LUXNET CORPORATION
AND SUBSIDIARIES

Consolidated Financial Statements

March 31, 2016 and 2015
(With Independent Auditors' Report Thereon)

Independent Auditors' Report

The Board of Directors
LuxNet Corporation:

We have reviewed the accompanying consolidated balance sheets of LuxNet Corporation and its subsidiaries as of March 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three months ended March 31, 2016 and 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our reviews.

Except as described in the following paragraph, we conducted our reviews in accordance with Statement on Auditing Standards No. 36 "Engagements to Review Financial Statements". Those guidelines require that we plan and perform the review, consisting principally of applying analytical procedures to financial data and 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, with the objective of expressing an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Also included in the accompanying consolidated financial statements are the financial statements of certain subsidiaries, which were not reviewed by independent auditors. The total assets of these subsidiaries amounted to NT$82,571 thousand and NT$230,887 thousand, constituting 2% and 8% of the total consolidated assets, as of March 31, 2016 and 2015, respectively. The total liabilities amounted to NT$21,414 thousand and NT$86,213 thousand, constituting 1% and 6% of the total consolidated liabilities, as of March 31, 2016 and 2015, respectively. The comprehensive income amounted to a loss of NT$3,120 thousand and NT$13,026 thousand, constituting 3% and 16% of the total consolidated comprehensive income, for the three months ended March 31, 2016 and 2015, respectively.

Based on our reviews, except for the effects of the adjustments, if any, that might have emerged had the financial statements of the said consolidated subsidiaries been reviewed by independent auditors, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements described in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”, which was endorsed by the Financial Supervisory Commission.

May 11, 2016

Note to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations, and consolidated cash flows in accordance with the Guidelines Governing the Preparation of Financial Report by Securities Issuers and IAS 34 Interim Financial Reporting as endorsed by the Financial Supervisory Commission in the Republic of China and not those of any other jurisdictions. The standards, procedures, and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors’ report and financial statements, the Chinese version shall prevail.

LUXNET CORPORATION AND SUBSIDIARIES

As of March 31, 2016 and 2015 reviewed only, not audited in accordance with generally accepted auditing standards

Consolidated Balance Sheets

March 31, 2016, and December 31 and March 31, 2015
(expressed in thousands of New Taiwan dollars)

	March 31, 2016		December 31, 2015		March 31, 2015	
Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current assets:						
Cash and cash equivalents (note 6(a))	$ 618,029	15	612,901	16	82,915	3
Notes and accounts receivable, net (note 6(b))	1,174,495	29	1,224,716	31	849,434	29
Accounts receivable – related parties, net (notes 6(b) and 7)	89,474	2	95,503	2	104,893	4
Inventories, net (note 6(c))	724,226	18	621,430	16	610,708	21
Prepaid expenses	5,498	-	4,973	-	7,390	-
Other current assets (note 6(b))	45,300	1	36,926	1	45,799	1
	2,657,022	65	2,596,449	66	1,701,139	58
Non-current assets:						
Property, plant and equipment (notes 6(d) & (t) and 8)	1,259,184	31	1,231,564	31	1,144,615	39
Intangible assets	22,198	1	25,034	1	33,786	1
Other non-current assets (note 6(t))	144,442	3	99,448	2	48,029	2
	1,425,824	35	1,356,046	34	1,226,430	42
Total assets	**$ 4,082,846**	**100**	**3,952,495**	**100**	**2,927,569**	**100**

	March 31, 2016		December 31, 2015		March 31, 2015	
Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current liabilities:						
Short-term borrowings (notes 6(f) and 8)	$ 70,000	2	22,000	1	399,360	14
Notes and accounts payable	794,070	19	767,042	19	561,309	19
Accounts payable – related parties (note 7)	3,823	-	2,306	-	5,847	-
Accrued expenses and other payables	311,746	8	377,438	10	171,577	6
Other current liabilities	37,298	1	22,205	1	10,305	-
	1,216,937	30	1,190,991	31	1,148,398	39
Non-current liabilities:						
Bonds payable (note 6(h))	761,536	19	758,124	19	-	-
Long-term borrowings (notes 6(g) and 8)	-	-	-	-	220,000	8
Other non-current liabilities (notes 6(e) & (h))	13,817	-	14,010	-	11,303	-
	775,353	19	772,134	19	231,303	8
Total liabilities	1,992,290	49	1,963,125	50	1,379,701	47
Equity attributable to stockholders of parent:						
Common stock (note 6(l))	743,588	18	743,719	19	672,469	23
Capital surplus (note 6(h))	456,599	11	457,209	11	399,559	14
Retained earnings (note 6(l))	902,500	22	803,149	20	478,601	16
Other equity	(12,131)	-	(14,707)	-	(2,761)	-
Total equity	2,090,556	51	1,989,370	50	1,547,868	53
Total liabilities and equity	**$ 4,082,846**	**100**	**3,952,495**	**100**	**2,927,569**	**100**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2016 and 2015

(expressed in thousands of New Taiwan dollars, except earnings per share)

	For the three months ended March31,			
	2016		2015	
	Amount	%	Amount	%
Operating revenue (note 7)	$ 1,038,515	100	955,996	100
Operating cost (notes 6(c), (j), (l), (m) & (o), 7 and 12)	792,584	76	765,002	80
Gross profit	245,931	24	190,994	20
Operating expenses (notes 6(j), (l), (m) & (o), 7 and 12):				
Selling expenses	14,136	2	11,044	1
Administrative expenses	51,595	5	45,341	5
Research and development expenses	31,651	3	25,019	3
	97,382	10	81,404	9
Net operating income	148,549	14	109,590	11
Non-operating income and expenses:				
Other gains and losses (note 6(p))	(24,902)	(2)	(7,064)	(1)
Finance costs (note 6(h))	(3,595)	-	(2,230)	-
Interest revenue	135	-	26	-
	(28,362)	(2)	(9,268)	(1)
Income before income taxes	120,187	12	100,322	10
Income tax expense (note 6(k))	20,842	2	17,055	2
Net income	99,345	10	83,267	8
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operation's financial statements	(251)	-	(307)	-
Less: income tax relating to components of other comprehensive income (note 6(k))	43	-	52	-
	(208)	-	(255)	-
Comprehensive income	**$ 99,137**	**10**	**83,012**	**8**
Earnings per share (note 6(n)):				
Basic earnings per share (NT dollars)	**$ 1.35**		**1.13**	
Diluted earnings per share (NT dollars)	**$ 1.20**		**1.12**	

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2016 and 2015

(expressed in thousands of New Taiwan dollars)

	Common stock	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Exchange differences on translation of foreign operation's financial statements	Unearned employee compensation	Total equity
Balance on January 1, 2015	$ 672,709	399,789	44,968	350,356	395,324	2,976	(6,809)	1,463,989
Net income	-	-	-	83,267	83,267	-	-	83,267
Other comprehensive income	-	-	-	-	-	(255)	-	(255)
Comprehensive income	-	-	-	83,267	83,267	(255)	-	83,012
Amortization of restricted stock	-	-	-	-	-	-	1,327	1,327
Retirement of restricted stock	(240)	(230)	-	10	10	-	-	(460)
Balance on March 31, 2015	**$ 672,469**	**399,559**	**44,968**	**433,633**	**478,601**	**2,721**	**(5,482)**	**1,547,868**
Balance on January 1, 2016	$ 743,719	457,209	66,655	736,494	803,149	2,584	(17,291)	1,989,370
Net income	-	-	-	99,345	99,345	-	-	99,345
Other comprehensive income	-	-	-	-	-	(208)	-	(208)
Comprehensive income	-	-	-	99,345	99,345	(208)	-	99,137
Amortization of restricted stock	-	-	-	-	-	-	2,421	2,421
Retirement of restricted stock	(131)	(610)	-	6	6	-	363	(372)
Balance on March 31, 2016	**$ 743,588**	**456,599**	**66,655**	**835,845**	**902,500**	**2,376**	**(14,507)**	**2,090,556**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2016 and 2015

(expressed in thousands of New Taiwan dollars)

		For the three months ended March 31,	
		2016	2015
Cash flows from operating activities:			
Income before income taxes	$	120,187	100,322
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation and amortization		47,092	36,793
Provision for bad debt allowance and losses related to inventories		24,932	13,442
Compensation cost of share-based payment		2,421	1,327
Net profit on financial liabilities at fair value through profit or loss		-	(1,438)
Interest expenses		3,595	2,230
Interest revenue		(135)	(26)
Total adjustments to reconcile profit		77,905	52,328
Changes in operating assets and liabilities:			
Notes and accounts receivable		52,966	(83,640)
Inventories		(124,444)	9,788
Prepaid expenses and other current assets		(8,927)	(859)
Changes in operating assets		(80,405)	(74,711)
Notes and accounts payable		28,545	4,183
Accrued expenses and other payables		(86,542)	(25,828)
Other		14,940	(852)
Changes in operating liabilities		(43,057)	(22,497)
Changes in operating assets and liabilities		(123,462)	(97,208)
Adjustments		(45,557)	(44,880)
Cash flows from operations		74,630	55,442
Interest received		163	26
Interest paid		(175)	(2,044)
Income taxes paid		-	-
Net cash flows provided by operating activities		74,618	53,424
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(58,391)	(103,675)
Increase in prepayment for equipment		(55,198)	(15,681)
Acquisition of other non-current assets		(3,422)	(4,282)
Net cash flows used in investing activities		(117,011)	(123,638)
Cash flows from financing activities:			
Increase in short-term borrowings		48,000	17,120
Increase in long-term borrowings		-	40,000
Other		(371)	-
Net cash flows provided by financing activities		47,629	57,120
Effect of foreign currency exchange rate changes		(108)	(65)
Net increase (decrease) in cash and cash equivalents		5,128	(13,159)
Cash and cash equivalents at beginning of period		612,901	96,074
Cash and cash equivalents at end of period	**$**	**618,029**	**82,915**

See accompanying notes to consolidated financial statements.

(expressed in thousands of New Taiwan dollars unless otherwise specified)

(1) Organization

LuxNet Corporation ("the Company") was incorporated on November 15, 2001, and registered under the Ministry of Economic Affairs, ROC. The address of the Company's registered office is No. 6, Hejiang Road, Zhongli, Taoyuan.

The major business activities of the Company and its subsidiaries (together referred to as "the Group") were the manufacturing, processing and sale of electronic components and active components for optical communication and the retail sale of electronic materials.

The Company's common shares were listed on the Taipei Exchange ("TPEx") on December 12, 2011.

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the board of directors on May 11, 2016.

(3) New Standards and Interpretations Not Yet Adopted

(a) New standards, amendments and interpretations not yet endorsed by the Financial Supervisory Commission

A summary of the 2013 Version of IFRSs issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the Financial Supervisory Commission ("FSC") is as follows:

New standards, amendments and interpretations	Effective date per IASB
Amended IFRS 15 "Clarification of IFRS 15"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019

The Group is in the process of assessing the impact on the financial position and operating results. The related impact will be disclosed following the completion of its assessments.

The assessments of new standards, amendments and interpretations yet to be adopted by the Group are consistent with note 3 to the consolidated financial statements for the year ended December 31, 2015.

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(4) Summary of Significant Accounting Policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and the guidelines of IAS 34 "Interim Financial Reporting", which were endorsed by the FSC. These consolidated financial statements do not include all of the information required by the International Financial Reporting Standards, the International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC ("the IFRS endorsed by the FSC") for the annual financial statements.

Except as described in the following paragraph, the significant accounting policies adopted in the preparation of the consolidated financial statement are applied consistently with those of the consolidated financial statements for the year ended December 31, 2015. For other related information, please refer to note 4 to the consolidated financial statements for the year ended December 31, 2015.

(b) Basis of consolidation

Except as described in note 3(a), the principles of preparation of the consolidated financial statement are consistent with the consolidated financial statements for the year ended December 31, 2015. Please refer to note 4(c) to the consolidated financial statements for the year ended December 31, 2015, for further information.

The details of the subsidiaries included in the consolidated financial statements are as follows:

			Percentage of shareholding		
Name of investor	**Name of subsidiary**	**Principal activities**	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**
The Company	Toplight Corporation (Toplight)	Holding company	100%	100%	100%
Toplight	Toptrans Corporation Limited (Toptrans)	Holding company	100%	100%	100%
Toptrans	Toptrans (Suzhou) Corporation Limited (Toptrans Suzhou)	Electronic components manufacturing	100%	100%	100%

(c) Income taxes

Tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting".

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Income tax expense for the period is best estimated by multiplying the profit before tax for the reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

If tax expense is recognized directly in equity or other comprehensive income, temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation.

(d) Employee benefits

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

(5) Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

The preparation of the consolidated financial statements in conformity with IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of the consolidated financial statements, the major sources of significant accounting assumptions, judgments and estimation uncertainty are consistent with note 5 to the consolidated financial statements for the year ended December 31, 2015.

(6) Explanation of Significant Accounts

Except as described in the following paragraph, there were no significant changes between the explanation of the significant accounts and those of the consolidated financial statements for the year ended December 31, 2015. Please refer to note 6 to the consolidated financial statements for the year ended December 31, 2015, for further information.

(Continued)

Reviewed only, not audited in accordance with generally accepted auditing standards
LUXNET CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(a) Cash and cash equivalents

	March 31, 2016	December 31, 2015	March 31, 2015
Cash on hand	$ 628	813	705
Demand deposits	615,412	612,088	82,210
Time deposits	1,989	-	-
Cash and cash equivalents in consolidated statement of cash flows	$ 618,029	612,901	82,915

(b) Notes and accounts receivable, and other receivables

	March 31, 2016	December 31, 2015	March 31, 2015
Notes receivable	$ 147	147	11,690
Accounts receivable	1,269,070	1,322,036	942,810
Other receivables	62	29	9,379
Less: allowance for doubtful accounts	(5,248)	(1,964)	(173)
	$ 1,264,031	1,320,248	963,706

The Group did not provide any of the aforementioned notes and accounts receivable, and other receivables as collateral. The aforementioned notes and accounts receivable, and other receivables were not discounted because the due date was less than a year. The book value is assumed to approximate the fair value.

The Group recognized impairment loss on notes and accounts receivable using collective assessment methods. The movement in the allowance for notes and accounts receivable and other receivables was as follows:

	For the three months ended March 31,	
	2016	2015
Balance on January 1	$ 1,964	419
Recognition (reversal) of impairment loss	3,284	(246)
Balance on March 31	$ 5,248	173

(Continued)

Reviewed only, not audited in accordance with generally accepted auditing standards
LUXNET CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(c) Inventories

	March 31, 2016	December 31, 2015	March 31, 2015
Raw materials	$ 246,653	200,921	224,003
Work in process	296,111	270,931	221,866
Finished goods	181,462	149,578	164,839
	$ 724,226	621,430	610,708

For the three months ended March 31, 2016 and 2015, the Group recognized the following items as cost of goods sold:

	For the three months ended March 31, 2016	2015
Losses on inventory valuation and obsolete inventories	$ 21,648	13,688
Revenue from sale of scrap	-	(2,198)
	$ 21,648	11,490

As of March 31, 2016, December 31, 2015, and March 31, 2015, the Group did not provide any of the aforementioned inventory as collateral.

(d) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for the three months ended March 31, 2016 and 2015, were as follows:

	Land	Buildings and construction	Machinery and equipment	Office and other equipment	Construction in progress	Total
Cost or deemed cost:						
Balance on January 1, 2016	$ 247,696	353,346	1,004,875	31,954	-	1,637,871
Additions	-	2,828	54,776	787	-	58,391
Reclassifications	-	-	5,935	-	-	5,935
Effect of movements in exchange rates	-	-	(200)	(138)	-	(338)
Balance on March 31, 2016	$ 247,696	356,174	1,065,386	32,603	-	1,701,859
Balance on January 1, 2015	$ 247,696	353,346	693,636	25,521	-	1,320,199
Additions	-	-	103,181	-	-	103,181
Reclassifications	-	-	34,573	-	-	34,573
Disposals	-	-	(734)	-	-	(734)
Effect of movements in exchange rates	-	-	(307)	(200)	-	(507)
Balance on March 31, 2015	$ 247,696	353,346	830,349	25,321	-	1,456,712

(Continued)

Reviewed only, not audited in accordance with generally accepted auditing standards
LUXNET CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

		Land	Buildings and construction	Machinery and equipment	Office and other equipment	Construction in progress	Total
Depreciation:							
Balance on January 1, 2016	$	-	32,420	356,594	17,293	-	406,307
Depreciation		-	3,085	32,022	1,460	-	36,567
Effect of movements in exchange rates		-	-	(104)	(95)	-	(199)
Balance on March 31, 2016	$	-	35,505	388,512	18,658	-	442,675
Balance on January 1, 2015	$	-	20,597	251,494	12,494	-	284,585
Depreciation		-	2,956	24,428	1,109	-	28,493
Disposals		-	-	(734)	-	-	(734)
Effect of movements in exchange rates		-	-	(137)	(110)	-	(247)
Balance on March 31, 2015	$	-	23,553	275,051	13,493	-	312,097
Carrying amounts:							
Balance on January 1, 2016	$	247,696	320,926	648,281	14,661	-	1,231,564
Balance on March 31, 2016	$	247,696	320,669	676,874	13,945	-	1,259,184
Balance on January 1, 2015	$	247,696	332,749	442,142	13,027	-	1,035,614
Balance on March 31, 2015	$	247,696	329,793	555,298	11,828	-	1,144,615

As of March 31, 2016, December 31, 2015, and March 31, 2015, property, plant and equipment of the Group had been pledged as collateral for short-term and long-term borrowings and credit lines; please refer to note 8.

(e) Financial liabilities reported at fair value through profit or loss

		2016.3.31	2015.12.31	2015.3.31
Redemption of bonds payable at the option of the Company and the bondholders (recorded as other non-current liabilities)	$	2,800	2,800	-

Since the Group entered into forward contracts, for the three months ended March 31, 2015, gain on valuation of financial liabilities due to change in fair value was $1,438. Please refer to note 6(q). There were no such contracts for the three months ended March 31, 2016. In addition, the financial liabilities reported at fair value through profit or loss listed above are embedded derivative components of convertible bonds; please refer to note 6(h).

Reviewed only, not audited in accordance with generally accepted auditing standards

LUXNET CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(f) Short-term borrowings

The details were as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Unsecured bank loans	$ 30,000	22,000	364,360
Secured bank loans	40,000	-	35,000
Total	$ 70,000	22,000	399,360
Unused credit lines	$ 1,051,864	931,727	662,816
Annual interest rates	1.10%~1.13%	1.08%~1.61%	1.10%~1.61%

Please refer to note 8 for further information on assets pledged as collateral.

(g) Long-term borrowings

The details were as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Unsecured bank loans	$ -	-	100,000
Secured bank loans	-	-	120,000
Less: current portion	-	-	-
Total	$ -	-	220,000
Unused credit lines	$ 470,000	470,000	250,000
Annual interest rates	-	-	1.59%~1.62%

1. Please refer to note 8 for further information on assets pledged as collateral.

2. The Company signed a long-term loan contract with Fubon Bank in September 2014. The credit line is $100,000. The contract period expires three years after the first use. The principal is amortized in eight installments from two years before the expiration date. The Company has to maintain the following financial ratios calculated based on the Company's semi-annual audited (reviewed) consolidated financial statements: (1) a current ratio of not less than 100%; (2) a financial debt ratio of not greater than 125%; (3) an interest coverage ratio of not less than 1000%; and (4) tangible stockholders' equity of not less than $1,000,000. If the Company violates the financial covenants, the banks have the right to add 0.25% to the interest rate from the next interest calculation date. If the Company violates the financial covenants twice, the banks have the right to rearrange the credit line. According to the contract, the Company should transfer business transaction cash flow from specific customers to the Fubon Bank account every quarter. The Company prepaid the loan in June 2015.

(Continued)

Reviewed only, not audited in accordance with generally accepted auditing standards
LUXNET CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

3. The Company signed a long-term loan contract with Fubon Bank in June 2015. The credit line is $100,000. The contract period expires two years after the first use. The principal is to be repaid on the expiration date. The Company has to maintain the following financial ratios calculated based on the Company's semi-annual audited (reviewed) consolidated financial statements: (1) a current ratio of not less than 100%; (2) a debt ratio of not greater than 125%; (3) an interest coverage ratio of not less than 1000%; and (4) tangible stockholders' equity of not less than $1,000,000. If the Company violates the financial covenants, the banks have the right to add 0.25% to the interest rate from the next interest calculation date. If the Company violates the financial covenants twice, the banks have the right to rearrange the credit line. According to the contract, the Company should transfer business transaction cash flow from specific customers to the Fubon Bank account every quarter. The Company prepaid the loan in December 2015.

4. The Company signed a long-term loan contract with CTBC Bank in July 2015. The credit line is $320,000. The contract period of the loan expires two years after the first use. The principal is to be repaid on the expiration date. The Company has to maintain the following financial ratios calculated based on the Company's semi-annual audited (reviewed) consolidated financial statements: (1) a current ratio of not less than 110%; (2) stockholders' equity of not less than $1,200,000; and (3) a self-owned capital ratio of not less than 45%. If the Company violates the financial covenants, the banks have the right to increase the interest rate from the next interest calculation date. According to the contract, the Company should transfer business transaction cash flow from specific customers to the CTBC Bank account every half-year. The Company prepaid the loan in December 2015.

(h) Convertible bonds payable

		March 31, 2016	December 31, 2015
Aggregate principal amount	$	800,000	800,000
Unamortized discount		(38,464)	(41,876)
Accumulated converted amount		-	-
Ending balance of bonds payable		761,536	758,124
Less: Bonds payable – current		-	-
Ending balance of bonds payable – non-current	$	761,536	758,124
Embedded derivative component – the value of redemption at the option of the Company/bondholders (recorded as other non-current liabilities)	$	(2,800)	(2,800)
Equity component (recorded as capital surplus – stock option)	$	34,656	34,656

(Continued)

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		For the three months ended March 31, 2016
Embedded derivative component – revaluation loss on redemption at the option of the Company/bondholders (recorded as other gains and losses)	$	-
Interest expense (recorded as finance cost)	$	3,412

The offering information on the unsecured convertible bonds was as follows:

	1st domestic unsecured convertible bonds
Offering amount	NT$800,000 thousand
Issue date	December 22, 2015
Issuance price	At par value
Face interest rate	0%
Issue period	December 22, 2015, to December 22, 2018
Redemption at the option of the Company	The Group may redeem the bonds within 5 trading days after the bonds' recovery reference date with cash at a 1.5% yield rate at any time from January 22, 2016, to November 12, 2018, if the closing price of the common shares on the TPEx on each trading day during a period of 30 consecutive trading days exceeds 30% of the conversion price or if the amount of unconvertible bonds is less than 10% of the offering amount.
Redemption at the option of the Holder	Each Holder has the right to require the Group to redeem the Holder's bonds on December 22, 2017, at a redemption price equal to the principal amount of the bonds with a yield-to-maturity of 0.5% per annum.
Conversion period	Each Holder of the bonds has the right at any time during the period from January 22, 2016, to the maturity date of the bond to convert their bonds.
Conversion price on March 31, 2016 (note)	NT$79.0

Note: The conversion price will be subject to adjustment in accordance with the conversion formula when the Group increases its capital or upon the occurrence of certain events involving the convertible bonds payable.

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(i) Operating lease

In the three months ended March 31, 2016 and 2015, the Group did not sign significant new operating lease contracts. Please refer to note 6(i) to the consolidated financial statements for the year ended December 31, 2015, for further information.

(j) Employee benefits

1. Defined benefit plans

There was no material volatility of the market, reimbursement, settlement or other material one-time events in the prior fiscal year. As a result, the pension cost in the financial statements was measured and disclosed as of December 31, 2015 and 2014.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31,	
	2016	**2015**
Administrative expenses	**$ 39**	**44**

2. Defined contribution plans

The pension costs under defined contribution plans were as follows:

	For the three months ended March 31	
	2016	**2015**
Operating cost	$ 3,173	2,312
Selling expenses	240	257
Administrative expenses	724	556
Research and development expenses	606	633
	$ 4,743	**3,758**

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(k) Income taxes

1. The amounts of income tax expenses were as follows:

	For the three months ended March 31	
	2016	**2015**
Current tax expense	$ 20,842	17,055

2. For the three months ended March 31, 2016 and 2015, there was no income tax recognized in equity.

3. The amounts of income tax benefit recognized in other comprehensive income were as follows:

	For the three months ended March 31	
	2016	**2015**
Exchange differences on translation of foreign operations' financial statements	$ (43)	(52)

4. The Company's income tax returns have been examined by the tax authority through the years up to 2013.

5. Information related to the unappropriated earnings and tax deduction ratio is summarized below:

	March 31, 2016	**December 31, 2015**	**March 31, 2015**
Unappropriated earnings in 1998 and after	$ 835,845	736,494	433,633
Balance of imputation credit account	$ 73,796	73,796	44,480

	2015 (estimated)	**2014 (actual)**
Creditable ratio for earnings distribution to ROC resident stockholders	$ 22.51%	24.11%

The above information was prepared in accordance with information letter No. 10204562810 issued by the Ministry of Finance, ROC, on October 17, 2013.

(Continued)

(l) Capital and other equity

Except for the following paragraph, there were no significant changes between the capital and other equity for the three months ended March 31, 2016 and 2015. Please refer to note 6(l) to the consolidated financial statements for the year ended December 31, 2015, for further information.

1. Common stock

Based on the resolution approved in the board meeting held on March 2, 2016, the number of shares was reduced by 13 thousand shares from retirement of restricted stock, with March 9, 2016, the date of capital reduction. The relevant statutory registration procedures were completed.

Based on the resolution approved in the meeting of stockholders held on May 27, 2015, 6,725 thousand new shares were issued from undistributed earnings of $67,247 as stock dividends, with August 26, 2015, the date of capital increase. The relevant statutory registration procedures were completed.

Based on the resolution approved in the board meetings held on January 29 and June 10, 2015, the number of shares was reduced by 24 and 62 thousand shares, respectively, from retirement of restricted stock, with March 13 and June 16, 2015, respectively, the dates of capital reduction. The relevant statutory registration procedures were completed.

2. Retained earnings

According to the articles of the Company, 10% of its annual net income after settling all outstanding tax payables and accumulated deficit, if any, is to be set aside as legal reserve. Also, a special reserve should be retained or reversed under related regulations. The remainder, if any, is to be distributed as follows:

(i) Employee bonuses of 5% to 15%. Employee bonuses can be paid in stock. Employees qualifying for stock bonus may include the employees of subsidiaries of the Company who meet certain specific requirements.

(ii) Directors' and supervisors' remuneration should not exceed 5%.

(iii) The remaining balance plus retained earnings of previous years is to be distributed as dividends as determined by the board of directors and approved by the stockholders' meeting.

(Continued)

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The Company is at the growth stage and considers its future cash demand, long-term financial plans, and benefits to stockholders. The cash dividend shall not be less than 10 percent of the total dividends.

According to the Company Act as amended in May 2015, employee bonuses and directors' and supervisors' remuneration are no longer subject to earnings distribution. Please refer to note 6(o) for changes to the articles of the Company approved in the board meeting and waiting for approval of the meeting of stockholders.

3. Earnings distribution

Employee bonuses and directors' and supervisors' remuneration for the three months ended March 31, 2015, were estimated according to the Company Act before being amended in May 2015. Employee bonuses and directors' and supervisors' remuneration amounted to $8,100 and $1,785, respectively, for the three months ended March 31, 2015. These amounts were calculated based on the Company's net income by using the earnings allocation method as stated under the Company's articles. These benefits were expensed under operating costs or operating expenses during this period. Differences that occur after the financial statements are authorized for issuance in the next year, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the next year.

The actual distributions of employee bonuses and directors' and supervisors' remuneration for 2014 amounted to $25,740. Differences between the actual distributions and the amounts estimated in the Company's financial statements in 2014, $25,491, were $249, and were recognized as expense in 2015.

The information about the employee bonuses and the directors' and supervisors' remuneration approved in stockholders' meetings can be accessed in the Market Observation Post System.

On March 2, 2016, the board of directors' meeting approved the distribution of earnings for 2015. On May 27, 2015, the stockholders' meeting resolved the distribution of earnings for 2014. The distribution of earnings was as follows:

	2015		**2014**	
	Amount per share (dollars)	**Earnings distributed**	**Amount per share (dollars)**	**Earnings distributed**
Cash	3.0	$ 223,076	1.0	67,247
Stock	-	-	1.0	67,247
Total		$ 223,076		134,494

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(m) Share-based payment

Except for the following paragraph, there were no significant changes in share-based payment for the three months ended March 31, 2016 and 2015. Please refer to note 6(m) to the consolidated financial statements for the year ended December 31, 2015, for further information.

Compensation cost attributable to share-based payment for the there months ended March 31, 2016 and 2015, was $2,421 and $1,327, respectively.

(n) Earnings per share

The calculation of basic and diluted earnings per share was as follows:

	For the three months ended March 31	
	2016	**2015**
Basic earnings per share		
Profit attributable to common stockholders	**$ 99,345**	**83,267**
Weighted-average number of common shares (thousand shares)	**73,837**	**73,446**
Diluted earnings per share		
Profit attributable to common stockholders (basic)	$ 99,345	83,267
Interest expense of convertible bonds (after tax)	2,832	-
Profit attributable to ordinary stockholders (diluted)	**$ 102,177**	**83,267**
Weighted-average number of ordinary shares	73,837	73,446
Effect of employee stock bonuses	992	400
Effect of restricted stock	281	402
Effect of convertible bonds	10,127	-
Weighted-average number of ordinary shares (thousand shares)	**85,237**	**74,248**

(Continued)

(o) Employee bonuses and directors' and supervisors' remuneration

Based on the Company's articles of incorporation approved by the Company's board of directors, 5% to 15% of annual profit after offsetting prior years' deficits should be appropriated as employee bonuses. The board of directors will adopt a resolution on whether the distribution is paid in cash or stock. Qualified employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive a bonus may be specified by the board of directors. The annual profit aforementioned may also be appropriated as directors' and supervisors' remuneration through the board's resolution, and the amount should not exceed 5% of annual profit after offsetting prior years' deficits.

Employee bonuses and directors' and supervisors' remuneration amounted to $9,759 and $3,487, respectively, for the three months ended March 31, 2016. These amounts were calculated based on the Company's income before income taxes excluding employee bonuses and directors' and supervisors' remuneration by using the earnings allocation method as stated under the Company's articles. These benefits were expensed under operating costs or operating expenses during this period. The differences between the amounts approved in the stockholders' meeting and those recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year.

If the board of directors' meeting resolves to pay employee bonuses in stock, the shares are calculated based on the closing price of common stock on the day before the resolution date.

Employee bonuses and directors' and supervisors' remuneration amounted to $61,470 and $20,397, respectively, for 2015. The information about the employee bonuses and directors' and supervisors' remuneration can be accessed in the Market Observation Post System. If the amended Company's articles approved during the stockholders' meeting are different from those approved at the board of directors' meeting, leading to differences between the amounts approved in the stockholders' meeting and those recognized in the financial statements, these differences are accounted for as changes in accounting estimates and recognized as profit or loss in 2016.

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(p) Non-operating income and expenses

Other gains and losses were as follows:

	For the three months ended March 31	
	2016	**2015**
Foreign currency exchange losses	$ (25,714)	(9,025)
Net gains on financial liabilities measured at fair value through profit or loss	-	1,438
Other	812	523
	$ (24,902)	**(7,064)**

(q) Financial instruments

Except for the following paragraph, the credit risk, liquidity risk, and fair value had no significant difference from the consolidated financial statements for the year ended December 31, 2015. Please refer to note 6(r) to the consolidated financial statements for the year ended December 31, 2015, for further information.

1. Credit risk

The aging analysis of notes and accounts receivable, and other receivables that were past due but not impaired was as follows:

	March 31, 2016	**December 31, 2015**	**March 31, 2015**
Past due 1-120 days	$ 97,064	95,234	180,844
Past due 121-365 days	6	3,376	2,710
	$ 97,070	**98,610**	**183,554**

The Group assesses the uncollectible amount of notes and accounts receivable, and other receivables based on the aging analysis, the collection history, and the customers' current financial status, and recognizes an allowance for doubtful debts accordingly. After the Group's assessment, there is no significant change in the customers' credit quality, and the related receivables are considered collectible.

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2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including interest:

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years
March 31, 2016					
Non-derivative financial liabilities:					
Short-term borrowings	$ 70,000	70,033	70,033	-	-
Bonds payable	761,536	800,000	-	-	800,000
Notes and accounts payable (including related parties)	797,893	797,893	797,893	-	-
Accrued expenses and other payables	35,033	35,033	35,033	-	-
	$ 1,664,462	**1,702,959**	**902,959**	**-**	**800,000**
December 31, 2015					
Non-derivative financial liabilities:					
Short-term borrowings	$ 22,000	22,019	22,019	-	-
Bonds payable	758,124	800,000	-	-	800,000
Notes and accounts payable (including related parties)	769,348	769,348	769,348	-	-
Accrued expenses and other payables	34,922	34,922	34,922	-	-
	$ 1,584,394	**1,626,289**	**826,289**	**-**	**800,000**
March 31, 2015					
Non-derivative financial liabilities:					
Short-term borrowings	$ 399,360	399,794	399,794	-	-
Long-term borrowings	220,000	230,328	3,517	226,811	-
Notes and accounts payable (including related parties)	567,156	567,156	567,156	-	-
Accrued expenses and other payables	18,291	18,291	18,291	-	-
	$ 1,204,807	**1,215,569**	**988,758**	**226,811**	**-**

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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3. Market risk

(i) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2016			December 31, 2015			March 31, 2015		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD:TWD	$ 55,601	32.185	1,789,518	52,849	32.825	1,734,768	30,404	31.300	951,645
JPY:TWD	114,181	0.286	32,656	-	-	-	-	-	-
Financial liabilities									
Monetary items									
USD:TWD	17,961	32.185	578,075	17,025	32.825	558,846	14,427	31.300	451,565
JPY:TWD	748	0.286	214	6,231	0.273	1,701	7,765	0.260	2,019

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, and accounts payable that are denominated in foreign currency.
A strengthening (weakening) of 5% of the TWD against the USD and JPY as of March 31, 2016 and 2015, would have decreased or increased the net profit after tax by $51,667 and $20,670, respectively. The analysis is performed on the same basis for both periods.

The information on the amount of the Group's foreign exchange gain or loss on monetary items (including realized and unrealized) translated to the functional currency, and on the exchange rate in terms of the functional currency of the parent company (the presentation currency), TWD, was as follows:

	For the three months ended March 31			
	2016		2015	
	Foreign exchange gain or loss	Average exchange rate	Foreign exchange gain or loss	Average exchange rate
TWD	$ (26,080)	1.000	(6,235)	1.000
CNY	366	5.050	(2,790)	5.048
	$ (25,714)		**(9,025)**	

(Continued)

(ii) Interest rate analysis

The interest risk exposure from financial liabilities has been disclosed in the note on liquidity risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of non-derivative financial instruments on the reporting date. For variable-rate liabilities, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year on the reporting date. An increase or decrease of 25 basis points is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the interest rate had increased or decreased by 25 basis points, the net profit after tax would have increased or decreased by $284 and decreased or increased by $279 for the three months ended March 31, 2016 and 2015, respectively, which would have mainly resulted from bank savings and borrowings with variable interest rates.

Financial instruments with fixed interest rates held or issued by the Group are valued at amortized cost. Since the change in market interest rate at the end of each reporting period had no impact on profit and loss, disclosure of the sensitivity to changes in fair value is not necessary.

4. Fair value

(i) Kinds of financial instruments and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information on financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value and investments in equity instruments which do not have any quoted price in an active market for which the fair value cannot be reasonably measured.

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	March 31, 2016				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Loans and receivables					
Cash and cash equivalents	$ 618,029				
Notes and accounts receivable (including related parties)	1,263,969				
Other receivables	62				
Total	**$ 1,882,060**				
Financial liabilities at amortized cost through profit or loss					
Borrowings	$ 70,000				
Notes and accounts payable (including related parties)	797,893				
Convertible bonds	761,536		858,480		858,480
Other financial liabilities	311,746				
Total	**$ 1,941,175**				
Financial liabilities at fair value through profit or loss – non-current	**$ 2,800**			2,800	2,800

	December 31, 2015				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Loans and receivables					
Cash and cash equivalents	$ 612,901				
Notes and accounts receivable (including related parties)	1,320,219				
Other receivables	29				
Total	**$ 1,933,149**				
Financial liabilities at amortized cost through profit or loss					
Borrowings	$ 22,000				
Notes and accounts payable (including related parties)	769,348				
Convertible bonds	758,124		853,791		853,791
Other financial liabilities	377,438				
Total	**$ 1,926,910**				
Financial liabilities at fair value through profit or loss – non-current	**$ 2,800**			2,800	2,800

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	March 31, 2015				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Loans and receivables					
Cash and cash equivalents	$ 82,915				
Notes and accounts receivable (including related parties)	954,327				
Other receivables	9,379				
Total	$ 1,046,621				
Financial liabilities at amortized cost through profit or loss					
Borrowings	$ 619,360				
Notes and accounts payable (including related parties)	567,156				
Other financial liabilities	171,577				
Total	$ 1,358,093				

(ii) Valuation techniques to measure fair value of financial instruments not measured at fair value

Financial instruments of the Group not measured at fair value are financial assets and liabilities valued at amortized cost. Measurement of fair value of these financial instruments is based on recent transaction prices. When market prices are unavailable, valuation is based on discounted cash flow.

(iii) Fair value valuation technique of financial instruments measured at fair value

Valuation of derivative financial instruments of the Group is based on a valuation model widely used by market participants, such as the discounted cash flow method and the Black-Scholes Option Pricing Model. Forward exchange agreements are usually valued at the current forward exchange rate.

(iv) Changes in Level 3

	Forward contract	Convertible bonds	Total
Balance on January 1, 2016	$ -	(2,800)	(2,800)
Recognized in profit or loss	-	-	-
Balance on March 31, 2016	$ -	(2,800)	(2,800)
Balance on January 1, 2015	$ (2,981)	-	(2,981)
Recognized in profit or loss	1,438	-	1,438
Acquisition / disposal / pay-off	1,543	-	1,543
Balance on March 31, 2015	$ -	-	-

(Continued)

The aforementioned total gains and losses were recognized in "other gains and losses". The details of the liabilities which the Group still held as of March 31, 2016 and 2015, were as follows:

	For the three months ended March 31	
	2016	**2015**
In profit or loss (recognized in "other gains and losses")	$ -	-

(v) Fair value measurements using significant unobservable inputs (Level 3)

The fair value measurements of the Group which are categorized into Level 3 are redemption rights of embedded convertible bonds which use the Binomial Tree Model to decide the fair value. After evaluation, these derivative financial instruments have no significant influence on the Group's financial report. Therefore, the quantitative information and sensitivity analysis related to fair value measurements using significant unobservable inputs are not disclosed.

(vi) For the three months ended March 31, 2016 and 2015, there were no transfers between levels.

(r) Financial risk management

The Group's objectives and policies on financial risk management are consistent with note 6(s) to the consolidated financial statements for the year ended December 31, 2015.

(s) Capital management

The Group's objectives, policies and process of managing capital are consistent with the consolidated financial statements for the year ended December 31, 2015. The information on capital management items has no significant difference from that of the consolidated financial statements for the year ended December 31, 2015. Please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2015, for further information.

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(t) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2016 and 2015, were as follows:

1. The increase in property, plant and equipment and other non-current assets from the transfer of prepayment for equipment was $6,097. Please refer to note 6(d).

2. Please refer to note 6(l) for the retirement of restricted stock for the three months ended March 31, 2016 and 2015.

(7) Related-party Transactions

(a) Significant transactions with related parties

1. Sale of goods to related parties

The amounts of significant sales by the Group to related parties and the outstanding balances were as follows:

	Sales		Notes and accounts receivable		
	For the three months ended March 31				
	2016	2015	March 31, 2016	December 31, 2015	March 31, 2015
Other related parties	$ 91,226	103,438	89,474	95,503	104,893

There were no significant differences in the selling prices and trading terms between related parties and other customers. The transaction terms with related parties were about 90 days, whereas the terms with other customers were 30 to 105 days.

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2. Purchases of goods from related parties

The amounts of purchase of goods by the Group from its related parties and the outstanding balances were as follows:

	Purchase of goods		Notes and accounts payable		
	For the three months ended March 31		March	December	March
	2016	2015	31, 2016	31, 2015	31, 2015
Other related parties	$ 1,251	5,753	3,583	2,306	5,729

There were no significant differences in the purchasing prices and trading terms between related parties and other suppliers. The transaction terms with related parties were about 90 days, whereas the terms with other suppliers were 30 to 120 days.

3. Property transactions and others

The amounts of purchase of machinery, indirect material for repair, and components from related parties were as follows:

	Purchase		Accounts payable - related party		
	For the three months ended March 31		March	December	March
	2016	2015	31, 2016	31, 2015	31, 2015
Other related parties	$ 210	959	240	-	118

(b) Key management personnel compensation

	For the three months ended March 31	
	2016	2015
Short-term employee benefits	$ 14,711	12,922
Post-employment benefits	209	162
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	902	291
	$ 15,822	13,375

For information related to share-based payments, please refer to note 6(m).

(Continued)

(8) Pledged Assets

As of March 31, 2016 and 2015, assets pledged as collateral were as follows:

Pledged assets	Pledged to secure	Book value of pledged assets March 31, 2016	December 31, 2015	March 31, 2015
Fixed assets – land	Loan collateral	$ 247,696	247,696	247,696
Fixed assets – buildings and construction	Loan collateral	320,669	320,926	329,793
		$ 568,365	568,622	577,489

(9) Commitments and Contingencies

(a) The Group's unused letters of credit for purchasing machinery and equipment were as follows:

March 31, 2016	December 31, 2015	March 31, 2015
$ 93,726	106,698	13,124

(b) The amounts of guarantee notes issued as collateral for bank loans were as follows:

		March 31, 2016	December 31, 2015	March 31, 2015
Guarantee notes issued	**USD**	21,570	16,570	18,700
Guarantee notes issued	**TWD**	931,652	931,652	896,652

(10) Loss Due to Major Disasters: None

(11) Subsequent Events

In order to strengthen competitiveness and promote operating efficiency, a resolution was approved in the board meeting held on April 11, 2016, to undertake a cash offering by private placement. The expected amount of issuance would be less than 13,500 thousand shares. The proposal for private placement has yet to be approved during the stockholders' meeting.

(Continued)

In order to bolster employees' morale and improve the coherence within the Group, a resolution was approved in the board meeting held on May 11, 2016, to buy back the Company's stock and transfer it to employees. The Group expected to buy 3,000 thousand shares from the stock exchange at $40~$80 per share from May 12 to July 11, 2016.

(12) Others

The following is a summary statement of current-period employee benefit, depreciation, and amortization expenses by function:

By function / By item	For the three months ended March 31, 2016			For the three months ended March 31, 2015		
	Operating cost	**Operating expenses**	**Total**	**Operating cost**	**Operating expenses**	**Total**
Employee benefit expenses						
Salaries	74,967	56,177	131,144	65,451	47,983	113,434
Labor and health insurance	6,337	3,032	9,369	4,509	2,733	7,242
Pension	3,173	1,609	4,782	2,312	1,490	3,802
Others	5,419	2,557	7,976	4,971	2,651	7,622
Depreciation	32,402	4,165	36,567	25,630	2,863	28,493
Amortization	4,401	6,124	10,525	3,597	4,703	8,300

(13) Segment Information

The Group's revenues are mainly from active components for optical communication. The chief operating decision maker (CODM) of the Group used overall operating results as the basis for evaluating performance and considered the Group a single segment. The segment information for the three months ended March 31, 2016 and 2015, was the same as that in the Group's consolidated financial statements.