,787	\$ 153,509	\$ 1,201,837
Additions	-	-	1,023	934	-	-	-	-	1,960
Disposals	-	(1,837)	(133,590)	(38)	-	(122)	-	(225)	(135,812)
Effect of foreign currency exchange differences	-	(3,339)	(28,230)	(273)	(25)	(327)	(2,117)	(5,982)	(40,293)
March 31, 2017	<u>\$ -</u>	<u>\$ 248,996</u>	<u>\$ 573,440</u>	<u>\$ 14,247</u>	<u>\$ 428</u>	<u>\$ 6,609</u>	<u>\$ 36,670</u>	<u>\$ 147,302</u>	<u>\$ 1,027,692</u>
March 31, 2017, net	<u>\$ 2,325,415</u>	<u>\$ 10,959,762</u>	<u>\$ 10,549,158</u>	<u>\$ 152,488</u>	<u>\$ 7,494</u>	<u>\$ 290,929</u>	<u>\$ 162,761</u>	<u>\$ 2,047,175</u>	<u>\$ 26,495,182</u>
Cost									
January 1, 2016	\$ 2,339,337	\$ 20,743,583	\$ 43,413,229	\$ 3,547,594	\$ 72,550	\$ 2,463,313	\$ 1,470,559	\$ 7,724,699	\$ 81,774,864
Additions	-	17,193	165,196	9,387	-	11,227	27,975	415,605	646,583
Disposals	-	(427,837)	(832,569)	(54,881)	(2,500)	(213,289)	(1,659)	(35,388)	(1,568,123)
Reclassification	-	(9,426)	160,922	12,209	-	(11,533)	-	(184,169)	(31,997)
Effect of foreign currency exchange differences	3,850	(181,164)	(476,765)	(29,381)	239	(13,394)	(12,908)	(102,489)	(812,012)
March 31, 2016	<u>\$ 2,343,187</u>	<u>\$ 20,142,349</u>	<u>\$ 42,430,013</u>	<u>\$ 3,484,928</u>	<u>\$ 70,289</u>	<u>\$ 2,236,324</u>	<u>\$ 1,483,967</u>	<u>\$ 7,818,258</u>	<u>\$ 80,009,315</u>
Accumulated depreciation									
January 1, 2016	\$ -	\$ 8,685,181	\$ 27,604,565	\$ 3,298,595	\$ 55,867	\$ 2,028,918	\$ 1,170,552	\$ 4,083,357	\$ 46,927,035
Additions	-	194,558	1,192,819	42,446	1,883	50,843	25,468	136,104	1,644,121
Disposals	-	(88,276)	(778,860)	(54,677)	(2,176)	(212,255)	(1,190)	(33,896)	(1,171,330)
Reclassification	-	-	(22)	-	(2)	-	-	22	(2)
Effect of foreign currency exchange differences	-	(83,124)	(282,170)	(28,776)	149	(12,475)	(9,149)	(47,644)	(463,189)
March 31, 2016	<u>\$ -</u>	<u>\$ 8,708,339</u>	<u>\$ 27,736,332</u>	<u>\$ 3,257,588</u>	<u>\$ 55,721</u>	<u>\$ 1,855,031</u>	<u>\$ 1,185,681</u>	<u>\$ 4,137,943</u>	<u>\$ 46,936,635</u>
Accumulated impairment									
January 1, 2016	\$ -	\$ 380,217	\$ 846,869	\$ 21,000	\$ 747	\$ 8,839	\$ 42,156	\$ 158,562	\$ 1,458,390
Additions	-	-	781	-	-	-	-	-	781
Disposals	-	(36,319)	(19,470)	-	-	(826)	-	(1,491)	(58,106)
Effect of foreign currency exchange differences	-	(4,031)	(10,921)	-	(9)	(85)	(501)	5,287	(10,260)
March 31, 2016	<u>\$ -</u>	<u>\$ 339,867</u>	<u>\$ 817,259</u>	<u>\$ 21,000</u>	<u>\$ 738</u>	<u>\$ 7,928</u>	<u>\$ 41,655</u>	<u>\$ 162,358</u>	<u>\$ 1,390,805</u>
March 31, 2016, net	<u>\$ 2,343,187</u>	<u>\$ 11,094,143</u>	<u>\$ 13,876,422</u>	<u>\$ 206,340</u>	<u>\$ 13,830</u>	<u>\$ 373,365</u>	<u>\$ 256,631</u>	<u>\$ 3,517,957</u>	<u>\$ 31,681,875</u>

As the result of the declining sale of some of the products in the market, the estimated future cash flows expected to arise from the related equipment was decreased. The Group carried out a review of the recoverable amount of that related equipment and determined that the carrying amount exceeded the recoverable amount. For the three months ended March 31, 2017 and 2016, the impairment loss recognized were \$1,960 thousand and \$781 thousand, respectively. The impairment loss had been recognized in the consolidated statements of comprehensive income.

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

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

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

15. INVESTMENT PROPERTIES, NET

	March 31, 2017	December 31, 2016	March 31, 2016
Completed investment properties	<u>\$ 399,196</u>	<u>\$ 429,790</u>	<u>\$ 485,908</u>

For the three months ended March 31, 2017 and 2016, the investment properties held by the Group had no significant increases, disposal and impairment, but depreciation expenses were recognized for these properties.

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

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

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

16. OTHER INTANGIBLE ASSETS, NET

	Goodwill	Patents	Patents Use Rights	Client Relationships	Software	Other Intangible Assets	Total
<u>Cost</u>							
January 1, 2017	\$ 15,416,303	\$ 38,570	\$ 2,695,878	\$ 163,819	\$ 833,595	\$ 1,888,423	\$ 21,036,588
Additions	-	-	-	-	29,017	1,156	30,173
Disposals	-	-	-	-	(111)	(3,319)	(3,430)
Reclassification	-	11,535	-	-	4,208	(9,568)	6,175
Effect of foreign currency exchange differences	(43,095)	(8)	-	-	(4,586)	(25,290)	(72,979)
March 31, 2017	<u>\$ 15,373,208</u>	<u>\$ 50,097</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 862,123</u>	<u>\$ 1,851,402</u>	<u>\$ 20,996,527</u>
<u>Accumulated amortization</u>							
January 1, 2017	\$ 77,234	\$ 34,161	\$ 2,358,895	\$ 163,819	\$ 587,078	\$ 1,816,431	\$ 5,037,618
Additions	-	762	56,164	-	41,791	4,494	103,211
Disposals	-	-	-	-	(111)	(3,073)	(3,184)
Reclassification	-	11,535	-	-	3,784	(9,568)	5,751
Effect of foreign currency exchange differences	-	-	-	-	(3,324)	(21,838)	(25,162)
March 31, 2017	<u>\$ 77,234</u>	<u>\$ 46,458</u>	<u>\$ 2,415,059</u>	<u>\$ 163,819</u>	<u>\$ 629,218</u>	<u>\$ 1,786,446</u>	<u>\$ 5,118,234</u>

(Continued)

	Goodwill	Patents	Patents Use Rights	Client Relationships	Software	Other Intangible Assets	Total
<u>Accumulated impairment</u>							
January 1, 2017	\$ 789,743	\$ -	\$ -	\$ -	\$ (507)	\$ -	\$ 789,236
Reclassification	-	-	-	-	519	-	519
March 31, 2017	<u>\$ 789,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 789,755</u>
March 31, 2017, net	<u>\$ 14,506,231</u>	<u>\$ 3,639</u>	<u>\$ 280,819</u>	<u>\$ -</u>	<u>\$ 232,893</u>	<u>\$ 64,956</u>	<u>\$ 15,088,538</u>
<u>Cost</u>							
January 1, 2016	\$ 15,524,903	\$ 37,773	\$ 2,695,878	\$ 163,819	\$ 669,053	\$ 1,991,449	\$ 21,082,875
Additions	-	-	-	-	13,913	3,487	17,400
Disposals	(19,935)	-	-	-	(4,524)	(30,386)	(54,845)
Reclassification	-	-	-	-	32,006	-	32,006
Effect of foreign currency exchange differences	4,917	(3)	-	-	531	(3,758)	1,687
March 31, 2016	<u>\$ 15,509,885</u>	<u>\$ 37,770</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 710,979</u>	<u>\$ 1,960,792</u>	<u>\$ 21,079,123</u>
<u>Accumulated amortization</u>							
January 1, 2016	\$ 77,234	\$ 30,853	\$ 2,134,238	\$ 163,819	\$ 415,910	\$ 1,869,056	\$ 4,691,110
Additions	-	865	56,164	-	46,040	13,948	117,017
Disposals	-	-	-	-	(4,244)	(30,066)	(34,310)
Effect of foreign currency exchange differences	-	-	(1)	-	839	(2,475)	(1,637)
March 31, 2016	<u>\$ 77,234</u>	<u>\$ 31,718</u>	<u>\$ 2,190,401</u>	<u>\$ 163,819</u>	<u>\$ 458,545</u>	<u>\$ 1,850,463</u>	<u>\$ 4,772,180</u>
<u>Accumulated impairment</u>							
January 1, 2016	\$ 453,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,533
March 31, 2016	<u>\$ 453,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,533</u>
March 31, 2016, net	<u>\$ 14,979,118</u>	<u>\$ 6,052</u>	<u>\$ 505,477</u>	<u>\$ -</u>	<u>\$ 252,434</u>	<u>\$ 110,329</u>	<u>\$ 15,853,410</u>

(Concluded)

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

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

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

	March 31, 2017	December 31, 2016	March 31, 2016
Lite-On Mobile Pte. Ltd.	\$ 8,511,503	\$ 8,533,126	\$ 8,571,699
The Parent Company	5,617,208	5,617,208	5,953,418
Power Innovations International Inc.	338,636	360,108	359,381
Five Dimension Co., Ltd.	-	-	55,736
Others	<u>38,884</u>	<u>38,884</u>	<u>38,884</u>
	<u>\$ 14,506,231</u>	<u>\$ 14,549,326</u>	<u>\$ 14,979,118</u>

Goodwill is allocated to the Group's recoverable amount of cash-generating units. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering the future four to five-year period. The discount rate used in the value-in-use calculation was 9.71%. As of March 31, 2017 and 2016, pre-tax cash flow projections after the four to five-year period are expected to have zero growth thereon. As of March 31, 2017 and 2016, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired.

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

17. OTHER ASSETS

	March 31, 2017	December 31, 2016	March 31, 2016
Prepayments	\$ 2,225,508	\$ 1,929,273	\$ 2,483,116
Offset against business tax payable	662,752	615,138	1,273,283
Prepayments for lease	627,845	594,015	742,089
Prepayment for equipment	36,577	29,912	53,020
Others	<u>306,725</u>	<u>208,441</u>	<u>115,132</u>
	<u>\$ 3,859,407</u>	<u>\$ 3,376,779</u>	<u>\$ 4,666,640</u>
Current	\$ 3,138,873	\$ 2,619,735	\$ 4,016,372
Non-current	<u>720,534</u>	<u>757,044</u>	<u>650,268</u>
	<u>\$ 3,859,407</u>	<u>\$ 3,376,779</u>	<u>\$ 4,666,640</u>

Prepayments for lease with carrying amounts of \$545,427 thousand, \$582,914 thousand and \$637,736 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively, referred to land use rights located in Mainland China.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 12,522,016</u>	<u>\$ 14,386,282</u>	<u>\$ 14,610,442</u>

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

	March 31, 2017	December 31, 2016	March 31, 2016
Short-term borrowings	0.73%-2.51%	0.78%-8.55%	0.8%-3.1%

b. Long-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Unsecured borrowings</u>			
The Parent Company	\$ 12,000,000	\$ 12,000,000	\$ 12,500,000
Lite-On Mobile Pte. Ltd.	6,056,000	6,440,000	6,427,000
Silitech Technology Corp.	1,440,000	1,440,000	1,440,000
Lite-On Japan Ltd.	33,717	47,663	87,050
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	-	-	514,160
Five Dimension Co., Ltd.	-	-	27,439
	<u>19,529,717</u>	<u>19,927,663</u>	<u>20,995,649</u>
Current portion	<u>(12,321,910)</u>	<u>(7,889,817)</u>	<u>(7,154,147)</u>
	<u>7,207,807</u>	<u>12,037,846</u>	<u>13,841,502</u>
<u>Secured borrowings</u>			
Power Innovations International Inc.	2,013	2,406	3,180
Current portion	<u>(1,029)</u>	<u>(1,082)</u>	<u>(1,045)</u>
	<u>984</u>	<u>1,324</u>	<u>2,135</u>
	<u>\$ 7,208,791</u>	<u>\$ 12,039,170</u>	<u>\$ 13,843,637</u>

- 1) As of March 31, 2017, December 31, 2016 and March 31, 2016, the Parent Company had 2 long-term bank loans, respectively, with contract terms between September 23, 2013 and September 23, 2021. The floating interest rates are (1.5789% to 1.7895%, 1.5789% to 1.7895%, and 1.56067% to 1.5789% as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively) payable monthly or quarterly. These loans should be repaid in 5 installments or at lump sum on loan maturity.

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

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

On June 27, 2016, the Parent Company signed another contract for a five-year syndicated loan with Citibank and 15 other financial institutions. The credit line was \$12 billion, which was for Company to repay the former syndicated loan with Citibank signed on September 12, 2013. It should be used as a medium-term loan but may not be used on a revolving basis. The principal of

this syndication loan should be repaid three years after June 27, 2016 in five semiannual installments with the first payment paid on June 27, 2019, and the interest rate is the 90-day Taipei Interbank Offered Rate plus 60 points. Under the syndicated loan agreement, the Parent Company should maintain the agreed financial ratios based on the most recent semiannual or annual financial statements. As of March 31, 2017, December 31, 2016 and March 31, 2016, the Parent Company used \$4.8 billion, \$2.4 billion and \$0 thousand, respectively, 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, 2017, December 31, 2016 and March 31, 2016. The floating interest rates were 2.17%, 1.98733% and 1.2181% to 1.7181%, respectively. The first repayment of each loan should be made three years after the loan starting date. The remaining principal is repayable after the first repayment in five semiannual installments.

On April 29, 2011, Lite-On Mobile Pte. Ltd. signed a loan contract with Citibank and 13 other financial institutions (the endorsements and guarantees were provided by the Parent Company). This contract is on a five-year syndicated loan of US\$200 million. As of March 31, 2017, Lite-On Mobile Pte. Ltd. had used US\$40 million 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, 2017, December 31, 2016 and March 31, 2016, Lite-On Mobile Pte. Ltd. had used US\$200 million, US\$200 million and US\$160 million, respectively, 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, 2017, December 31, 2016 and March 31, 2016, Silitech had used \$1.44 billion of the syndicated loan, with an interest rate of 1.5856%. 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) On December 28, 2011, Guangzhou Lite-On Mobile Electronic Components Co., Ltd., a subsidiary of the Parent Company, signed a contract for a five-year syndicated loan with Citibank and 10 other financial institutions. The credit line was US\$50 million (the endorsements and guarantees were provided by the Parent Company). As of March 31, 2016, Guangzhou Lite-On Mobile Electronic Co., Ltd. had used US\$16 million of the syndicated loan. The syndicated loan was repaid in December 2016.
- 5) As of March 31, 2017, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 3 long-term bank loans, with contract terms from June 2013 to October 2018, with interest rate of 1.3% to 1.6980% and principal repayable in trimestral installments.

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

As of March 31, 2016, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 6 long-term bank loans, with contract terms from March 2011 to October 2018, with interest rate of 0.975% to 1.35% and principal repayable in trimestral installments.

- 6) Since April 2016, Five Dimension Co., Ltd., a subsidiary of the Parent Company, has no longer been included in the consolidated financial statements. As of March 31, 2016, Five Dimension Co., Ltd. had 3 long-term bank loans, with contract terms from March 28, 2012 to March 20, 2027, with interest rates of 0.4% to 2.375% and principal repayable in monthly installments or at lump sum on loan maturity.
- 7) As of March 31, 2017, December 31, 2016 and March 31, 2016, Power Innovations International Inc., a subsidiary of the Parent Company, had a long-term borrowing secured by machinery, with contract terms from March 28, 2013 to February 28, 2019 and interest rate of 4.4%.

19. FINANCE LEASE PAYABLES

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Minimum lease payments</u>			
Not later than one year	\$ 1,755	\$ 1,866	\$ 72,958
Later than one year and not later than five years	<u>3,137</u>	<u>3,822</u>	<u>5,211</u>
	4,892	5,688	78,169
Future finance charges	<u>(288)</u>	<u>(385)</u>	<u>(2,007)</u>
	<u>\$ 4,604</u>	<u>\$ 5,303</u>	<u>\$ 76,162</u>
<u>Present value of minimum lease payments</u>			
Not later than one year	\$ 1,576	\$ 1,657	\$ 71,277
Later than one year and not later than five years	<u>3,028</u>	<u>3,646</u>	<u>4,885</u>
	<u>\$ 4,604</u>	<u>\$ 5,303</u>	<u>\$ 76,162</u>
Current	\$ 1,576	\$ 1,657	\$ 71,277
Non-current	<u>3,028</u>	<u>3,646</u>	<u>4,885</u>
	<u>\$ 4,604</u>	<u>\$ 5,303</u>	<u>\$ 76,162</u>
Power Innovations International Inc.	\$ 4,604	\$ 5,303	\$ 6,484
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	<u>-</u>	<u>-</u>	<u>69,678</u>
	4,604	5,303	76,162
Current portion of long-term capital lease liabilities	<u>(1,576)</u>	<u>(1,657)</u>	<u>(71,277)</u>
	<u>\$ 3,028</u>	<u>\$ 3,646</u>	<u>\$ 4,885</u>

- a. Guangzhou Lite-On Mobile Electronic Components Co., Ltd. leased buildings, machinery and equipment under finance 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 finance leases valid from March 28, 2013 to March 31, 2020. The terms of these leases were between five and seven years, with 3.49% to 4.75% interest rate. The machinery and equipment can be bought at bargain purchase prices at the end of the lease terms.

20. PROVISIONS

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Current</u>			
Warranties	\$ <u>905,019</u>	\$ <u>1,032,113</u>	\$ <u>1,047,757</u>

Movements in the provisions were as follows:

	For the Three Months Ended March 31	
	2017	2016
Balance at January 1	\$ 1,032,113	\$ 1,068,810
Recognition of provisions	55,280	32,652
Usage	(176,223)	(51,434)
Effect of foreign currency exchange differences	<u>(6,151)</u>	<u>(2,271)</u>
Balance at March 31	\$ <u>905,019</u>	\$ <u>1,047,757</u>

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

21. RETIREMENT BENEFIT PLANS

The Group's retirement benefit plans include defined contribution and defined benefit plans. For the three months ended March 31, 2017 and 2016, employee benefit expenses in respect of the Group's defined benefit retirement plans were 10,022 thousand and 10,425 thousand, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2016 and 2015.

22. EQUITY

a. Share capital

1) Common shares

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

Fully paid 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, 100,000 thousand shares had been reserved for the issuance of employee share options.

2) Issued global depositary receipts

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

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

As of March 31, 2017, December 31, 2016 and March 31, 2016, the outstanding GDRs were 5,221 thousand units, 5,221 thousand units and 5,217 thousand units, representing 52,209 thousand common shares, 52,209 thousand common shares and 52,168 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, 2017, December 31, 2016 and March 31, 2016, the unredeemed GDRs amounted to 896 thousand units, 890 thousand units and 818 thousand units.

b. Capital surplus

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

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

c. Retained earnings and dividend policy

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.

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

Under the dividend policy as set forth in the amended Articles, if there is net profit after tax upon the final settlement of account of each fiscal year, the Parent Company shall first offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve is equal to the total capital of the Parent Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any), shall be distributed into dividends to

shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, please refer to (b) Employee benefits expense in Note 26.

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

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

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

The appropriations of earnings for 2016 and 2015 had been approved in the board of directors' and the shareholders' meetings on February 24, 2017 and June 24, 2016, respectively. The appropriations and dividends per share were as follows:

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

The appropriations of earnings for 2016 are subject to the resolution of the shareholders' meeting to be held on June 22, 2017.

d. Other equity items

Movements in other equity items were as follows:

	For the Three Months Ended March 31, 2017		
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for- sale Financial Assets	Total
Balance at January 1	\$ (1,195,684)	\$ (126,588)	\$ (1,322,272)
Exchange differences arising on translating the financial statements of foreign operations	(3,547,585)	-	(3,547,585)
Gain arising on changes in the fair value of available-for-sale financial assets	-	92,584	92,584
Share of other comprehensive income (loss) of associates	(155,384)	3,688	(151,696)
Income tax benefit	587,306	-	587,306
Balance at March 31	<u>\$ (4,311,347)</u>	<u>\$ (30,316)</u>	<u>\$ (4,341,663)</u>

For the Three Months Ended March 31, 2016			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for- sale Financial Assets	Total
Balance at January 1	\$ 3,347,902	\$ (152,714)	\$ 3,195,188
Exchange differences arising on translating the financial statements of foreign operations	(1,020,853)	-	(1,020,853)
Gain arising on changes in the fair value of available-for-sale financial assets	-	5,784	5,784
Reclassification to income from disposal of available-for-sale financial assets	-	(2,528)	(2,528)
Share of other comprehensive income (loss) of associates	(66,657)	13,513	(53,144)
Income tax benefit	<u>178,010</u>	<u>-</u>	<u>178,010</u>
Balance at March 31	<u>\$ 2,438,402</u>	<u>\$ (135,945)</u>	<u>\$ 2,302,457</u>

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

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

e. Non-controlling interests

For the Three Months Ended March 31		
	2017	2016
Balance at January 1	\$ 3,348,901	\$ 3,695,082
Attributable to non-controlling interests:		
Share of loss for the year	(134,794)	(46,562)
Exchange difference arising on translation of foreign entities	(161,356)	(8,542)
Unrealized gains and losses on available-for-sale financial assets	94	(157)
Related tax benefit	3,660	356
Decrease in non-controlling interests	<u>(2,874)</u>	<u>(4,548)</u>
Balance at March 31	<u>\$ 3,053,631</u>	<u>\$ 3,635,629</u>

The Group recognized a decrease in non-controlling interests for the three months ended March 31, 2017 and 2016 because of the attribution of cash dividends to non-controlling interests amounting to \$2,874 thousand and \$4,548 thousand, respectively.

f. Treasury shares

Unit: In Thousands of Shares

Purpose of Buy Back	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at March 31
For the three months ended <u>March 31, 2017</u>				
Shares held by subsidiaries	<u>26,841</u>	<u>-</u>	<u>-</u>	<u>26,841</u>
For the three months ended <u>March 31, 2016</u>				
Shares held by subsidiaries	<u>26,708</u>	<u>-</u>	<u>-</u>	<u>26,708</u>

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>March 31, 2017</u>			
Lite-On Capital Corp.	15,116	\$ 718,857	\$ 790,560
LTC International Ltd.	7,004	297,469	365,979
Yet Foundate Ltd.	2,271	126,881	118,534
Lite-On Electronics Co., Ltd.	2,450	<u>105,515</u>	<u>127,894</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,402,967</u>
<u>December 31, 2016</u>			
Lite-On Capital Corp.	15,116	\$ 718,857	\$ 734,631
LTC International Ltd.	7,004	297,469	340,269
Yet Foundate Ltd.	2,271	126,881	110,276
Lite-On Electronics Co., Ltd.	2,450	<u>105,515</u>	<u>118,984</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,304,160</u>
<u>March 31, 2016</u>			
Lite-On Capital Corp.	15,041	\$ 718,857	\$ 591,104
LTC International Ltd.	6,969	297,469	273,708
Yet Foundate Ltd.	2,260	126,881	88,673
Lite-On Electronics Co., Ltd.	2,438	<u>105,515</u>	<u>95,675</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,049,160</u>

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

23. REVENUE

	For the Three Months Ended March 31	
	2017	2016
Revenue from the sale of goods	\$ 51,317,478	\$ 49,806,884
Rental income from property	27,455	28,241
Solar power	<u>6,767</u>	<u>6,930</u>
	<u>\$ 51,351,700</u>	<u>\$ 49,842,055</u>

For segment revenue information, refer to Note 35.

24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2017	2016
Current income tax expense	\$ 460,460	\$ 422,814
Deferred tax	<u>164,729</u>	<u>144,636</u>
Income tax expense recognized in profit or loss	<u>\$ 625,189</u>	<u>\$ 567,450</u>

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

	For the Three Months Ended March 31	
	2017	2016
<u>Deferred tax</u>		
Income tax benefit recognized in other comprehensive income (loss)		
Translation of foreign operations	<u>\$ 590,966</u>	<u>\$ 178,366</u>

c. Integrated income tax

	March 31, 2017	December 31, 2016	March 31, 2016
Unappropriated earnings			
Generated before January 1, 1998	\$ 2,215	\$ 2,215	\$ 2,215
Generated on and after January 1, 1998	<u>18,232,344</u>	<u>16,249,991</u>	<u>14,716,801</u>
	<u>\$ 18,234,559</u>	<u>\$ 16,252,206</u>	<u>\$ 14,719,016</u>
Shareholder-imputed credits accounts	<u>\$ 1,071,430</u>	<u>\$ 1,034,031</u>	<u>\$ 1,484,782</u>

The estimated and actual creditable ratio for distribution of earnings of 2016 and 2015 were 8.72% and 8.13%, respectively.

d. Income tax assessments

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

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2017	2016
Basic earnings per share	<u>\$ 0.85</u>	<u>\$ 0.74</u>
Diluted earnings per share	<u>\$ 0.85</u>	<u>\$ 0.73</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2017	2016
Earnings used in the computation of basic earnings per share	\$ 1,982,353	\$ 1,707,943
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 1,982,353</u>	<u>\$ 1,707,943</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousands of Shares

	For the Three Months Ended March 31	
	2017	2016
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	2,324,026	2,320,250
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>5,363</u>	<u>10,108</u>
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	<u>2,329,389</u>	<u>2,330,358</u>

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

26. ADDITIONAL INFORMATION ON EXPENSES

	For the Three Months Ended March 31	
	2017	2016
a. Depreciation and amortization		
Property, plant and equipment	\$ 1,449,422	\$ 1,644,121
Investment properties	7,351	8,235
Intangible assets	<u>103,211</u>	<u>117,017</u>
	<u>\$ 1,559,984</u>	<u>\$ 1,769,373</u>
An analysis of deprecation by function		
Recognized in operating costs	\$ 1,248,786	\$ 1,437,118
Recognized in operating expenses	<u>207,987</u>	<u>215,238</u>
	<u>\$ 1,456,773</u>	<u>\$ 1,652,356</u>
An analysis of amortization by function		
Recognized in operating costs	\$ 7,096	\$ 12,494
Recognized in operating expenses	<u>96,115</u>	<u>104,523</u>
	<u>\$ 103,211</u>	<u>\$ 117,017</u>
b. Employee benefit expenses		
Post-employment benefits		
Defined contribution plans	\$ 190,668	\$ 197,490
Defined benefit plans (Note 21)	<u>10,022</u>	<u>10,425</u>
	200,690	207,915
Termination benefits	14,772	17,141
Other employee benefits	<u>5,961,102</u>	<u>6,029,579</u>
	<u>\$ 6,176,564</u>	<u>\$ 6,254,635</u>
Employee benefit expenses summarized by function		
Recognized in operating costs	\$ 3,686,284	\$ 3,881,851
Recognized in operating expenses	<u>2,490,280</u>	<u>2,372,784</u>
	<u>\$ 6,176,564</u>	<u>\$ 6,254,635</u>

In compliance with the Company Act as amended in May 2015 and the amended Articles as resolved in the shareholders' meeting on June 2016, the Parent Company distributed employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three month ended March 31, 2017 and 2016, the employees' compensation and the remuneration of directors and supervisors were as follows:

	For the Three Months Ended March 31	
	2017	2016
Employees' compensation	\$ 280,503	\$ 241,674
Remuneration of directors	<u>16,850</u>	<u>14,518</u>
	<u>\$ 297,353</u>	<u>\$ 256,192</u>

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

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

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

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2015.

Information on 2017 and 2016 employees' compensation and remuneration of directors resolved by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

27. DECONSOLIDATION OF SUBSIDIARY

On January 27, 2016, subsidiary Lite-On Green Energy B.V. disposed of its 100% ownership in Romeo Tetti PV1 S.R.L. Lite-On Green Energy B.V. lost its control over Romeo Tetti PV1 S.R.L.; thus, the relevant assets and liabilities had been derecognized.

a. Consideration received from the disposal

	January 27, 2016
Sales proceeds	<u>\$ 297,778</u>

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

	January 27, 2016
Current assets	
Cash and cash equivalents	\$ 3,957
Receivables, net	11,733
Other current assets	15,878
Non-current assets	
Property, plant and equipment, net	300,321
Current liabilities	
Payables	(38,557)
Other payables	<u>(15,715)</u>
Net assets disposed of	<u>\$ 277,617</u>

c. Gain on deconsolidation of subsidiary

**For the Three
Months Ended
March 31, 2016**

Consideration received	\$ 297,778
Less: Net assets deconsolidated	277,617
Goodwill of deconsolidated subsidiary	<u>19,935</u>
Gain on disposal (recorded as nonoperating income and expense: Other income)	<u>\$ 226</u>

d. Net cash inflow on deconsolidation of subsidiary

**For the Three
Months Ended
March 31, 2016**

Consideration received in cash and cash equivalents	\$ 297,778
Less: Cash and cash equivalent balances disposed of	<u>(3,957)</u>
	<u>\$ 293,821</u>

28. CAPITAL MANAGEMENT

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

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

29. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 136,779	\$ -	\$ 136,779
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 353,121	\$ -	\$ 353,121
Available-for-sale financial assets				
Securities listed in ROC - equity securities	\$ 405,722	\$ -	\$ -	\$ 405,722
Securities listed in other countries - equity securities	3,809	-	-	3,809
Unlisted securities - ROC - equity securities	-	-	15,785	15,785
Unlisted securities - other countries - equity securities	-	-	85,249	85,249
Mutual funds	-	54,465	-	54,465
Emerging market stocks	-	178,716	-	178,716
	<u>\$ 409,531</u>	<u>\$ 233,181</u>	<u>\$ 101,034</u>	<u>\$ 743,746</u>

December 31, 2016

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

March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 218,280	\$ -	\$ 218,280
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 63,752	\$ -	\$ 63,752

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC - equity securities	\$ 321,714	\$ -	\$ -	\$ 321,714
Securities listed in other countries - equity securities	2,825	-	-	2,825
Unlisted securities - ROC - equity securities	-	-	83,923	83,923
Unlisted securities - other countries - equity securities	-	-	26,528	26,528
Mutual funds	-	53,744	-	53,744
Emerging market stocks	-	178,716	-	178,716
	<u>\$ 324,539</u>	<u>\$ 232,460</u>	<u>\$ 110,451</u>	<u>\$ 667,450</u>
				(Concluded)

There were no transfers between Levels 1 and 2 as of the three months ended March 31, 2017 and 2016.

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

	Investments on Equity Instruments Unlisted Quotes
<u>March 31, 2017</u>	
Balance at January 1, 2017	\$ 105,155
Total gains or losses	
In other comprehensive income (loss)	<u>(4,121)</u>
Balance at March 31, 2017	<u>\$ 101,034</u>
<u>March 31, 2016</u>	
Balance at January 1, 2016	\$ 110,462
Total gains or losses	
In other comprehensive income (loss)	<u>(11)</u>
Balance at March 31, 2016	<u>\$ 110,451</u>

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

Financial Instruments	Valuation Techniques and Inputs
Financial assets at FVTPL - forward exchange contracts	Estimation of future cash flows using observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Financial assets at FVTPL - cross-currency swap contracts	Estimation of fair value of a currency swap contract is based on its principal and interest rate on mutual agreement and the suitable discount rate that reflects the credit risk of various counterparties at the end of the reporting period.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
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.
	(Concluded)

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

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

c. Categories of financial instruments

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Derivative instruments	\$ 136,779	\$ 173,068	\$ 218,280
Loans and receivables (1)	115,157,588	129,058,941	108,310,009
Available-for-sale financial assets	743,746	658,655	667,450
<u>Financial liabilities</u>			
Fair value through profit or loss (FVTPL)			
Derivative instruments	353,121	128,685	63,752
Amortized cost			
Short-term borrowings	12,522,016	14,386,282	14,610,442
Long-term loans (included current portion of long-term borrowings)	19,531,730	19,930,069	20,998,829
Payables (2)	75,649,504	87,712,702	70,698,363

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The Group required all its group entities to use foreign exchange forward contracts and interest rate swaps 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	
	2017	2016
Profit or loss	<u>\$ (335,787)</u>	<u>\$ 119,555</u>

b) Interest rate risk

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

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

	March 31, 2017	December 31, 2016	March 31, 2016
Fair value interest rate risk			
Financial assets (i)	\$ 26,773,306	\$ 34,655,930	\$ 26,373,133
Financial liabilities (ii)	5,397,251	11,715,606	10,900,160
Cash flow interest rate risk			
Financial assets (iii)	37,857,646	30,644,835	36,114,886
Financial liabilities (iv)	26,661,099	22,606,048	24,785,273

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

Sensitivity analysis

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

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2017 and 2016 would increase by \$6,998 thousand and increase \$7,081 thousand.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 10% higher, the pre-tax other comprehensive income for the three months ended March 31, 2017 and 2016 would increase by \$40,953 thousand and \$32,454 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, 2017

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 75,649,504	\$ 86,307	\$ -	\$ 2,109
Finance lease liabilities	3.49-4.75	1,576	3,028	-	-
Variable interest rate liabilities	1.08-2.5098	19,461,099	7,200,000	-	-
Fixed interest rate liabilities	1.2-4.4	5,383,856	8,791	-	-
		<u>\$ 100,496,035</u>	<u>\$ 7,298,126</u>	<u>\$ -</u>	<u>\$ 2,109</u>

December 31, 2016

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

March 31, 2016

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 70,698,363	\$ 78,093	\$ -	\$ 980
Finance lease liabilities	3.49-7.11	71,277	4,885	-	-
Variable interest rate liabilities	0.4-2.375	10,986,581	13,784,402	-	14,290
Fixed interest rate liabilities	0.9306-4.4	10,779,053	40,857	4,088	-
		<u>\$ 92,535,274</u>	<u>\$ 13,908,237</u>	<u>\$ 4,088</u>	<u>\$ 15,270</u>

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

March 31, 2017

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 15,298,698	\$ -	\$ -	\$ -
Outflows	<u>(15,251,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>46,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swap contracts				
Inflows	5,370,000	-	-	-
Outflows	<u>(5,304,775)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>65,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 112,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2016

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

March 31, 2016

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 11,425,177	\$ -	\$ -	\$ -
Outflows	<u>(11,245,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>179,667</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swap contracts				
Inflows	3,274,947	-	-	-
Outflows	<u>(3,251,462)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>23,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 203,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

30. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationships

<u>Related Parties</u>	<u>Relationships with the Group</u>
Lite-On Semiconductor Corp.	Associate
Lite-Space Technology Company Limited	Associate
Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda (Yamada-Lom Ltda)	Associate
Logah Technology Corp.	Associate
Siloprt Travel Corp.	Related party in substance
Chi Mei Mold Co.	Related party in substance
Siloprt Technology Corp.	Related party in substance
Diodes Incorporated	Related party in substance
Lite-On Cultural Foundation	Related party in substance
Dongguan Huaqiang Information Technology Co., Ltd.	Related party in substance
Co-tech Development Corporation	Related party in substance (non-related party since March 2017)

b. Sales of goods

	<u>For the Three Months Ended March 31</u>	
	<u>2017</u>	<u>2016</u>
<u>Related parties categories</u>		
Associates		
Lite-On Semiconductor Corp.	\$ 44,144	\$ 38,138
Related party in substance		
Others	<u>213</u>	<u>250</u>
	<u>\$ 44,357</u>	<u>\$ 38,388</u>

For the three months ended March 31, 2017 and 2016, the Group's selling prices for Lite-On Semiconductor Corp. for the Group were at cost plus a negotiated profit. Except for this sales arrangement with Lite-On Semiconductor Corp., the sales terms between the Group and its related parties were the same as the sales terms with non-related parties.

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

c. Purchases of goods

	For the Three Months Ended March 31	
	2017	2016
<u>Related parties categories</u>		
Associates		
Lite-Space Technology Company Limited	\$ 1,046,538	\$ 740,985
Lite-On Semiconductor Corp.	<u>222,071</u>	<u>237,797</u>
	<u>1,268,609</u>	<u>978,782</u>
Related party in substance		
Others	<u>139,152</u>	<u>107,011</u>
	<u>\$ 1,407,761</u>	<u>\$ 1,085,793</u>

The cost of the Group's purchases from Lite-On Semiconductor Corp. for the three months ended March 31, 2017 and 2016 was based on cost plus negotiated profit. Except for these purchases, the purchase terms between the Group and its related parties were normal.

d. Receivables from related parties

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Related parties categories</u>			
Trade receivables			
Associates			
Lite-On Semiconductor Corp.	\$ 43,379	\$ 54,695	\$ 44,726
Others	<u>1,538</u>	<u>4,163</u>	<u>-</u>
	<u>44,917</u>	<u>58,858</u>	<u>44,726</u>
Related party in substance			
Others	<u>26</u>	<u>1,320</u>	<u>95</u>
	<u>\$ 44,943</u>	<u>\$ 60,178</u>	<u>\$ 44,821</u>
Other receivables			
Associates			
Lite-On Semiconductor Corp.	\$ 778	\$ 772	\$ 796
Lite-Space Technology Company Limited	436	579	17
Yamada-Lom Ltda	-	4,203	9,348
Others	<u>158</u>	<u>158</u>	<u>-</u>
	<u>1,372</u>	<u>5,712</u>	<u>10,161</u>
Related party in substance			
Diodes Incorporated	213	125	148
Others	<u>3</u>	<u>3</u>	<u>11</u>
	<u>216</u>	<u>128</u>	<u>159</u>
	<u>\$ 1,588</u>	<u>\$ 5,840</u>	<u>\$ 10,320</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2017 and 2016, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Related parties categories</u>			
Trade payables			
Associates			
Lite-Space Technology Company Limited	\$ 393,189	\$ 436,955	\$ 249,131
Lite-On Semiconductor Corp.	245,587	337,927	265,529
	<u>638,776</u>	<u>774,882</u>	<u>514,660</u>
Related party in substance			
Diodes Incorporated	162,260	217,442	195,723
Others	10,603	11,755	-
	<u>172,863</u>	<u>229,197</u>	<u>195,723</u>
	<u>\$ 811,639</u>	<u>\$ 1,004,079</u>	<u>\$ 710,383</u>
Other payables			
Associates			
Others	\$ 676	\$ 133	\$ 105
Related party in substance			
Chi Mei Mold Co.	3,944	4,132	7,216
Siloprt Travel Corp.	2,930	4,922	4,281
Others	57	241	182
	<u>6,931</u>	<u>9,295</u>	<u>11,679</u>
	<u>\$ 7,607</u>	<u>\$ 9,428</u>	<u>\$ 11,784</u>

The outstanding trade payables from related parties are unsecured.

f. Operating expense

	For the Three Months Ended March 31	
	2017	2016
<u>Related parties categories</u>		
Associates		
Lite-On Semiconductor Corp.	\$ 2,003	\$ 2
Related party in substance		
Siloprt Travel Corp.	16,471	13,050
Others	919	1,186
	<u>17,390</u>	<u>14,236</u>
	<u>\$ 19,393</u>	<u>\$ 14,238</u>

g. Other revenues

For the Three Months Ended March 31		
	2017	2016
<u>Related parties categories</u>		
Associates		
Lite-On Semiconductor Corp.	\$ 763	\$ 771
Logah Technology Corp.	150	150
Lite-Space Technology Company Limited	-	515
	<u>913</u>	<u>1,436</u>
Related party in substance		
Chi Mei Mold Co.	229	229
Others	17	8
	<u>246</u>	<u>237</u>
	<u>\$ 1,159</u>	<u>\$ 1,673</u>

h. Compensation of key management personnel

For the Three Months Ended March 31		
	2017	2016
Short-term employee benefits	\$ 99,487	\$ 99,512
Post-employment benefits	<u>8,300</u>	<u>5,868</u>
	<u>\$ 107,787</u>	<u>\$ 105,380</u>

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	March 31, 2017	December 31, 2016	March 31, 2016
Pledged time deposits and restricted bank deposits	<u>\$ 684,720</u>	<u>\$ 707,500</u>	<u>\$ 348,014</u>

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

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,254,145	30.2800 (USD:NTD)	\$ 37,975,507
USD	1,250,434	6.8780 (USD:CNY)	37,863,140
USD	68,760	7.7687 (USD:HKD)	2,082,061
USD	28,325	34.3700 (USD:THB)	857,685
EUR	12,659	1.0692 (EUR:USD)	409,835
USD	9,932	0.9353 (USD:EUR)	300,734
			<u>\$ 79,488,962</u>
			(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using equity method			
USD	\$ 1,953	30.2800 (USD:NTD)	<u>\$ 59,134</u>

Financial liabilities

Monetary items			
USD	1,475,933	30.2800 (USD:NTD)	\$ 44,691,251
USD	1,173,312	6.8780 (USD:CNY)	35,527,890
USD	27,976	34.3700 (USD:THB)	847,102
USD	20,534	7.7687 (USD:HKD)	621,782
USD	17,317	0.9353 (USD:EUR)	<u>524,364</u>
			<u>\$ 82,212,389</u>

December 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,581,812	32.2000 (USD:NTD)	\$ 50,934,338
USD	1,364,261	6.9429 (USD:CNY)	43,929,207
USD	56,644	7.7551 (USD:HKD)	1,823,929
USD	26,143	35.8000 (USD:THB)	841,791
USD	13,769	0.9517 (USD:EUR)	443,376
EUR	11,342	1.0508 (EUR:USD)	<u>397,189</u>
			<u>\$ 98,369,830</u>

Non-monetary items			
Investments accounted for using equity method			
USD	\$ 1,883	32.2000 (USD:NTD)	<u>\$ 60,643</u>

Financial liabilities

Monetary items			
USD	1,456,860	32.2000 (USD:NTD)	\$ 46,910,893
USD	1,284,163	6.9429 (USD:CNY)	41,350,062
USD	20,558	7.7551 (USD:HKD)	661,968
USD	27,898	35.8000 (USD:THB)	898,326
USD	19,244	0.9517 (USD:EUR)	<u>619,643</u>
			<u>\$ 90,440,892</u>

March 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,149,655	32.1350 (USD:NTD)	\$ 36,944,151
USD	1,083,309	6.4532 (USD:CNY)	34,812,146
USD	59,282	7.7541 (USD:HKD)	1,905,021
USD	23,558	35.2100 (USD:THB)	757,031
EUR	10,420	1.1340 (EUR:USD)	<u>379,705</u>
			<u>\$ 74,798,054</u>
Non-monetary items			
Investments accounted for using equity method			
USD	1,501	32.1350 (USD:NTD)	<u>\$ 48,249</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,075,247	32.1350 (USD:NTD)	\$ 34,553,048
USD	983,881	6.4532 (USD:CNY)	31,617,015
USD	68,707	7.7541 (USD:HKD)	2,207,906
USD	23,237	35.2100 (USD:THB)	746,729
USD	18,485	0.8818 (USD:EUR)	<u>594,007</u>
			<u>\$ 69,718,705</u>

For the three months ended March 31, 2017 and 2016 net foreign exchange gains and losses were \$269,983 thousand and \$31,428 thousand. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions of the group entities.

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

- 1) Financing provided: See Table 1 below.
- 2) Endorsement/guarantee provided: See Table 2 below.
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 3 below.
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 4 below.
- 5) Acquisition of individual real estate properties at costs of at least NT \$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.

- 7) Total purchases from or sales to related parties of at amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 5 below.
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 6 below.
 - 9) Trading in derivative instruments: Notes 7 and 29 to the financial statements
 - 10) Names, locations, and related information of investees over which the Company exercises significant influence: See Table 7 below.
- b. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. See Table 8 below.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table 9 below.
- c. Intercompany relationships and significant intercompany transactions: See Table 9 below.

35. SEGMENT INFORMATION

a. General information

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

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

b. Measurement of segment information

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

c. Segment information

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

For the Three Months Ended March 31, 2017						
	Optoelectronics	IT	Storage	Mobile Mechanics and Others	Elimination	Total
Sales from external customers	\$ 13,796,396	\$ 25,525,322	\$ 8,503,003	\$ 3,526,979	\$ -	\$ 51,351,700
Sales among segments	295,024	236,382	1,488	82,675	(615,569)	-
Operating profit (loss)	516,527	1,564,995	684,668	(523,427)	-	2,242,763

For the Three Months Ended March 31, 2016						
	Optoelectronics	IT	Storage	Mobile Mechanics and Others	Elimination	Total
Sales from external customers	\$ 11,638,891	\$ 23,469,382	\$ 9,934,133	\$ 4,799,649	\$ -	\$ 49,842,055
Sales among segments	314,350	330,610	836	150,561	(796,357)	-
Operating profit (loss)	414,073	1,608,880	739,734	(478,470)	-	2,284,217

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		
	2017	2016
Reportable segments' profit	\$ 2,242,763	\$ 2,284,217
Unclassified loss	(189,596)	(247,152)
Nonoperating income and expenses	419,581	191,766
Profit before income tax	<u>\$ 2,472,748</u>	<u>\$ 2,228,831</u>

- 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, other 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, impairment loss and other expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amount	Reasons for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Electronics (Dongguan) Co., Ltd.	Receivables from related parties	Yes	\$ 136,683	\$ 132,072	\$ 132,072	3.045%	b	\$ -	Operating capital	\$ -	None	\$ -	\$ 774,756	\$ 774,756	
2	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Receivables from related parties	Yes	45,561	44,024	44,024	3.045%	b	-	Operating capital	-	None	-	135,953	135,953	
3	Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Green Technologies (Nanjing) Corporation	Receivables from related parties	Yes	50,117	48,426	48,426	3.045%	b	-	Operating capital	-	None	-	600,912	600,912	
4	Huizhou Fu Tai Electronic Co., Ltd.	Lite-On Technology (Xiangning) Co., Ltd.	Receivables from related parties	Yes	36,449	35,219	35,219	3.045%	b	-	Operating capital	-	None	-	61,645	61,645	
5	Lite-On Technology (Changzhou) Co., Ltd.	Changzhou Leotek New Energy Trade Limited	Receivables from related parties	Yes	182,244	176,096	176,096	3.045%	b	-	Operating capital	-	None	-	4,011,129	4,011,129	
6	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	1,685,757	1,628,888	1,628,888	3.045%	b	-	Operating capital	-	None	-	4,526,169	4,526,169	
7	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	364,488	352,192	352,192	3.045%	b	-	Operating capital	-	None	-	10,406,141	10,406,141	
8	Lite-On Electronics H.K. Ltd.	Lite-On Green Technologies (HK) Limited	Receivables from related parties	Yes	403	390	390	1.200%	b	-	Operating capital	-	None	-	8,087,626	8,087,626	
		Lite-On Green Energy (HK) Limited	Receivables from related parties	Yes	807	780	780	1.200%	b	-	Operating capital	-	None	-	8,087,626	8,087,626	
		LET (HK) Ltd.	Receivables from related parties	Yes	250,360	242,240	242,240	1.160%	b	-	Operating capital	-	None	-	8,087,626	8,087,626	
9	Lite-On Singapore Pte. Ltd.	Lite-On Mobile Pte. Ltd.	Receivables from related parties	Yes	1,251,800	1,211,200	1,211,200	0.860%	b	-	Operating capital	-	None	-	18,060,205	18,060,205	
10	LTC Group Ltd.	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Receivables from related parties	Yes	93,885	90,840	90,840	2.130%	b	-	Operating capital	-	None	-	628,871	628,871	

Note 1: Reasons for financing are as follows:

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

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

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries In Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	Lite-On Technology Corporation (the "Parent Company")	Lite-On Mobile Pte. Ltd. Silitek Elec. (Dongguan) Co., Ltd. Lite-On Technology (Europe) B.V.	b c b	\$ 7,489,126 7,489,126 7,489,126	\$ 6,259,000 1,251,800 63,795	\$ 6,056,000 1,211,200 61,513	\$ 6,056,000 1,211,200 61,513	\$ - - -	8.09 1.62 0.08	\$ 29,956,504 29,956,504 29,956,504	Yes Yes Yes	No No No	No Yes No	
1	Lite-On Capital Corp.	Lite-On Green Energy B.V. Lite-On Green Technologies B.V.	c c	2,248,152 2,248,152	315,596 787,635	304,307 759,462	304,307 759,462	- -	0.40 1.00	2,248,152 2,248,152	No No	No No	No No	

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

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

Note 2: a. The aggregate amount of guarantees/endorsements by Lite-On Technology Corporation should not exceed 40% of its net worth, and the amount of guarantees/endorsements for any single entity should not exceed 10% of its net worth.

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

c. Limits on endorsement/guarantee amount provided to each guaranteed party and maximum endorsement/guarantee amount allowable were calculated on the basis of the net worth of the endorsement/guarantee provider, as shown in its most recent reviewed financial statements.

TABLE 3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2017			Note	
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)		Fair Value (Foreign Currencies in Thousands)
Lite-On Technology Corporation	Common stock EPISTAR Corporation	-	Available-for-sale financial assets - non-current	5,908	\$ 188,760	0.55	\$ 188,760	
	Wistron Corporation	-	"	5,130	142,615	0.20	142,615	
	Com2B Corp.	-	"	5,000	19,009	11.11	19,009	
	Avamax Corp.	-	"	559	-	6.99	-	Note
	Aetas Technology, Inc.	Member of the board of directors	"	4,026	-	8.07	-	Note
	AuriaSolar Co., Ltd.	-	"	41,400	-	19.71	-	Note
	Z-Com, Inc.	-	"	2,974	37,772	4.10	37,772	
	Fong Han Electronics Co., Ltd.	-	"	1,167	-	6.67	-	Note
	Xepex Electronics Co., Ltd.	-	"	-	-	-	-	Note
	North America Micro-Electronic & Software, Incorporated	-	"	5	1,154	2.67	1,154	
	Action Media Technologies, Inc.	-	"	38	-	-	-	Note
	Oplink Communications, Inc.	-	"	1	856	0.01	856	
	Taiwan Changxing Technology Co., Ltd.	-	"	462	4,620	15.40	4,620	
	Preferred stock Arkologic Holdings Limited PI-CORAL	-	"	11,111	-	7.66	-	Note
	-	"	1,139	-	10.65	-	Note	
Lite-On Capital Corp.	Convertible bond Xepex Electronics Co., Ltd.	-	Debt investments with no active market - non-current	150	-	-	-	Note
	Common stock Lite-On Technology Corporation	The Parent Company	Available-for-sale financial assets - non-current	15,116	790,560	0.64	790,560	
	Lead Data, Inc.	-	"	865	5,948	0.59	5,948	
	Compound Solar Technology Co., Ltd.	-	"	2,000	-	2.86	-	Note
	Z-Com, Inc.	-	"	2,412	30,627	3.33	30,627	
	Auden Techno Corp.	Member of the board of directors	"	8,124	178,716	19.90	178,716	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2017				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Lite-On Green Energy (HK) Limited	<u>Common stock</u> Changzhou Binhu Thin Film Solar Greenhouse Co., Ltd.	-	Available-for-sale financial assets - non-current	-	US\$ 140	19.90	US\$ 140	
Lite-On Electronics Co., Ltd.	<u>Share certificates</u> Lite-On Technology Corporation GDR	The Parent Company	"	245	\$ 127,894	0.10	\$ 127,894	
Yet Foundate Ltd.	<u>Share certificates</u> Lite-On Technology Corporation GDR	"	"	227	118,534	0.10	118,534	
LET (HK) Ltd.	<u>Common stock</u> Northern Lights Semiconductor <u>Fund</u> Innovation Works Development Fund, L.P.	-	"	3,000	-	5.91	-	Note
Lite-On Technology USA, Inc.	<u>Preferred stock</u> Mojo Networks, Inc.	-	"	-	HK\$ 6,841	-	HK\$ 6,841	
LTC Group Ltd. (BVI)	<u>Common stock</u> VIZIO, Inc.	-	"	7,486	US\$ 2,000	2.93	US\$ 2,000	
LTC International Ltd.	<u>Common stock</u> Lite-On Technology Corporation	The Parent Company	"	437	-	2.90	-	Note
Lite-On China Holding Co., Ltd.	<u>Share certificates</u> Lite-On Technology Corporation GDR	"	"	3,793	198,379	0.16	198,379	
Silitech Technology Corp.	<u>Common stock</u> COMMIT Incorporated	-	"	4,962	167,600	0.14	167,600	
Silitech (Bermuda) Holding Ltd.	<u>Common stock</u> Chi Mei Mold Co., Ltd. RTR-TECH Technology Co., Ltd.	Member of the board of directors	"	1,300 6,820	\$ 11,165 -	10.00 9.46	\$ 11,165 -	
Lite-On Japan Ltd.	<u>Fund</u> Innovation Works Development Fund, L.P.	-	"	-	US\$ 916	-	US\$ 916	
Lite-On Mobile Oyj (formerly: Perlos Oyj)	<u>Common stock</u> Tamara Corporation The Dai-ichi Life Insurance Company, Limited <u>Common stock</u> Kontiolahhti Golf Oy	- - - -	" " " "	19,250 7 1	JPY 9,510 JPY 1,398 EUR 9	0.03 - -	JPY 9,510 JPY 1,398 EUR 9	

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

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2017

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

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal		Gain (Loss) on Disposal		Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units (In Thousands)	Amount
Silitech Technology (SuZhou) Co., Ltd.	Fixed Income Instruments	Debt investments with no active market - current	-	-	-	\$ 779,462 (CNY 167,300)	-	\$ 734,278 (CNY 166,700)	-	\$ 785,357 (CNY 168,638)	\$ 779,462 (CNY 167,300)	\$ 5,895 (CNY 1,338)	-	\$ 734,278 (CNY 166,700)

TABLE 5

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2017

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

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction			Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp.	Note 1	Sale	\$ (4,976,611)	(16)	About 90 days	Cost-plus pricing	No significant difference	\$ 5,866,744	18	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Sale	(204,920)	(1)	About 90 days	Cost-plus pricing	No significant difference	308,415	1	
	Lite-On Singapore Pte. Ltd.	Note 1	Sale	(692,977)	(2)	About 90 days	Cost-plus pricing	No significant difference	419,319	1	
	Lite-On Trading USA, Inc.	Note 2	Sale	(1,097,122)	(3)	About 90 days	Cost-plus pricing	No significant difference	1,417,855	4	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Purchase	347,881	1	About 90 days	Cost-plus pricing	No significant difference	(398,682)	(1)	
	Lite-On Singapore Pte. Ltd.	Note 1	Purchase	4,647,545	16	About 90 days	Cost-plus pricing	No significant difference	(6,164,971)	(20)	
	Li Shin International Enterprise Corp.	Note 1	Purchase	599,037	2	About 90 days	Cost-plus pricing	No significant difference	(254,374)	(1)	
	Lite-On Overseas Trading Co., Ltd.	Note 1	Purchase	19,346,588	68	About 90 days	Cost-plus pricing	No significant difference	(18,337,168)	(59)	
Philip & Lite-On Digital Solutions Corp.	Philip & Lite-On Digital Solutions USA Inc.	Note 4	Sale	(1,616,663)	(32)	About 90 days	Cost-plus pricing	No significant difference	1,720,415	35	
	Philips & Lite-On Digital Solutions Germany GmbH	Note 4	Sale	(326,436)	(7)	About 90 days	Cost-plus pricing	No significant difference	411,235	8	
Lite-On Electronics (Tianjin) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(384,946)	(100)	About 90 days	Cost-plus pricing	No significant difference	248,115	100	
Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(3,272,522)	(98)	About 90 days	Cost-plus pricing	No significant difference	1,299,473	94	
Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(806,608)	(100)	About 90 days	Cost-plus pricing	No significant difference	550,847	100	
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(118,096)	(100)	About 90 days	Cost-plus pricing	No significant difference	102,771	100	
Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(2,091,843)	(51)	About 90 days	Cost-plus pricing	No significant difference	656,592	24	
	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(1,677,679)	(41)	About 90 days	Cost-plus pricing	No significant difference	1,629,519	60	
Lite-On Technology (Xianging) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(169,232)	(100)	About 90 days	Cost-plus pricing	No significant difference	86,876	100	
Lite-On Technology (Shanghai) Ltd.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Note 4	Sale	(168,885)	(10)	About 90 days	Cost-plus pricing	No significant difference	52,760	3	
Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(2,879,681)	(100)	About 90 days	Cost-plus pricing	No significant difference	1,049,274	100	
Silitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(1,973,425)	(94)	About 90 days	Cost-plus pricing	No significant difference	1,577,521	93	
Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Electronics H.K. Ltd.	Note 4	Sale	(422,619)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
Lite-On Electronics H.K. Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(422,619)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
Dong Guan G-Tech Computers Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(672,335)	(98)	About 90 days	Cost-plus pricing	No significant difference	296,749	92	
Huizhou Li Shin Electronic Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(221,080)	(67)	About 90 days	Cost-plus pricing	No significant difference	77,491	51	
DongGuan G-Pro Computer Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 4	Sale	(2,471,857)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(104,082)	(1)	About 90 days	Cost-plus pricing	No significant difference	161,307	1	
	Lite-On Overseas Trading Co., Ltd.	Note 4	Sale	(7,241,746)	(54)	About 90 days	Cost-plus pricing	No significant difference	6,514,660	48	
Lite-On Opto Technology (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 4	Sale	(530,687)	(100)	About 90 days	Cost-plus pricing	No significant difference	422,165	100	
Lite-On Auto Electric Technology (Guangzhou) Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(163,597)	(100)	About 90 days	Cost-plus pricing	No significant difference	53,183	98	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Ending Balance	% to Total	
Lite-On IT Opto Tech (BH) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	\$ (3,090,269)	(100)	About 90 days	Cost-plus pricing	\$ 2,534,309	100	
Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(858,418)	(97)	About 90 days	Cost-plus pricing	837,195	96	
Lite-On Singapore Pte. Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(833,024)	(6)	About 90 days	Cost-plus pricing	1,311,159	8	
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	Sale	(281,888)	(2)	About 90 days	Cost-plus pricing	431,839	3	
	Lite-On Electronics H.K. Ltd.	Note 3	Sale	(575,133)	(4)	About 90 days	Cost-plus pricing	517,044	3	
	Lite-On Japan Ltd.	Note 3	Sale	(299,563)	(2)	About 90 days	Cost-plus pricing	395,392	2	
	Lite-On, Inc.	Note 4	Sale	(162,617)	(1)	About 90 days	Cost-plus pricing	138,396	1	
	Lite-On Trading USA, Inc.	Note 4	Sale	(1,147,638)	(8)	About 90 days	Cost-plus pricing	1,412,446	8	
	Leotek Electronics USA LLC	Note 4	Sale	(225,909)	(2)	About 90 days	Cost-plus pricing	321,525	2	
Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	Note 4	Sale	(2,915,783)	(6)	About 90 days	Cost-plus pricing	2,030,281	4	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	Sale	(2,363,247)	(5)	About 90 days	Cost-plus pricing	3,381,739	7	
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 4	Sale	(2,251,252)	(4)	About 90 days	Cost-plus pricing	1,250,792	3	
	Silitek Elec. (Dongguan) Co., Ltd.	Note 4	Sale	(1,502,606)	(3)	About 90 days	Cost-plus pricing	317,915	1	
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	Sale	(378,855)	(1)	About 90 days	Cost-plus pricing	580,185	1	
	Huizhou Li Shin Electronic Co., Ltd.	Note 4	Sale	(138,596)	-	About 90 days	Cost-plus pricing	76,011	-	
	DongGuan G-Pro Computer Co., Ltd.	Note 4	Sale	(2,126,922)	(4)	About 90 days	Cost-plus pricing	568,321	1	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	Sale	(10,947,405)	(22)	About 90 days	Cost-plus pricing	11,737,053	26	
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Note 4	Sale	(321,872)	(1)	About 90 days	Cost-plus pricing	386,391	1	
	Lite-On IT Opto Tech (BH) Co., Ltd.	Note 4	Sale	(3,373,107)	(7)	About 90 days	Cost-plus pricing	4,428,219	10	
	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(4,939,381)	(10)	About 90 days	Cost-plus pricing	2,013,349	4	
Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(141,883)	(64)	About 90 days	Cost-plus pricing	215,504	65	
Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(336,817)	(34)	About 90 days	Cost-plus pricing	508,745	37	
	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(368,808)	(37)	About 90 days	Cost-plus pricing	357,607	26	
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	Sale	(303,955)	(51)	About 90 days	Cost-plus pricing	513,976	54	
Zhuhai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	Sale	(245,094)	(66)	About 90 days	Cost-plus pricing	489,977	72	
Lite-On Japan Ltd.	Lite-On Semiconductor Corp.	Note 5	Purchase	JPY (370,419)	14	About 90 days	Cost-plus pricing	JPY (275,692)	(11)	
Silitech Technology Corp. Ltd.	Silitech Technology Corp.	Note 3	Sale	US\$ (4,602) JPY (4,648)	(96)	About 90 days	No significant difference	US\$ 6,225 JPY 5,810	98	
Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corp. Ltd.	Note 4	Sale	US\$ (4,795) JPY (4,648)	(58)	About 90 days	No significant difference	US\$ 6,532 JPY 5,810	73	

Note 1: Equity-method investee.

Note 2: Investee of the equity-method investee.

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

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

Note 5: Associate.

Note 6: All intercompany sales and purchases have been eliminated from consolidation.

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2017
(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Company Name	Related Party	Nature of Relationship	Ending Balance of Notes Receivable-inter	Ending Balance of Trade Receivables-inter	Ending Balance of Other Receivables-inter	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Amount	Action Taken		
Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp.	Note 1	\$ -	\$ 5,866,744	\$ 830	3.36	\$ -	-	\$ -	-
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	-	308,415	3,142	2.27	2,112	-	-	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	-	228,929	-	0.85	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 1	-	419,319	80,996	3.64	-	-	-	-
	Lite-On Japan Ltd.	Note 1	-	128,703	28,102	2.64	-	-	-	-
	Lite-On Trading USA, Inc.	Note 2	-	1,417,855	189	3.05	-	-	-	-
	Lite-On Sales & Distribution Inc.	Note 2	-	317,591	1	0.78	192,567	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 1	-	1,083,255	63,795	-	-	-	-	-
	Lite-On China Holding Co., Ltd.	Note 2	-	145,297	-	-	-	-	145,297	-
	Philips & Lite-On Digital Solutions USA Inc.	Note 4	-	1,720,415	3,392	3.75	-	-	111,425	-
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions Germany GmbH	Note 4	-	411,235	-	3.26	-	-	121,668	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	248,115	-	6.06	-	-	-	-
	Lite-On Network Communication (Dongguan) Limited	Note 3	-	1,299,473	-	10.96	-	-	17,781	-
	Dong Guan G-Tech Computers Co., Ltd.	Note 3	-	296,749	-	7.63	-	-	-	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 3	-	1,049,274	-	10.63	-	-	-	-
	G&W Technology Limited	Note 4	-	-	144,521	-	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,577,521	6,925	4.90	-	-	-	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 4	-	-	136,544	-	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	837,195	20,489	4.13	-	-	274,304	-
	Lite-On Technology (Shanghai) Ltd.	Note 4	-	1,311,159	-	2.69	-	-	508,945	-
Lite-On Singapore Pte. Ltd.	China Bridge Express (Wuxi) Co., Ltd.	Note 4	-	431,839	-	2.46	-	-	-	-
	Lite-On Electronics H.K. Ltd.	Note 3	-	517,044	386	4.51	-	-	-	-
	Lite-On Japan Ltd.	Note 3	-	395,392	1,056	2.82	-	-	24,849	-
	Lite-On, Inc.	Note 4	-	138,396	7	3.99	43,937	-	27,456	-
	Lite-On Trading USA, Inc.	Note 4	-	1,412,446	2,261	2.71	-	-	243,243	-
	Leotek Electronics USA LLC	Note 4	-	321,525	6,280	2.45	58,072	-	30,415	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	130,210	-	1.06	-	-	27,561	-
	Lite-On Mobile Pte. Ltd.	Note 3	-	-	1,211,663	-	-	-	-	-
	LET (HK) Limited	Note 3	-	-	242,240	-	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	100,005	-	2.77	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationship	Ending Balance of Notes Receivable-inter	Ending Balance of Trade Receivables-inter	Ending Balance of Other Receivables-inter	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Amount	Action Taken		
Lite-On Technology (Changzhou) Co., Ltd.	Changzhou Leotek New Energy Trade Limited	Note 4	\$ -	\$ -	\$ 178,135	-	\$ -	-	\$ -	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	656,592	-	6.92	-	-	505,509	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,629,519	4,186	4.26	-	-	-	-
Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	550,847	2,154	5.57	-	-	-	-
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li-Shin International Enterprise Corp.	Note 3	-	102,771	-	4.52	-	-	-	-
Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	6,514,660	-	4.27	-	-	-	-
	Lite-On Technology (Shanghai) Ltd.	Note 4	-	161,307	-	3.31	-	-	-	-
Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	Note 4	-	2,030,281	-	5.27	-	-	6,320	-
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	-	3,381,739	-	2.14	-	-	-	-
	Silitek Elec. (Dongguan) Co., Ltd.	Note 4	-	317,915	-	13.74	-	-	-	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 4	-	1,250,792	-	5.94	-	-	-	-
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	-	580,185	-	2.29	19,904	-	-	-
	DongGuan G-Pro Computer Co., Ltd.	Note 4	-	568,321	854	9.77	-	-	-	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	-	11,737,053	-	4.00	-	-	-	-
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Note 4	-	386,391	2,130	2.93	-	-	-	-
	Lite-On IT Opto Tech (BH) Co., Ltd.	Note 4	-	4,428,219	2,224	2.76	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	2,013,349	-	9.12	-	-	-	-
Lite-On Opto Technology (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	422,165	-	4.48	-	-	-	-
Lite-On IT Opto Tech (BH) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	2,534,309	-	4.66	-	-	-	-
Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	-	215,504	3,489	2.72	-	-	56,867	-
Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	-	508,745	5,992	2.75	-	-	131,337	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	357,607	-	3.76	-	-	-	-
Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Note 4	-	-	1,649,867	-	-	-	-	-
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Note 4	-	656	355,418	-	-	-	-	-
	Lite-On Mobile Pte. Ltd.	Note 3	-	513,976	-	1.60	-	-	182,048	-
Zhuhai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	-	489,977	-	1.54	-	-	144,687	-
Silitech Technology Corp. Ltd.	Silitech Technology Corp.	Note 3	-	US\$ 6,225 JPY 5,810	-	0.74	-	-	US\$ 1,623 JPY 1,163	-
Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corp. Ltd.	Note 4	-	US\$ 6,532 JPY 5,810	-	0.73	-	-	US\$ 1,732 JPY 1,162	-

Note 1: Equity-method investee.

Note 2: Investee of the equity-method investee.

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

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

(Concluded)

TABLE 7

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF EQUITY-METHOD INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2017

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Technology Corporation	Slitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	\$ 324,685	\$ 324,685	60,757	33.87	\$ 1,262,095	\$ (64,396)	\$ (21,811)	Subsidiary
	Lite-On Integrated Service Inc.	Taipei City, Taiwan	Information outsourcing and system integrate	25,886	25,886	3,400	100.00	48,696	1,541	1,541	Subsidiary
	Dragonjet Corporation	New Taipei City, Taiwan	Manufacture and sale of computer peripherals, printers, digital cameras, modules and plastic products	1,069,080	1,069,080	26,727	29.62	993,214	(14,404)	(4,267)	Associate
	Logah Technology Corp.	Kaohsiung City, Taiwan	Development, manufacture and sale of LCD TV inverters	402,787	402,787	31,683	28.10	185,381	(7,797)	(13,566)	Associate (Note 2)
	Lite-On Capital Corp.	Taipei City, Taiwan	Investment activities	4,096,367	4,096,367	209,545	100.00	1,414,083	(1,564)	(1,564)	Subsidiary
	Lite-On Electronics H.K. Ltd.	Hong Kong	Sale of LED optical products	7,339,481	7,339,481	17,865	100.00	12,339,868	HK\$ 162,891	702,695	Subsidiary
	Lite-On Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sale of LED optical products	529,106	529,106	5,030	100.00	1,410,781	THB 31,846	27,927	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	248,305	248,305	6,162	49.49	340,081	JPY 8,998	1,412	Subsidiary
	Lite-On International Holding Co., Ltd.	British Virgin Islands	Investment activities	US\$ 335,825	US\$ 335,825	335,825	100.00	20,143,632	US\$ (4,696)	(238,412)	Subsidiary
	LTC Group Ltd.	British Virgin Islands	Investment activities	US\$ 1,098,752	US\$ 1,098,752	32,916	100.00	271,967	US\$ 19	596	Subsidiary
	Lite-On Technology USA, Inc.	USA	Investment activities	US\$ 55,172	US\$ 55,172	470	100.00	2,163,837	US\$ (628)	(18,609)	Subsidiary
	Lite-On Electronics (Europe) Ltd.	United Kingdom	Manufacture and sale of power supplies	US\$ 44,559	US\$ 44,559	300	100.00	48,334	GBP 40	1,577	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales service	2,543,184	2,543,184	331	54.00	261,291	EUR (123)	(2,269)	Subsidiary
	Lite-On Overseas Trading Co., Ltd.	British Virgin Islands	Merchandising business	168,947	168,947	5,143	100.00	355,430	US\$ 1,514	48,062	Subsidiary
	Lite-On Singapore Pte. Ltd.	Singapore	Manufacture and supply computer peripheral products	US\$ 63,788	US\$ 63,788	51,777	100.00	18,172,215	US\$ 25,446	828,707	Subsidiary
	Lite-On Vietnam Co., Ltd.	Vietnam	Electronic contract manufacturing	US\$ 12,000	US\$ 12,000	-	100.00	342,527	US\$ 44	1,341	Subsidiary
	Lite-On Mobile Pte. Ltd.	Singapore	Manufacture and sale of mobile phone modules and design for assembly line	EUR 250,329	EUR 250,329	162,886	100.00	7,943,007	US\$ (5,907)	(184,967)	Subsidiary
	Li Shin International Enterprise Corp.	British Virgin Islands	Manufacture and sale of computer and appliance components	\$ 56,929	\$ 56,929	1,748	100.00	(62,145)	US\$ (2)	(69)	Subsidiary
	Eagle Rock Investment Ltd.	British Virgin Islands	Import and export business and investment activities	341	341	10	100.00	1,168,622	US\$ 122	3,452	Subsidiary
	Lite-On Semiconductor Corp.	New Taipei City, Taiwan	Manufacture of image sensor and rectifier	773,618	773,618	57,204	18.43	1,350,581	\$ 70,004	11,324	Associate (Note 2)
	Canfield Ltd.	Apia, Samoa	Import and export business and investment activities	7,142	7,142	200	33.33	5,280	US\$ 49	504	Associate
	High Yield Group Co., Ltd.	British Virgin Islands	Holding company	2,271,806	2,271,806	68,138	100.00	5,378,120	US\$ 1,288	257,525	Subsidiary
	Lite-On Information Technology B.V.	Netherlands	Market research and customer service	1,163,591	1,163,591	11,018	100.00	15,790	EUR (2)	(76)	Subsidiary
	Philip & Lite-On Digital Solutions Corp.	Taiwan	Sale of optical disc drives	267,113	267,113	17,150	49.00	160,658	\$ (188,200)	(92,218)	Subsidiary
	Lite-Space Technology Company Limited	Hong Kong	Sale of computer components	149,968	149,968	5,100	39.23	53,854	US\$ 136	1,616	Associate
	LET (HK) Ltd.	Hong Kong	Sale of optical disc drives	251,322	251,322	62,060	100.00	20,150	HK\$ (1,515)	(6,113)	Subsidiary
	Lite-On Automotive Electronics (Europe) BV	Netherlands	Sale of automotive parts and other electronic products	EUR 1,090	EUR 1,090	24	100.00	37,074	EUR 5	180	Subsidiary
	Lite-On Automotive International (Cayman) Co., Ltd.	Cayman	Investment activities	US\$ 100,626	US\$ 100,626	11,967	100.00	1,918,013	US\$ 1,727	71,709	Subsidiary
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Mexico	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	US\$ 4,950	US\$ 4,950	146	99.00	79,598	MXN 8,900	12,910	Subsidiary
Lite-On Capital Corp.	Slitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	\$ 115,572	\$ 115,572	1,153	0.64	105,405	\$ (64,396)	-	Subsidiary
	Lite-On Green Technologies Inc.	Taipei City, Taiwan	Manufacture and wholesale of electronic components and energy technology services	1,040,000	1,040,000	84,000	100.00	226,948	(2,183)	-	Subsidiary
	Lite-On Green Energy (HK) Limited	Hong Kong	Investment activities	US\$ 3,000	US\$ 3,000	3,000	100.00	3,439	US\$ -	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2017		Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)			
Lite-On Technology (Europe) B.V. Lite-On Semiconductor Corp.	Lite-On Technology (Europe) B.V. Lite-On Semiconductor Corp.	Netherlands New Taipei City, Taiwan	Market research and after-sales service Manufacture of image sensor and rectifier	\$ 2,126,479	\$ 2,126,479	282 6,486	46.00 2.09	EUR (123) \$ 70,004	-	Subsidiary Associate (Note 2)
	Lite-On Green Energy (Singapore) Pte. Ltd. Logah Technology Corp.	Singapore Kaohsiung City, Taiwan	Investment activities Development, manufacture and sale of LCD TV inverters	440,974 74,538	440,974 74,538	11,150 4,141	100.00 3.67	EUR 186 \$ (7,797)	-	Subsidiary Associate (Note 2)
	Five Dimension Co., Ltd	Japan	Development, manufacture and sale of cell phone and camera lens modules	JPY 172,180	JPY 172,180	9	39.10	JPY (13,933)	-	Associate
	Lite-On Green Technologies Inc.	Netherlands Hong Kong	Solar energy engineering Solar energy engineering	EUR 16,020 US\$ 760	EUR 16,020 US\$ 760	30 4,000	100.00 100.00	EUR (14) US\$ (16)	-	Subsidiary Subsidiary
	Lite-On Green Energy (Singapore) Pte. Ltd.	Netherlands	Investment activities	EUR 2,500	EUR 2,500	9,140	100.00	EUR 192	-	Subsidiary
Lite-On Green Technologies B.V. China Bridge (China) Co., Ltd.	Kompaktsolar GmbH	Berlin, Germany	Solar energy engineering	EUR 401	EUR 401	51	51.00	EUR -	-	Associate
	Lite-On Opto Technology (Changzhou) Co., Ltd	Changzhou, China	Development, manufacture of new-type electronic components and provide technology consulting services, maintenance equipment and after-sales services	CNY 85,015	CNY 85,015	-	12.59	CNY 1,233	-	Subsidiary
Lite-On Electronics (Jiangsu) Co., Ltd	China Bridge Express (Wuxi) Co., Ltd.	Wuxi, China	Express and sale of power supplies, printers, display devices and scanners	CNY 36,244	CNY 36,244	-	100.00	CNY 2,890	-	Subsidiary
	Lite-On Technology (Changzhou) Co., Ltd	Changzhou, China	Development, manufacture, sale and installation of power supplies and transformers and provision technology consulting services, maintenance equipment and after-sales services	CNY 332,038	CNY 332,038	-	100.00	CNY 25,563	-	Subsidiary
	Lite-On Opto Technology (Changzhou) Co., Ltd	Changzhou, China	Development, manufacture and sale of new-type electronic components and LED and provision technology consulting services, maintenance equipment and after-sales services	CNY 503,977	CNY 503,977	-	87.41	CNY 1,233	-	Subsidiary
	Lite-On Medical Device (Changzhou) Ltd. Lite-On Computer (Changzhou) Co., Ltd	Changzhou, China Changzhou, China	Manufacture and sale of medical equipment Design, development, manufacture and sale of computer laptop keyboards and components and provision technology consulting services and after-sales services	CNY 30,640 CNY 55,924	CNY 30,640 CNY 55,924	-	100.00 100.00	CNY (765) CNY (59)	-	Subsidiary Subsidiary
Lite-On Automotive International (Cayman) Co., Ltd.	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Hong Kong	Investment activities	HK\$ 41,384	HK\$ 41,384	100,626	100.00	HK\$ 13,378	-	Subsidiary
	Lite-On, Inc.	USA	Sales data processing business of optoelectronic products and power supplies	US\$ 3,000	US\$ 3,000	3,000	100.00	US\$ 5	-	Subsidiary
Lite-On Technology USA, Inc.	Lite-On Trading USA, Inc.	California, USA	Sale of optical products	US\$ 31,500	US\$ 31,500	315	100.00	US\$ (8)	-	Subsidiary
	Leotek Electronics USA LLC	USA	Sale of LED products	US\$ 5,792	US\$ 5,792	-	100.00	US\$ (627)	-	Subsidiary
	Power Innovations International, Inc.	USA	Development, design and manufacture of power control and energy management	US\$ 15,756	US\$ 15,756	12,916	95.25	US\$ 263	-	Subsidiary
	Lite-On Sales & Distribution Inc. Lite-On Technology Service, Inc.	USA USA	Sale of optical disc drives After-sales service of optical products	US\$ 4,765 US\$ 1,500	US\$ 4,765 US\$ 1,500	1 1	100.00 100.00	US\$ (227) US\$ 18	-	Subsidiary Subsidiary
Lite-On International Holding Co., Ltd. LTC Group Ltd.	Lite-On China Holding Co., Ltd.	British Virgin Islands	Manufacture and sale of computer cases	US\$ 399,442	US\$ 399,442	399,442	100.00	US\$ (4,696)	-	Subsidiary
	Titanic Capital Services Ltd. LTC International Ltd.	British Virgin Islands British Virgin Islands	Investment activities Manufacture and sale of system products	\$ 529,106 483,514	\$ 529,106 483,514	8,655 15,120	100.00 100.00	US\$ (19) US\$ 23	-	Subsidiary Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Finland	Manufacture and sale of mobile phone modules and design for assembly line	EUR 76,674	EUR 76,674	3	100.00	EUR 11,831	EUR (127)	\$	- Subsidiary
Lite-On (Finland) Oy	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Finland	Manufacture and sale of mobile phone modules and design for assembly line	EUR 196,618	EUR 196,618	52,937	100.00	EUR 11,540	EUR (127)		- Subsidiary
Lite-On Singapore Pte. Ltd	LiteStar JV Holding (BVI) Co., Ltd. Lite-On Automotive Electronics Mexico, S.A. DE C.V.	British Virgin Islands Mexico	Investment activities Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	US\$ 27,000 US\$ 50	US\$ 27,000 US\$ 50	2 1	19.35 1.00	US\$ 23,305 US\$ 27	\$ 56,636 MXN 8,900		- Associate Subsidiary
Lite-On Technology (Shanghai) Ltd.	Lite-On Intelligent Technology (Yencheng) Corp.	Yancheng, China	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	CNY 19,427	CNY 19,427	-	100.00	CNY 30,633	CNY 630		- Subsidiary
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd. Yet Foundate Ltd.	Hong Kong Hong Kong	Investment activities Manufacture of plastic and computer peripheral products	US\$ 360,760 CNY 73,220	US\$ 360,760 CNY 73,220	2,966,233 68,430	100.00 100.00	US\$ 715,138 US\$ 18,219	HK\$ 19,637 CNY (755)		- Subsidiary - Subsidiary
	I-Solutions Limited	British Virgin Islands	Original equipment manufacturer of electronic products	US\$ 1,500	US\$ 1,500	1,500	100.00	US\$ 1,500	US\$ -		- Subsidiary
	Fordgood Electronic Ltd. G&W Technology (BVI) Limited	Hong Kong British Virgin Islands	Import and export and real estate business Real estate management	US\$ 13,336 US\$ 3,900	US\$ 13,336 US\$ 3,900	105,450 3,900	100.00 50.00	US\$ 15,400 US\$ 4,230	HK\$ 1,304 US\$ 111		- Subsidiary - Subsidiary
G&W Technology (BVI) Limited	G&W Technology Limited	Hong Kong	Leasing business	US\$ 65	US\$ 65	500	100.00	US\$ 1,403	US\$ 139		- Subsidiary
High Yield Group Co., Ltd.	Lite-On IT International (HK) Ltd.	Hong Kong	Sale of optical disc drives	US\$ 102,400	US\$ 102,400	102,400	100.00	US\$ 193,601	US\$ 1,291		- Subsidiary
Lite-On Information Technology B.V.	Lite-On Information Technology GmbH	Germany	Sale of optical disc drives	EUR 25	EUR 25	-	100.00	EUR 38	EUR (1)		- Subsidiary
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions Germany GmbH	Germany	Development and sale of modules of automotive recorders	\$ 1,326,996	\$ 1,326,996	-	100.00	\$ 834,201	EUR 276		- Subsidiary
	Philips & Lite-On Digital Solutions USA Inc.	USA	Sale of optical disc drives	33	33	1	100.00	214,422	US\$ (348)		- Subsidiary
	Philips & Lite-On Digital Solutions Korea Ltd.	South Korea	Sale of optical disc drives	15,376	15,376	18	100.00	32,610	KRW 7,167		- Subsidiary
	Philips & Lite-On Digital Solutions Netherlands B.V.	Netherlands	Sale and design of optical disc drives	381,221	381,221	15	100.00	43,843	EUR 5		- Subsidiary
Silitech Technology Corp.	Silitech (BVI) Holding Ltd. Lite-On Japan Ltd.	British Virgin Islands Japan	Investment activities Sale of LED optical products and power supplies	US\$ 95,182 JPY 197,040	US\$ 95,182 JPY 197,040	95,182 980	100.00 7.87	\$ 3,187,263 JPY 68,654	US\$ 477 JPY 8,998		- Subsidiary - Subsidiary
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Bermuda	Investment activities	US\$ 95,132	US\$ 95,132	95,132	100.00	US\$ 104,991	US\$ 473		- Subsidiary
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	US\$ 8,000	US\$ 8,000	62,400	100.00	US\$ 29,666	CNY (4,281)		- Subsidiary
	Silitech Technology Corp. Sdn. Bhd. Silitech (Hong Kong) Holding Ltd. Silitech International (India) Private Limited	Malaysia Hong Kong India	Manufacture of computer peripheral products Investment activities Development, manufacture and sale of automotive parts	US\$ 5,632 US\$ 77,200 US\$ 3,002	US\$ 5,632 US\$ 77,200 US\$ 3,002	21,400 77,200 4,173	100.00 100.00 100.00	US\$ 13,192 US\$ 54,698 US\$ 1,448	MYR 3,841 CNY (3,948) INR (2,236)		- Subsidiary - Subsidiary - Subsidiary
Lite-On Japan Ltd.	L&K Industries Philippines, Inc. Lite-On Japan (H.K.) Limited	Philippines Hong Kong	Import and export business of electronic components Import and export business of electronic components	JPY 261,944 JPY 70,000	JPY 261,944 JPY 70,000	1,000 50	100.00 100.00	JPY 261,944 JPY 70,000	JPY (17,643) JPY 2,991		- Subsidiary (Note 1) - Subsidiary (Note 1)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2017		Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)			
Lite-On Japan (H.K.) Limited	Lite-On Japan (Korea) Co., Ltd.	South Korea	Import and export business of electronic components	JPY 22,593	JPY 22,593	20	100.00	JPY 22,593	-	Subsidiary (Note 1)
	Lite-On Japan (Thailand) Co., Ltd.	Thailand	Import and export business of electronic components	JPY 65,939	JPY 65,939	200	100.00	JPY 65,939	18,017	Subsidiary (Note 1)
	NL (Shanghai) Co., Ltd.	China	Import and export business of electronic components	JPY 35,655	JPY 35,655	30	100.00	JPY 35,655	4,003	Subsidiary (Note 1)
Lite-On Mobile Oyj (formerly: Perfos Oyj)	Lite-On Mobile Sweden AB	Sweden	Manufacture and sale of mobile phone modules and design for assembly line	EUR 20,551	EUR 20,551	20	100.00	EUR 367	62	Subsidiary
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	EUR 2,509	EUR 2,509	6,507	3.08	EUR 335	(604)	Subsidiary
	Lite-On Mobile India Private Limited.	India	Manufacture and sale of mobile phone modules and design for assembly line	EUR 4,436	EUR 4,436	33,536	11.59	EUR 2,575	(753)	Subsidiary
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 105,802	US\$ 105,802	204,802	96.92	US\$ 11,335	(604)	Subsidiary
Lite-On Mobile Pte. Ltd.	Perfos Precision Plastics Moulding Limited Liability Company	Hungary	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 733	US\$ 733	-	100.00	US\$ 907	(11)	Subsidiary
	Lite-On Mobile India Private Limited.	India	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 47,239	US\$ 47,239	255,730	88.41	US\$ 20,938	(753)	Subsidiary
	Lite-On Young Fast Pte. Ltd.	Singapore	Investment activities	US\$ 7,864	US\$ 7,864	10	100.00	US\$ 3,498	(3)	Subsidiary
	Yamada-Lom Fabricacao De Arrefatos De Material Plastico Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 540	US\$ 540	-	25.00	US\$ 11	493	Associate
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Yantai, China	Manufacture and sale of mobile phone modules and design for assembly line	CNY 20,000	CNY 20,000	-	100.00	CNY 42,138	1,550	Subsidiary

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

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

Note 3: Please refer to Table 8 for information on investment in Mainland China.

(Concluded)

TABLE 8

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2017

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

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from January 1, 2017	Investment of Flows		Accumulated Outflow of Investment from March 31, 2017	Net Income (Losses) of Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of March 31, 2017	Accumulated Inward Remittance of Earnings as of March 31, 2017	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	\$ 496,592 (US\$ 16,400)	Note 1	\$ 862,041 (US\$ 28,469)	\$ -	\$ -	\$ 862,041 (US\$ 28,469)	\$ (3,159) (CNY -694)	100.00	\$ (3,159) (CNY -694)	\$ 402,157 (HK\$ 103,781)	\$ -	Note 3
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	658,587 (HK\$ 168,968)	Note 1	690,414 (US\$ 22,801)	-	-	690,414 (US\$ 22,801)	86,397 (CNY 18,980)	100.00	86,397 (CNY 18,980)	1,208,763 (HK\$ 310,122)	-	
	Lite-On Electronics (Tianjin) Co., Ltd.	ODM services	2,013,620 (US\$ 66,500)	Note 1	2,013,559 (US\$ 66,498)	-	-	2,013,559 (US\$ 66,498)	24,781 (CNY 5,444)	100.00	24,781 (CNY 5,444)	2,812,319 (HK\$ 721,333)	-	
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	1,071,912 (US\$ 35,400)	Note 1	1,071,912 (US\$ 35,400)	-	-	1,071,912 (US\$ 35,400)	261,144 (CNY 57,369)	100.00	261,144 (CNY 57,369)	1,651,241 (HK\$ 423,645)	-	Note 3
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	145,344 (US\$ 4,800)	Note 1	145,344 (US\$ 4,800)	-	-	145,344 (US\$ 4,800)	133,050 (CNY 29,229)	100.00	133,050 (CNY 29,229)	1,950,440 (HK\$ 500,408)	-	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	1,108,248 (US\$ 36,600)	Note 1	1,108,248 (US\$ 36,600)	-	-	1,108,248 (US\$ 36,600)	105,329 (CNY 23,139)	100.00	105,329 (CNY 23,139)	12,027,172 (HK\$ 3,085,710)	-	
	China Bridge (China) Co., Ltd.	Investment, sales agent	908,400 (US\$ 30,000)	Note 1	908,400 (US\$ 30,000)	-	-	908,400 (US\$ 30,000)	900,679 (CNY 29,745)	100.00	900,679 (CNY 29,745)	1,192,579 (HK\$ 305,970)	-	Note 3
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	429,068 (US\$ 14,170)	Note 1	429,068 (US\$ 14,170)	-	-	429,068 (US\$ 14,170)	107,841 (CNY 23,691)	100.00	107,841 (CNY 23,691)	1,432,370 (HK\$ 367,491)	-	
	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	743,677 (US\$ 24,560)	Note 1	743,677 (US\$ 24,560)	-	-	743,677 (US\$ 24,560)	37,267 (CNY 8,187)	100.00	37,267 (CNY 8,187)	659,269 (HK\$ 169,143)	-	
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	391,711 (HK\$ 100,498)	Note 1	348,220 (US\$ 11,500)	-	-	348,220 (US\$ 11,500)	37,267 (CNY 8,187)	100.00	37,267 (CNY 8,187)	659,269 (HK\$ 169,143)	-	Note 3
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer case	1,005,296 (US\$ 33,200)	Note 1	1,005,296 (US\$ 33,200)	-	-	1,005,296 (US\$ 33,200)	18,168 (CNY 4,000)	1.87	-	-	-	
	COMMIT Incorporated	Manufacture and sale of application software and multimedia product design	971,564 (US\$ 32,086)	Note 1	18,168 (US\$ 600)	-	-	18,168 (US\$ 600)	-	-	-	-	-	
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	478,727 (US\$ 15,810)	Note 1	478,727 (US\$ 15,810)	-	-	478,727 (US\$ 15,810)	-	100.00	-	-	-	Note 3
	Lite-On (Guangzhou) Infotech Co., Ltd.	Information outsourcing	38,456 (US\$ 1,270)	Note 1	70,976 (US\$ 2,344)	-	-	70,976 (US\$ 2,344)	3,596 (CNY 790)	100.00	3,596 (CNY 790)	160,008 (HK\$ 41,052)	-	
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	551,096 (US\$ 18,200)	Note 1	369,416 (US\$ 12,200)	-	-	369,416 (US\$ 12,200)	-	100.00	-	-	-	
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	90,840 (US\$ 3,000)	Note 1	90,840 (US\$ 3,000)	-	-	90,840 (US\$ 3,000)	(637) (CNY -140)	100.00	(637) (CNY -140)	86,533 (HK\$ 22,201)	-	Note 3
	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	363,360 (US\$ 12,000)	Note 1	403,824 (US\$ 13,336)	-	-	403,824 (US\$ 13,336)	5,198 (CNY 1,142)	100.00	5,198 (CNY 1,142)	392,876 (HK\$ 100,997)	-	
	Lite-On Technology (Xiangning) Co., Ltd.	Manufacture and sale of electronic components	196,820 (US\$ 6,500)	Note 1	196,820 (US\$ 6,500)	-	-	196,820 (US\$ 6,500)	7,260 (CNY 1,595)	100.00	7,260 (CNY 1,595)	220,226 (US\$ 7,273)	-	
	Lite-On Electronics (Jiangsu) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and precision instruments	4,572,280 (US\$ 151,000)	Note 1	4,572,280 (US\$ 151,000)	-	-	4,572,280 (US\$ 151,000)	115,075 (CNY 25,280)	100.00	115,075 (CNY 25,280)	6,956,291 (HK\$ 1,784,717)	-	Note 3
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	2,422,400 (US\$ 80,000)	Note 1	2,422,400 (US\$ 80,000)	-	-	2,422,400 (US\$ 80,000)	(214,586) (CNY -47,141)	100.00	(214,586) (CNY -47,141)	1,497,138 (HK\$ 384,108)	-	
	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of electronic components	333,080 (US\$ 11,000)	Note 1	333,080 (US\$ 11,000)	-	-	333,080 (US\$ 11,000)	1,916 (CNY 421)	100.00	1,916 (CNY 421)	415,684 (US\$ 13,728)	-	
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	483,626 (US\$ 15,972)	Note 1	483,626 (US\$ 15,972)	-	-	483,626 (US\$ 15,972)	73,237 (CNY 16,089)	100.00	73,237 (CNY 16,089)	806,263 (HK\$ 206,856)	-	Note 3
	Changzhou Leontek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	30,280 (US\$ 1,000)	Note 1	30,280 (US\$ 1,000)	-	-	30,280 (US\$ 1,000)	(4,748) (CNY -1,043)	100.00	(4,748) (CNY -1,043)	9,637 (CNY 2,189)	-	
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	1,302,040 (US\$ 43,000)	Note 1	1,302,040 (US\$ 43,000)	-	-	1,302,040 (US\$ 43,000)	(49,576) (CNY -10,891)	100.00	(49,576) (CNY -10,891)	2,031,001 (US\$ 67,074)	-	

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2017	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of March 31, 2017	Accumulated Inward Remittance of Earnings as of March 31, 2017	Note
						Outflow	Inflow							
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	\$ 60,560 (US\$ 2,000)	Note 1	\$ 60,560 (US\$ 2,000)	\$ -	\$ -	\$ -	\$ 10,401 (CNY 2,285)	100.00	\$ 10,401 (CNY 2,285)	\$ 139,106 (US\$ 4,594)	\$ -	
	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	1,665,400 (US\$ 55,000)	Note 1	1,665,400 (US\$ 55,000)	-	-	1,665,400 (US\$ 55,000)	79,228 (CNY 17,405)	100.00	79,228 (CNY 17,405)	3,641,140 (US\$ 120,249)	-	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	187,736 (US\$ 6,200)	Note 1	177,744 (US\$ 5,870)	-	-	177,744 (US\$ 5,870)	32,123 (CNY 7,057)	100.00	32,123 (CNY 7,057)	1,327,483 (HK\$ 340,581)	-	
	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	151,400 (US\$ 5,000)	Note 1	151,400 (US\$ 5,000)	-	-	151,400 (US\$ 5,000)	21,768 (CNY 4,782)	100.00	21,768 (CNY 4,782)	591,468 (HK\$ 151,748)	-	
	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	190,991 (US\$ 6,308)	Note 1	123,209 (US\$ 4,069)	-	-	123,209 (US\$ 4,069)	1,634 (CNY 359)	100.00	1,634 (CNY 359)	628,704 (US\$ 20,763)	-	
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	29,332 (US\$ 969)	Note 1	1,968 (US\$ 65)	-	-	1,968 (US\$ 65)	569 (CNY 125)	100.00	569 (CNY 125)	59,076 (US\$ 1,951)	-	
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	2,149,880 (US\$ 71,000)	Note 1	2,149,880 (US\$ 71,000)	-	-	2,149,880 (US\$ 71,000)	89,433 (CNY 19,647)	100.00	89,433 (CNY 19,647)	2,338,100 (US\$ 77,216)	-	
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	181,680 (US\$ 6,000)	Note 1	-	-	-	-	1,215 (CNY 267)	100.00	1,215 (CNY 267)	369,991 (US\$ 12,219)	-	
	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	484,480 (US\$ 16,000)	Note 1	1,585,582 (US\$ 52,364)	-	-	1,585,582 (US\$ 52,364)	(31,714) (CNY -6,967)	100.00	(31,714) (CNY -6,967)	786,099 (US\$ 25,961)	-	
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	592,580 (US\$ 19,570)	Note 1	2,744,186 (US\$ 90,627)	-	-	2,744,186 (US\$ 90,627)	13,415 (CNY 2,947)	100.00	13,415 (CNY 2,947)	1,731,532 (US\$ 57,184)	-	
	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	1,214,228 (US\$ 40,100)	Note 1	3,492,859 (US\$ 115,352)	-	-	3,492,859 (US\$ 115,352)	(106,303) (CNY -23,353)	100.00	(106,303) (CNY -23,353)	4,167,467 (US\$ 137,631)	-	
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	249,453 (HK\$ 64,000)	Note 1	395,184 (US\$ 13,051)	-	-	395,184 (US\$ 13,051)	(42,192) (CNY -9,269)	100.00	(42,192) (CNY -9,269)	287,418 (US\$ 9,492)	-	
	Zhuohai Lite-On Mobile Technology Company Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	2,551,607 (CNY 579,595)	Note 1	470,218 (US\$ 15,529)	-	-	470,218 (US\$ 15,529)	(219,566) (CNY -48,235)	100.00	(219,566) (CNY -48,235)	888,497 (CNY 201,821)	-	
	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	302,800 (US\$ 10,000)	Note 1	196,820 (US\$ 6,500)	-	-	196,820 (US\$ 6,500)	205 (CNY 45)	100.00	205 (CNY 45)	(15,594) (US\$ -515)	-	
	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	22,710 (US\$ 750)	Note 1	22,710 (US\$ 750)	-	-	22,710 (US\$ 750)	(496) (CNY -109)	100.00	(496) (CNY -109)	(5,965) (US\$ -197)	-	
	Changzhou Bihuo Thin Film Solar Greenhouse Co., Ltd.	Manufacture and sale of solar energy engineering	263,924 (CNY 59,950)	Note 1	90,749 (US\$ 2,997)	-	-	90,749 (US\$ 2,997)	-	19.90	-	4,239 (US\$ 140)	-	
	Epcrystal (Changzhou) Co., Ltd.	Manufacture, design and sale of light-emitting diode products	4,390,600 (US\$ 145,000)	Note 1	817,560 (US\$ 27,000)	-	-	817,560 (US\$ 27,000)	52,866 (CNY 11,614)	21.55	11,394 (CNY 2,503)	847,524 (CNY 192,314)	-	
	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	60,560 (US\$ 2,000)	Note 1	60,560 (US\$ 2,000)	-	-	60,560 (US\$ 2,000)	32 (CNY 7)	100.00	32 (CNY 7)	94,057 (CNY 21,365)	-	
Philip & Lite-On Digital Solutions Corp.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	30,280 (US\$ 1,000)	Note 1	30,280 (US\$ 1,000)	-	-	30,280 (US\$ 1,000)	3,264 (CNY 717)	100.00	3,264 (CNY 717)	467,447 (CNY 103,939)	-	
Slitech Technology Corp.	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of automotive parts, touch panels and plastic & rubber assembly	84,941 (US\$ 2,800)	Note 1	203,354 (US\$ 7,000)	-	-	203,354 (US\$ 7,000)	(19,520) (CNY -4,303)	100.00	(19,520) (CNY -4,303)	844,644 (CNY 191,756)	-	
	Slitech Technology (Suzhou) Co., Ltd.	Manufacture and sale of automotive parts	2,366,208 (US\$ 78,000)	Note 1	2,366,208 (US\$ 78,000)	-	-	2,366,208 (US\$ 78,000)	(18,930) (CNY -4,173)	100.00	(18,930) (CNY -4,173)	1,565,369 (CNY 355,379)	59,149 (CNY 13,039)	
	Suzhou Xulong Mold Producing Co., Ltd.	Development, manufacture and sale of precision modules and new-type electronic components (chip components, testing elements, hybrid integrated circuits)	136,512 (US\$ 4,500)	Note 1	-	-	-	-	14 (CNY 3)	60.00	9 (CNY 2)	1,771 (CNY 402)	-	

Investor Company	Accumulated Investment in Mainland China as of March 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Lite-On Technology Corporation	\$34,297,520 (US\$1,132,679)	\$38,031,686 (US\$1,189,950)	Note 4
Philip & Lite-On Digital Solutions Corp.	\$30,280 (US\$1,000)	\$30,280 (US\$1,000)	\$356,458 (Note 5)
Slitech Technology Corp.	\$2,660,570 (US\$88,905) (NT\$203,354)	\$2,809,368 (US\$85,905) (US\$203,354)	\$7,468,807 (Note 6)

(Continued)

- Note 1: Indirect investment in Mainland China through holding companies.
- Note 2: The financial statements used as basis for calculating the investment amounts were all unaudited, except those of Silitech Technology (Suzhou) Co., Ltd., Xurong Electronic (Shenzhen) Co., Ltd., Lite-On Electronics (Guangzhou) Co., Ltd., Lite-On Opto Technology (Changzhou) Co., Ltd., Guangzhou Lite-On Mobile Electronic Components Co., Ltd., Zhuhai Lite-On Mobile Technology Company Ltd.
- Note 3: Lite-On Electronics (Guangzhou) Co., Ltd. merged with Lite-On Tech (Guangzhou) Co., Ltd., Lite-On (Guangzhou) Precision Tooling Co., Ltd., Lite-On Communications (Guangzhou) Co., Ltd. and Lite-On Elec and Wire (Guangzhou) Co., Ltd. as the survivor entity. Because the merging process was still under way as of March 31, 2017, the change in the amount of investment in Mainland China has not yet been registered with the Ministry of Economic Affairs.
- Note 4: Under Order No. 09704604680 and Order No. 10420404350 issued by the Ministry of Economic Affairs, R.O.C. on August 29, 2008 and February 16, 2015, respectively, the Parent Company acquired a certification-approved by the Industrial Development Bureau and valid from February 9, 2015 to February 8, 2018 - of its status as operation headquarters in the ROC. Thus, the Parent Company has no limitation on the amount of investing in Mainland China.
- Note 5: Calculated based on 60% of Philip & Lite-On Digital Solutions Corp.'s net worth.
- Note 6: Calculated based on 60% of Silitech Technology Corp.'s net worth or consolidated net worth, whichever is higher, plus accumulated inward remittance of share capital or earnings from subsidiaries in China as of March 31, 2017.

(Concluded)

TABLE 9

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2017

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			% of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statements Item	Amount	Terms	
0	Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp. Philip & Lite-On Digital Solutions Corp. Lite-On Singapore Pte. Ltd. Lite-On Singapore Pte. Ltd. Lite-On Singapore Pte. Ltd. Lite-On Trading USA, Inc. Li Shin International Enterprise Corp. Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	a. a. a. a. a. a. a. a. a.	Sales Accounts receivable Sales Purchases Accounts payable Sales Purchases Purchases Accounts payable	\$ 4,976,611 5,866,744 692,977 4,647,545 6,164,971 1,097,122 599,037 19,346,588 18,537,168	Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing	10 3 1 9 3 2 1 38 10
1	Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions USA Inc.	c.	Sales	1,616,663	Cost-plus pricing	3
2	Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	c.	Sales	3,272,522	Cost-plus pricing	6
3	Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	806,608	Cost-plus pricing	2
4	Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Sales	2,091,843 1,677,679	Cost-plus pricing Cost-plus pricing	4 3
5	Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	2,879,681	Cost-plus pricing	6
6	Sillitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	1,973,425	Cost-plus pricing	4
7	Dong Guan G-Tech Computers Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	672,335	Cost-plus pricing	1
8	DongGuan G-Pro Computer Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	2,471,857	Cost-plus pricing	5
9	Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Accounts receivable	7,241,746 6,514,660	Cost-plus pricing Cost-plus pricing	14 3
10	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	530,687	Cost-plus pricing	1
11	Lite-On IT Opto Tech (BH) Co., Ltd.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Accounts receivable	3,690,269 2,534,309	Cost-plus pricing Cost-plus pricing	7 1

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			% of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statements Item	Amount	Terms	
12	Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	\$ 858,418	Cost-plus pricing	2
13	Lite-On Singapore Pte. Ltd.	Lite-On Technology (Shanghai) Ltd. Lite-On Electronics H.K. Ltd. Lite-On Trading USA, Inc.	c. c. c.	Sales Sales Sales	833,024 575,133 1,147,658	Cost-plus pricing Cost-plus pricing Cost-plus pricing	2 1 2
14	Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited Lite-On Network Communication (Dongguan) Limited Lite-On Technology (Changzhou) Co., Ltd. Lite-On Technology (Changzhou) Co., Ltd. Lite-On Electronics (Dongguan) Co., Ltd. Silitek Elec. (Dongguan) Co., Ltd. DongGuan G-Pro Computer Co., Ltd. Lite-On Electronics (Guangzhou) Co., Ltd. Lite-On Electronics (Guangzhou) Co., Ltd. Lite-On IT Opto Tech (BH) Co., Ltd. Lite-On IT Opto Tech (BH) Co., Ltd. Lite-On Singapore Pte. Ltd. Lite-On Singapore Pte. Ltd.	c. c. c. c. c. c. c. c. c. c. c. c. c.	Sales Accounts receivable Sales Accounts receivable Sales Sales Sales Accounts receivable Sales Accounts receivable Accounts receivable Accounts receivable	2,915,783 2,030,281 2,363,247 3,381,739 2,251,252 1,502,606 2,126,922 10,947,405 11,737,053 3,373,107 4,428,219 4,939,381 2,013,349	Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing	6 1 5 2 4 3 4 21 6 7 2 10 1

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

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

Note 2: Nature of relationship is as follows:

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

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to consolidated total assets as of March 31, 2017. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2017.

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

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

(Concluded)