

**Sunplus Technology Company Limited
and Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

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

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

As disclosed in Note 14, the financial statements of some immaterial subsidiaries included in the consolidated financial statements were based on the investees' unreviewed financial statements. The total assets of these subsidiaries as of March 31, 2015 and 2014 were 43% (NT\$6,752,550 thousand) and 46% (NT\$6,686,655 thousand), respectively, of the total consolidated assets, and the total liabilities were 38% (NT\$1,549,623 thousand) and 43% (NT\$1,651,799 thousand), respectively, of the total consolidated liabilities. For the three months ended March 31, 2015 and 2014, the total comprehensive losses were 15% (NT\$82,755 thousand) and 70% (NT\$160,611 thousand), respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 15 to the consolidated financial statements, the carrying values of some associates as of March 31, 2015 and 2014 were NT\$413,096 thousand and NT\$124,493 thousand, respectively. For the three months ended March 31, 2015 and 2014, the related investment results were net losses of NT\$289 thousand and NT\$12,511 thousand, respectively. These investment amounts and other associates' information disclosed in Note 39 to the financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the effects of adjustments that might have been determined to be necessary had the equity-method investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements as of and for the three months ended March 31, 2015 and 2014 of Sunplus Technology Company Limited and its subsidiaries referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

May 14, 2015

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2015 (Reviewed)		December 31, 2014 (Audited)		March 31, 2014 (Reviewed)		LIABILITIES AND EQUITY	March 31, 2015 (Reviewed)		December 31, 2014 (Audited)		March 31, 2014 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Note 6)	\$ 3,794,642	25	\$ 3,576,732	24	\$ 3,402,456	23	Short-term bank borrowings (Note 20)	\$ 557,144	4	\$ 304,085	2	\$ 164,513	1
Financial assets at fair value through profit or loss - current (Note 7)	14,911	-	14,830	-	8,027	-	Trade payables (Note 21)	881,572	6	728,569	5	1,015,873	7
Available-for-sale financial assets - current (Note 8)	836,874	5	984,307	7	1,166,560	8	Current tax liabilities (Notes 4 and 28)	41,920	-	26,005	-	48,571	-
Debt investments with no active market - current (Note 9)	14,903	-	14,903	-	14,903	-	Provisions - current (Note 22)	17,788	-	21,849	-	25,299	-
Notes and accounts receivables, net (Notes 11 and 36)	1,523,886	10	1,729,796	12	1,355,492	9	Current portion of long-term bank loans (Note 20)	660,369	4	905,296	6	861,716	6
Other receivables (Note 36)	468,234	3	144,819	1	161,873	1	Deferred revenue - current (Notes 23, 31 and 36)	2,758	-	3,375	-	3,307	-
Inventories (Note 12)	1,292,726	8	1,347,742	9	1,241,031	9	Other current liabilities (Notes 23 and 36)	795,007	5	836,995	6	516,927	4
Other current assets (Note 19)	218,257	2	224,598	1	244,411	2							
Total current assets	8,164,433	53	8,037,727	54	7,594,753	52	Total current liabilities	2,956,558	19	2,826,174	19	2,636,206	18
NONCURRENT ASSETS							NONCURRENT LIABILITIES						
Available-for-sale financial assets - noncurrent (Notes 8 and 15)	2,460,389	16	731,787	5	1,181,764	8	Long-term bank loans (Note 20)	746,442	5	657,082	4	831,569	6
Financial assets carried at cost (Note 10)	260,905	2	241,005	2	308,432	2	Accrued pension liabilities (Notes 4 and 24)	94,407	1	108,105	1	118,270	1
Investments accounted for using the equity method (Note 15)	413,096	3	1,409,239	9	1,203,367	8	Guarantee deposits (Note 33)	208,090	1	221,747	1	210,979	1
Property, plant and equipment (Note 16)	3,453,733	22	3,490,672	24	2,123,072	15	Deferred revenue - noncurrent (Notes 23, 31 and 36)	79,618	-	81,311	1	80,162	1
Investment properties (Note 17)	274,651	2	282,663	2	287,253	2	Other noncurrent liabilities (Note 23)	2,319	-	2,319	-	1,299	-
Intangible assets (Note 18)	213,176	1	278,188	2	358,435	3							
Deferred tax assets (Note 28)	52,450	-	42,126	-	49,080	-	Total noncurrent liabilities	1,130,876	7	1,070,564	7	1,242,279	9
Other noncurrent assets (Notes 19 and 33)	237,523	1	306,037	2	1,365,029	10	Total liabilities	4,087,434	26	3,896,738	26	3,878,485	27
Total noncurrent assets	7,365,923	47	6,781,717	46	6,876,432	48	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
TOTAL	\$ 15,530,356	100	\$ 14,819,444	100	\$ 14,471,185	100	Share capital (Notes 25)						
							Common shares	5,919,949	38	5,919,949	40	5,919,949	41
							Capital surplus(Notes 25 and 30)	894,446	6	936,051	6	912,528	6
							Retained earnings (Notes 25)						
							Legal reserve	1,790,538	12	1,790,538	12	1,909,685	13
							Special reserve	22,639	-	22,639	-	30,755	1
							Accumulated deficit	968,265	6	408,610	3	(120,768)	(1)
							Other equity (Note 25)	294,084	2	309,932	2	430,555	3
							Treasury shares (Notes 25 and 37)	(63,401)	(1)	(63,401)	-	(63,401)	(1)
							Total equity attributable to owners of the Company	9,826,520	63	9,324,318	63	9,019,303	62
							NONCONTROLLING INTERESTS (Notes 14 and 25)	1,616,402	11	1,598,388	11	1,573,397	11
							Total equity	11,442,922	74	10,922,706	74	10,592,700	73
							TOTAL	\$ 15,530,356	100	\$ 14,819,444	100	\$ 14,471,185	100

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

(With Deloitte & Touche review report dated May 14, 2015)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2015		2014	
	Amount	%	Amount	%
NET SALES(Notes 26 and 36)	\$ 1,863,803	100	\$ 1,460,354	100
COSTS OF SALES (Notes 12 ,24 and 27)	<u>1,100,106</u>	<u>59</u>	<u>854,175</u>	<u>59</u>
GROSS PROFIT	<u>763,697</u>	<u>41</u>	<u>606,179</u>	<u>41</u>
OPERATING EXPENSES(Notes 24 ,27 and 36)				
Selling and marketing	86,544	5	90,947	6
General and administrative	152,761	8	116,209	8
Research and development	<u>624,164</u>	<u>33</u>	<u>411,990</u>	<u>28</u>
Total operating expenses	<u>863,469</u>	<u>46</u>	<u>619,146</u>	<u>42</u>
OTHER REVENUE AND EXPENSES	<u>1</u>	<u>-</u>	<u>(5)</u>	<u>-</u>
LOSS FROM OPERATIONS	<u>(99,771)</u>	<u>(5)</u>	<u>(12,972)</u>	<u>(1)</u>
NONOPERATING INCOME (Notes 27 and 36)				
Other income	15,353	1	16,384	1
Other gains	707,049	38	58,927	4
Financial costs	(7,892)	(1)	(7,500)	(1)
Share of profit or loss of associates and joint ventures (Note 15)	<u>(289)</u>	<u>-</u>	<u>37,998</u>	<u>3</u>
Total nonoperating income	<u>714,221</u>	<u>38</u>	<u>105,809</u>	<u>7</u>
INCOME BEFORE INCOME TAX	614,450	33	92,837	6
INCOME TAX EXPENSE (Notes 4 and 28)	<u>8,455</u>	<u>-</u>	<u>5,410</u>	<u>-</u>
PROFIT FROM OPERATIONS	605,995	33	87,427	6
NON-OPERATING INCOME AND EXPENSE (Note 13)	<u>(27,845)</u>	<u>(2)</u>	<u>(87,037)</u>	<u>(6)</u>
NET PROFIT FOR THE PERIOD	<u>578,150</u>	<u>31</u>	<u>390</u>	<u>-</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2015		2014	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 1,606	-	\$ -	-
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 25)	(26,170)	(1)	(16,374)	(1)
Unrealized gain on available-for-sale financial assets (Note 25)	8,040	-	246,730	17
Share of other comprehensive loss of associates and joint venture	<u>(597)</u>	<u>-</u>	<u>6</u>	<u>-</u>
Other comprehensive income(loss) for the period, net of income tax	<u>(17,121)</u>	<u>(1)</u>	<u>230,362</u>	<u>16</u>
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 561,029</u>	<u>30</u>	<u>\$ 230,752</u>	<u>16</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	\$ 558,049	30	\$ 8,460	1
Noncontrolling interests	<u>20,101</u>	<u>1</u>	<u>(8,070)</u>	<u>(1)</u>
	<u>\$ 578,150</u>	<u>31</u>	<u>\$ 390</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	\$ 543,848	29	\$ 239,345	16
Noncontrolling interests	<u>17,181</u>	<u>1</u>	<u>(8,593)</u>	<u>-</u>
	<u>\$ 561,029</u>	<u>30</u>	<u>\$ 230,752</u>	<u>16</u>
EARNINGS PER SHARE (New Taiwan dollars; Note 29)				
From continuing and discontinued operations				
Basic	<u>\$ 0.95</u>		<u>\$ 0.01</u>	
Diluted	<u>\$ 0.95</u>		<u>\$ 0.01</u>	
From continuing operations				
Basic	<u>\$ 1.00</u>		<u>\$ 0.16</u>	
Diluted	<u>\$ 1.00</u>		<u>\$ 0.16</u>	

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

(With Deloitte & Touche review report dated May 14, 2015)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company											
	Capital Stock Issued and Outstanding (Note 25)		Capital Surplus (Notes 25 and 30)	Retained Earnings (Note 25)			Other Equity (Notes 25)		Treasury Shares (Notes 25 and 37)	Total	Noncontrolling Interests (Notes 14 and 25)	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets				
	Share (Thousand)	Amount										
Balance, January 1, 2014	596,910	\$ 5,969,099	\$ 950,179	\$ 1,909,685	\$ 30,755	\$ (127,263)	\$ 27,108	\$ 172,562	\$ (155,236)	\$ 8,776,889	\$ 1,588,623	\$ 10,365,512
Effect of retrospective application of IAS 19 and retrospective restatement of financial statements	-	-	-	-	-	(1,965)	-	-	-	(1,965)	(269)	(2,234)
Blance at January 1, 2014 as restated	596,910	5,969,099	950,179	1,909,685	30,755	(129,228)	27,108	172,562	(155,236)	8,774,924	1,588,354	10,363,278
Change in capital surplus from investments in associates and joint ventures accounted for by the entity method	-	-	5,034	-	-	-	-	-	-	5,034	-	5,034
Net profit for the three months ended March 31, 2014	-	-	-	-	-	8,460	-	-	-	8,460	(8,070)	390
Other comprehensive income for the three months ended March 31, 2014, net of income tax	-	-	-	-	-	-	(15,571)	246,456	-	230,885	(523)	230,362
Total comprehensive income for the three months ended March 31, 2014	-	-	-	-	-	8,460	(15,571)	246,456	-	239,345	(8,593)	230,752
Disposal of treasury shares	(4,915)	(49,150)	(42,685)	-	-	-	-	-	91,835	-	-	-
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(6,364)	(6,364)
BALANCE, MARCH 31, 2014	591,995	\$ 5,919,949	\$ 912,528	\$ 1,909,685	\$ 30,755	\$ (120,768)	\$ 11,537	\$ 419,018	\$ (63,401)	\$ 9,019,303	\$ 1,573,397	\$ 10,592,700
Balance, January 1, 2015	591,995	\$ 5,919,949	\$ 936,044	\$ 1,790,538	\$ 22,639	\$ 410,595	\$ 128,258	\$ 181,674	\$ (63,401)	\$ 9,326,296	\$ 1,598,644	\$ 10,924,940
Effect of retrospective application of IAS 19 and retrospective restatement of financial statements	-	-	7	-	-	(1,985)	-	-	-	(1,978)	(256)	(2,234)
Blance at January 1, 2014 as restated	591,995	5,919,949	936,051	1,790,538	22,639	408,610	128,258	181,674	(63,401)	9,324,318	1,598,388	10,922,706
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	(313)	-	-	-	-	-	-	(313)	-	(313)
Disposal of investments accounted for by using equity method	-	-	(41,292)	-	-	-	-	(41)	-	(41,333)	-	(41,333)
Net loss for the three months ended March 31, 2015	-	-	-	-	-	558,049	-	-	-	558,049	20,101	578,150
Other comprehensive loss for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	1,606	(25,474)	9,667	-	(14,201)	(2,920)	(17,121)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	559,655	(25,474)	9,667	-	543,848	17,181	561,029
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	833	833
BALANCE, MARCH 31, 2015	591,995	\$ 5,919,949	\$ 894,446	\$ 1,790,538	\$ 22,639	\$ 968,265	\$ 102,784	\$ 191,300	\$ (63,401)	\$ 9,826,520	\$ 1,616,402	\$ 11,442,922

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

(With Deloitte & Touche review report dated May 14, 2015)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from operations	\$ 614,450	\$ 92,837
Income before income tax from discontinued operations	<u>(27,845)</u>	<u>(87,037)</u>
Income before income tax	586,605	5,800
Adjustments for:		
Depreciation expenses	76,841	69,743
Amortization expenses	20,812	44,395
Net gain on fair value change of financial assets designated as at fair value through profit	(67)	(33)
Financial costs	7,892	7,500
Interest income	(8,291)	(8,934)
Share of (profit) loss of associates and joint ventures	289	(37,998)
Loss (gain) on disposal of property, plant and equipment	(7,267)	5
Gain on disposal of intangible assets	(279,900)	-
Gain on disposal of investments	(3,636)	(52,341)
Gain on disposal of subsidiaries	(906,358)	-
Impairment loss recognized on financial assets	188,249	-
Impairment loss recognized on non-financial assets	94,123	-
Realized gain on the transactions with associates and joint ventures	-	(191)
Net gain on foreign currency exchange	5,298	(3,109)
Amortization of prepaid lease payments	778	767
Changes in operating assets and liabilities:		
Increase in financial assets held for trading	88	60
Decrease in trade receivables	201,356	176,159
(Increase) decrease in other receivables	8,381	(45,362)
(Increase) decrease in inventories	55,016	(318,814)
Increase in other current assets	(15,539)	(9,973)
Increase in trade payables	153,347	195,344
Increase (decrease) in provisions	(4,061)	1,384
Decrease in deferred revenue	(460)	-
Decrease in other current liabilities	(43,259)	(135,560)
Decrease in pension liabilities	(12,092)	(235)
Interest received	8,688	8,509
Interest paid	(7,617)	(10,556)
Income tax paid	<u>(495)</u>	<u>(452)</u>
Net cash generated from (used in) operating activities	<u>118,721</u>	<u>(113,892)</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	\$ (229,601)	\$ (117,447)
Proceeds of the sale of available-for-sale financial assets	392,073	215,153
Purchase of debt investments with no active market	-	(14,903)
Acquisition of financial asset carried at cost	(20,400)	-
Proceeds of the sale of financial assets measured at cost	-	4,357
Payments for property, plant and equipment	(46,281)	(35,434)
Proceeds of the disposal of property, plant and equipment	134	4
Decrease in refundable deposits	2,397	8
Payments for intangible assets	(76,721)	(68,974)
Decrease in other assets	785	48,725
Increase in prepayments for lease	-	(64,671)
Increase in prepayments for equipment	-	(803,289)
	<u>22,386</u>	<u>(836,471)</u>
Net cash generated from (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) of short-term borrowings	253,059	(638)
Proceeds of long-term borrowings	-	266,331
Repayments of long-term borrowings	(152,682)	(213,675)
Cash received from deposits	1,416	43,669
Refundable deposits paid	(17,415)	(57,072)
Increase (decrease) in noncontrolling interests	833	(5,196)
	<u>85,211</u>	<u>33,419</u>
Net cash generated from (used in) investing activities		
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(8,408)</u>	<u>(11,995)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	217,910	(928,939)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>3,576,732</u>	<u>4,331,395</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>\$ 3,794,642</u>	<u>\$ 3,402,456</u>

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

(With Deloitte & Touche review report dated May 14, 2015)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2015 AND 2014

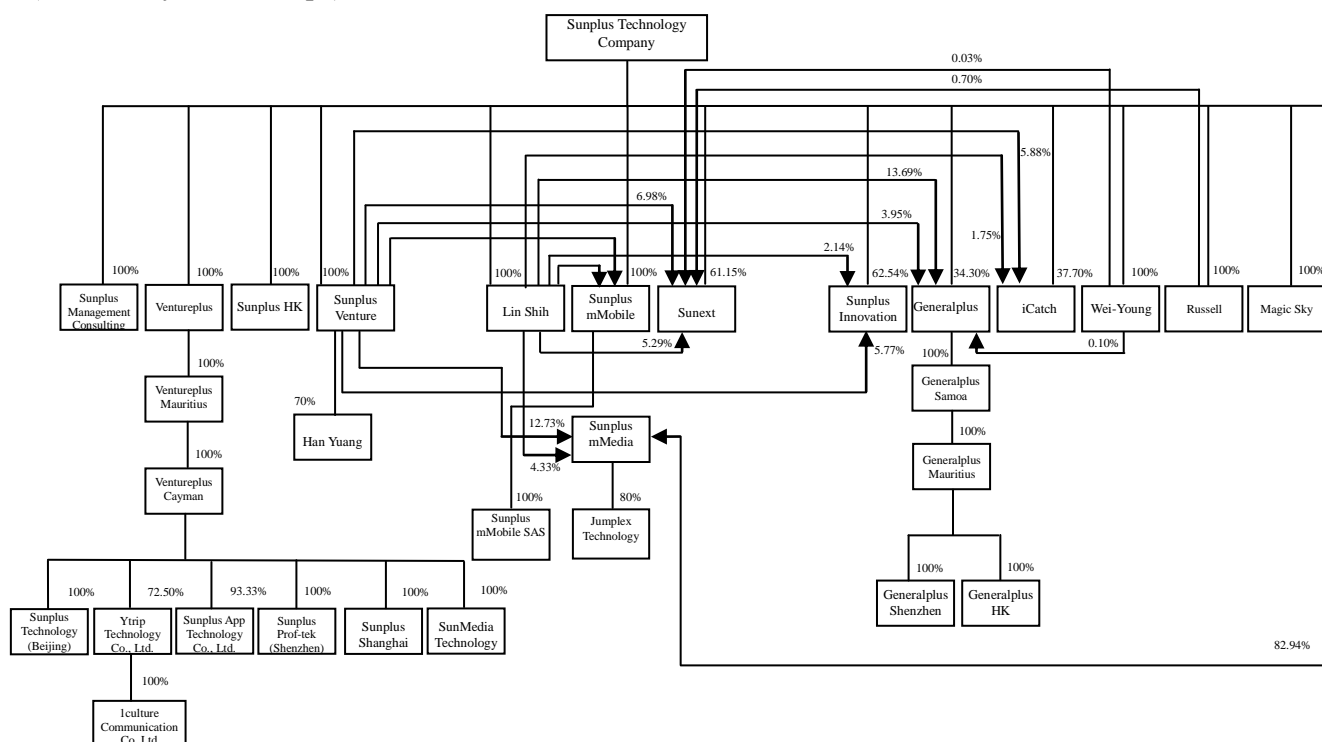
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the “Company”) was established in August 1990. It researches, develops, designs, tests and sells high quality, high value-added consumer integrated circuits (ICs). Its products are based on core technologies in such areas as multimedia audio/video, single-chip microcontrollers and digital signal processors. These technologies are used to develop hundreds of products including various ICs: liquid crystal display, microcontroller, multimedia, voice/music, and application-specific. Sunplus’ shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depository receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 25).

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the “Group”) as of March 31, 2015:



Sunplus mMobile, iCatch, Sunplus mMedia, Sunplus Innovation and Sunplus mMobile SAS research, develop, design, manufacture and sell all kinds of IC modules, application software and silicon intellectual property (SIP). Sunplus Technology (Shanghai) manufactures and sells ICs and building rental. Sunplus Prof-tek (Shenzhen) and SunMedia Technology researches and sells computer software and provides system integration services. Sunplus App Technology Co., Ltd. manufacture and sell ICs. Ytrip Technology mainly does system services and manages web business. 1culture Communication Co, Ltd mainly do web business develop. Sunplus Technology (Beijing) develops Software and technology serves. Han Young mainly do information supply services, researches and sells ICs. Jumplux researches, develops, manufactures and sells transmission media and integrated circuits. Sunset mainly develops, and sells optical electronic and SOC (system on chip) ICs. Generalplus researches, develops, designs, manufactures, and sells custom-made ICs. Generalplus Shenzhen and Generalplus HK do market research surveys. Sunplus HK engages in international trade. All other subsidiaries are engaged in investing activities.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on May 14, 2015.

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

- a. The 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

Rule No. 1030010325 and Rule No. 1030029342 issued by the FSC, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC starting January 1, 2015.

Except for the following, the initial application of the above 2013 IFRSs version has not had any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

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

2) IFRS 11 "Joint Arrangements"

IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non-monetary Contributions by Ventures". Joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. Joint ventures are accounted for using the equity method. Under IAS 31, Joint arrangements are classified as jointly controlled entities, jointly controlled assets, and jointly controlled operations, and the Group accounts for its jointly controlled entities using the proportionate consolidation method.

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

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

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

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

Under revised IAS 28, when an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest. Under current IAS 28, on the loss of joint control, the Group measures at fair value any investment the Group retains in the former jointly controlled entity. The Group recognizes in profit or loss any difference between the aggregate amounts of fair value of retained investment and proceeds from disposing of the part interest in the jointly controlled entity, and the carrying amount of the investment at the date when joint control is lost.

5) IFRS 13 “Fair Value Measurement”

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

Please refer to Note 35 for related disclosure.

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

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

The Group will apply the above amendments in presenting the consolidated statement of comprehensive income, starting from the year 2015. Items not expected to be reclassified to profit or loss are the actuarial gain (loss) arising from defined benefit plans and share of the actuarial gains (loss) arising from defined benefit plans of [associates/joint ventures] accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the actuarial gains (loss) arising from defined benefit plans) of [associates/joint ventures] accounted for using the equity method.

7) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

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

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

The impact on the current period is set out below:

The Impact on Assets, Liabilities and Equity	March 31, 2015
Accrued pension liabilities increased	<u>\$ 7</u>
Retained earnings decreased	\$ (9)
Non-controlling interests increased	<u>2</u>
Equity decreased	<u>\$ (7)</u>
	For the Three Months Ended March 31, 2015
The Impact on Other Comprehensive Income	
Increase on operating expense	<u>\$ 7</u>
Decreases on net income	<u>\$ 7</u>
Impact on total comprehensive loss attributable to:	
Owners of the Company	\$ (9)
Non-controlling interests	<u>2</u>
	<u>\$ (7)</u>

The impact on the prior period is set out below:

Impact on Assets, Liabilities and Equity	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>December 31, 2014</u>			
Other current assets	\$ 224,616	\$ (18)	\$ 224,598
Total effect on assets	\$ 14,819,462	\$ (18)	\$ 14,819,444
Accrued pension liabilities	\$ 105,889	\$ 2,216	\$ 108,105
Total effect on liabilities	\$ 3,894,522	\$ 2,216	\$ 3,896,738
Retained earnings	\$ 410,595	\$ (1,985)	\$ 408,610
Capital surplus	936,044	7	936,051
Non-controlling interests	1,598,644	(256)	1,598,388
	\$ 2,945,283	\$ (2,234)	\$ 2,943,049
Total effect on equity	\$ 10,924,940	\$ (2,234)	\$ 10,922,706
<u>March 31, 2014</u>			
Other current assets	\$ 244,429	\$ (18)	\$ 244,411
Total effect on assets	\$ 14,471,203	\$ (18)	\$ 14,471,185
Accrued pension liabilities	\$ 116,054	\$ 2,216	\$ 118,270
Total effect on liabilities	\$ 3,836,269	\$ 2,216	\$ 3,878,485
Retained earnings	\$ (118,803)	\$ (1,965)	\$ (120,768)
Non-controlling interests	1,573,666	(269)	1,573,397
	\$ 1,454,863	\$ (2,234)	\$ 1,452,629
Total effect on equity	\$ 14,471,203	\$ (2,234)	\$ 14,471,185
<u>January 1, 2014</u>			
Other current assets	\$ 232,700	\$ (18)	\$ 232,682
Total effect on assets	\$ 14,201,612	\$ (18)	\$ 14,201,594
Accrued pension liabilities	\$ 116,289	\$ 2,216	\$ 118,505
Total effect on liabilities	\$ 3,836,100	\$ 2,216	\$ 3,838,316

(Continued)

Impact on Assets, Liabilities and Equity	As Originally Stated	Adjustments Arising from Initial Application	Restated
Retained earnings	\$ (127,263)	\$ (1,965)	\$ (129,228)
Non-controlling interests	<u>1,588,623</u>	<u>(269)</u>	<u>1,588,354</u>
	<u>\$ 1,461,360</u>	<u>\$ (2,234)</u>	<u>\$ 1,459,126</u>
Total effect on equity	<u>\$ 10,365,512</u>	<u>\$ (2,234)</u>	<u>\$ 10,363,278</u> (Concluded)

8) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements. Please refer to Note 35 for related disclosure.

9) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

10) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation” and IAS 34 “Interim Financial Reporting” were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 “Income Taxes”.

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Group and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment. Please refer to Note 40 for related disclosure.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

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

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

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

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

The initial application of the above New IFRSs has not had any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

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

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

Hedge accounting

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

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

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

3) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 “Share-Based Payment”, IFRS 3 “Business Combinations” and IFRS 8 “Operating Segments” were amended in this annual improvement.

The amended IFRS 2 changes the definitions of ‘vesting condition’ and ‘market condition’ and adds definitions for ‘performance condition’ and ‘service condition’. The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Company or another entity in the same group or the market price of the equity instruments of the Company or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Company as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Company, but also of other entities outside the Company.

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3, IFRS 13 and IAS 40 “Investment Property” was amended in this annual improvement.

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

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

5) Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”

The amendments require that the acquirer of an interest in a joint operation, in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. Accordingly, a joint operator that is an acquirer of such an interest has to:

- measure most identifiable assets and liabilities at fair value;
- expense acquisition-related costs (other than debt or equity issuance costs);
- recognize deferred taxes;
- recognizing any goodwill or bargain purchase gain;
- perform impairment tests for the cash generating units to which goodwill has been allocated;
- disclose information required relevant for business combinations.

The amendments also apply to the formation of a joint operation if, and only if, an existing business is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

The amendments do not apply on the acquisition of an interest in a joint operation when the parties sharing control are under common control before and after the acquisition.

6) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or

- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

7) 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”.

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.

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

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

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated.

9) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 “Non-current assets held for sale and discontinued operations”; IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

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

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. In addition, the amendments clarify that the offsetting disclosures are not explicitly required for all interim periods; however, the disclosures

may need to be included in condensed interim financial statements to comply with IAS 34 under specific conditions.

IAS 19 was amended to clarify that the depth of the market for high quality corporate bonds used to estimate discount rate for post-employment benefits should be assessed by the market of the corporate bonds denominated in the same currency as the benefits to be paid, i.e. assessed at currency level (instead of country or regional level).

10) Amendment to IAS 1 “Disclosure Initiative”

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

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

Except for the above impact, as of the date the parent Group only financial statements were authorized for issue, the Group is continually assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and operating result, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” as endorsed by the FSC. Disclosure information in the consolidated financial statements is less than those required in complete set of annual financial statements.

b. Basis of preparation

Please refer to Note 14 for details, shareholding percentage and transaction details of subsidiaries.

c. Other important accounting policies

The accounting policies described in the consolidated financial statements were consistent with those applied in the consolidated financial statements for the year ended December 31, 2014, except for the following:

1) Employee benefits

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Rereasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur and is reflected immediately in accumulated deficit and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	March 31, 2015	December 31, 2014	March 31, 2014
Cash on hand	\$ 4,953	\$ 6,336	\$ 4,776
Checking accounts and demand deposits	1,629,766	907,475	979,398
Cash equivalents			
Cash equivalent deposits in banks	2,101,718	2,604,185	2,362,566
Repurchase agreements collateralized by bonds	<u>58,205</u>	<u>58,706</u>	<u>55,716</u>
	<u>\$ 3,794,642</u>	<u>\$ 3,576,732</u>	<u>\$ 3,402,456</u>

The market rate intervals of cash in bank and bank overdrafts at the end of the reporting period were as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Bank balance	0.01%~3.72%	0.01%~4.0%	0.02%~3.455%
Repurchase agreement collateralized by bonds	1.0%	1.0%~1.625%	1.0%~1.625%

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Financial assets held for trading</u>			
Nonderivative financial assets			
Corporate bonds of domestic listed stocks	\$ <u>14,911</u>	\$ <u>14,830</u>	\$ <u>8,027</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Domestic investments</u>			
- Mutual funds	\$ 723,211	\$ 911,450	\$ 1,130,787
- Quoted shares	2,574,052	804,644	1,209,553
<u>Foreign investments</u>			
- Quoted shares	<u>-</u>	<u>-</u>	<u>7,984</u>
Available-for-sale financial assets	\$ <u>3,297,263</u>	\$ <u>1,716,094</u>	\$ <u>2,348,324</u>
Current	\$ 836,874	\$ 984,307	\$ 1,166,560
Noncurrent	<u>2,460,389</u>	<u>731,787</u>	<u>1,181,764</u>
	\$ <u>3,297,263</u>	\$ <u>1,716,094</u>	\$ <u>2,348,324</u>

For the year ended March 31, 2015, the Group recognized impairment losses of 125,203 thousand.

Please refer to Note 37 for the amount of pledges of collateral.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	March 31, 2015	December 31, 2014	March 31, 2014
Fixed income fund	\$ <u>14,903</u>	\$ <u>14,903</u>	\$ <u>14,903</u>

In March 2014, the Group bought a fixed-income German fund established for meeting certain building needs. The fund price is US\$500 thousand and the effective interest rate of fund is 8%.

10. FINANCIAL ASSETS MEASURED AT COST

	March 31, 2015	December 31, 2014	March 31, 2014
Domestic unlisted common shares	<u>\$ 260,905</u>	<u>\$ 241,005</u>	<u>\$ 308,432</u>
Classified as available for sale	<u>\$ 260,905</u>	<u>\$ 241,005</u>	<u>\$ 308,432</u>

Management believed that the above unlisted equity investments held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of reporting period.

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2015	December 31, 2014	March 31, 2014
Notes receivable	<u>\$ 71</u>	<u>\$ 121</u>	<u>\$ 33</u>
Accounts receivable	1,479,532	1,716,326	1,333,215
Receivable from related parties	45,848	14,914	22,244
Allowance for doubtful accounts	<u>(1,565)</u>	<u>(1,565)</u>	<u>-</u>
	<u>1,523,815</u>	<u>1,729,675</u>	<u>1,355,459</u>
	<u>\$ 1,523,886</u>	<u>\$ 1,729,796</u>	<u>\$ 1,355,492</u>

Accounts receivable

The average credit period on sales of goods was 30 to 90 days without interest. 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. Allowance for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

Of the trade receivables balance (see the aging analysis below) that are past due at the end of the reporting period, the Group had not recognized an allowance for impairment for notes and trade receivables amounting to \$90,842 thousand, \$77,857 thousand and \$145,467 thousand as of March 31, 2015, December 31, 2014 and March 31, 2014, respectively, because there had been no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to make offsets against any amounts owed by the Group to the counter-party. As of May 14, 2015, the above trade receivables of March 31, 2015 that are past due but not impaired had receive 90,842 thousand.

The aging of the receivables that are past due but not impaired was as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
0-60 days	\$ 1,076,851	\$ 1,317,144	\$ 1,065,785
61-90 days	330,515	328,655	148,170
91-120 days	<u>72,166</u>	<u>70,528</u>	<u>119,260</u>
Total	<u>\$ 1,479,532</u>	<u>\$ 1,716,326</u>	<u>\$ 1,333,215</u>

The above was the aging analysis as of reporting period.

The aging of the receivables that are past due but not impaired was as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
0-60 days	\$ 90,817	\$ 77,857	\$ 52,074
61-90 days	25	-	93,393
91-120 days	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 90,842</u>	<u>\$ 77,857</u>	<u>\$ 145,467</u>

The above was the past due AR aging analysis.

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

	Individually Impaired	Collectively Impaired	Total
Balance as of March 31, 2015	<u>\$ 1,565</u>	<u>\$ -</u>	<u>\$ 1,565</u>

12. INVENTORIES

	March 31, 2015	December 31, 2014	March 31, 2014
Finished goods	\$ 559,913	\$ 662,976	\$ 513,067
Work in progress	511,856	499,212	522,372
Raw materials	<u>220,957</u>	<u>185,554</u>	<u>205,592</u>
	<u>\$ 1,292,726</u>	<u>\$ 1,347,742</u>	<u>\$ 1,241,031</u>

The costs of inventories recognized as cost of goods sold for the years ended March 31, 2015 and 2014 were \$1,094,236 thousand and \$840,454 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended March 31, 2015 and 2014 were as follows:

	Jan. 1, 2015-March 31, 2015	Jan. 1, 2014-March 31, 2014
(Gains) losses on inventory value recoveries	\$ 6,659	\$ (2,591)
Income from scrap sales	<u>(35)</u>	<u>(79)</u>
	<u>\$ 6,624</u>	<u>\$ (2,670)</u>

13. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

a. Discontinued operations

On January 20, 2015, the Company's board of directors entered into an agreement to sell the STB (set-top box) product center to Availink, Inc. This sale was completed in March 2015.

Please refer to Note 32 for Gains (loss) on disposal calculation.

Loss from discontinued operations was as follows:

	Jan. 1, 2015-March 31, 2015	Jan. 1, 2014-March 31, 2014
Net loss for the period	\$ (315,011)	\$ (87,037)
Gains on disposal (see Note 32)	<u>287,166</u>	<u>-</u>
	<u>\$ (27,845)</u>	<u>\$ (87,037)</u>

Segment revenue and cash flow results:

	Jan. 1, 2015-March 31, 2015	Jan. 1, 2014-March 31, 2014
Operating revenue	\$ 96,100	\$ 246,188
Operating costs	<u>(230,623)</u>	<u>(184,796)</u>
Gross profit (loss)	(134,523)	61,392
Selling and marketing expenses	(1,982)	(4,758)
General and administrative expenses	(4,302)	(12,670)
Research and development expenses	<u>(80,081)</u>	<u>(131,001)</u>
Loss from operations	(220,888)	(87,037)
Other loss	<u>(94,123)</u>	<u>-</u>
Loss before tax	(315,011)	(87,037)
Income tax expense	<u>-</u>	<u>-</u>
Net loss for the period	<u>\$ (315,011)</u>	<u>\$ (87,037)</u>
Loss from discontinued operations attributable to:		
Owners of the Company	\$ (315,011)	\$ (87,037)
Non-controlling interest	<u>-</u>	<u>-</u>
	<u>\$ (315,011)</u>	<u>\$ (87,037)</u>
Net cash used in operating activities	<u>\$ (48,216)</u>	<u>\$ (163,156)</u>
Net cash outflows	<u>\$ (48,216)</u>	<u>\$ (163,156)</u>

There was no tax expense/benefit related to the gain (loss) on discontinuance.

The carrying amounts of assets and liabilities of the STB product center at the date of disposal are disclosed in Note 32.

14. SUBSIDIARIES

a. The subsidiaries included in the consolidated financial statements

The information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership			Note
			March 31, 2015	December 31, 2014	March 31, 2014	
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	-
	Ventureplus	Investment	100.00	100.00	100.00	-
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	-
	Sunplus Venture	Investment	100.00	100.00	100.00	-
	Lin Shih Investment	Investment	100.00	100.00	100.00	-
	Sunplus mMobile .	Design of integrated circuits (ICs)	100.00	100.00	100.00	-
	Sunext Technology	Design and sale of ICs	61.15	61.15	61.15	-
	Sunplus Innovation Technology	Design of ICs	62.54	62.54	61.32	-
	Generalplus Technology ("Generalplus")	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	iCatch	Design of ICs	37.70	37.70	37.70	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
Ventureplus Ventureplus Mauritius Ventureplus Cayman Ventureplus Cayman	Wei-Young Investment Inc.	Investment	100.00	100.00	100.00	-
	Russell Holdings Limited	Investment	100.00	100.00	100.00	-
	Magic Sky Limited	Investment	100.00	100.00	100.00	-
	Sunplus mMedia Inc.	Design of ICs	82.94	82.94	82.94	-
	Ventureplus Mauritius	Investment	100.00	100.00	100.00	-
	Ventureplus Cayman	Investment	100.00	100.00	100.00	-
	Ytrip Technology	Web research and development	72.50	72.50	72.50	-
	Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education.	93.33	93.33	80.00	-
	Sunplus Prof-tek Technology (Shenzhen)	Development and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Technology Technology (Shanghai)	Manufacturing and sale of consumer and rental	100.00	100.00	98.84	-
Sunplus Technology(Beijing)	SunMedia Technology	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Technology(Beijing)	Manufacturing and sale of computer software and system integration services	100.00	100.00	-	The investee was established in January 2014
	Ytrip Technology	Development and sale	100.00	100.00	100.00	The investee was established in February 2013
Sunplus Venture	Han Young Technology	Design of ICs	70.00	70.00	70.00	-
	Sunext Technology Co., Ltd. ("Sunext")	Design and sale of ICs	6.98	6.98	6.98	Sunplus and its subsidiaries had 74.15% equity in Sunext.
	Generalplus Technology Inc.	Design of ICs	3.95	3.95	3.95	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunplus mMedia	Design of ICs	12.73	12.73	12.73	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	5.77	5.77	5.63	Sunplus and its subsidiaries had 70.45% equity in Sunplus Innovation
Lin Shih	iCatch Technology, Inc.	Design of ICs	5.88	5.88	5.88	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc.
	Generalplus Technology	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunext Technology	Design and sale of ICs	5.29	5.29	5.29	Sunplus and the subsidiaries had 74.15% equity in Sunext.
	Sunplus mMedia	Design of ICs	4.33	4.33	3.86	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	2.14	2.14	2.10	Sunplus and its subsidiaries had 70.45% equity in Sunplus Innovation
iCatch Technology,	Design of ICs	1.75	1.75	1.75	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.	

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership			Note
			March 31, 2015	December 31, 2014	March 31, 2014	
Sunplus mMobile	Sunplus mMobile SAS	Design of ICs	100.00	100.00	100.00	-
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	After-sales service	100.00	100.00	100.00	-
	Generalplus HK	Sales	100.00	100.00	100.00	-
Wei-Young	Generalplus	Design of Ics	0.10	0.10	0.10	Sunplus and its subsidiaries had 52.04% equity in Generalplus
	Sunext Technology	Design and sale of Ics	0.03	0.03	0.03	Sunplus and its subsidiaries had 74.15% equity in Sunext
Russell	Sunext Technology	Design and sale of Ics	0.70	0.70	0.70	Sunplus and its subsidiaries had 74.15% equity in Sunext
Sunplus mMedia Inc.	Jumplux Technology	Design and sale of Ics	80.00	80.00	-	The investee was established in October 2014

(Concluded)

The financial statements as of and for the three months ended March 31, 2015 of the above subsidiaries, except those of Generalplus and Surplus mMobile, had not been reviewed. The financial statements as of and for the three months ended March 31, 2014 of the above subsidiaries, except those of Generalplus, had not been reviewed.

b. Subsidiary excluded from the consolidated financial statements

Company name	The voting Ratio of Non control Equity		
	March 31, 2015	December 31, 2014	March 31, 2014
Generalplus Technology Inc.	47.96%	47.96%	47.96%

Please refer to attachment 4 for registered countries and company information

Company name	Profits Attributed to Non-controlling Interests		Non-controlling Interests		
	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	March 31, 2015	December 31, 2014	March 31, 2014
Generalplus Technology Inc.	\$ 21,911	\$ 11,278	\$1,023,082	\$1,003,480	\$ 986,776

The summarized financial information below represents amounts before intragroup eliminations.

	March 31, 2015	December 31, 2014	March 31, 2014
Current assets	\$ 1,818,583	\$ 1,776,298	\$ 1,796,025
Non-current assets	821,890	825,416	740,381
Current liabilities	441,692	432,051	405,449
Non-current liabilities	<u>94,339</u>	<u>106,091</u>	<u>102,212</u>
Equity	<u>\$ 2,104,442</u>	<u>\$ 2,063,572</u>	<u>\$ 2,028,745</u>

(Continued)

	March 31, 2015	December 31, 2014	March 31, 2014
Equity attributable to:			
Owners of the Company	\$ 1,081,360	\$ 1,060,092	\$ 1,041,969
Non-controlling interests	<u>1,023,082</u>	<u>1,003,480</u>	<u>986,776</u>
	<u>\$ 2,104,442</u>	<u>\$ 2,063,572</u>	<u>\$ 2,028,745</u> (Concluded)

	For the Three Months Ended March 31	
	2015	2014
Operating revenue	<u>\$ 562,318</u>	<u>\$ 473,046</u>
Net income	\$ 45,684	\$ 23,514
Other comprehensive income	<u>(4,814)</u>	<u>(1,586)</u>
Total other comprehensive income	<u>\$ 40,870</u>	<u>\$ 21,928</u>
Equity attributable to:		
Owners of the Company	\$ 23,773	\$ 12,236
Non-controlling interests	<u>21,911</u>	<u>11,278</u>
	<u>\$ 45,684</u>	<u>\$ 23,514</u>
Total other comprehensive attributable to:		
Owners of the Company	\$ 21,268	\$ 11,411
Non-controlling interests	<u>19,602</u>	<u>10,517</u>
	<u>\$ 40,870</u>	<u>\$ 21,928</u>
Cash flows		
Cash flows from operating activities	\$ 60,828	\$ 15,463
Cash flows used in investing activities	(55,200)	(11,433)
Cash flows used in financing activities	(14,122)	(10,299)
Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>(571)</u>	<u>(504)</u>
Net cash outflow	<u>\$ (9,065)</u>	<u>\$ (6,773)</u>
Dividend paid to non-controlling interests		
Generalplus Technology Inc.	<u>\$ -</u>	<u>\$ -</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2015	December 31, 2014	March 31, 2014
Investments in associates	\$ 351,608	\$ 1,345,479	\$ 1,078,874
Investments in jointly controlled entities	<u>61,488</u>	<u>63,760</u>	<u>124,493</u>
	<u>\$ 413,096</u>	<u>\$ 1,409,239</u>	<u>\$ 1,203,367</u>

a. Investments in associates

	March 31, 2015	December 31, 2014	March 31, 2014
Listed companies			
Global View Co., Ltd	\$ 351,608	\$ 350,536	\$ -
Oise Technology, Co., Ltd...	<u>-</u>	<u>994,943</u>	<u>1,078,874</u>
	<u>\$ 351,608</u>	<u>\$ 1,345,479</u>	<u>\$ 1,078,874</u>

Please refer to the attachment 4 for associates business type, main operating location and the registered countries information.

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

Company name	March 31, 2015	December 31, 2014	March 31, 2014
Listed companies			
Global View Co., Ltd.	13%	13%	-
Orise Technology, Co., Ltd.	-	34%	34%

In their meeting on September 30, 2014, the shareholders of Orise Technology (“Orise”) approved the merger of Orise and FocalTech-Systems (“FocalTech”) Technology, with FocalTech as the survivor entity, and the merger and share transfer took effect on January 2, 2015. Orise issued new common shares, and Focal Tech swapped 1 common share for 4.8 common shares of Orise. After the merger, the Group had a gain of \$906,358 thousand, but the Group’s equity interest in Orise decreased from 34% to 12%, resulting in the Group’s losing significant influence on Orise. Thus, the Group reclassified its investment in Orise to available-for-sale financial asset.

In their meeting on June 17, 2014, the board of directors of Global View Co., Ltd. (“Global”) elected the Company’s director as a board member. The Company thus considered that it acquired significant influence in Global and reclassified its holding of Global shares from available-for-sale financial assets to an investment in an associate.

The fair values of publicly traded investments accounted for using the equity method were based on the closing prices of those investments at the balance sheet date, as follows:

Company name	March 31, 2015	December 31, 2014	March 31, 2014
Global View Co., Ltd.	<u>\$ 365,388</u>	<u>\$ 259,639</u>	<u>\$ -</u>
Orise Technology, Co., Ltd.	<u>\$ -</u>	<u>\$ 1,858,790</u>	<u>\$ 2,624,457</u>

The company using the equity method on related subsidiary above mentioned.

Please refer to Note 37 for the amount of pledge of borrowing fund.

b. Investments in jointly controlled entities

The Company signed an investment agreement with Silicon Integrated Systems Corp. on December 19, 2012. Both sides agreed to increase capital in Sunplus Core Inc. (renamed S2-Tek Inc. since March 11, 2013), which researches, develops, designs, and sells TV integrated circuits (ICs). The investment agreement was registered on January 21, 2013.

The Company had 99.98% equity in Sunplus Core Inc. before the investment agreement, but when the Company later subscribed for Sunplus Core Inc.'s additional new shares at a percentage different from its existing ownership percentage, the Company's equity decreased to 51.25%. When Sunplus Core Inc. changed its name to S2-Tek Inc. on January 21, 2013, a new investment agreement was made, which stated that the Company no longer had control over S2-Tek Inc. The Company continued to recognize this investment by the equity method.

Company name	March 31, 2015	December 31, 2014	March 31, 2014
Jointly controlled entities			
S2-Tek Inc.	<u>\$ 61,488</u>	<u>\$ 63,760</u>	<u>\$ 124,493</u>

Please refer to the attachment 4 for associates business type, main operating location and the registered countries information.

Investments in above jointly controlled entities are accounted for using equity method.

The financial statements of above except for Focaltech Inc. as of three months ended March 31, 2015 are not reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Three Months Ended March 31, 2014									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
<u>Cost</u>										
Balance, beginning of period	\$ 1,269,627	\$ 151,411	\$ 30,672	\$ 399,339	\$ 10,942	\$ 224,542	\$ 6,402	\$ 19,154	\$ 872,834	\$ 2,984,923
Additions	-	1,367	1,793	10,662	-	4,315	456	27	18,203	36,823
Disposals	-	-	(28)	(64)	-	(1,393)	-	-	-	(1,485)
Effect of exchange rate changes	(656)	(60)	(2,117)	566	(39)	(496)	(7)	786	(3,153)	(5,176)
Balance, end of period	<u>1,268,971</u>	<u>152,718</u>	<u>30,320</u>	<u>410,503</u>	<u>10,903</u>	<u>226,968</u>	<u>6,851</u>	<u>19,967</u>	<u>887,884</u>	<u>3,015,085</u>
<u>Accumulated depreciation</u>										
Balance, beginning of period	273,056	60,565	26,613	258,438	7,995	176,581	4,284	11,252	-	818,784
Additions	7,665	5,420	4,044	39,809	420	6,271	1,200	280	-	65,109
Disposals	-	-	(28)	(55)	-	(1,393)	-	-	-	(1,476)
Effect of exchange rate changes	(805)	(1,382)	(3,371)	3,952	(326)	601	(946)	375	-	(1,902)
Balance, end of period	<u>279,916</u>	<u>64,603</u>	<u>27,258</u>	<u>302,144</u>	<u>8,089</u>	<u>182,060</u>	<u>4,538</u>	<u>11,907</u>	<u>-</u>	<u>880,515</u>
<u>Accumulated Impairment</u>										
Balance, beginning of period	-	-	-	11,498	-	-	-	-	-	11,498
Additions	-	-	-	-	-	-	-	-	-	-
Balance, end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,498</u>
Net, beginning of period	<u>\$ 996,571</u>	<u>\$ 90,846</u>	<u>\$ 4,059</u>	<u>\$ 129,403</u>	<u>\$ 2,947</u>	<u>\$ 47,961</u>	<u>\$ 2,118</u>	<u>\$ 7,902</u>	<u>\$ 872,834</u>	<u>\$ 2,154,641</u>
Net, end of period	<u>\$ 989,055</u>	<u>\$ 88,115</u>	<u>\$ 3,062</u>	<u>\$ 96,861</u>	<u>\$ 2,814</u>	<u>\$ 44,908</u>	<u>\$ 2,313</u>	<u>\$ 8,060</u>	<u>\$ 887,884</u>	<u>\$ 2,123,072</u>

	Three Months Ended March 31, 2015									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
<u>Cost</u>										
Balance, beginning of period	\$ 2,516,262	\$ 205,872	\$ 20,988	\$ 492,573	\$ 11,306	\$ 267,052	\$ 5,623	\$ 23,743	\$ 957,782	\$ 4,501,201
Additions	-	339	13	25,754	-	2,044	1,584	2,220	22,648	54,602
Disposals	-	-	-	(51,120)	-	(144)	-	-	-	(51,264)
Effect of exchange rate changes	(12,136)	893	8,656	(1,129)	151	(8,235)	(461)	(2,351)	(9,047)	(23,677)
Balance, end of period	<u>2,504,126</u>	<u>207,104</u>	<u>29,657</u>	<u>466,078</u>	<u>11,457</u>	<u>260,699</u>	<u>6,746</u>	<u>23,612</u>	<u>971,383</u>	<u>4,480,862</u>
<u>Accumulated depreciation</u>										
Balance, beginning of period	303,556	73,331	18,932	374,204	9,077	202,317	3,479	14,135	-	999,031
Additions	19,472	6,560	6,949	30,035	553	6,985	586	348	-	71,488
Disposals	-	-	-	(47,970)	-	(135)	-	-	-	(48,105)
Effect of exchange rate changes	(5,518)	(194)	807	5,592	(450)	(7,971)	813	138	-	(6,783)
Balance, end of period	<u>317,510</u>	<u>79,697</u>	<u>26,688</u>	<u>361,861</u>	<u>9,180</u>	<u>201,196</u>	<u>4,878</u>	<u>14,621</u>	<u>-</u>	<u>1,015,631</u>
<u>Accumulated Impairment</u>										
Balance, beginning and end of period	-	-	-	11,498	-	-	-	-	-	11,498
Net, beginning of period	<u>\$ 2,212,706</u>	<u>\$ 132,541</u>	<u>\$ 2,056</u>	<u>\$ 106,871</u>	<u>\$ 2,229</u>	<u>\$ 64,735</u>	<u>\$ 2,144</u>	<u>\$ 9,608</u>	<u>\$ 957,782</u>	<u>\$ 3,490,672</u>
Net, end of period	<u>\$ 2,186,616</u>	<u>\$ 127,407</u>	<u>\$ 2,969</u>	<u>\$ 92,719</u>	<u>\$ 2,227</u>	<u>\$ 59,503</u>	<u>\$ 1,868</u>	<u>\$ 8,991</u>	<u>\$ 971,383</u>	<u>\$ 3,453,733</u>

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

	Xintec
Buildings	11-56 years
Auxiliary equipment	5-20 years
Machinery and equipment	1-10 years
Testing equipment	1-10 years
Transportation equipment	4-10 years
Furniture and fixtures	2-5 years
Leasehold improvements	2-11 years
Other equipment	3-10 years

Refer to Note 37 for the carrying amount of property, plant and equipment that had been pledged by the Group to secure borrowings granted to the Group.

17. INVESTMENT PROPERTIES

	For the Three Months Ended March 31	
	2015	2014
<u>Cost</u>		
Balance at January 1	\$ 458,669	\$ 456,827
Effect of foreign currency exchange differences	<u>(4,323)</u>	<u>(1,885)</u>
Balance at March 31	<u>\$ 454,346</u>	<u>\$ 454,942</u>
<u>Accumulated depreciation</u>		
Balance at January 1	\$ 176,006	\$ 163,758
Depreciation expense	5,353	4,634
Effect of foreign currency exchange differences	<u>(1,664)</u>	<u>(703)</u>
Balance at March 31	<u>179,695</u>	<u>167,689</u>
	<u>\$ 274,651</u>	<u>\$ 287,253</u>

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

The fair value of the investment properties had been determined on the basis of a valuation carried out at the reporting date by the Suzhou Feng-Zheng PingGu Firm. The valuation was determined by the replacement cost method, the important assumption and valuation was as follow.

	March 31, 2015	December 31, 2014	March 31, 2014
Fair value	\$ 406,078	\$ 406,078	\$ 378,894
Discount rate	85.33%	85.33%	87.33%

For the investment properties valued by independent valutors but, the Group determined that the fair values reported as of December 31, 2014 and January 1, 2014 were still valid as of March 31, 2015 and 2014.

The rental income generated for the three months ended March 31, 2015 and 2014 was \$37,541 thousand and \$35,363 thousand, respectively.

18. INTANGIBLE ASSETS

	For the Three Months Ended March 31, 2014					
	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
<u>Cost</u>						
Balance at January 1	\$ 1,069,626	\$ 365,709	\$ 30,596	\$ 113,932	\$ 2,460	\$ 1,582,323
Additions	63,696	3,793	-	297	-	67,786
Effect of foreign currency exchange differences	-	(93)	-	-	-	(93)
Balance at March 31	<u>1,133,322</u>	<u>369,409</u>	<u>30,596</u>	<u>114,229</u>	<u>2,460</u>	<u>1,650,016</u>
<u>Accumulated amortization</u>						
Balance at January 1	878,004	307,880	-	58,881	2,460	1,247,225
Amortization expense	32,084	10,628	-	1,683	-	44,395
Effect of foreign currency exchange differences	-	(39)	-	-	-	(39)
Balance at March 31	<u>910,088</u>	<u>318,469</u>	<u>-</u>	<u>60,564</u>	<u>2,460</u>	<u>1,291,581</u>
Net, beginning of period	<u>\$ 191,622</u>	<u>\$ 57,829</u>	<u>\$ 30,596</u>	<u>\$ 55,051</u>	<u>\$ -</u>	<u>\$ 355,098</u>
Net, end of period	<u>\$ 223,234</u>	<u>\$ 50,940</u>	<u>\$ 30,596</u>	<u>\$ 53,665</u>	<u>\$ -</u>	<u>\$ 358,435</u>
	For the Three Months Ended March 31, 2015					
	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
<u>Cost</u>						
Balance at January 1	\$ 700,653	\$ 346,096	\$ 114,229	\$ 30,596	\$ 2,460	\$ 1,194,034
Additions	62,194	7,837	-	-	-	70,031
Decrease	(66,118)	(813)	-	-	-	(66,931)
Effect of foreign currency exchange differences	-	(251)	-	-	-	(251)
Balance at March 31	<u>696,729</u>	<u>352,869</u>	<u>114,229</u>	<u>30,596</u>	<u>2,460</u>	<u>1,196,883</u>

(Continued)

For the Three Months Ended March 31, 2015

	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
<u>Accumulated amortization</u>						
Balance at January 1	\$ 524,354	\$ 306,403	\$ 65,616	\$ -	\$ 2,460	\$ 898,833
Amortization expense	10,043	9,084	1,685	-	-	20,812
Decrease	(46,639)	(288)	-	-	-	(46,927)
Effect of foreign currency exchange differences	<u>1</u>	<u>(148)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147)</u>
Balance at March 31	<u>487,759</u>	<u>315,051</u>	<u>67,301</u>	<u>-</u>	<u>2,460</u>	<u>872,571</u>
<u>Accumulated amortization</u>						
Balance at January 1	17,013	-	-	-	-	17,013
increase	<u>94,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,123</u>
Balance at March 31	<u>111,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,136</u>
Net, beginning of the period	<u>\$ 159,286</u>	<u>\$ 39,693</u>	<u>\$ 48,613</u>	<u>\$ 30,596</u>	<u>\$ -</u>	<u>\$ 278,188</u>
Net, end of the period	<u>\$ 97,834</u>	<u>\$ 37,818</u>	<u>\$ 46,928</u>	<u>\$ 30,596</u>	<u>\$ -</u>	<u>\$ 213,176</u>

(Concluded)

Intangible assets consisted of fees paid to Oak Technology (“Oak”) for the Group to use Oak’s technology on light storage solutions to develop SOC DVD/VCD (system on a chip digital compact disk/video compact disk) players and the fee paid to Royal Philips Electronics (“Philips”) for the Group to use Philips’s optical disc drive (ODD) semiconductor technology.

The Company recognized impairment loss on above intangible assets \$94,123 thousand.

The above items of other intangible assets were depreciated on a straight-line basis over the useful lives of the assets, estimated as follows:

	Xintec
Technology license fees	1-15 years
Software	1-10 years
Patents	5-18 years
Technological know-how	5 years

19. OTHER ASSETS

	March 31, 2015	December 31, 2014	March 31, 2014
Finance lease payables (Note 37)	\$ 130,010	\$ 132,032	\$ 193,019
Pledged time deposits	93,077	93,116	91,217
Other financial asset	80,704	81,472	-
Refundable deposits	4,751	7,148	7,245
Prepaid long-term investments	-	63,300	45,705
Prepaid equipment	-	110	1,100,161
Other	<u>147,238</u>	<u>153,457</u>	<u>172,093</u>
	<u>\$ 455,780</u>	<u>\$ 530,635</u>	<u>\$ 1,609,440</u>
Current	\$ 218,257	\$ 224,598	\$ 244,411
Noncurrent	<u>237,523</u>	<u>306,037</u>	<u>1,365,029</u>
	<u>\$ 455,780</u>	<u>\$ 530,635</u>	<u>\$ 1,609,440</u>

The amounts of the Group's finance lease payables for land grant in China as of March 31, 2014, December 31 and 2014, March 31, 2014 were \$130,010 thousand, \$132,032 thousand and \$193,019 thousand.

The amounts of the Group's finance lease payables for land grants in China as of March 31, 2015 were \$63,046 thousand.

Prepaid equipment pertained to the acquisition by Generalplus Shenzhen and Sunplus Prof-tek (Shenzhen) Co., Ltd. of an office in Shenzhen, China. The office was officially opened for operation in December 2014 and was reclassified under property, plant and equipment.

20. LOANS

Short-term borrowings

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Unsecured borrowings</u>			
- bank loans	<u>\$ 557,144</u>	<u>\$ 304,085</u>	<u>\$ 164,513</u>

The weighted average effective interest rate on the bank loans as of March 31, 2015, December 31, 2014 and March 31, 2014 were 1.44%-2.5429%, 1.843%-2.2% and 2.06%-2.5429%.

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	March 31, 2015	December 31, 2014	March 31, 2014
<u>Floating rate borrowings</u>					
Secured bank borrowing	2017.3.16	Repayable semiannually from March 2012	\$ 311,110	\$ 388,888	\$ 466,666
Un-secured bank borrowing	2019.2.28	Repayable quarterly from February 2014	300,000	300,000	200,000
Un-secured bank borrowing	2017.6.27	Repayable semiannually from June 2014	300,000	300,000	-
Un-secured bank borrowing	2015.4.14	Repayable on April 2015	154,907	155,790	151,160
Un-secured bank borrowing	2015.12.18	Repayable on December 2015	154,906	155,790	
Un-secured bank borrowing	2017.1.10	Repayable on January 2016	185,888	199,410	169,299
Un-secured bank borrowing	2015.3.30	Repayable quarterly from March 2012	-	62,500	250,000
Un-secured bank borrowing	2014.6.15	Repayable on June 2014	-	-	151,160
Un-secured bank borrowing	2015.3.28	Repayable quarterly from March 2012	-	-	125,000
Secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	-	-	90,000
Un-secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	-	-	<u>90,000</u>
			<u>\$ 1,406,811</u>	<u>\$ 1,562,378</u>	<u>\$ 1,693,285</u>
Current			\$ 660,369	\$ 905,296	\$ 861,716
Noncurrent			<u>746,442</u>	<u>657,082</u>	<u>831,569</u>
			<u>\$ 1,406,811</u>	<u>\$ 1,562,378</u>	<u>\$ 1,693,285</u>

Under the loan contracts, the Group provided buildings and shares of Giantplus Technology Co., Ltd. and Orise Technology Co., Ltd. as collaterals for the above loans (Note 37).

The effective rate borrowings as of March 31, 2015, December 31, 2014 and March 31, 2014 were 1.865%-2.558%, 1.865%-2.752% and 1.64%-2.558%.

The loan contracts require the Group to maintain certain financial ratios, such as debt ratio and current ratio as well as a restriction on net tangible assets. However, the Group's not being able to meet would not be deemed to be a violation of the contracts.

21. TRADE PAYABLES

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Notes payable</u>			
Payable - operating	\$ 100	\$ 100	\$ -
<u>Accounts payable</u>			
Payable - operating	<u>881,472</u>	<u>724,469</u>	<u>1,015,873</u>
	<u>\$ 881,572</u>	<u>\$ 728,569</u>	<u>\$ 1,015,873</u>

The average credit period on purchases of certain goods was 30-60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. PROVISIONS

	March 31, 2015	December 31, 2014	March 31, 2014
Customer returns and rebates	<u>\$ 17,788</u>	<u>\$ 21,849</u>	<u>\$ 25,299</u>

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

23. OTHER LIABILITIES

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Other payables</u>			
Salaries and bonus	\$ 398,686	\$ 424,590	\$ 182,253
Employee bonuses and compensation payable to directors and supervisions	84,088	83,013	74,495
Payable for purchase of equipment	58,552	56,231	5,056

(Continued)

	March 31, 2015	December 31, 2014	March 31, 2014
Unearned revenue	\$ 45,655	\$ 42,117	\$ -
Labor/health insurance	25,604	28,604	29,817
Payable for commission	19,464	10,384	-
Payable for royalties	13,856	38,349	15,440
Professional service fees	5,778	5,628	7,534
Others	<u>145,643</u>	<u>156,398</u>	<u>203,631</u>
	<u>\$ 797,326</u>	<u>\$ 839,314</u>	<u>\$ 518,226</u>
<u>Deferred revenue</u>			
Arising from governments grants (Note 29)	\$ 78,538	\$ 79,749	\$ 78,080
Others	<u>3,838</u>	<u>4,937</u>	<u>5,389</u>
	<u>\$ 82,376</u>	<u>\$ 84,686</u>	<u>\$ 83,469</u>
Current			
- Other current liability	\$ 795,007	\$ 836,995	\$ 516,927
- Deferred revenue	<u>2,758</u>	<u>3,375</u>	<u>3,307</u>
	<u>\$ 797,765</u>	<u>\$ 840,370</u>	<u>\$ 520,234</u>
Noncurrent			
- Other liability	\$ 2,319	\$ 2,319	\$ 1,299
- Deferred revenue	<u>79,618</u>	<u>81,311</u>	<u>80,162</u>
	<u>\$ 81,937</u>	<u>\$ 83,630</u>	<u>\$ 81,461</u>
			(Concluded)

24. RETIREMENT BENEFIT PLANS

Defined contribution plans

Sunplus, Generalplus, Sunext, Sunplus Innovation, Sunplus mMedia, Sunplus mMedia and iCatch of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Defined benefit plans

Before the promulgation of the LPA, Sunplus, Generalplus, Sunext, Sunplus Innovation, Sunplus mMedia, Sunplus mMedia and iCatch of the Group had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Group makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are

managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Company has no right to influence the investment policy and strategy.

	December 31, 2014
Present value of funded defined benefit obligation	\$ 279,700
Fair value of plan assets	<u>(176,652)</u>
Net liability arising from defined benefit obligation	<u>\$ 103,048</u>

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

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Liability Arising from Defined Benefit Obligation
January 1, 2015	<u>\$ 280,781</u>	<u>\$ 166,865</u>	<u>\$ 113,916</u>
Service cost			
Current service cost	1,794	-	1,794
Interest cost	<u>5,215</u>	<u>2,990</u>	<u>2,225</u>
Recognized gain and loss	<u>7,009</u>	<u>2,990</u>	<u>4,019</u>
Remeasurement			
Expected return on plan assets	-	909	(909)
Experience adjustment on actuarial gain (loss)	<u>(8,090)</u>	<u>88</u>	<u>(8,178)</u>
Recognized in other comprehensive profit or loss.	<u>(8,090)</u>	<u>997</u>	<u>(9,087)</u>
Contributions from employer	<u>-</u>	<u>5,800</u>	<u>(5,800)</u>
March 1, 2015	<u>\$ 279,700</u>	<u>\$ 176,652</u>	<u>\$ 103,048</u>

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

	Three Months Ended March 31	
	2015	2014
Cost of revenue	\$ 117	\$ 152
Marketing expenses	104	92
General and administrative expenses	191	127
Research and development expenses	<u>(11,183)</u>	<u>755</u>
	<u>\$ (10,771)</u>	<u>\$ 1,126</u>

The defined benefit obligation was calculated by eligible actuary. The important assumptions in remeasurement date were as follow:

	March 31, 2014
Discounted rate	1.90%-2.13%
Expected salary increase rate	3.50%-6.25%
Average due period of defined benefit obligation	15-22 years

The above expense recognized in profit or loss was due to the Company's sale of the STB (set-top box) product center in March 2015, resulting in the layoff of this center's employees. The Company recognized a disposal gain of \$11,649 thousand and recognized \$1,606 thousand as defined benefit obligation remeasurement under other comprehensive income.

25. EQUITY

Share capital

Common shares:

	March 31, 2015	December 31, 2014	March 31, 2014
Numbers of shares authorized (in thousands)	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Shares authorized	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>

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

80,000 thousand shares of the Group's shares authorized were reserved for the issuance of convertible bonds and employee share options.

	March 31, 2015	December 31, 2014	March 31, 2014
Number of shares issued and fully paid (in thousands)	<u>591,995</u>	<u>591,995</u>	<u>591,995</u>
Shares issued	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>

Capital surplus

	March 31, 2015	December 31, 2014	March 31, 2014
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
Arising from issuance of common shares	\$ 703,376	\$ 703,376	\$ 703,376
Arising from treasury share transactions	34,382	34,382	34,382
Arising from consolidation excess	157,423	157,423	157,423
Depending on the source, may be used to offset a deficit only or may not be used for any purpose			
Other (b)	<u>(735)</u>	<u>40,870</u>	<u>17,347</u>
	<u>\$ 894,446</u>	<u>\$ 936,051</u>	<u>\$ 912,528</u>

- a. When the Company has no deficit, such capital surplus may be distributed as cash dividends, or may be transferred to share capital once a year and within a certain percentage of the Company's capital surplus.

- b. The capital surplus from the share of changes in equities of subsidiaries, associates and joint ventures, including the subsidiaries' expired share options but excluding the actual disposal or acquisition of an equity-method investment, may be used to offset a deficit; all other capital surplus from equity-method investments should not be used for any purpose.

Retained earnings and dividend policy

Sunplus' Articles of Incorporation provide that the following should be appropriated from annual net income less any accumulated deficit: (a) 10% as legal reserve; and (b) special reserve equivalent to the debit balance of any accounts shown in the shareholders' equity section of the balance sheet, other than deficit. The distribution of any remaining earnings will be as follows:

- a. up to 6% of paid-in capital as dividends; and
- b. 1.5% as remuneration to directors and supervisors and at least 1% as bonus to employees. The employees may include, with the approval of Sunplus' board of directors, those of Sunplus' subsidiaries.
- c. Under an approved shareholders' resolution, the current year's net income less all the foregoing appropriations and distributions plus the inappropriate prior years' earnings may be distributed as additional dividends.
- d. Sunplus' policy is that cash dividends should be at least 10% of total dividends distributed. However, cash dividends will not be distributed if these dividends are less than NT\$0.5 per share.

Sunplus should estimate the bonus to employees and remuneration to directors and supervisors based on related laws and past experience. Based on the Sunplus' Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, when the Company had deficits in 2014, it did not accrue any bonus and remuneration expenses. However, from the 2014 earnings, there were estimates of \$1,471 thousand as bonus to employees and \$2,206 thousand as remuneration to directors. Material differences between earlier estimates of bonuses and remuneration and the amounts subsequently proposed by the Board of Directors are adjusted for in the year of the proposal. If the actual amounts approved by the shareholders differ from the board of directors' proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items.

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

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

The appropriations from the 2014 earnings and 2013 loss were approved at the shareholders' meetings on April 22, 2015 and June 11, 2014, respectively. The appropriations, including dividends, were as follows:

	<u>2015</u>		<u>2014</u>	
	Appropriation of Earnings	Dividends Per Share (NT\$)	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ -	\$ -	\$ 119,147	\$ -
Unappropriated earnings offset loss	12,086	-	-	-
Appropriated legal Reserves	41,060	-	-	-
Special reserve	(4,806)	-	(8,116)	-
Cash dividend	355,197	0.6	-	-

	<u>2015</u>		<u>2014</u>	
	Cash Bonus	Stock Bonus	Cash Bonus	Stock Bonus
bonus to employees	\$ 191	\$ -	\$ -	\$ -
bonus to Board of Directors	287	-	-	-

The appropriations of earnings, the bonus to employees, and the remuneration to directors and supervisors for 2014 are subject to the resolution of the shareholders' meeting to be held on June 12, 2015.

The shareholder's meeting agrees to distribute bonus to employees and Board of Directors. And the bonus to employees and board of director recognized on financial report were as follow:

	<u>2015</u>	
	Bonus to Employees	Bonus to Board of Directors
Suggested amount to be attributed in shareholder meeting	\$ 191	\$ 287
Amounts recognized on financial report	110	165

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

Other equity items

Foreign currency translation reserve:

	<u>For Three Months Ended March 31</u>	
	<u>2015</u>	<u>2014</u>
Balance at January 1	\$ 128,258	\$ 27,108
Exchange differences arising on translating the foreign operations	<u>(25,474)</u>	<u>(15,571)</u>
Balance at March 31	<u>\$ 102,784</u>	<u>\$ 11,537</u>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Unrealized gain/loss from available-for-sale financial assets:

	For Three Months Ended March 31	
	2015	2014
Balance at January 1	\$ 181,674	\$ 172,562
Changes in fair value of available-for-sale financial assets	(112,927)	298,379
Cumulative gain/loss reclassified to profit or loss upon disposal of available-for-sale financial assets	(3,534)	(51,929)
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	125,203	-
The proportionate share of other comprehensive income/losses reclassified to profit or loss upon partial disposal of associates	(41)	-
Unrealized of gain and using equity method to recognize associates as available for sale	<u>925</u>	<u>6</u>
Balance at March 31	<u>\$ 191,300</u>	<u>\$ 419,018</u>

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Noncontrolling interests

	For Three Months Ended March 31	
	2015	2014
Balance at January 1	\$ 1,598,388	\$ 1,588,354
Attributable to noncontrolling interests:		
Share of profit for the year	20,101	(8,070)
Exchange difference arising on translation of foreign entities	(2,218)	(803)
Unrealized gains and losses on available-for-sale financial assets	(702)	280
Purchase of noncontrolling interests	-	(5,938)
Others	<u>833</u>	<u>(426)</u>
Balance at March 31	<u>\$ 1,616,402</u>	<u>\$ 1,573,397</u>

Treasury shares

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2014	4,915	3,560	8,475
Decrease	<u>(4,915)</u>	<u>-</u>	<u>(4,915)</u>
Number of shares at March 31, 2014	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares at January 1, 2015	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at March 31, 2015	<u>-</u>	<u>3,560</u>	<u>3,560</u>

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

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
<u>March 31, 2015</u>			
Lin Shin Investment Co., Ltd	3,560	\$ <u>63,401</u>	\$ <u>48,238</u>
<u>December 31, 2014</u>			
Lin Shin Investment Co., Ltd	3,560	\$ <u>63,401</u>	\$ <u>45,568</u>
<u>March 31, 2014</u>			
Lin Shin Investment Co., Ltd	3,560	\$ <u>63,401</u>	\$ <u>45,924</u>

Under the Securities and Exchange Act, Sunplus shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. Sunplus's board of directors resolves to write off all of the buyback treasury shares, 4,915 thousand shares. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

Global depository receipts

In March 2001, Sunplus issued 20,000 thousand units of global depository receipts (GDRs), representing 40,000 thousand common shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of March 31, 2014, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

26. REVENUE

	<u>For Three Months Ended March 31</u>	
	2015	2014
Revenue from IC	\$ 1,780,065	\$ 1,393,549
Rental income from property	37,541	35,363
Other	<u>46,197</u>	<u>31,442</u>
	<u>\$ 1,863,803</u>	<u>\$ 1,460,354</u>

27. NET PROFIT

Net profit (loss) had been arrived at after charging (crediting):

Other income

	For the Three Months Ended March 31	
	2015	2014
Interest income		
Bank deposits	\$ 8,291	\$ 8,934
Others	<u>7,062</u>	<u>7,450</u>
	<u>\$ 15,353</u>	<u>\$ 16,384</u>

Other gains and losses

	For the Three Months Ended March 31	
	2015	2014
Gain on disposal of investment	\$ 909,994	\$ 52,341
Net foreign exchange gains	(19,889)	4,083
Impairment loss on available-for-sale financial assets	-	-
Net gain arising on financial assets designated as at FVTPL	67	33
Loss on reversal of impairment loss on financial assets	(188,249)	-
Other	<u>5,126</u>	<u>2,470</u>
	<u>\$ 707,049</u>	<u>\$ 58,927</u>

Finance costs

	For the Three Months Ended March 31	
	2015	2014
Interest on bank loans	<u>\$ 7,892</u>	<u>\$ 7,500</u>

Information about capitalized interest was as below:

	For the Three Months Ended March 31	
	2015	2014
Capitalized interest	\$ 3,702	\$ 300
Capitalization rate	2.39%	2.81%

Depreciation and amortization

	For the Three Months Ended March 31	
	2015	2014
Property, plant and equipment	\$ 71,488	\$ 65,109
Investment property	5,353	4,634
Intangible assets	<u>20,812</u>	<u>44,395</u>
	<u>\$ 97,653</u>	<u>\$ 114,138</u>
An analysis of deprecation by function		
Operating costs	\$ 2,518	\$ 3,134
Operating expenses	<u>74,323</u>	<u>66,609</u>
	<u>\$ 76,841</u>	<u>\$ 69,743</u>
An analysis of amortization by function		
Operating costs	\$ 260	\$ 188
Selling and marketing expenses	57	27
General and administrative expenses	2,622	2,665
Research and development expenses	<u>17,873</u>	<u>41,515</u>
	<u>\$ 20,812</u>	<u>\$ 44,395</u>

Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2015	2014
Direct operating expenses from investment property that generated rental income	\$ 5,756	\$ 5,433
Direct operating expenses from investment property that did not generate rental income	<u>22,070</u>	<u>31,011</u>
	<u>\$ 27,826</u>	<u>\$ 36,444</u>

Employee benefit expense

	For the Three Months Ended March 31	
	2015	2014
Post-employment benefit		
Defined contribution plans (Note 24)	\$ 14,113	\$ 15,099
Defined benefit plans	(10,771)	1,126
Other employee benefit	<u>731,944</u>	<u>503,780</u>
Total employee benefit expense	<u>\$ 735,286</u>	<u>\$ 520,005</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 40,469	\$ 38,940
Operating expenses	<u>694,817</u>	<u>481,065</u>
	<u>\$ 735,286</u>	<u>\$ 520,005</u>

Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2015	2014
Foreign exchange gains	\$ 10,776	\$ 34,946
Foreign exchange losses	<u>(30,665)</u>	<u>(30,863)</u>
	<u>\$ (19,889)</u>	<u>\$ 4,083</u>

28. INCOME TAXES

a. Income tax of continuing operation

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

	Years Ended March 31	
	2015	2014
Current tax		
Current period	\$ 17,860	\$ (1,936)
Others	<u>919</u>	<u>1,801</u>
	18,779	(135)
Deferred tax		
Current period	<u>(10,324)</u>	<u>5,545</u>
Income tax expense recognized in profit or loss	<u>\$ 8,455</u>	<u>\$ 5,410</u>

b.

	March 31, 2015	December 31, 2014	March 31, 2014
Imputation credits accounts	<u>\$ 372,426</u>	<u>\$ 372,426</u>	<u>\$ 310,327</u>

	Years Ended March 31	
	2014 (expected)	2013
creditable ratio for distribution of earnings	20.48%	-

c. The income from the following projects is exempt from income tax. The related tax-exemption periods are as follows:

<u>Project</u>	<u>Tax Exemption Period</u>
<u>Sunplus</u>	
Thirteenth expansion	January 1, 2010 to December 31, 2017
Fourteenth expansion	January 1, 2015 to December 31, 2019
Fifteenth expansion	January 1, 2015 to December 31, 2019

(Continued)

<u>Project</u>	<u>Tax Exemption Period</u>
<u>Generalplus</u>	
Fifth expansion	January 1, 2013 to December 31, 2017
<u>Sunplus Innovation</u>	
Second expansion	January 1, 2013 to December 31, 2017
	(Concluded)
<u>Income tax assessments</u>	

The income tax returns of Sunplus, Sunplus mMobile and through 2012; the income tax returns of Generaplus, Sunplus Innovation, Sunplus management Consulting, iCatch, Sunext and Wei-Yough through 2012. The income tax returns of Sunplus mMedia, Lin Shih and Sunplus Venture through 2013. Nevertheless, for conservatism purposes, Sunplus and its subsidiaries provided for the income tax assessed by the tax authorities.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2015	2014
Basic loss per share	\$ 1.00	\$ 0.16
From continuing operations	<u>(0.05)</u>	<u>(0.15)</u>
Total basic EPS	<u>\$ 0.95</u>	<u>\$ 0.01</u>
Diluted loss per share	\$ 1.00	\$ 0.16
From discontinued operations	<u>(0.05)</u>	<u>(0.15)</u>
Total diluted EPS	<u>\$ 0.95</u>	<u>\$ 0.01</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	
	2015	2014
Profit for the period attributable to owners of the Group	\$ 558,049	\$ 8,460
Earnings used in the computation of basic EPS	558,049	8,460
Less: Profit for the period from discontinued operations used in the computation of basic EPS from discontinued operation	<u>(27,845)</u>	<u>(87,037)</u>
Earnings used in the computation of diluted earnings per share	585,894	95,497

(Continued)

	For the Three Months Ended March 31	
	2015	2014
Effect of potentially dilutive ordinary shares		
Bonus to employee	\$	\$
Earnings used in the computation of diluted EPS from continuing operation	<u>-</u>	<u>-</u>
	<u>\$ 585,894</u>	<u>\$ 95,497</u> (Concluded)

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended March 31	
	2015	2014
Profit for the period attributable to owners of the Group	588,435	588,435
Effect of dilutive potential common shares:		
Employee share option	<u>31</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>588,466</u>	<u>588,435</u>

30. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted stock plan

In their meeting on June 28, 2012, the shareholders of Sunplus Innovation Technology Inc. (SITI) approved a plan on a restricted employee stock ownership plan (ESOP), through which employees would receive 2,400 thousand shares amounting to \$24,000 thousand, with no up-front cost and at a par value of \$10.00; the Financial Supervisory Commission approved this plan on June 28, 2012.

On August 7, 2013, under the board of directors' approval, SITI executed the restricted ESOP, through which employees received 1,000 thousand shares at a par value of \$10.00 with no up-front cost

Under the restricted ESOP, employees who are still employed by SITI and pass the annual performance appraisal are eligible for a certain percentage of shareholding, as stated below.

- a. 50% shareholding ratio after the second anniversary from the grant date;
- b. 50% of the shareholding ratio after the third anniversary from the grant date.

The restrictions under the ESOP are as follows:

- a. During the duration of the restricted ESOP, the employee may not vend, discount, transfer, grant, enact, or any other methods.
- b. During the duration of the restricted ESOP, employees will still receive stock and/or cash dividends, and also have rights to join the capital increase by cash plan (if any).

- c. Shares must be handed over to the trustees after the publication of the ESOP, and the company may not request a return of the ESOP before the realization of the vesting condition. If employees fail to meet the vesting condition, SITI has the right to take back and cancel the limited employee stock ownership, but the Company will still grant employees stock and cash dividends generated during the vesting period.

iCatch Technology Inc.

iCatch Technology Inc. had authorized 5,929 thousand units employee stock options as at September, 2013, each unit could acquire for 1,000 shares. Stock options were given to employees those who satisfied specific conditions. The options are valid for six years and exercisable at certain percentages after the second anniversary of the grant date. Exercise price was \$10 per share. If there is any changes of common stocks after granted date, option exercise price will be adjusted.

Information about the iCatch's outstanding options for the year ended March 31, 2014 was as follows:

	Year ended March 31, 2015	
	Number of Options (In Thousands)	Weighted average Exercise Price (NT\$)
Balance, beginning of period		
Options exercised	<u>7,500</u>	\$ 10
Balance, end of period	<u>5,929</u>	\$ 10

Share-Based Payment

Balance, beginning of period

Options exercised

7,500 \$ 10

Balance, end of period

5,929 \$ 10

As of March 31, 2014, information about iCatch's outstanding and exercisable options was as follows:

2013 First time executed:

Range of Exercise Price (NT\$)	Outstanding Options			Options Exercisable	
	Number Outstanding (Thousands)	Remaining Contractual Life (In Years)	Exercise Price (NT\$/Per Share)	Number Exercisable (Thousand)	Exercise Price (NT\$/Per Share)
\$10	<u>5,929</u>	4.42	\$10	<u>-</u>	\$ -

2013 second time executed:

Exercise Price (NT\$)	Outstanding Options			Options Exercisable	
	Number Outstanding (Thousands)	Remaining Contractual Life (In Years)	Exercise Price (NT\$/Per Share)	Number Exercisable (Thousands)	Exercise Price (NT\$/Per Share)
\$10	<u>1,571</u>	5.33	\$10	<u>-</u>	\$ -

Options granted were priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	First Time	Second Time
Grant-date share price (NT\$)	\$ 3.25	\$ 2.22
Exercise price (NT\$)	\$ 10	\$ 10
Expected volatility	31.89%	45.42%
Expected life (years)	4.375 years	4.375 years
Expected dividend yield	-	-
Risk-free interest rate	1.67%	1.59%

31. GOVERNMENT GRANTS

In August 2013, Sun Media Technology Co., Ltd. received a government grant amounting to RMB16,390 thousand (\$79,213 thousand) for the purchase of land on which to build a plant. This amount, which was recognized as deferred revenue, will be recognized in profit or loss over the useful life of the land.

The total revenue recognized as profit for the years ended March 31, 2014 was 453 thousand.

The Company signed the contract of [The development program of the sensor IC of Electrocardiogram with low power consumption and Noise, the SDK system of Electrocardiogram, and the project of Hardware development] with Institute for Information Industry, III for short, on June, 2014. The program started from November 7, 2013 to May 6, 2015.

32. DISPOSAL OF SUBSIDIARIES

As stated in Note 13(2), the Group lost its control over Sunplus Core Technology Co., Ltd. and disposed of another subsidiary. Related information is as follows:

	STB Product Center
a. Consideration received from the disposal	<u>\$ 330,000</u>
b. Analysis of assets and liabilities on the date control was lost	
Current assets	
Prepaid royalty	\$ 20,000
Noncurrent assets	
Property, plant and equipment	2,830
Intangible asset	<u>20,004</u>
Net assets disposed of	<u>\$ 42,834</u>

Gain on disposal of subsidiary \$287,166 thousand included loss on discontinuing segment (Note 13).

33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

Operating leases relate to leases of land with lease terms between 2 and 8 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased land at the expiry of the lease periods.

Sunplus

Sunplus leases lands from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in July 2015, December 2020 and December 2021. The SBIPA has the right to adjust the annual lease amount of \$8,034 thousand. Sunplus had pledged \$6,100 thousand time deposits (classified as other non-current assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Up to 1 year	\$ 5,844	\$ 6,665	\$ 8,034
Over 1 year to 5 years	18,992	18,992	20,089
Over 5 years	<u>6,315</u>	<u>7,501</u>	<u>11,063</u>
	<u>\$ 31,151</u>	<u>\$ 33,158</u>	<u>\$ 39,186</u>

Sunplus Innovation

Sunplus Innovation leases office from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in December 2016 and December 2018. The SBIPA has the right to adjust the annual lease amount of \$9,961 thousand.

The future lease payables are as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Up to 1 year	\$ 9,961	\$ 9,961	\$ 9,961
Over 1 year to 5 years	<u>18,390</u>	<u>20,879</u>	<u>28,351</u>
	<u>\$ 28,351</u>	<u>\$ 30,840</u>	<u>\$ 38,312</u>
Refundable deposits	<u>\$ 1,660</u>	<u>\$ 1,660</u>	<u>\$ 1,660</u>

Generalplus

Generalplus leases land from Science-Based Industrial Park Administration under renewable agreements expiring in December 2020. The SBIPA has the right to adjust the annual lease amount of \$1,474 thousand. Generalplus deposited \$3,000 thousand (classified as other non-current assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Up to 1 year	\$ 1,474	\$ 1,474	\$ 1,474
Over 1 year to 5 years	5,896	5,896	5,896
Over 5 years	<u>1,106</u>	<u>1,474</u>	<u>2,580</u>
	<u>\$ 8,476</u>	<u>\$ 8,844</u>	<u>\$ 9,950</u>

i Catch Technology, Inc. (“i Catch”)

i Catch leases office from Sliming Inc. and Siha Inc. under renewable agreements expiring in February 2016; the lease payments were \$1,688 thousand and \$1,274, respectively.

The future lease payments are as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Up to 1 year	\$ 2,715	\$ 2,962	\$ 2,962
Over 1 year to 5 years	<u>-</u>	<u>493</u>	<u>2,715</u>
	<u>\$ 2,715</u>	<u>\$ 3,455</u>	<u>\$ 5,677</u>
Refundable deposits	<u>\$ 521</u>	<u>\$ 521</u>	<u>\$ 521</u>

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease terms between 1 to 5 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

As of March 31, 2015, December 31, 2014, March 31, 2014 deposits received under operating leases amounted to \$24,475 thousand, \$25,981 thousand and \$22,597 thousand, respectively.

The future minimum lease payments of non-cancellable operating lease were as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Up to 1 year	\$ 100,317	\$ 108,118	\$ 118,002
Over 1 to 5 years	<u>58,948</u>	<u>71,230</u>	<u>116,950</u>
	<u>\$ 159,265</u>	<u>\$ 179,348</u>	<u>\$ 234,952</u>

34. 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 stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of [net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity) attributable to owners of the Group.

The Group is not subject to any externally imposed capital requirements.

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the condensed consolidated financial statements approximate their fair values.

	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>				
Financial assets carried at cost	\$ 260,905	\$ -	\$ 241,005	\$ -
Debt investment with no active market	14,903	-	14,903	-

	<u>March 31, 2014</u>	
	Carrying Amount	Fair Value
<u>Financial assets</u>		
Financial assets carried at cost	\$ 308,432	\$ -
Financial assets carried at cost	14,903	-

b. Fair value level

March 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	<u>\$ 14,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,911</u>
Available-for-sale financial assets				
Mutual funds	\$ 723,211	\$ -	\$ -	\$ 836,872
Securities listed in ROC	2,574,052	-	-	2,460,391
Securities listed in foreign	-	-	-	-
	<u>\$ 3,297,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,297,263</u>

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	\$ 14,830	\$ -	\$ -	\$ 14,830
Available-for-sale financial assets				
Mutual funds	\$ 911,450	\$ -	\$ -	\$ 911,450
Securities listed in ROC	804,644	-	-	804,644
Securities listed in foreign	-	-	-	-
	<u>\$ 1,716,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,716,094</u>

March 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	\$ 8,027	\$ -	\$ -	\$ 8,027
Available-for-sale financial assets				
Mutual funds	\$ 1,130,787	\$ -	\$ -	\$ 1,130,787
Securities listed in ROC	1,209,553	-	-	1,209,553
Securities listed in foreign	7,984	-	-	7,984
	<u>\$ 2,348,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,348,324</u>

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

2) Valuation techniques and assumptions for the purpose of measuring fair value.

The fair value of financial instruments which has standard clause and will be transacted in active market is according to market value including public convertible bond, equity investment and Mutual funds.

c. Categories of financial instruments

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Held for trading	\$ 14,911	\$ 14,830	\$ 8,027
Loans and receivables (i)	5,887,120	5,554,870	4,941,969
Available-for-sale financial assets(ii)	3,558,168	1,957,099	2,656,756
<u>Financial liabilities</u>			
measured at amortized cost(iii)	3,053,617	2,816,779	3,084,650

- (i) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, trade and other receivables, and refundable deposits. Those reclassified to held-for-sale disposal groups are also included.
 - (ii) The balances included available-for-sale financial assets carried at cost.
 - (iii) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, trade and other payables, and long-term liabilities -current portion.
- d. Financial risk management objectives and policies

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

The Corporate Treasury function reported quarterly to the Group's risk management committee.

1) Market risk

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

a) Foreign currency risk

A part of the Group's cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly. In addition, before obtaining foreign loans, the Group considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were as follows. (Note 38)

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 1 dollar increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1 dollar is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period. A positive number below indicates an increase in post-tax profit and other equity associated with New Taiwan dollars strengthen 1 dollar against the relevant currency.

	USD impact	
	For the Three Months Ended	
	March 31	
	2015	2014
Profit or loss	\$ (33,685)	\$ 6,779

	RMB impact	
	For the Three Months Ended	
	March 31	
	2015	2014
Profit or loss	\$ (89,988)	\$ (115,369)

b) Interest rate risk

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

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

	March 31, 2015	December 31, 2014	March 31, 2014
Fair value interest rate risk			
Financial assets	\$ 2,046,000	\$ 2,756,009	\$ 2,281,798
Financial liabilities	355,766	148,295	315,673
Cash flow interest rate risk			
Financial assets	1,836,512	899,131	1,206,488
Financial liabilities	1,608,189	1,718,168	1,542,125

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was 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 interest rates had been 0.125% basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the three months ended March 31, 2015 and 2014 would decrease/increase by \$285 thousand and \$420 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.

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 1% higher/lower, post-tax profit for the three months ended March 31, 2015 and 2014 would have increased/decreased by \$32,973 thousand and \$23,483 thousand.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognized financial assets as stated in the condensed balance sheets.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Group's concentration of credit risk of 46%, 56% and 53% in total trade receivables as of March 31, 2015, December 31, 2014 and March 31, 2014, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2014, December 31, 2014 and March 31, 2014, the Group had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

March 31, 2015

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative Financial liabilities</u>						
Non-interest bearing	-	\$ 303,710	\$ 732,877	\$ 32,261	\$ 33,347	\$ -
Variable interest rate liabilities	1.44-2.558	546	78,750	271,806	1,056,254	-
Fixed interest rate liabilities	0.8-2.5429	88	293	356,645	201,378	143,816
		<u>\$ 304,344</u>	<u>\$ 811,920</u>	<u>\$ 660,712</u>	<u>\$ 1,290,979</u>	<u>\$ 143,816</u>

December 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative Financial liabilities</u>						
Non-interest bearing	-	\$ 171,950	\$ 657,975	\$ 48,899	\$ 36,636	\$ -
Variable interest rate liabilities	1.843-1.97	783	140,278	350,556	560,554	-
Fixed interest rate liabilities	0.8-2.752	10	265	135,341	666,780	149,588
		<u>\$ 172,743</u>	<u>\$ 798,518</u>	<u>\$ 534,796</u>	<u>\$ 1,263,970</u>	<u>\$ 149,588</u>

March 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative Financial liabilities</u>						
Non-interest bearing	-	\$ 257,069	\$ 809,207	\$ 82,964	\$ 37,708	\$ -
Variable interest rate liabilities	1.94~2.07	930	201,528	389,028	632,638	-
Fixed interest rate liabilities	0.80~2.56	-	151,160	15,139	469,833	137,044
		<u>\$ 257,999</u>	<u>\$ 1,161,895</u>	<u>\$ 487,131</u>	<u>\$ 1,140,179</u>	<u>\$ 137,044</u>

b) Financing facilities

	March 31, 2015	December 31, 2014	March 31, 2014
Unsecured bank overdraft facility			
Amount used	\$ 2,215,840	\$ 2,129,373	\$ 2,202,800
Amount unused	<u>2,346,908</u>	<u>2,738,967</u>	<u>1,336,272</u>
	<u>\$ 4,562,748</u>	<u>\$ 4,868,340</u>	<u>\$ 3,539,072</u>

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which were related parties of the Group, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below.

a. Operating revenue

Account Items	Related Parties Types	For the Three Months Ended March 31	
		2015	2014
Sales of goods	Associates	\$ -	\$ 16,212
	Joint ventures	<u>47,124</u>	<u>9,751</u>
		<u>\$ 47,124</u>	<u>\$ 25,963</u>

Sales price to related parties is based on cost and market price. The sales terms to related parties were similar to those with external customers.

b. Receivables from related parties (excluding loans to related parties)

Account Items	Related Parties Types	March 31, 2015	December 31, 2014	March 31, 2014
Accounts receivable	Joint ventures	\$ 45,848	\$ 6,142	\$ 8,443
	Associates	<u>-</u>	<u>8,772</u>	<u>13,801</u>
		<u>\$ 45,848</u>	<u>\$ 14,914</u>	<u>\$ 22,244</u>
Other receivable	Joint ventures	\$ 1,299	\$ 1,556	\$ 1,632
	Associates	<u>-</u>	<u>35,354</u>	<u>94</u>
		<u>\$ 1,299</u>	<u>\$ 36,910</u>	<u>\$ 1,726</u>

There were no guarantees on outstanding receivables from related parties. For the three months ended March 31, 2015 and 2014, the allowances for doubtful accounts were zero.

c. Payable to related parties (excluding loans from related parties)

Account Items	Related Parties Types	March 31, 2015	December 31, 2014	March 31, 2014
Trade payments	Joint ventures	<u>\$ -</u>	<u>\$ 25,330</u>	<u>\$ 14,035</u>

There were no guarantees on outstanding receivables from related parties.

d. Property, plant and equipment disposal

Related Parties Types	Proceeds of the Disposal of Assets		Gain on Disposal of Assets	
	Three Months Ended March 31		Three Months Ended March 31	
	2015	2014	2015	2014

Joint ventures	\$	<u>4</u>	\$	<u>-</u>
----------------	----	----------	----	----------

e. Other transactions with related parties

Account Items	Related Parties Types	March 31, 2015	December 31, 2014	March 31, 2014
Deferred income	Associates	\$ <u>-</u>	\$ <u>1,099</u>	\$ <u>1,548</u>

Account Items	Related Parties Types	<u>Three Months Ended March 31</u>	
		2015	2014
Operating expenses	Joint ventures	\$ <u>195</u>	\$ <u>14,035</u>
Nonoperating Income and Expense	Joint ventures	\$ 4,164	\$ 4,654
	Associates	<u>-</u>	<u>217</u>
		\$ <u>4,164</u>	\$ <u>4,871</u>

The following transactions between the Group and the related parties were based on normal terms.

f. Compensation of directors, supervisors and management personnel:

	<u>Three Months Ended March 31</u>	
	2015	2014
Salaries and Incentives	\$ 15,375	\$ 16,321
Special compensation	<u>902</u>	<u>824</u>
	\$ <u>16,277</u>	\$ <u>17,145</u>

Compensation of directors and other supervisors decided by individual performance and market trend from Remuneration Committee.

37. PLEDGED OR MORTGAGED ASSETS

Certain assets pledged or mortgaged as collaterals for long-term bank loans, commercial paper payable, accounts payable and import duties were as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Buildings, net	\$ 688,101	\$ 693,056	\$ 707,921
Orise stock	432,000	248,207	493,390
Pledged time deposits (classified other assets, including current and noncurrent)	93,077	93,116	91,217
Subsidiary's holding of Sunplus' stock	<u>45,859</u>	<u>43,321</u>	<u>43,659</u>
	\$ <u>1,259,037</u>	\$ <u>1,077,700</u>	\$ <u>1,336,187</u>

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

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

March 31,2015

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
CNY	\$ 91,292	5.044	\$ 460,477
USD	86,051	31.300	2,693,396
JPY	459	0.260	119
HKD	127	4.036	513
GBP	3	46.240	139
EUR	2	33.650	67
Nonmonetary items			
USD	1,629	31.300	50,988
EUR	510	33.650	17,162
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 52,366	\$ 31.300	\$ 1,639,056
CNY	1,304	5.044	6,577

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
CNY	\$ 91,004	5.092	\$ 463,392
USD	62,218	31.650	1,969,200
JPY	750	0.265	199
HKD	129	4.080	526
GBP	31	49.270	1,527
EUR	3	38.470	115
Nonmonetary items			
USD	1,629	31.650	51,558
EUR	510	38.470	19,620
<u>Financial liabilities</u>			
Monetary items			
USD	46,818	31.650	1,481,790
CNY	70	5.092	356
HKD	3	4.080	12

March 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
CNY	\$ 115,384	4.900	\$ 565,382
USD	48,388	30.470	1,474,382
JPY	804	0.296	238
HKD	180	3.927	707
GBP	3	50.710	152
EUR	1	41.930	42
Nonmonetary items			
USD	258	30.470	7,861
EUR	510	41.930	21,384
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 55,167	30.470	\$ 1,680,938
CNY	15	4.900	74
HKD	1	3.927	4

The foreign currency exchange gain and loss(realized and unrealized) for the three months ended on 2015 and 2014 were loss \$19,889 thousand and earnings \$4,083 thousands. Due to the diversity of the functional currency the group using, it is unable to disclose foreign currency with significant influence respectively.

39. ADDITIONAL DISCLOSURES

- a. Following are the additional disclosures required for the Group and its investees by the Securities and Futures Bureau:
 - 1) Endorsement/guarantee provided: Table 1 (attached)
 - 2) Marketable securities held: Table 2 (attached)
 - 3) Intercompany relationships and significant intercompany transactions: Table 3 (attached)
 - 4) Information on investee: Table 4 (attached)
- 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. (Table 5)
 - 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: (Table 6)

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- c) The amount of property transactions and the amount of the resultant gains or losses.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by subsegment and operating results for the three months ended March 31, 2015 and 2014 are shown in the accompanying consolidated income statements, and the assets by segment as of March 31, 2015 and 2014 are shown in the accompanying consolidated balance sheets.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED

THREE MONTHS ENDED MARCH 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/Gua rantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
0 (Note1)	Sunplus Technology Company Limited (the Company)	Sun Media Technology Co., Ltd.	3 (Note 3)	\$ 982,652 (Note 4)	\$ 809,890	\$ 809,890	\$ 800,790	-	8.24%	\$ 1,965,304 (Note 5)	Yes	No	Yes
		Ventureplus Cayman Inc.	3 (Note 3)	982,652 (Note 4)	156,300	156,300	78,175	-	1.59%	1,965,304 (Note 5)	Yes	No	No
		Ytrip Technology Co., Ltd.	3 (Note 3)	982,652 (Note 4)	60,440	60,440	60,440	-	0.62%	1,965,304 (Note 5)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 2)	982,652 (Note 4)	40,000	40,000	40,000	-	0.41%	1,965,304 (Note 5)	Yes	No	No

Note 1: Issuer.

Note 2: Directly holds more than 50% of the common shares of a subsidiary.

Note 3: Common shares held by the Sunplus and its subsidiaries jointly own more than 50% of the investee company.

Note 4: For each transaction entity, the amount should not exceed 10% of the endorsement/guarantee provider's net equity as shown in the provider's latest financial statements.

Note 5: The amount should not exceed 20% of the endorsement/guarantee provider's net equity based on the latest financial statements.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2015				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the "Company")	<u>Stock</u>							
	Tatung Company	-	Available-for-sale financial assets	46,094	\$ 388,576	2	\$ 388,576	Note 2
	RITEK Corp.	-	Available-for-sale financial assets	5,000	16,499	-	16,499	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	30,498	-	30,498	Note 2
	FolcalTech Inc.	-	Available-for-sale financial assets	47,290	1,702,439	11	1,702,439	Notes 2 and 4
	<u>Fund</u>							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	162,646	-	162,646	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	577	9,790	-	9,790	Note 3
	Cathay China Emerging Industries	-	Available-for-sale financial assets	576	10,098	-	10,098	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	50,890	-	50,890	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,442	-	30,442	Note 3
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,434	-	30,434	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,417	-	5,417	Note 3
	Franklin Global Fduntl Start Fund	-	Available-for-sale financial assets	13	5,233	-	5,233	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	5,660	-	5,660	Note 3
	Network Capital Global Fund	-	Financial assets carried at cost	500	5,000	7	5,000	Note 1
Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	356	3,556	11	3,556	Note 1	
Lin Shih Investment Co., Ltd.	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	92,822	1	92,822	Note 2
	Radiant Innovation Inc.	-	Available-for-sale financial assets	3,043	69,226	7	69,226	Note 2
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	48,238	1	48,238	Notes 2 and 4
	RITEK Technology Co., Ltd.	-	Available-for-sale financial assets	833	2,750	-	2,750	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	60	284	-	284	Note 2
	Catcher Technology Co., Ltd.	-	Available-for-sale financial assets	65	21,320	-	21,320	Note 2
	Shin Kong Financial Holding Co., Ltd.	-	Available-for-sale financial assets	1,000	8,890	-	8,890	Note 2
	Asolid Technology Co., Ltd.	-	Available-for-sale financial assets	100	8,689	-	8,689	Note 2
	China Airlines Ltd.	-	Available-for-sale financial assets	1,000	16,050	-	16,050	Note 2
	Yang Ming Marine Transport Co.,Ltd.	-	Available-for-sale financial assets	500	9,000	-	9,000	Note 2
	INNOLUX CORPORATION	-	Available-for-sale financial assets	500	7,825	-	7,825	Note 2
	TRANSASIA AIRWAYS CORPORATION	-	Available-for-sale financial assets	500	5,775	-	5,775	Note 2
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets	6	549	-	549	Note 2
	Yuanta Great China TMT TWD Act	-	Available-for-sale financial assets	3,000	32,970	-	32,970	Note 3
Union Money Market Fund	-	Available-for-sale financial assets	154	2,000	-	2,000	Note 3	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2015				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	UPAMC JAMES BOND MONEY	-	Available-for-sale financial assets	431	7,088	-	7,088	Note 3
	KGI Economic Moat., Ltd.	-	Available-for-sale financial assets	100	1,132	-	1,132	Note 3
	Yuanta De Bae Money Market Fund	-	Available-for-sale financial assets	169	2,004	-	2,004	Note 3
	CTBC Hwa-win Money Market Fund	-	Available-for-sale financial assets	924	10,021	-	10,021	Note 3
	Nomura Taiwan Money Market Fund	-	Available-for-sale financial assets	624	10,021	-	10,021	Note 3
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,036	11,152	10	11,152	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	3,676	5	3,676	Note 1
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 1
	Chain Sea Information Integration Co., Ltd.	-	Financial assets carried at cost	56	\$ 1,121	1	\$ 1,121	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	-	7	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	103	-	1	-	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	8	-	-	-	Note 1
	Ubright Optright Corporation-CB	-	Financial assets at fair value through profit or loss - current	20	1,966	-	1,966	Note 2
	LUHAI INDUSTRIAL CORP.-CB	-	Financial assets at fair value through profit or loss - current	30	3,015	-	3,015	Note 2
	Shin Kong Financial Holding Co.,Ltd-CB	-	Financial assets at fair value through profit or loss - current	50	5,070	-	5,070	Note 2
	Zero One Technology Co., Ltd.-CB	-	Financial assets at fair value through profit or loss - current	50	4,860	-	4,860	Note 2
	Russell Holdings Limited	<u>Stock</u>						
Innobrige Venture Fund ILP		-	Financial assets carried at cost	-	41,482	-	41,482	Notes 1 and 6
Asia Tech Taiwan Venture L.P.		-	Financial assets carried at cost	-	(US\$ 1,325)	5	(US\$ 1,325)	Notes 1 and 6
Innobrige International Inc.		-	Financial assets carried at cost	4,000	1,598	15	1,598	Notes 1 and 6
Ortega Info System, Inc.		-	Financial assets carried at cost	-	(US\$ 51)	-	(US\$ 51)	Notes 1 and 6
Ether Precision Inc.		-	Financial assets carried at cost	2,557	1,646	-	1,646	Note 1
OZ Optics Limited.		-	Financial assets carried at cost	1,250	-	1	-	Note 1
Asia B2B on Line Inc.		-	Financial assets carried at cost	1,000	-	8	-	Note 1
Synerchip Inc.		-	Financial assets carried at cost	1,000	-	3	-	Note 1
Aruba Networks, Inc.		-	Financial assets carried at cost	6,452	-	12	-	Note 1
Sunplus Venture Capital Co., Ltd.	<u>Stock</u>							
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	10	-	-	-	Note 1
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	3,784	66,598	1	66,598	Note 2
	Eurocharm Holding Co.	-	Available-for-sale financial assets	2,441	69,439	-	69,439	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	601	42,183	-	42,183	Note 2
	Aruba Networks, Inc.	-	Available-for-sale financial assets	351	1,671	-	1,671	Note 2
	FolcalTech Inc.	-	Available-for-sale financial assets	4	-	-	-	Note 1
	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets	865	31,147	-	31,147	Note 2
	Cathay China Emerging Industries Bond	-	Available-for-sale financial assets	1,250	35,563	-	35,563	Note 2
	Feature Integration Technology Inc.	-	Available-for-sale financial assets	576	10,096	-	10,096	Note 3
	Genius Vision Digital	-	Non-active market bond investment	1	14,903	-	14,903	Note 5
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,630	18,660	4	18,660	Note 1
		-	Financial assets carried at cost	750	15,000	6	15,000	Note 1
	-	Financial assets carried at cost	1,042	11,220	10	11,220	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2015				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	13,691	Note 1
	Touch Screen Glass Technology Co., Ltd.	-	Financial assets carried at cost	4,500	45,000	18	45,000	Note 1
	Taiwan Environmental Scientific Co., Ltd.	-	Financial assets carried at cost	650	20,400	4	20,400	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	49	-	-	-	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	-	8	-	Note 1
	Simple Act Inc.	-	Financial assets carried at cost	1,900	-	10	-	Note 1
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	68	-	1	-	Note 1
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 1
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 1
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 1
Sunplus Technology (Shanghai) Co., Ltd.	GF Money Market Fund class B shares	-	Available-for-sale financial assets	20,850	106,211 (RMB\$21,057)	-	106,211 (RMB\$21,057)	Notes 3 and 6
	CHONGQING CHONG YOU INFORMATION TECHNOLOGY CO., LTD.	-	Financial assets carried at cost	-	-	3	-	Note 1
Wei-Young Investment Inc.	Elitergroup Computer Systems	-	Available-for-sale financial assets	238	7,772	-	7,772	Note 2
Generalplus Technology Inc.	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	4,026	60,024	-	60,024	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,955	30,010	-	30,010	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,301	34,254	-	34,254	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	5,037	50,705	-	50,705	Note 3
Sunplus Innovation Technology Inc.	<u>Stock</u>							
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	2,000	4,121	9	4,121	Note 1
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	15,391	10	15,391	Note 1
	Point Grab Ltd.	-	Financial assets carried at cost	182	45,150	4	45,150	Note 1
	<u>Fund</u>							
	Yuanta RMB Money Market	-	Available-for-sale financial assets	2,881	30,849	-	30,849	Note 3
	Fubon China Money Market	-	Available-for-sale financial assets	2,383	25,217	-	25,217	Note 3

Note 1: The market value was based on carrying value as of March 31, 2015.

Note 2: The Market value was based on the closing price as of March 31, 2015.

Note 3: The market value was based on the net asset value of fund as of March 31, 2015.

Note 4: As of March 31, 2015, the above marketable securities, except the holdings of Lin Shih Investment Co., Ltd. of the shares of Sunplus Technology Company Limited with a market value \$45,859 thousand and the holdings of Sunplus Technology Company of the shares of FolcalTech Inc. with a market value \$432,000 thousand had not been pledged or mortgaged.

Note 5: The market value was based on Amortised cost as of March 31, 2015.

Note 6: The exchange rate was based on the exchange rate as of March 31, 2015

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

THREE MONTH ENDED MARCH, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Three Months ended March 31, 2015

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
			Financial Statements Account Item	Amount	Terms	
Sunplus Technology Co., Ltd. ("parent company")	Generalplus Technology Corp.	1	Sales	\$ 1,203	Note 1	0.06%
			Nonoperating income and gains	1	Note 2	-
			Notes and accounts receivable	848	Note 1	0.01%
	Sunext Technology Co., Ltd.	1	Sales	180	Note 1	0.01%
			Nonoperating income and gains	2,447	Note 2 and 4	0.13%
			Notes and accounts receivable	120	Note 1	-
			Other receivables	817	Note 3	0.01%
	Sunplus Innovation Technology Inc.	1	Sales	131	Note 1	0.01%
			Nonoperating income and gains	1,036	Note 2	0.06%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	1,071	Note 3	0.01%
	iCatch Technology, Inc.	1	Sales	1,777	Note 1	0.10%
			Nonoperating income and gains	3,234	Notes 2 and 4	0.17%
			Notes and accounts receivable	1,372	Note 1	0.01%
Other receivables			1,074	Note 3	0.01%	
Sunplus Technology (H.K.) Co., Ltd.	1	Marketing expense	317	Note 2	0.02%	
		Other accrued expense	190	Note 3	-	
Jumplus Technology Co., Ltd.	1	Other receivables	241	Note 3	-	
		Non operating income and gain	729	Note 2	0.04%	
Sunplus mMedia Inc.	1	Accrued expense	47	Note 3	-	
		Notes and accounts receivable	105	Note 1	-	
		Other receivables	394	Note 3	-	
		Sales	100	Note 1	0.01%	
		Non operating income and gain	394	Note 2	0.02%	
Sunext Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Research and development	629	Note 2	0.03%
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Marketing expenses	703	Note 2	0.04%
			Accrued expense	694	Note 3	-
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	5,836	Note 2	0.31%
			Accrued expense	5,770	Note 3	0.04%

(Continued)

Company Name	Counter-Party	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Generalplus Technology Corp.	Sunplus Innovation Technology Inc.	2	Intangible assets	\$ 1,170	Note 2	0.01%
			Marketing expenses	878	Note 2	0.05%
	Generaplus Technology (H.K.) Corp.	2	Marketing expense	2,002	Note 2	0.11%
			Accrued expense	1,986	Note 3	0.01%
Generalplus Technology (Shenzhen) corp.	2	Research and development	22,647	Note 2	1.22%	
		Accrued expense	22,856	Note 3	0.15%	
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	5,657	Note 2	0.30%
			Accrued expenses	5,657	Note 3	0.04%
	SunMedia Technology Co., Ltd.	2	Marketing expenses	7,066	Note 2	0.38%
			Accrued expenses	7,066	Note 3	0.05%

Note 1: The transactions were based on normal commercial prices and terms.

Note 2: The prices were based on negotiations and but the payment period and related terms were not comparable to market terms.

Note 3: The transaction payment terms were at normal commercial terms.

Note 4: Lease transaction terms were based on negotiations and were thus not comparable to market terms. The transactions between the Company and counter-party were at normal terms.

Note 5: 1 - From parent company to subsidiary.

2 - Between subsidiaries.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES

MARCH 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2015			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2015	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	\$ 2,516,914 (US\$ 74,305 RMB\$37,900)	\$ 2,516,914 (US\$74,305 RMB\$37,900)	-	100	\$ 1,858,178	\$ (49,602)	\$ (49,602)	Subsidiary (Note 2)
	FolcalTech Inc.	Hsinchu, Taiwan	Design of ICs	-	536,298	-	-	-	-	-	Investee
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	315,658	315,658	8,229	13	351,608	15,178	1,983	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	722,025	5,737	5,737	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	711,023	45,684	15,670	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	691,140	15,555	15,555	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	63	509,234	(9,831)	(6,148)	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	461,988 (US\$ 14,760)	461,988 (US\$ 14,760)	14,760	100	276,746	(62,630)	(62,630)	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	200,360	11,458	4,319	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	111,258	4,274	2,613	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	307,565	307,565	12,441	83	35,971	(10,021)	(8,311)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,082	(10)	(10)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	44,699 (HK\$ 11,075)	44,699 (HK\$ 11,075)	-	100	4,205	(90)	(90)	Subsidiary (Note 2)
	Magic Sky Limited	Samoa	Investment	202,198 (US\$ 6,460)	199,068 (US\$ 6,360)	-	100	1,830	(1,577)	(1,577)	Subsidiary (Notes 1 and 2)
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	2,725	(4,433)	(101)	Investee
Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	22,265	(222)	(222)	Subsidiary	
Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	16,235	54	54	Subsidiary	
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	285,316	45,684	6,252	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	9,665	4,274	226	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,225	(9,831)	(210)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,456	11,458	201	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	4	6,139	(10,021)	(434)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,788	132,788	9,591	24	28,872	(4,433)	(1,063)	Investee
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	95,445	45,684	1,806	Subsidiary
	FolcalTech Inc.	Hsinchu, Taiwan	Design of ICs	-	10,800	-	-	-	-	-	Investee
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	48,117	(9,831)	(568)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	31,695	11,458	673	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	12,687	4,274	298	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	13	2,777	(10,021)	(1,275)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	133,846	133,846	10,001	25	29,891	(4,433)	(1,108)	Investee
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	66,324 (US\$ 2,119)	66,324 (US\$ 2,119)	442	1	1,266 (US\$ 40)	4,274	30 (US\$ 1)	Subsidiary (Note 2)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2015			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2015	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc. Sunext Technology Co., Ltd.	Hsinchu, Taiwan Hsinchu, Taiwan	Design of ICs Design and sale of ICs	\$ 1,800	\$ 1,800	108		\$ 1,984	\$ 45,684	\$ 45	Subsidiary
				350	350	18		51	4,274	1	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,516,914 (US\$ 74,305 RMB 37,900)	2,516,914 (US\$ 74,305 RMB 37,900)	-	100	1,858,158	(49,601)	(49,601)	Subsidiary (Note 2)
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,516,914 (US\$ 74,305 RMB 37,900)	2,516,914 (US\$ 74,305 RMB 37,900)	-	100	1,858,137	(49,600)	(49,600)	Subsidiary (Note 2)
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	597,517 (US\$ 19,090)	597,517 (US\$ 19,090)	19,090	100	497,390	(878)	(878)	Subsidiary (Note 2)
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	597,517 (US\$ 19,090)	597,517 (US\$ 19,090)	19,090	100	497,390	(878)	(878)	Subsidiary (Note 2)
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	12,207 (US\$ 390)	12,207 (US\$ 390)	-	100	4,018	(2,161)	(2,161)	Subsidiary (Note 2)
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	7,975 (EUR 237)	7,975 (EUR 237)	237	100	-	-	-	Subsidiary (Note 2)
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	\$ 32,000	\$ 32,000	32,000	80	24,779	(4,148)	(3,318)	Subsidiary (Note 2)

Note 1: Current capital registration has not been completed.

Note 2: The initial exchange rate was based on the exchange rate as of March 31, 2015.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

THREE MONTHS ENDED MARCH 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2015	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of March 31, 2015	Accumulated Inward Remittance of Earnings as of March 31, 2015
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	\$ 538,360 (US\$ 17,200)	Note 1	\$ 552,602 (US\$ 17,655)	\$ -	\$ -	\$ 552,602 (US\$ 17,655)	100%	\$ 10,748	\$ 10,748	\$ 492,017	\$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	1,009,425 (US\$ 32,250)	Note 1	1,009,425 (US\$ 32,250)	-	-	1,009,425 (US\$ 32,250)	100%	(10,787)	(10,787)	919,231	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	626,000 (US\$ 20,000)	Note 1	626,000 (US\$ 20,000)	-	-	626,000 (US\$ 20,000)	100%	(24,253)	(24,253)	303,019	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	75,660 (RMB\$ 15,000)	Note 1	68,782 (US\$ 586 RMB\$ 10,000)	-	-	68,782 (US\$ 586 RMB\$ 10,000)	93%	(5,982)	(5,583)	61,133	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	163,930 (RMB\$ 32,500)	Note 1	117,375 (US\$ 3,750)	-	-	117,375 (US\$ 3,750)	73%	(18,348)	(13,302)	(25,710)	-
Iculture Communication	Development & sales	16,393 (RMB\$ 3,250)	Note 4	16,393 (RMB\$ 3,250)	-	-	16,393 (RMB\$ 3,250)	73%	(1,472)	(1,067)	3,879 (RMB\$ 769)	-
Sunplus Technology (Beijing)	Design of software	136,188 (RMB\$ 27,000)	Note 1	136,188 (RMB\$ 27,000)	-	-	136,188 (RMB\$ 27,000)	100%	(6,366)	(6,366)	107,317	-

Accumulated Investment in Mainland China as of March 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$ 2,510,372 (US\$ 74,241 RMB\$ 37,000)	\$ 2,526,628 (US\$ 74,760 RMB\$ 37,000)	\$5,895,912

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**INFORMATION ON INVESTMENT IN MAINLAND CHINA
THREE MONTHS ENDED MARCH 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2015	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 3)	Carrying Value as of March 31, 2015	Accumulated Inward Remittance of Earnings as of March 31, 2015
					Outflow	Inflow						
Generalplus Shenzhen	Data processing service	\$ 585,310 (US\$ 18,700)	Note 1	\$ 585,310 (US\$ 18,700)	\$ -	\$ -	\$ 585,310 (US\$ 18,700)	100%	\$ 1,283	\$ 1,283	\$ 493,349	\$ -

Accumulated Investment in Mainland China as of March 31, 2015	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
\$585,310 (US\$18,700)	\$585,310 (US\$18,700)	\$1,262,665

Note 1: Sunplus Technology Company Limited indirectly invested in a company located in Mainland China through investing in a company located in a third country.

Note 2: The net assets were based on not reviewed financial data as of March 31, 2015.

Note 3: Based on the investee company in the same period reviewed financial statements.

Note 4: Sunplus Technology Company Limited indirectly invested in a company located in Mainland China through Ytrip Technology Co., Ltd.

Note 5: The initial exchange rate was based on the exchange rate as of March 31, 2015.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

FOR THE THREE MONTHS ENDED MARCH 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Term	Comparison with Market Transactions	Ending Balance	%		
Generalplus Technology (Shenzhen) Corp.	Development and processing services	\$ 22,647	15%	Based on contract	Based on contract	None	\$ 22,856	90%	\$ -	NA