Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2014 and 2013 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 September 30, 2013 and 2014 and the related consolidated statements of comprehensive income for the three months ended September 30, 2013 and 2014 and for the nine months ended September 30, 2013 and 2014, and the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2013 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As disclosed in Note 4(4), the financial statements of some immaterial subsidiaries included in the consolidated financial statements were based on the subsidiaries' unreviewed financial statements. The total assets of these subsidiaries as of September 30, 2014 and 2013 were 45% (NT$6,742,414 thousand) and 41% (NT$5,865,958 thousand), respectively, of the total consolidated assets, and the total liabilities were 40% (NT$1,749,882 thousand) and 41% (NT$1,628,453 thousand), respectively, of the total consolidated liabilities. For the three months ended September 30, 2014 and 2013, the total comprehensive income of NT$107,419 thousand and total comprehensive loss of NT$126,678 thousand, respectively, were 53% and 3,154%, respectively, of the total consolidated comprehensive income. For the nine months ended September 30, 2014 and 2013, the total comprehensive income of NT$114,093 thousand and total comprehensive loss of NT$ 271,572 thousand, respectively, were 23% and 109%, respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 13 to the consolidated financial statements, the carrying values of two equity-method investments as of September 30, 2014 and 2013 were NT$447,602 thousand and NT$147,714thousand, respectively. For the three months ended September 30, 2014, there were investment income of NT$8,898 thousand and investment loss NT$31,422 thousand, respectively. For the nine months ended September 30, 2014 and 2013, there were net investment losses of NT$31,422 thousand and NT$57,284 thousand, respectively. These investment amounts and other associates' information disclosed in Note 37 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 adjustments that might have been determined to be necessary had the equity-method investees' and subsidiaries' 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 nine months ended September 30, 2014 and 2013 of Sunplus Technology Company Limited and its subsidiaries referred to the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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.

November 14, 2014

Notice to Readers

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

	September 30, 2014 (Reviewed)		December 31, 2013 (Audited)		September 30, 2013 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 3,541,829	24	$ 4,331,395	30	$ 4,047,619	28
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	17,853	-	7,994	-	15,194	-
Available-for-sale financial assets - current (Notes 4 and 8)	1,114,127	7	1,150,505	8	1,131,315	8
Debt investments with no active market - current (Notes 4 and 9)	14,903	-	-	-	14,520	-
Notes and accounts receivable, net (Notes 4, 5, 11, 33 and 34)	1,989,764	13	1,536,101	11	1,760,354	12
Other receivables (Note 33)	114,744	1	94,128	1	63,338	1
Inventories (Notes 4, 5, 12 and 34)	1,278,700	9	922,217	6	1,080,060	8
Other current assets (Notes 17 and 35)	291,691	2	232,700	2	275,528	2
Total current assets	8,363,611	56	8,275,040	58	8,387,928	59
NONCURRENT ASSETS						
Available-for-sale financial assets -- noncurrent, net of current portion (Notes 4 and 8)	694,553	4	1,018,727	7	1,046,158	7
Financial assets carried at cost (Notes 4 and 10)	249,812	2	311,448	2	256,788	2
Investments accounted for using the equity method (Notes 4, 13 and 35)	1,459,508	10	1,161,455	8	1,193,002	8
Property, plant and equipment (Notes 4, 5 , 14 and 35)	2,235,239	15	2,154,641	15	2,160,199	15
Investment properties (Notes 4, 5 and 15)	279,123	2	293,069	2	293,150	2
Intangible assets (Notes 4, 5 and 16)	297,258	2	335,098	3	361,179	3
Deferred tax assets (Notes 4, 5 and 26)	48,376	-	54,625	1	56,216	-
Other noncurrent assets(Notes 17, 31 and 35)	1,415,193	9	597,509	4	559,912	4
Total noncurrent assets	6,679,062	44	5,926,572	42	5,926,604	41
TOTAL	$ 15,042,673	100	$ 14,201,612	100	$ 14,314,532	100

	September 30, 2014 (Reviewed)		December 31, 2013 (Audited)		September 30, 2013 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term bank borrowings (Notes 4 and 18)	$ 497,324	3	$ 165,151	1	$ 206,034	2
Accounts payable (Notes 19 and 34)	1,000,636	7	823,034	6	757,932	5
Current tax liabilities (Notes 4 and 26)	13,813	-	51,781	-	41,916	-
Provisions - current (Notes 4 and 20)	26,261	-	23,915	-	17,732	-
Current portion of long-term bank loans (Notes 4, 18 and 35)	715,657	5	938,447	7	590,556	4
Deferred revenue - current (Notes 4, 21, 29 and 34)	3,319	-	3,314	-	95,964	1
Other current liabilities (Notes 21 and 34)	746,639	5	704,035	5	733,590	5
Total current liabilities	3,003,649	20	2,709,677	19	2,443,724	17
NONCURRENT LIABILITIES						
Long-term bank loans, net of current portion(Notes 4, 18 and 35)	908,078	6	704,616	5	1,084,151	8
Accrued pension liabilities (Notes 4 and 22)	115,485	1	116,289	1	163,097	1
Guarantee deposits(Note 31)	212,783	1	223,573	2	223,014	1
Deferred revenue - noncurrent, net of current portion (Notes 4, 21, 29 and 34)	79,494	1	81,056	-	80,298	1
Other noncurrent liabilities (Notes 4 and 21)	1,299	-	889	-	889	-
Total noncurrent liabilities	1,317,139	9	1,126,423	8	1,551,449	11
Total liabilities	4,320,788	29	3,836,100	27	3,995,173	28
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital (Note 23)						
Common shares	5,919,949	39	5,969,099	42	5,969,099	42
Capital surplus(Notes 4, 23 and 28)	919,909	6	950,179	7	954,158	7
Retained earnings (accumulated deficit)(Note 23)						
Legal reserve	1,790,538	12	1,909,685	14	1,909,685	13
Special reserve	22,639	-	30,755	-	30,756	-
Unappropriated earnings (accumulated deficit)	371,872	3	(127,263)	(1)	(142,533)	(1)
Other equity (Note 23)	225,765	1	199,670	1	156,801	1
Treasury shares (Notes 4, 23 and 35)	(63,401)	-	(155,236)	(1)	(155,236)	(1)
Total equity attributable to owners of the Company	9,187,271	61	8,776,889	62	8,722,730	61
NONCONTROLLING INTERESTS (Notes 4 and 23)	1,534,614	10	1,588,623	11	1,597,429	11
Total equity	10,721,885	71	10,365,512	73	10,320,159	72
TOTAL	$ 15,042,673	100	$ 14,201,612	100	$ 14,315,332	100

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

(With Deloitte & Touche review report dated November 14, 2014)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 24)	$ 2,398,553	100	$ 2,314,326	100	$ 6,510,628	100	$ 6,430,820	100
OPERATING COSTS (Notes 12, 22 ,25 and 34)	1,405,145	59	1,387,141	60	3,838,249	59	3,869,971	60
GROSS PROFIT	993,408	41	927,185	40	2,672,379	41	2,560,849	40
OPERATING EXPENSES (Notes 22, 25 and 34)								
Selling and marketing	108,943	5	133,719	6	314,097	5	368,152	6
General and administrative	151,960	6	146,914	6	426,502	6	422,877	6
Research and development	610,745	25	600,844	26	1,752,474	27	1,794,830	28
Total operating expenses	871,648	36	881,477	38	2,493,073	38	2,585,859	40
OTHER REVENUE AND EXPENSES (Note 4)	(28)	-	(528)	-	(40)	-	6,189	-
INCOME (LOSS) FROM OPERATIONS	121,732	5	45,180	2	179,266	3	(18,821)	-
NONOPERATING INCOME								
Other income (Notes 25 and 34)	49,970	2	52,107	2	88,560	1	95,683	1
Other gains and losses	78,549	3	(14,676)	(1)	221,017	3	105,981	2
Finance costs	(8,819)	-	(9,156)	-	(26,152)	-	(28,990)	(1)
Share of profit of associates and joint venture	(15,792)	(1)	19,219	1	36,908	1	47,736	1
Total nonoperating income	103,908	4	47,494	2	320,333	5	220,410	3
PROFIT BEFORE INCOME TAX	225,640	9	92,674	4	499,599	8	201,589	3
INCOME TAX EXPENSE (Notes 4 and 26)	18,663	1	18,327	1	39,537	1	22,923	-
NET PROFIT	206,977	8	74,347	3	460,062	7	178,666	3
OTHER COMPREHENSIVE INCOME (LOSS)								
Exchange differences on translating foreign operations (Notes 4 and 23)	78,301	3	(4,877)	-	12,949	-	97,962	1
Unrealized gain (loss) on available-for-sale financial assets (Notes 4 and 23)	(81,477)	(3)	(65,453)	(3)	14,272	-	(26,509)	-
Other comprehensive income for the period, net of income tax	(3,176)	-	(70,330)	(3)	27,221	-	71,453	1
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	$ 203,801	8	$ 4,017	-	$ 487,283	7	$ 250,119	4

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	$ 163,073	7	$ 37,555	2	$ 371,872	6	$ 83,888	1
Noncontrolling interests	43,904	2	36,792	1	88,190	1	94,778	2
	$ 206,977	9	$ 74,347	3	$ 460,062	7	$ 178,666	3
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO:								
Owner of the Company	$ 154,146	6	$ (34,565)	(2)	$ 397,967	6	$ 137,041	2
Noncontrolling interests	49,655	2	38,582	2	89,316	1	113,078	2
	$ 203,801	8	$ 4,017	-	$ 487,283	7	$ 250,119	4
EARNINGS PER SHARE(New Taiwan dollars)								
Basic	$ 0.28		$ 0.06		$ 0.63		$ 0.14	
Diluted	$ 0.28		$ 0.06		$ 0.63		$ 0.14	

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

(With Deloitte & Touche review report dated November 14, 2014) (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 23)			Retained Earnings (Note 23)			Other Equity (Notes 4 and 23)					
	Shares (Thousand)	Amount	Capital Surplus (Notes 4, 23 and 28)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Treasury Shares (Notes 4, 23 and 35)	Total	Noncotrolling Interests (Notes 4 and 23)	Total Equity
BALANCE, JANUARY 1, 2014	596,910	$ 5,969,099	$ 939,124	$ 2,426,181	$ 191,229	$ (903,390)	$ (84,462)	$ 188,110	$ (155,236)	$ 8,570,655	$ 1,557,162	$ 10,127,817
Appropriation of the 2012 earnings												
Legal reserve	-	-	-	(516,496)	-	516,496	-	-	-	-	-	-
Special reserve	-	-	-	-	(160,473)	160,473	-	-	-	-	-	-
Partial disposal of interests in subsidiaries	-	-	(11,550)	-	-	-	-	-	-	(11,550)	11,550	-
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	26,778	-	-	-	-	-	-	26,778	-	26,778
Capital surplus from the Company's share of changes in equities of subsidiaries	-	-	(2,113)	-	-	-	-	-	-	(2,113)	-	(2,113)
Disposal of investments in associates	-	-	1,919	-	-	-	-	-	-	1,919	-	1,919
Net profit for the nine months ended September 30, 2013	-	-	-	-	-	83,888	-	-	-	83,888	94,778	178,666
Other comprehensive income for the nine months ended September 30, 2013, net of income tax	-	-	-	-	-	-	79,931	(26,778)	-	53,153	18,300	71,453
Total comprehensive income for the nine months ended September 30, 2013	-	-	-	-	-	83,888	79,931	(26,778)	-	137,041	113,078	250,119
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(84,361)	(84,361)
BALANCE, SEPTEMBER 30, 2014	596,910	$ 5,969,099	$ 954,158	$ 1,909,685	$ 30,756	$ (142,533)	$ (4,531)	$ 161,332	$ (155,236)	$ 8,722,730	$ 1,597,429	$ 10,320,159
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
Appropriation of the 2013 earnings												
Legal reserve	-	-	-	(119,147)	-	119,147	-	-	-	-	-	-
Special reserve	-	-	-	-	(8,116)	8,116	-	-	-	-	-	-
Change in capital surplus from investment in associates and joint ventures accounted for by the equity method	-	-	15,407	-	-	-	-	-	-	15,407	-	15,407
Additional acquisition of partially owned subsidiaries	-	-	(13,617)	-	-	-	-	-	-	(13,617)	-	(13,617)
Capital surplus from the Company's share of changes in equities of subsidiaries	-	-	10,625	-	-	-	-	-	-	10,625	-	10,625
Net profit for the nine months ended September 30, 2014	-	-	-	-	-	371,872	-	-	-	371,872	88,190	460,062
Other comprehensive income for the nine months ended September 30, 2014, net of income tax	-	-	-	-	-	-	12,173	13,922	-	26,095	1,126	27,221
Total comprehensive income for the nine months ended September 30, 2014	-	-	-	-	-	371,872	12,173	13,922	-	397,967	89,316	487,283
Disposal of treasury shares	(4,915)	(49,150)	(42,685)	-	-	-	-	-	91,835	-	-	-
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(143,325)	(143,325)
BALANCE, SEPTEMBER 30, 2014	591,995	$ 5,919,949	$ 919,909	$ 1,790,538	$ 22,639	$ 371,872	$ 39,281	$ 186,484	$ (63,401)	$ 9,187,271	$ 1,534,614	$ 10,721,885

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

(With Deloitte & Touche review report dated November 14, 2014)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 499,599	$ 201,589
Adjustments for:		
Depreciation expenses	199,010	188,184
Amortization expenses	119,116	156,602
Loss (gain) on fair value change of financial assets designated as at fair value through profit or loss	142	(142)
Financial costs	26,152	28,990
Interest income	(29,224)	(25,365)
Dividend income	(30,791)	(30,044)
Share of profit of associates and joint ventures	(36,908)	(47,736)
Loss (gain) on disposal of property, plant and equipment	40	(6,721)
Loss on disposal of intangible assets	-	532
Gain on disposal of investments	(315,858)	(61,473)
Gain on disposal of subsidiaries	-	(22,752)
Impairment loss recognized on financial assets	98,717	1,633
Gain on reversal of impairment loss on financial assets	-	(654)
Unrealized gain on the transactions with associates and joint ventures	-	1,392
Inpairment loss recognized on non-financial assets	17,013	-
Realized gain on the transactions with associates and joint ventures	(573)	(450)
Net loss on foreign currency exchange	6,583	(4,301)
Amortization of prepaid lease prepayments	2,261	2,232
Changes in operating assets and liabilities:		
Increase in financial assets held for trading	(9,693)	(14,912)
Increase in trade receivables	(463,369)	(351,980)
Increase in other receivables	(20,629)	(19,828)
(Increase) decrease in inventories	(356,483)	641,188
Increase in other current assets	(58,252)	(28,876)
Increase (decrease) in trade payables	183,385	(4,712)
Increase (decrease) in provisions for sales returns	2,346	(5,296)
(Decrease) increase in deferred revenue	(1,336)	170,574
Increase (decrease) in other current liabilities	104,189	(10,916)
Decrease in accrued pension liabilities	(804)	(943)
Cash (use in) generated from operations	(65,367)	755,815
Interest received	29,237	26,131
Dividend received	30,791	30,044
Interest paid	(27,142)	(30,900)
Income tax paid	(71,292)	(22,353)
Net cash (used in) generated from operating activities	(103,773)	758,737
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(565,652)	(818,014)
Proceeds of the sale of available-for-sale financial assets	866,419	786,080
Purchase of debt investments with no active market	(14,903)	-
Purchase of financial assets measured at cost	(106,481)	(49,776)
Proceeds on sale of financial assets measured at cost	88,812	1,398
Capital return to the Company - financial assets carried at cost	2,811	13,082

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2014	2013
Acquisition of associates	-	(195,899)
Net cash inflow on disposal of associates	-	319,447
Net cash inflow on disposal of subsidiaries	-	20,375
Payments for property, plant and equipment	(299,771)	(696,809)
Proceeds of the disposal of property, plant and equipment	14	9,141
(Increase) decrease in refundable deposits	(2,205)	242
Payments for intangible assets	(116,917)	(92,562)
Proceeds of the disposal of intangible assets	-	291
Increase in other assets	(31,923)	(1,840)
Prepayments for equipment	(770,195)	-
Dividend received from associates	108,162	33,603
Net cash used in investing activities	(841,829)	(671,241)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) of short-term borrowings	332,173	(283,357)
Proceeds of long-term borrowings	720,728	212,254
Repayments of long-term borrowings	(745,315)	(403,056)
Proceeds of guarantee deposits received	-	24,158
Refund of guarantee deposits received	(11,215)	-
Dividends paid to noncontrolling interests	(130,475)	(58,043)
Decrease in noncontrolling interests	(15,842)	(25,677)
Effect of change in consolidated entities	-	(6,578)
Net cash generated from (used in) financing activities	150,054	(540,299)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	5,982	7,526
NET DECREASE IN CASH AND CASH EQUIVALENTS	(789,566)	(445,277)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,331,395	4,492,896
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,541,829	$ 4,047,619

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

(With Deloitte & Touche review report dated November 14, 2014) (Concluded)

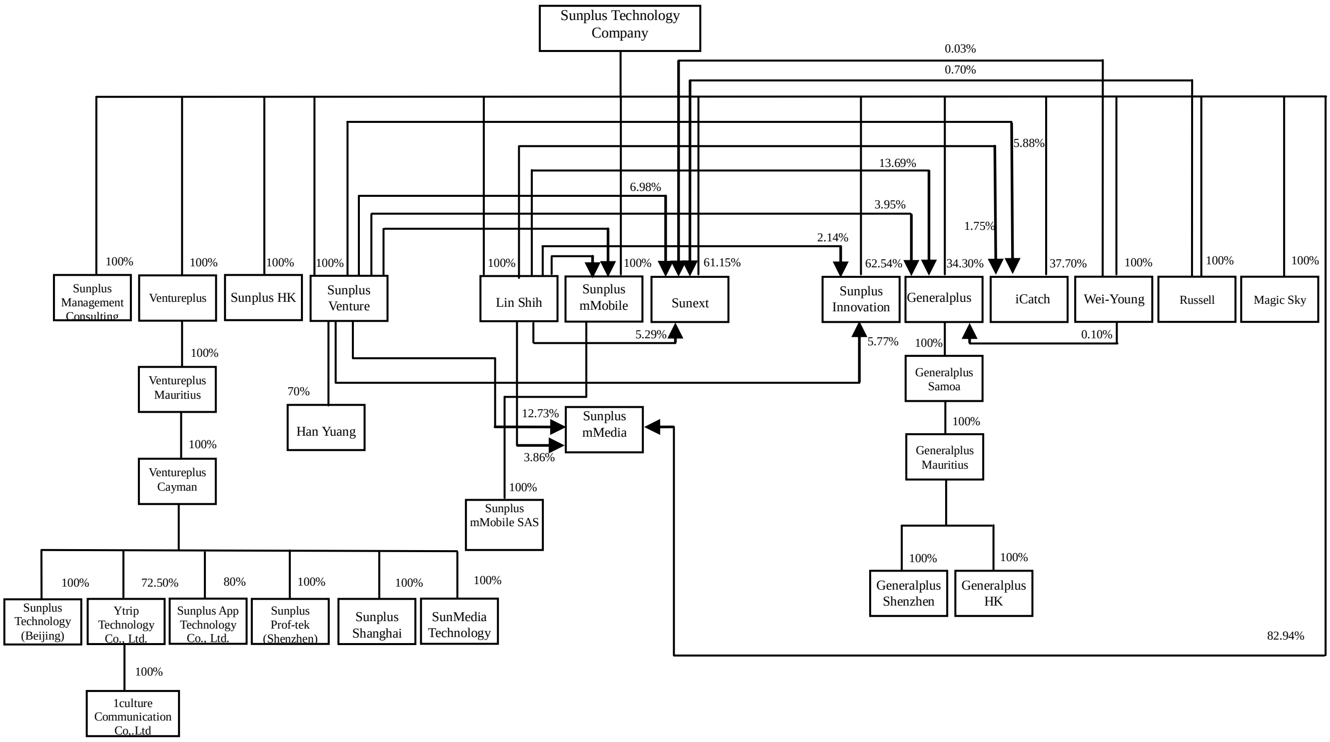
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the "Company" or "Sunplus") 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 depositary receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 23).

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the "Group") as of September 30, 2014:



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. Sunext 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.

In October 2014, Jumplusx Technology Co., Ltd. (:Jumplusx") was spun off from the Sunplus mMedia, and the registration of the establishment of Jumplusx was completed on October 27, 2014.

Jumplux Technology Co., Ltd. researches, develops, manufactures and sells transmission media and integrated circuits; its paid-in capital was $32,000 thousand.

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 November 14, 2014.

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 issued by the FSC on April 3, 2014, 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.

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

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

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.

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.

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group was continuingly to assess other possible impacts that the application of the 2013 IFRSs version will have on the Group's financial position and financial performance and will disclose these other impacts when the assessment is completed.

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

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

New IFRSs	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendment to IFRS 11 " Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
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 collecting contractual cash flows and selling 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 is 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.

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 Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group 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 Group, but also of other entities outside the Group.

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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 supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

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.

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).

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Requlations 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

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c. Classification of current and noncurrent assets and liabilities

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within twelve months after the reporting period, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than twelve months after the reporting period. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the reporting period and liabilities that do not have an unconditional right to defer settlement for at least twelve months after the reporting period. Liabilities that are not classified as current are classified as noncurrent.

d. Basis of Consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

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

<u>Attribution of total comprehensive income to noncontrolling interests</u>

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

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

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

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

<u>The subsidiaries in the consolidated financial statements</u>

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

			Percentage of Ownership			
Name of Investor	**Name of Investee**	**Main Businesses and Products**	**September 30, 2014**	**December 31, 2013**	**September 30, 2013**	**Note**
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	61.32	61.68	-
	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.
	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	Ventureplus Mauritius	Investment	100.00	100.00	100.00	-
Ventureplus Mauritius	Ventureplus Cayman	Investment	100.00	100.00	100.00	-
Ventrueplus Cayman	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.	80.00	80.00	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	98.84	98.84	-
	SunMedia Technology	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Ehue	Development of software and technology serve	100.00	-	-	The investee was established in January, 2014
Sunplus Technology (Shanghai)	ShenZhen Suntop Technology	Design of software and hardware	-	-	100.00	The investee completed liquidation in December, 2013; thus it was excluded from the consolidated financial statement
Ytrip Technology	1culture Communication	Development and sale	100.00	100.00	100.00	-
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 mMobile Inc.	Design of ICs	-	-	-	Sunplus and its subsidiaries had 100% equity in Sunplus mMobile
	Sunplus mMedia	Design of ICs	12.73	12.73	12.73	Sunplus and its subsidiaries had 99.53% equity in Sunplus mMedia.

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership September 30, 2014	December 31, 2013	September 30, 2013	Note
Sunplus Venture	Sunplus Innovation	Design of ICs	5.77	5.63	5.63	Sunplus and its subsidiaries had 70.45% equity in Sunplus Innovation
	iCatch Technology, Inc.	Design of ICs	5.88	5.88	5.88	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc.
Lin Shih	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	3.86	3.86	3.86	Sunplus and its subsidiaries had 99.53% equity in Sunplus mMedia.
	Sunplus mMobile	Design of ICs	-	-	-	Sunplus and its subsidiaries had 100% equity in Sunplus mMobile.
	Sunplus Innovation	Design of ICs	2.14	2.10	2.11	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.
Sunplus mMobile	Sunplus mMobile SAS	Design of ICs	100.00	100.00	100.00	-
Sunext Technology	Great Sun	Investment	-	-	100.00	The investee completed liquidation in March, 2013.
	Great Prosperous Corp.	Investment	-	-	100.00	The investee completed liquidation in October, 2013.
Great Sun	Sunext Mauritius	Investment	-	-	100.00	The investee completed liquidation in October, 2013.
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

(Concluded)

All investee above are not important subsidiaries except for Generalplus. The financial statements as of September 30, 2014 and for the year ended September 30, 2014 of that those investees are not reviewed.

e. Foreign currencies

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

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

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

Nonmonetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and noncontrolling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

f. Inventories

Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Investments in associates and jointly controlled entities

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of associates and jointly controlled entities are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate and jointly controlled entity is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and jointly controlled entity. The Group also recognizes the changes in the Group's share of equity of associates and jointly controlled entity.

When the Group subscribes for additional new shares of the associate and jointly controlled entity at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and jointly controlled entity. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and jointly controlled entity, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and jointly controlled entity is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and jointly controlled entity equals or exceeds its interest in that associate and jointly controlled entity (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and jointly controlled entity), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and jointly controlled entity.

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

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

The Group discontinues the use of the equity method from the date on which it ceases to have significant influence and joint control. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate (and the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the jointly controlled entity. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and the jointly controlled entity on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

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

h. Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period. Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with IAS 23 "Borrowing Costs". Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

j. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

l. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation/Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

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

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

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

m. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

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

1) Financial assets

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

a) Measurement category

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

i Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset may be designated as at fair value through profit or loss upon initial recognition if:

i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

ii. Available-for-sale financial assets

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

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

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

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including notes and trade receivables, other receivables, cash and cash equivalent, debt investments with no active market, and other receivables) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

b) Impairment of financial assets

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

For financial assets carried at amortized cost, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

c) Derecognition of financial assets

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

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

2) Equity instruments and Financial liabilities

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

a) Equity instruments

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

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

b) Financial liabilities

i Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method:

i) Derecognition of financial liabilities

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

n. Provisions

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

o. Revenue recognition

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

<u>Sale of goods</u>

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

1) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

3) The amount of revenue can be measured reliably;

4) It is probable that the economic benefits associated with the transaction will flow to the Group; and

5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

p. Leasing

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

1) The Group as lessor

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

2) The Group as lessee

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

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred other than stated above.

r. Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire noncurrent assets are recognized as a deduction from the carrying amount of the relevant asset and recognized in profit or loss over the useful lives of the related assets.

s. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

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

t. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

At the end of each reporting period, The Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

u. Income taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Estimated impairment of tangible assets and intangible assets (excluding goodwill)

   The Group relies on subjective judgments and depends on industry usage patterns and related characteristics to determine cash flows, asset useful lives, and future revenues and expenses. Any change in the operating environment and corporate strategy may cause significant impairment loss.

   For the nine months than ended September 30, 2014 and 2013, the Group recognized impairment losses on intangible assets of $17,013 thousand and $0, respectively.

b. Estimated impairment of trade receivables

   When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

   As of September 30, 2014, December 31, 2013 and September 30, 2013, the carrying amount of trade receivables was $1,918,995 thousand, $1,535,944 thousand and $1,760,039 thousand, respectively (after deducting allowance of $1,565, $0 and $12 thousand, respectively).

c. Income taxes

   As of September 30, 2014 and 2013 and December 31, 2013, the carrying amount of deferred tax assets in relation to unused tax losses was $23,214 thousand, 20,898 thousand and $22,581 thousand, respectively. As of September 30, 2014 and 2013, and December 31, 2013, no deferred tax asset has been recognized on tax losses of $5,808,223 thousand, $5,870,787 thousand, and $5,807,343 thousand thousand, respectively, due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

d. Write-down of inventory

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

e. Impairment of investment in the associate

The Group immediately recognizes impairment loss on its net investment in the associate when there is any indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flow expected to be generated by the associate, including growth rate of sale and capacity of production facilities estimated by the associate's management. The Group also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

6. CASH AND CASH EQUIVALENTS

	September 30, 2014	December 31, 2013	September 30, 2013
Cash on hand	$ 6,394	$ 4,232	$ 4,612
Checking accounts and demand deposits	1,335,381	1,609,918	1,151,082
Cash equivalent deposits in banks	2,144,128	2,662,716	2,837,905
Repurchase agreements collateralized by bonds	55,926	54,529	54,020
	$ 3,541,829	$ 4,331,395	$ 4,047,619

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

	September 30, 2014	December 31, 2013	September 30, 2013
Bank balance	0.02%-3.455%	0.02%-3.3%	0.02%-3.05%
Repurchase agreement collateralized by bonds	1.0%-1.625%	1.0%-1.625%	1.1%-1.625%

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

	September 30, 2014	December 31, 2013	September 30, 2013
Financial assets held for trading			
Nonderivative financial assets			
Corporate bonds of domestic listed stocks	$ 17,853	$ 7,994	$ 15,194

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2014	December 31, 2013	September 30, 2013
Domestic investments			
- Mutual funds	$ 1,032,849	$ 1,125,889	$ 1,109,561
- Quoted shares	766,657	1,035,887	1,061,037
Foreign investments			
- Quoted shares	9,174	7,456	6,875
	$ 1,808,680	$ 2,169,232	$ 2,177,473
Current	$ 1,114,127	$ 1,150,505	$ 1,131,315
Noncurrent	694,553	1,018,727	1,046,158
	$ 1,808,680	$ 2,169,232	$ 2,177,473

The Group recognized impairment losses of $0 thousand and $1,633 thousand for nine months ended September 30, 2014 and 2013, respectively.

For the three months ended September 30, 2014 and 2013, the Group recognized no impairment losses.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2014	December 31, 2013	September 30, 2013
Fixed income fund	$ 14,903	$ -	$ 14,520

In March 2014, and November 2012, the Group bought a fixed-income Germany 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

	September 30, 2014	December 31, 2013	September 30, 2013
Domestic unlisted common shares	$ 249,812	$ 311,448	$ 256,788
Classfied as available for sale	$ 249,812	$ 311,448	$ 256,788

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.

The Group believed that the above financial asset carried at cost had impairment losses of $98,717 thousand and $3,234 thousand as of September 30, 2014 and 2013, respectively, and $6,086 thousand and $0 thousand for the three months ended September 30, 2014 and 2013, respectively.

The Group recognized disposal gain of $67,038 thousand and $1,398 thousand as of September 30, 2014 and 2013, respectively. The Group recognized disposal gain of $66,397 thousand and $0 for the three months ended September 30, 2014 and 2013.

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2014	December 31, 2013	September 30, 2013
Notes receivable	$ 71,569	$ 157	$ 315
Accounts receivable	1,901,826	1,524,862	1,739,727
Accounts receivable - related parties	17,934	11,082	20,324
Allowance for doubtful receivables	(1,565)	-	(12)
	1,918,195	1,535,944	1,760,039
	$ 1,989,764	$ 1,536,101	$ 1,760,354

Accounts receivable

The average credit period on sales of goods was 30-90 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 below for aged analysis) that are past due at the end of the reporting period, the Group had not recognized an allowance for impaired notes receivable and trade receivables for $101,562 thousand, $116,716 thousand and $6,966 thousand as of September 30, 2014, December 31, 2013 and September 30, 2013, respectively, because there had not been a 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 offset against any amounts owed by the Group to the counterparty. As of November 14, 2014, the above trade receivables of September 30, 2014 that are past due but not impaired had received $97,457 thousand.

Age of receivables that are past due but not impaired was as follow:

	September 30, 2014	December 31, 2013	September 30, 2013
Less than 60 days	$ 101,562	$ 116,716	$ 6,947
61-90 days	-	-	13
91-120 days	-	-	6
	$ 101,562	$ 116,716	$ 6,966

Above analysis was based on the past due date.

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

	Individually Impaired	Collectively Impaired	Total
Balance at January 1, 2013	$ 48,411	$ -	$ 48,411
Less: Amounts written off during the period as uncollectible	(50,250)	-	(50,250)
Foreign exchange translation gains	1,851	-	1,851
Balance at September 30, 2013	$ 12	$ -	$ 12
Balance at January 1, 2014	$ -	$ -	$ -
Add: Impairment losses recognized on receivable	1,565	-	1,565
Balance at September 30, 2014	$ 1,565	$ -	$ 1,565

12. INVENTORIES

	September 30, 2014	December 31, 2013	September 30, 2013
Finished goods	$ 560,900	$ 382,269	$ 397,421
Work in progress	516,721	369,696	517,313
Raw materials	201,079	170,252	166,126
	$ 1,278,700	$ 922,217	$ 1,080,860

The costs of inventories recognized as cost of goods sold for the nine months ended September 30, 2014 and 2013 were $3,776,721 thousand and $3,855,368 thousand, respectively, and $1,389,188 thousand and $1,382,151 thousand for the three months ended September 30, 2014 and 2013, respectively.

The cost of inventories recognized as cost of good sold in the three months ended September 30, 2014 and nine months ended September 30, 2014 and 2013 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Losses (gains) on inventory value recoveries	$ 10,456	$ (11,845)	$ 12,414	$ 13,362
Income from scrap sales	(116)	(181)	(371)	(798)
	$ 10,340	$ (12,026)	$ 12,043	$ 12,564

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2014	December 31, 2013	September 30, 2013
Investments in associates	$ 1,381,608	$ 1,024,451	$ 1,045,288
Investments in jointly controlled entities	77,900	137,004	147,714
	$ 1,459,508	$ 1,161,455	$ 1,193,002

a. Investments in associates

	September 30, 2014	December 31, 2013	September 30, 2013
Listed companies			
Orise Technology, Co., Ltd.	$ 1,011,906	$ 1,024,451	$ 1,045,288
Global View, Co., Ltd.	369,702	-	-
	$ 1,381,608	$ 1,024,451	$ 1,045,288

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

Associate	September 30, 2014	December 31, 2013	September 30, 2013
Orise Technology, Co., Ltd.	34%	34%	35%
Global View Co., Ltd.	13%	-	-

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 will take effect on January 2, 2015. Orise will issue new common shares, and Focal Tech will swap 1 common share for 4.8 common shares of Orise. After the merger, the Company's equity interest in Orise will decrease from 34% to 12%.

On March 14, 2013, the Company's board of the directors resolved to participate in the tender offer made by Chunghwa Picture Tubes Ltd ("Chunghwa") to acquire shares in Giantplus Technology Co. ("Giantplus"). The Company planned to sell 77,834 thousand shares of Giantplus for cash of NT$4.03 per share and 0.72 common share of Tatung Co. for every share of Giantplus. As of April 12, 2013, the expiration date of the acquisition, the Company had disposed of 64,020 thousand shares and recognized a gain on disposal of $42,474 thousand. On April 10, 2013, the Company's board of directors sold 6,818 thousand shares more of Giantplus to Chunghwa for cash of NT$9.3 per share and recognized a gain on disposal of $5,648 thousand, so the Group reclassified its holding of Giantplus from an investment in an associated to available-for-sale financial assets.

On February 29, 2012, HT mMobile Inc.'s (HT) board of directors approved a downsizing of its operations because of (a) the termination of merger negotiations with another company and (b) the resignation of high-level employees of the research and development (R&D) department, which have hampered product R&D. On the basis of a resolution passed in a meeting of HT's board of directors, the Group recognized an investment loss on HT, as well as the reduction of the carrying value of this investment to zero. The Group also recognized an impairment loss of $1,466 thousand on other receivable from HT mMobile Inc. for nine months ended September 30, 2013 The Group reversal impairment loss of $5,354 thousand for nine months ended September 30, 2013. HT's third interim board of directors also approved a plan for HT to undergo liquidation, and it has completed liquidation in March 20, 2013.

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:

Name of Associate	**September 30, 2014**	**December 31, 2013**	**September 30, 2013**
Orise Technology, Co., Ltd.	$ 1,996,033	$ 2,142,906	$ 2,460,730
Global View Co., Ltd.	$ 369,738		

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

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Total assets	$ 8,411,137	$ 6,314,221	$ 6,651,684
Total liabilities	$ 3,216,326	$ 3,392,196	$ 3,688,541

	For the Three Months Ended September 30		**For the Nine Months Ended September 30**	
	2014	**2013**	**2014**	**2013**
Revenue	$ 2,221,054	$ 2,315,298	$ 7,947,495	$ 7,205,683
Profit for the period	$ (56,487)	$ 104,626	$ 219,206	$ 412,653
Comprehensive income	$ (35,258)	$ 104,532	$ 241,007	$ 412,656
Group's share of profits of associates	$ 2,925	$ 36,221	$ 96,013	$ 105,020

The amounts of investments in jointly controlled entities pledged as collateral for bank loans were disclosed in Note 35.

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.), 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%, and the carrying amount of the Company's investment also declined. 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.

The interests in the jointly controlled entities which were accounted for using the equity method are summarized as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Current assets	$ 273,030	$ 453,707	$ 408,064
Noncurrent assets	$ 25,563	$ 22,474	$ 12,754
Current liabilities	$ 145,997	$ 208,257	$ 125,005
Noncurrent liabilities	$ -	$ -	$ -

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Sales	$ 186,505	$ 120,595	$ 459,661	$ 240,490
Costs of sales	$ 146,489	$ 76,523	$ 345,524	$ 156,883
Operating expenses	$ 79,124	$ 74,299	$ 230,793	$ 189,259
Nonoperating income and expenses	$ 2,586	$ 633	$ 1,329	$ 1,495
Income tax expense	$ -	$ -	$ -	$ -
Share of profit or loss of associates and joint ventures	$ (18,717)	$ (17,002)	$ (59,105)	$ (57,284)
Share of comprehensive income of associates and joint ventures	$ (18,717)	$ (17,002)	$ (59,105)	$ (57,284)

The financial statements used as basis for calculating the Group's share of the associates' profit and other comprehensive income for the nine months ended September 30, 2014 and 2013 had all been unreviewed, except those of Orise Technology.

14. PROPERTY, PLANT AND EQUIPMENT

	Nine Months Ended September 30, 2014									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Equipment	Leasehold Equipment	Other Equipment	Construction in Progress	Total
Cost										
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	64,678	2,307	238	120,455	-	25,090	1,096	199	45,572	259,635
Disposals	-	-	(156)	(1,529)	-	(2,477)	-	-	-	(4,162)
Effect of exchange rate changes	673	41	7,921	(515)	279	(7,694)	22	854	3,524	5,105
Balance, end of period	1,334,978	153,759	38,675	517,750	11,221	239,461	7,520	20,207	921,930	3,245,501
Accumulated depreciation										
Balance, beginning of period	273,056	60,565	26,613	258,438	7,995	176,581	4,284	11,252	-	818,784
Additions	23,447	10,704	3,576	122,874	758	19,832	2,200	1,954	-	185,345
Disposals	-	-	(156)	(1,476)	-	(2,476)	-	-	-	(4,108)
Effect of exchange rate changes	(1,813)	1,409	4,729	271	(7)	(4,540)	(1,350)	44	-	(1,257)
Balance, end of period	294,690	72,678	34,762	380,107	8,746	189,397	5,134	13,250	-	998,764
Accumulated Impairment										
Balance, beginning of period	-	-	-	11,498	-	-	-	-	-	11,498
Additions	-	-	-	-	-	-	-	-	-	-
Balance, end of period	-	-	-	11,498	-	-	-	-	-	11,498
Net, beginning of period	$ 996,571	$ 90,846	$ 4,059	$ 129,403	$ 2,947	$ 47,961	$ 2,118	$ 7,902	$ 872,834	$ 2,154,641
Net, end of period	$ 1,040,288	$ 81,081	$ 3,913	$ 126,145	$ 2,475	$ 50,064	$ 2,386	$ 6,957	$ 921,930	$ 2,235,239

	For the Nine Months Ended September 30, 2013									
	Buildings	Auxiliary equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance, beginning of period	$ 1,284,209	$ 173,006	$ 185,924	$ 304,407	$ 10,351	$ 207,571	$ 20,131	$ 8,819	$ 586,849	$ 2,781,267
Additions	-	350	13,791	122,785	-	17,133	-	305	219,915	374,279
Disposals	-	-	(19,279)	(18,159)	-	(503)	-	(50)	-	(37,991)
Reclassified from investment property	(32,356)	-	-	-	-	-	-	-	-	(32,356)
Effect of exchange rate changes	2,909	9,696	(32,323)	3,579	447	7,056	(8,350)	400	33,137	16,551
Balance, end of period	1,254,762	183,052	148,113	412,612	10,798	231,257	11,781	9,474	839,901	3,101,750
Accumulated depreciation and impairment										
Balance, beginning of period	241,619	61,578	156,980	204,502	6,072	148,327	12,048	6,355	-	837,481
Additions	26,136	14,448	20,553	88,102	1,027	25,287	564	2,333	-	178,450
Disposals	-	-	(19,279)	(16,109)	-	(137)	-	(46)	-	(35,571)
Reclassified from investment property	(14,597)	-	-	-	-	-	-	-	-	(14,597)
Effect of exchange rate changes	(1,511)	5,090	(31,132)	2,649	355	4,214	(2,989)	(888)	-	(24,212)
Balance, end of period	251,647	81,116	127,122	279,144	7,454	177,691	9,632	7,754	-	941,551
Net, beginning of period	$ 1,042,590	$ 111,428	$ 28,944	$ 99,905	$ 4,279	$ 59,244	$ 8,083	$ 2,464	$ 586,849	$ 1,943,786
Net, end of period	$ 1,003,115	$ 101,936	$ 20,991	$ 133,468	$ 3,344	$ 53,566	$ 2,158	$ 1,720	$ 839,901	$ 2,160,199

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

Buildings	11-56 years
Auxiliary equipment	4-20 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 35 for the carrying amount of property, plant and equipment that had been pledged by the Group to secure borrowings granted to the Group.

15. INVESTMENT PROPERTIES

	For the Nine Months Ended September 30	
	2014	2013
Cost		
Balance at January 1	$ 456,827	$ 398,499
Transfer to invest during the period	-	32,356
Effect of foreign currency exchange differences	340	17,985
Balance at September 30	$ 457,167	$ 448,840
Accumulated depreciation		
Balance at January 1	$ 163,758	$ 123,658
Depreciation expense	13,665	9,734
Transfer to invest during the period	-	14,597
Effect of foreign currency exchange differences	621	7,701
Balance at September 30	178,044	155,690
	$ 279,123	$ 293,150

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 was based on a valuation carried out on September 30, 2014 by the Suzhou Feng-Zheng PingGu Firm, independent qualified professional valuers not connected to the Group.

	September 30, 2014	December 31, 2013	September 30, 2013
Fair value	$ 378,894	$ 378,894	$ 365,155
Discount rate	87.33%	87.33%	89.33%

For the investment properties not valued by independent valuators but valued by the Group, the Group determined that the fair values reported as of December 31, 2013 and January 1, 2013 were still valid as of September 30, 2014 and 2013.

The rental income generated for the nine months ended September 30, 2014 and 2013 was $107,985 thousand and $92,583 thousand, respectively.

The rental income generated for the three months ended September 30, 2014 and 2013 was $36,651 thousand and $31,523 thousand, respectively.

16. INTANGIBLE ASSETS

	For the Nine Months Ended September 30, 2013					
	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
Cost						
Balance at January 1	$ 995,166	$ 403,650	$ 30,596	$ 112,353	$ 2,402	$ 1,544,167
Additions	62,158	11,363	-	1,579	-	75,100
Decrease	-	(59,404)	-	-	-	(59,404)
Effect of foreign currency exchange differences	(13)	174	-	-	15	176
Balance at September 30	$ 1,057,311	$ 355,783	$ 30,596	$ 113,932	$ 2,417	$ 1,560,039
Accumulated amortization						
Balance at January 1	$ 732,273	$ 314,676	$ -	$ 52,594	$ 1,978	$ 1,101,521
Amortization expense	109,210	42,424	-	4,609	359	156,602
Decrease	-	(58,581)	-	-	-	(58,581)
Effect of foreign currency exchange differences	(317)	(364)	-	-	(1)	(682)
Balance at September 30	$ 841,166	$ 298,155	$ -	$ 57,203	$ 2,336	$ 1,198,860
Net, beginning of period	$ 262,893	$ 88,974	$ 30,596	$ 59,759	$ 424	$ 442,646
Net, end of period	$ 216,145	$ 57,628	$ 30,596	$ 56,729	$ 81	$ 361,179

	For the Nine Months Ended September 30, 2014					
	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
Cost						
Balance at January 1	$ 1,069,626	$ 365,709	$ 30,596	$ 113,932	$ 2,460	$ 1,582,323
Additions	83,053	14,936	-	297	-	98,286
Effect of foreign currency exchange differences	-	61	-	-	-	61
Balance at September 30	$ 1,152,679	$ 380,706	$ 30,596	$ 114,229	$ 2,460	$ 1,680,670
Accumulated amortization						
Balance at January 1	878,004	307,880	-	58,881	2,460	1,247,225
Amortization expense	81,395	32,670	-	5,051	-	119,116
Effect of foreign currency exchange differences	-	58	-	-	-	58
Balance at September 30	$ 959,399	$ 340,608	$ -	$ 63,932	$ 2,460	$ 1,366,399
Accumulated deficit						
Balance at January 1	$ -	$ -	$ -	$ -	$ -	$ -
Additions	17,013	-	-	-	-	17,013
Balance at September 30	$ 17,013	$ -	$ -	$ -	$ -	$ 17,013
Net, beginning of period	$ 191,622	$ 57,829	$ 30,596	$ 55,051	$ -	$ 335,098
Net, end of period	$ 176,267	$ 40,098	$ 30,596	$ 50,297	$ -	$ 297,258

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

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

17. OTHER ASSETS

	September 30, 2014	December 31, 2013	September 30, 2013
Prepaidment equipment	$ 1,115,399	$ 345,696	$ 316,356
Prepaid of lease payment	125,655	130,578	129,040
Pledged time deposits	92,873	91,162	91,130
Prepaid long-term investments	60,843	44,707	86,982
Refundable deposits (Note 31)	9,458	7,253	8,308
Other	302,659	210,813	203,624
	$ 1,706,884	$ 830,209	$ 835,440

(Continued)

	September 30, 2014	December 31, 2013	September 30, 2013
Current	$ 291,691	$ 232,700	$ 275,528
Noncurrent	1,415,193	597,509	559,912
	$ 1,706,884	$ 830,209	$ 835,440

(Concluded)

The amounts of the Group's prepaid of lease payment for land grant in China as of September 30,2014, December 31 2013, and September 30,2013 were $125,655 thousand, $130,578 thousand and $129,040 thousand.

Prepaid equipment pertained to the acquisition by Generalplus Shenzhen and Sunplus Prof-tek (Shenzhen) Co., Ltd. of an office in Shenzhen, China.

18. LOANS

Short-term borrowings

	September 30, 2014	December 31, 2013	September 30, 2013
Unsecured borrowings			
- bank loans	$ 497,324	$ 165,151	$ 206,034

The weighted average effective interest rate on the bank loans as of September 30, 2014, December 31, 2013 and September 30, 2013 were 0.80%-2.20%, 1.9225%-2.06% and 2.00%-2.98%.

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	September 30, 2014	December 31, 2013	September 30, 2013
Floating rate borrowings					
Secured bank borrowing	2017.3.16	Repayable semiannually from March 2012	$ 388,888	$ 544,444	$ 544,444
Un-secured Bank borrowing	2016.6.27	Repayable semiannually from June 2014	300,000	-	-
Un-secured bank borrowing	2019.2.28	Repayable quarterly from February 2014	300,000	-	-
Un-secured bank borrowing	2015.1.10	Repayable on January 2015	165,355	119,963	-
Un-secured bank borrowing	2015.12.18	Repayable on June 2015	172,246	149,953	-
Un-secured bank borrowing	2015.4.14	Repayable on December 2015	172,246	149,953	-
Un-secured bank borrowing	2015.3.30	Repayable quarterly from March 2012	125,000	312,500	375,000
Secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	-	105,000	105,000
Un-secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	-	105,000	105,000
Un-secured bank borrowing	2015.3.28	Repayable quarterly from March 2012	-	156,250	187,500
Un-secured bank borrowing	2014.1.14	Repayable on January 2014	-	-	149,068
Un-secured bank borrowing	2014.6.25	Repayable on July 2014	-	-	149,068
Un-secured bank borrowing	2017.1.10	Repayable semiannually from February 2012	-	-	59,627
			$ 1,623,735	$ 1,643,063	$ 1,674,707

(Continued)

	Maturity Date	Significant Covenant	September 30, 2014	December 31, 2013	September 30, 2013
Current			$ 715,657	$ 938,447	$ 590,556
Noncurrent			908,078	704,616	1,084,151
			$ 1,623,735	$ 1,643,063	$ 1,674,707

(Concluded)

Under the loan contracts, the Group provided buildings and shares of Orise Technology Co., Ltd. as collaterals for the above loans (Note 35).

The effective rate borrowings as of September 30, 2014, December 31, 2014 and September 30, 2013 were 1.64%-2.558%, 1.92%-2.55% and 1.64%-2.54%.

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.

19. ACCOUNTS AND NOTES PAYABLE

	September 30, 2014	December 31, 2013	September 30, 2013
Notes payable			
Payable - operating	$ 100	$ -	$ -
Accounts payable			
Payable - operating	1,000,536	823,034	757,932
	$ 1,000,636	$ 823,034	$ 757,932

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.

20. PROVISIONS

	September 30, 2014	December 31, 2013	September 30, 2013
Customer returns and rebates	$ 26,261	$ 23,915	$ 17,732

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

21. OTHER LIABILITIES

	September 30, 2014	December 31, 2013	September 30, 2013
Other payables			
Salaries and bonus	$ 352,075	$ 370,405	$ 301,768
Employee bonuses and compensation payable to directors and supervisions	97,201	74,495	76,066
Receipt in advance	38,099	25,591	45,315
Labor/health insurance	34,570	33,646	28,163
Commissions payable	27,900	10,470	3,397
Payable for royalties	14,438	10,639	13,705
Professional service fees	8,285	8,542	6,801
Payable for purchase of equipment	4,913	51,249	219,426
Others	170,457	119,887	39,838
	$ 747,938	$ 704,924	$ 734,479
Deferred revenue			
Arising from governments grants (Note 29)	$ 77,723	$ 78,831	$ 77,893
Others	5,090	5,539	98,369
	$ 82,813	$ 84,370	$ 176,262
Current			
- Other current liability	$ 746,639	$ 704,035	$ 733,590
- Deferred revenue	3,319	3,314	95,964
	$ 749,958	$ 707,349	$ 829,554
Noncurrent			
- Other liability	$ 1,299	$ 889	$ 889
- Deferred revenue	79,494	81,056	80,298
	$ 80,793	$ 81,945	$ 81,187

22. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group’s defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2013 and 2012, and recognized in the following line items in their respective periods:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Operating cost	$ 156	$ 192	$ 461	$ 571
Marketing expenses	$ 92	$ 135	$ 276	$ 340
Administration expenses	$ 130	$ 230	$ 386	$ 666
Research and development expenses	$ 742	$ 744	$ 2,247	$ 2,358

23. EQUITY

Share capital

Common shares:

	September 30, 2014	December 31, 2013	September 30, 2013
Numbers of shares authorized (in thousands)	1,200,000	1,200,000	1,200,000
Amount of shares authorized	$ 12,000,000	$ 12,000,000	$ 12,000,000

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

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

	September 30, 2014	December 31, 2013	September 30, 2013
Number of shares issued and fully paid (in thousands)	591,995	596,910	596,910
Amount of shares issued	$ 5,919,949	$ 5,969,099	$ 5,969,099

Capital surplus

For each class of capital surplus, a reconciliation of the carrying amounts at the beginning and at the end of the nine months ended September 30, 2014 and 2013 was as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
From the issuance of common shares	$ 703,376	$ 709,215	$ 709,215
From treasury share transactions	34,382	71,228	71,228
From the acquisition of a subsidiary	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 (b)			
Others	24,728	12,313	16,292
	$ 919,909	$ 950,179	$ 954,158

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.

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.

Under regulations promulgated by the Securities and Futures Bureau, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet (for example, unrealized loss on financial assets and cumulative translation adjustments) should be allocated from inappropriate retained earnings).

Sunplus should estimate the bonus to employees and remuneration to directors and supervisors based on related laws and past experience. However, for working capital retention, the bonus to employees and remuneration to directors and supervisors was zero for the three months ended September 30, 2014 and 2013. Thus, the Group did not accrue any bonus and remuneration expenses. 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.

If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the shareholders' meeting.

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 Sunplus's paid-in capital. Legal reserve may be used to offset deficit. If Sunplus has no deficit and the legal reserve has exceeded 25% of Sunplus'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 Sunplus.

The appropriations from the 2013 and 2012 earnings were approved at the shareholders' meetings on June 11, 2014 and June 11, 2013, respectively. The appropriations, including dividends, were as follows:

	For Year 2013		For Year 2012	
	Appropriation of Earnings	**Dividends Per Share (NT$)**	**Appropriation of Earnings**	**Dividends Per Share (NT$)**
Legal reserve	$ 119,147	-	$ 516,496	-
Special reserve	(8,116)	-	(160,473)	-

The information on the appropriation of bonuses to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Others equity items

Foreign currency translation reserve:

	For the Nine Months Ended September 30	
	2014	**2013**
Balance at January 1	$ 27,108	$ (84,462)
Exchange differences arising on translating the foreign operations	12,713	79,931
Balance at September 30	$ 39,281	$ (4,531)

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 the Nine Months Ended September 30	
	2014	**2013**
Balance at January 1	$ 172,562	$ 188,110
Changes in fair value of available-for-sale financial assets	260,638	(21,550)
Cumulative gain reclassified to profit or loss upon disposal of available-for-sale financial assets	(248,512)	(5,780)
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	-	1,633
The proportionate share of other comprehensive income reclassified to profit or loss upon partial disposal of associates	-	775
Share of unrealized gain on revaluation of available-for-sale financial assets of associates and jointly controlled entities accounted for using the equity method	1,796	(1,856)
Balance at September 30	$ 186,484	$ 161,332

The investment 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 the Nine Months Ended September 30	
	2014	2013
Balance at January 1	$ 1,588,623	$ 1,557,162
Attributable to noncontrolling interests:		
Share of profit for the year	88,190	94,778
Exchange difference arising on translation of foreign entities	776	18,031
Unrealized gains on available-for-sale financial assets	350	269
Purchase of noncontrolling interests in subsidiaries	(6,267)	-
Disposal of subsidiary	-	(27,705)
Noncontrolling interests - restructed shares options held by subsidiaries' employees	-	11,550
Cash dividends of subsidary	(130,475)	(58,043)
Others	(6,583)	1,387
Balance at September 30	$ 1,534,614	$ 1,597,429

Treasury shares

Purpose of Buyback	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 and September 30, 2013	4,915	3,560	8,475
Number of shares at January 1, 2014	4,915	3,560	8,475
Decrease	(4,915)	-	(4,915)
Number of shares at September 30, 2014	-	3,560	3,560

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

Name of Subsidiaries	Shares Held by Its Subsidiaries (In Thousands of Shares)	Book Value	Market Value
September 30, 2014			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 45,568
December 31, 2013			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 40,762
September 30, 2013			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 42,008

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 resolve to write off all of the buyback tresury 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 depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary 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 September 30, 2014, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

24. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Revenue from IC	$ 2,264,735	$ 2,252,025	$ 6,154,674	$ 6,289,626
Rental income from property	36,651	31,523	107,985	92,583
Other	97,167	30,778	247,969	48,611
	$ 2,398,553	$ 2,314,326	$ 6,510,628	$ 6,430,820

25. NET PROFIT

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

Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Interest income	$ 10,173	$ 8,052	$ 29,224	$ 25,365
Dividend income	30,091	30,028	30,791	30,044
Others	9,706	14,027	28,545	40,274
	$ 49,970	$ 52,107	$ 88,560	$ 95,683

Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Net foreign exchange gains (losses)	$ 27,344	$ (18,668)	$ 13,342	$ 12,483
Gain on disposal of subsidiary	-	-	-	22,752
Gain (losses) on disposal of investment	71,687	(96)	315,858	61,473

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Gain on reversal of impairment loss on financial assets	$ -	$ -	$ -	$ 3,888
Net gain (loss) on financial assets designated as at FVTPL	-	190	(142)	142
Impairment loss on available-for-sale financial assets	-	-	-	(1,633)
Impairment loss on financial assets carried at cost	(6,086)	-	(98,717)	(3,234)
Impairment loss on intangible assets	(17,013)	-	(17,013)	-
Other	2,617	3,898	7,689	10,110
	$ 78,549	$ (14,676)	$ 221,017	$ 105,981

(Concluded)

Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Interest on bank loans	$ 8,819	$ 9,156	$ 26,152	$ 28,990

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Capitalized interest	$ 2,406	$ 3,404	$ 5,722	$ 6,050
Capitalization rate	2.63%	2.50%	2.63%	2.50%

Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Property, plant and equipment	$ 65,284	$ 66,017	$ 185,345	$ 178,450
Investment property	4,532	3,350	13,665	9,734
Intangible assets	35,497	51,513	119,116	156,602
	$ 105,313	$ 120,880	$ 318,126	$ 344,786
An analysis of depreciation by function				
Operating costs	$ 2,519	$ 5,907	$ 8,467	$ 19,759
Operating expenses	67,297	63,460	190,543	168,425
	$ 69,816	$ 69,367	$ 199,010	$ 188,184

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
An analysis of amortization by function				
Operating costs	$ 278	$ 473	$ 679	$ 1,344
Selling and marketing expenses	83	30	138	88
General and administrative expenses	3,190	8,433	11,053	22,422
Research and development expenses	31,946	42,577	107,246	132,748
	$ 35,497	$ 51,513	$ 119,116	$ 156,602

(Concluded)

Operating expenses directly related to investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Direct operating expenses from investment property that generated rental income	$ 5,653	$ 4,990	$ 16,747	$ 14,603
Direct operating expenses from investment property that did not generate rental income	39,770	26,971	93,031	78,875
	$ 45,423	$ 31,961	$ 109,778	$ 93,478

Employee benefit expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Post-employment benefit				
Defined contribution plans	$ 14,806	$ 15,362	$ 44,743	$ 46,902
Defined benefit plans (Note 22)	1,120	1,301	3,370	3,935
Other employee benefit	573,581	580,410	1,665,427	1,685,247
Total employee benefit expense	$ 589,507	$ 597,073	$ 1,713,540	$ 1,736,084
An analysis of employee benefit expense by function				
Operating costs	$ 42,011	$ 39,961	$ 119,558	$ 115,770
Operating expenses	547,496	557,112	1,593,982	1,620,324
	$ 589,507	$ 597,073	$ 1,713,540	$ 1,736,084

Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Foreign exchange gains	$ 42,639	$ 10,201	$ 84,411	$ 77,011
Foreign exchange losses	(15,295)	(28,869)	(71,069)	(64,528)
Net gain (loss)	$ 27,344	$ (18,668)	$ 13,342	$ 12,483

26. INCOME TAXES

Integrated income tax

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Current tax				
Current period	$ 14,103	$ 14,405	$ 33,152	$ 18,098
Prior periods	(55)	2,996	(5,068)	(65,009)
Others	3,097	-	5,204	-
	17,145	17,401	33,288	(46,911)
Deferred tax				
Current period	1,493	981	6,346	69,759
Others	25	(55)	(97)	75
	1,518	926	6,249	69,834
Income tax expense (benefit) recognized in profit or loss	$ 18,663	$ 18,327	$ 39,537	$ 22,923

	September 30, 2014	December 31, 2013	September 30, 2013
Imputation credits accounts	$ 372,426	$ 339,960	$ 309,276

For 2013 and 2012, there was no creditable tax ratio because the Group had a deficit.

For the distribution of earnings generated after January 1, 1998, the imputation credit allocable to shareholders of Sunplus is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2010 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

Based on legal interpretation No.10204562810 announced by the Taxation Administration of the Ministry of Finance, in the calculation of imputation credits in the year of the first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first time adoption of IFRSs. The income from the following projects is exempt from income tax. The tax-exemption periods are as follows:

Project	Tax Exemption Period
Sunplus	
Eighth expansion	January 1, 2010 to December 31, 2014
Thirteenth expansion	January 1, 2013 to December 31, 2017
Fourteenth expansion	January 1, 2015 to December 31, 2019
Fifteenth expansion	January 1, 2015 to December 31, 2019
Generalplus	
Fourth expansion	January 1, 2010 to December 31, 2014
Fifth expansion	January 1, 2013 to December 31, 2017
Sunplus Innovation	
Second expansion	January 1, 2013 to December 31, 2017

Income tax assessments

The income tax returns of Sunplus, Sunplus mMobile and Sunplus Innovation through 2011; the income tax returns of Generaplus, Sunplus management Consulting, iCatch, Sunext, Wei-Yough, Lin Shih and Sunplus Venture through 2012. The income tax returns of Sunplus mMedia through 2012. Nevertheless, for conservatism purposes, Sunplus and its subsidiaries provided for the income tax assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Basic earnings per share	$ 0.28	$ 0.06	$ 0.63	$ 0.14
Diluted earnings per share	$ 0.28	$ 0.06	$ 0.63	$ 0.14

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

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Profit for the period attributable to owners of the Group	$ 163,073	$ 37,555	$ 371,872	$ 83,888
Effect of dilutive potential common shares:				
Employee share option	-	-	-	-
Earnings used in the computation of diluted earnings per share	$ 163,073	$ 37,555	$ 371,872	$ 83,888

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Profit for the period attributable to owners of the Group	$ 588,435	$ 588,435	$ 588,435	$ 588,435
Effect of dilutive potential common shares:				
Employee share option	-	-	-	-
Earnings used in the computation of diluted earnings per share	$ 588,435	$ 588,435	$ 588,435	$ 588,435

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan

On September 11, 2007 (2007 option plan), the Securities and Futures Bureau approved the Group's adoption of an employee stock option plan. The plan provides for the grant of 25,000 thousand options in 2007 plan, with each unit representing one common share. The option rights are granted to qualified employees of the Group and subsidiaries. A total of 25,000 thousand common shares have been reserved for issuance. The options are valid for six years and exercisable at certain percentages after the second anniversary of the grant date. Stock option rights are granted at an exercise price equal to the closing price of the Group's common shares listed on the Taiwan Stock Exchange on the grant date. If the Group's paid in capital changes, the exercise price is adjusted accordingly. All options had been granted or canceled as of December 31, 2013.

Outstanding option rights were as follows:

	For the Nine Months Ended September 30	
	2013	
	Unit (In Thousands)	Weighted-average Price (NT$)
Employee share option plan		
Beginning outstanding balance	18,880	$ 38.03
Options canceled	(1,370)	-
Ending outstanding balance	17,510	38.03
Options exercisable, end of period	17,510	38.03

The number of shares and exercise prices of outstanding option have been adjusted to reflect the appropriations of dividends, cash dividends and issuance of capital stock specified under the 2007 plans.

As of September 30, 2014, the outstanding and exercisable options were as follows:

September 30,2013	
Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)
$37.90	0.12
38.30	0.24

In their meeting on June 18, 2012, the shareholders approved a restricted stock plan for employees with a total amount of NT$280,000 thousand, consisting of 28,000 thousand shares, the upper limitation of issue price is NT$15 and authorize the board of directors to determine the issue prices of the restricted shares when they are issued. As of December 31, 2013, the restricted stock plan for Sunplus's employees had not been approved by the aurhorities, so it become invalid.

Sunplus Innovation Technology Inc.

Sunplus Innovation Technology Inc.'s Employee Stock Option Plans were approved on April 18, 2007. The maximum number of options authorized to be granted was 2,200 thousand, with each option eligible to subscribe for one common share. The options of all the plans are valid for six years and exercisable at certain percentages after the second anniversary of the grant date.

Information about the Group's outstanding options for the three months ended September 30, 2013 was as follows:

	For the Nine Months Ended September 30	
	2013	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance, beginning of period	752	$ 10.90
Options exercised	-	-
Options canceled	(752)	-
Balance, end of period	-	-
Options exercisable, end of period	-	

Restricted stock plan

In their meeting on June 28, 2012, the shareholders of Sunplus Innovation Techology 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, 2013.

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

On April 18, 2014, under the board of directors' approval, SIT II excuted the second restricted ESOP, though which employees received 1,400 thousand shares amounting to $14,000 thousand, with no up-front cost and with a par value of NT$10.00. On April 19, 2014, which was both the grant date and the ESOP execution date, the fair value of each share was NT$6.0599.

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 vestin 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 acquired for 1,000 shares. Stock options were given to employees those who stasified 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 September 30, 2014 was as follows:

	Year ended September 30, 2014	
	Number of Options (In Thousands)	**Weighted Average Exercise Price (NT$)**
Share-Based Payment		
Balance, beginning of period	5,929	$ 10
Options exercised	-	-
Balance, end of period	5,929	10
Options exercisable, end of period	-	

As of September 30, 2014, information about iCatch's outstanding and exercisable options was as follows:

	Outstanding Options			Options Exercisable	
Exercise Price (NT$)	**Number Outstanding (Thousands)**	**Remaining Contractual Life (In Years)**	**Exercise Price (NT$/Per Share)**	**Number Exercisable (Thousands)**	**Exercise Price (NT$/Per Share)**
$10	5,929	4.95	$10	-	$ -

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

Grant-date share price (NT$)	$ 3.25
Exercise price (NT$)	10.00
Expected volatility	31.89%
Expected life (years)	4.375 years
Expected dividend yield	-
Risk-free interest rate	1.67%

29. 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 ta 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 September 30, 2014 was $1,366 thousand.

30. 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:

Analysis of assets and liabilities over which control was lost

	January 21, 2013
Current assets	
Cash and cash equivalents	$ 1,168
Other receivables	1
Prepaid expenses	7,562
Noncurrent assets	
Refundable deposits	360
Current liabilities	
Payables	(20)
Net assets disposed of	$ 9,071

Gain on disposal of subsidiary

	Year Ended December 31, 2013
Fair Value on January 21,2013	$ 204,998
Noncontrolling interests	22,724
Cash	(195,899)
Net assets disposed of	(9,071)
Gain on disposal	$ 22,752

31. 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 $6,000 thousand time deposits (classified as restricted assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Up to 1 year	$ 7,487	$ 8,034	$ 8,034
Over 1 year to 5 years	18,993	20,910	21,705
Over 5 years	8,688	12,250	13,437
	$ 35,168	$ 41,194	$ 43,176
Refundable deposits	$ 186	$ 186	$ 186

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:

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Up to 1 year	$ 9,961	$ 9,961	$ 5,867
Over 1 year to 5 years	23,371	38,840	10,130
	$ 33,332	$ 48,801	$ 15,997
Refundable deposits	$ 1,660	$ 1,660	$ 1,660

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 restricted assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
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	1,843	2,948	3,316
	$ 9,213	$ 10,318	$ 10,686

Sunext

Sunext leased an office from Global View Co., Ltd. under renewable agreements expiring in August 2015. Global View Co. had the right to adjust the annual lease payment of $2,760 thousand. In November 2013, however, the contracts between Sunext and Global View Co., Ltd. were canceled.

The lease payments were as follows:

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Up to 1 year	$ -	$ -	$ 230
Over 1 year to 5 years	-	-	-
	$ -	$ -	$ 230
Refundable deposits	$ -	$ -	$ 460

i Catch Technology, Inc. ("i Catch")

i Catch leases office from Siming Inc. and Siha Inc. under renewable agreements expiring in February 2016; the lease payments were $1,809 thousand and $1,366, respectively.

The future lease payments are as follows:

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Up to 1 year	$ 3,175	$ 2,962	$ 2,926
Over 1 year to 5 years	1,885	3,455	4,196
	$ 5,060	$ 6,417	$ 7,122
Refundable deposits	$ 521	$ 521	$ 521

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease terms between 1to 5years. 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 September 30, 2014, December 31, 2013, September 30, 2013 deposits received under operating leases amounted to $24,008 thousand, $21,143 thousand and $20,430 thousand, respectively.

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

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Up to 1 year	$ 106,797	$ 104,105	$ 98,938
Over 1 to 5 years	90,356	95,915	93,149
	$ 197,153	$ 200,020	$ 192,087

32. 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.

33. 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.

	September 30, 2014		December 31, 2013	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Financial assets carried at cost	$ 249,812	$ -	$ 311,448	$ -
Debt investment with no active market	14,903	-	-	-

	September 30, 2013	
	Carrying Amount	**Fair Value**
Financial assets		
Financial assets carried at cost	$ 256,788	$ -
Financial assets carried at cost	14,520	-

2) Fair value measurements recognized in the condensed balance sheets

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

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

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

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

September 30, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 17,853	$ -	$ -	$ 17,853
Available-for-sale financial assets				
Mutual funds	$ 1,032,849	$ -	$ -	$ 1,032,849
Securities listed in the ROC	766,657	-	-	766,657
Securities listed overseas	9,174	-	-	9,174
	$ 1,808,680	$ -	$ -	$ 1,808,680

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 7,994	$ -	$ -	$ 7,994
Available-for-sale financial assets				
Mutual funds	$ 1,125,889	$ -	$ -	$ 1,125,889
Securities listed in the ROC	1,035,887	-	-	1,035,887
Securities listed overseas	7,456	-	-	7,456
	$ 2,169,232	$ -	$ -	$ 2,169,232

September 30, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 15,194	$ -	$ -	$ 15,194
Available-for-sale financial assets				
Mutual funds	$ 1,109,561	$ -	$ -	$ 1,109,561
Securities listed in the ROC	1,061,037	-	-	1,061,037
Securities listed overseas	6,875	-	-	6,875
	$ 2,177,473	$ -	$ -	$ 2,177,473

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

b. Categories of financial instruments

	September 30, 2014	December 31, 2013	September 30, 2013
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 17,853	$ 7,994	$ 15,194
Loans and receivables (i)	5,670,698	5,968,877	5,894,139
Available-for-sale financial assets	2,058,492	2,480,680	2,434,261
Financial liabilities			
Measured at amortized cost (ii)	3,334,478	2,854,821	2,861,687

(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.

c. 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.

	September 30, 2014	December 31, 2013	September 30, 2013
Assets			
USD	$ 60,651	$ 64,585	$ 83,591
RMB	116,559	43,497	505
JYP	850	328	415
HKD	121	102	150
EUR	2	2	3
GBP	3	3	3
Liabilities			
USD	62,927	57,938	47,631
RMB	126	30	1,050
EUR	-	300	-
GBP	-	25	-

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 Nine Months Ended September 30	
	2014	2013
Profit or loss	$ 2,276	$ (35,960)

	RMB impact	
	For the Nine Months Ended September 30	
	2014	2013
Profit or loss	$(141,727)	$ 545

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.

	September 30, 2014	December 31, 2013	September 30, 2013
Fair value interest rate risk			
Financial assets	$ 2,065,229	$ 2,471,805	$ 2,646,455
Financial liabilities	345,584	-	42,500
Cash flow interest rate risk			
Financial assets	1,562,782	1,946,114	1,487,065
Financial liabilities	1,775,475	1,808,214	1,838,241

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 nine months ended September 30, 2014 and 2013 would decrease/increase by $266 thousand and $439 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 September 30, 2014 and 2013 would have increased/decreased by $18,087 thousand and $21,775 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 53%, 46% and 49% in total trade receivables as of September 30, 2014, December 31, 2013 and September 30, 2013, 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 September 30, 2014, December 31, 2013 and September 30, 2013, the Group had available unutilized overdraft and financing facilities refer to the following instructation.

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.

September 30, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year-5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 364,618	$ 790,399	$ 46,055	$ 38,900	$ -
Floating interest rate liabilities	1.64~2.558	829	62,500	315,556	735,832	-
Fixed interest rate liabilities	0.08~2.54	312,431	9,375	34,020	661,587	141,614
		$ 677,878	$ 862,274	$ 395,631	$ 1,436,319	$ 141,614

December 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year-5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 231,691	$ 1,083,645	$ 68,120	$ 35,425	$ -
Floating interest rate liabilities	2.06~2.98	999	201,528	389,028	996,767	-
Fixed interest rate liabilities	0.80~2.54	-	155,982	15,935	-	147,003
		$ 232,690	$ 1,441,155	$ 473,083	$ 1,032,192	$ 147,003

September 30, 2013

	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
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 235,388	$ 1,060,615	$ 89,861	$ 34,704	$ -
Floating interest rate liabilities	2.06~2.98	44,782	98,336	517,229	1,119,936	-
Fixed interest rate liabilities	0.80~2.54	-	148,603	26,988	-	64,505
		$ 280,170	$ 1,307,554	$ 634,078	$ 1,154,065	$ 64,505

b) Financing facilities

	September 30, 2014	December 31, 2013	September 30, 2013
Unsecured bank overdraft facility			
Amount used	$ 2,471,273	$ 1,804,392	$ 2,218,264
Amount unused	4,045,755	5,511,936	2,612,370
	$ 6,517,028	$ 7,316,328	$ 4,740,634

34. 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 September 30 2014	For the Three Months Ended September 30 2013	For the Nine Months Ended September 30 2014	For the Nine Months Ended September 30 2013
Sales of goods	Associates	$ 16,390	$ 8,688	$ 47,390	$ 24,814
	Joint ventures	9,663	8,632	30,738	21,760
		$ 26,053	$ 17,320	$ 78,128	$ 46,574

The collection terms for products sold to related parties were similar to those for third parties.

b. Purchase of good

Related Party	For the Three Months Ended September 30 2014	For the Three Months Ended September 30 2013	For the Nine Months Ended September 30 2014	For the Nine Months Ended September 30 2013
Joint ventures	$ 5,509	$ -	$ 6,467	$ -

The support transaction prices were negotiated and thus not comparable with those in the market.

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

Account Item	Related Party	September 30, 2014	December 31, 2013	September 30, 2013
Tradereceivables	Associates	$ 11,311	$ 5,608	$ 8,603
	Joint ventures	6,623	5,474	11,721
		$ 17,934	$ 11,082	$ 20,324
Other receivable	Associates	$ 89	$ 50	$ 57
	Joint ventures	1,546	2,330	1,668
		$ 1,635	$ 2,380	$ 1,725

There were no guarantees on outstanding receivables from related parties.

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

Account Item	Related Party	September 30, 2014	December 31, 2013	September 30, 2013
Accounts payable	Joint ventures	$ 4,792	$ -	$ -
Other current liabilities	Joint ventures	$ -	$ 18,394	$ 15,200

There were no guarantees on outstanding receivables from related parties.

e. Purchase of property, plant and equipment

Related Party	September 30, 2014	December 31, 2013	September 30, 2013
Joint ventures	$ -	$ -	$ 133

f. Property, plant and equipment disposal

Related Party	Proceeds of the Disposal of Assets		Gain on Disposal of Assets	
	Three Months Ended September 30		Three Months Ended September 30	
	2014	2013	2014	2013
Joint ventures	$ -	$ -	$	$ -

Related Party	Proceeds of the Disposal of Assets		Gain on Disposal of Assets	
	Nine Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Joint ventures	$ 4	$ 2,392	$ -	$ 272

g. Intangible assets disposal

	Proceeds of the Disposal of Intangible Assets		Gain on Disposal of Intangible Assets	
	Three Months Ended September 30		Three Months Ended September 30	
	2014	2013	2014	2013
Joint ventures	$ -	$ -	$ -	$ -

	Proceeds of the Disposal of Intangible Assets		Gain on Disposal of Intangible Assets	
	Nine Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Joint ventures	$ -	$ 291	$ -	$ 21

h. Other transactions with related parties

Account Item	Related Party	September 30, 2014	December 31, 2013	September 30, 2013
Deferred income	Associates	$ 1,249	$ 1,698	$ 1,848

Account Item	Related Parties Types	Three Months Ended September 30		Nine Months Ended September 30	
		2014	2013	2014	2013
Operating expenses	Joint ventures	$ -	$ 14,653	$ 14,035	$ 31,171
Nonoperating income and expenses	Joint ventures	$ 4,654	$ 6,000	$ 14,037	$ 15,216
	Associates	284	104	807	5,443
		$ 4,938	$ 6,104	$ 14,844	$ 20,659

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

i. Financing to related party

The Group provided financing to HT mMobile, as follows:

Financing to Related Party	For Nine Months Ended September 30, 2013			
	Maximum Balance	Ending Balance	Interest Rate	Interest Income
HT mMobile	$ 362,460	$ - Note	1.655%	$ 1,465

Note: HT mMobile has repaid $5,354 thousand by cash and the Group has reversed the allowance of $5,354 thousand as of September 30, 2013. HT mMobile has completed the procedure of liquidation on March 20, 2013, so the Group wrote off the rest of receivables.

j. Compensation of directors, supervisors and management personnel:

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Salaries and Incentives	$16,040	$15,144	$42,356	$46,000
Special compensation	827	878	2,619	2,825
	$16,867	$16,022	$44,975	$48,825

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

35. 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:

	September 30, 2014	December 31, 2013	September 30, 2013
Orise stock	$ 252,434	$ 468,526	$ 478,256
Buildings, net	698,011	712,876	717,831
Pledged time deposits (classified as other assets, current and noncurrent)	92,873	91,162	91,130
Subsidiary's holding of Sunplus' stock	43,321	38,752	39,936
	$ 1,086,639	$ 1,311,316	$ 1,327,153

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

The significant financial assets and liabilities denominated in foreign currencies and the rates for translation to New Taiwan dollars were as follows:

	September 30, 2014		December 31, 2013		September 30, 2013	
	Foreign Currencies	**Exchange Rate**	**Foreign Currencies**	**Exchange Rate**	**Foreign Currencies**	**Exchange Rate**
Financial assets						
Monetary items						
USD	$ 60,651	30.420	$ 64,585	29.805	$ 83,591	29.570
CNY	116,559	4.934	43,497	4.919	505	4.833
JPY	850	0.278	328	0.284	415	0.302
HKD	121	3.918	102	3.843	150	3.813
EUR	2	38.59	2	41.09	3	39.92
GDR	3	49.50	3	49.28	3	47.72
Nonmonetary items						
USD	1,758	30.420	500	29.805	500	29.570
EUR	510	38.59	510	41.09	510	39.92
Financial liabilities						
Monetary items						
USD	62,927	30.420	57,938	29.805	47,631	29.570
CNY	126	4.934	30	4.919	1,050	4.833
EUR	-	38.59	300	41.09	-	-
JPY	-	0.278	25	0.284	-	-

37. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required for the Group and its investees by the Securities and Futures Bureau:

1) Financings provided: Table 1 (attached)

2) Endorsement/guarantee provided: Table 2 (attached)

3) Marketable securities held: Table 3 (attached)

4) Acquisition of property, plant and equipment at cost of at least $300 million or 20% of the paid-in-capital: Table 4 (attached)

5) Intercompany relationships and significant intercompany transactions: Table 5 (attached)

6) Information on investee: Table 6 (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 7)

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 8)

   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.

38. 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 nine months ended September 30, 2014 and 2013 are shown in the accompanying consolidated income statements, and the assets by segment as of September 30, 2014 and 2013 are shown in the accompanying consolidated balance sheets.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Sunplus Technology Company Limited	Sunplus mMobile Inc.	Other receivables	Yes	$ 237,900	$ 203,900	$ 161,400	1.655%	Note 1	$ -	Note 2	$ -		$ -	$ 459,364 (Note 5)	$ 918,727 (Note 6)
1	Sunplus Technology (Shanghai) Co., Ltd.	Sunplus Prof-tek Technology (Shenzhen)	Other receivables	Yes	21,994	-	-	3.3%	Note 1	-	Note 3	-		-	24,595 (Note 7)	49,190 (Note 7)
		Sunplus APP Technology	Other receivables	Yes	15,989	9,116	9,116	3.3%	Note 1	-	Note 4	-		-	25,595 (Note 5)	51,190 (Note 6)

Note 1: Short-term financing.

Note 2: Sunplus Technology Company Limited provided cash payments of Sunplus mMobile Inc.

Note 3: Sunplus Technology (Shanghai) Co., Ltd. provided funds for Sunplus Prof-tek Technology (Shenzhen) to its need of operation.

Note 4: Sunplus Technology (Shanghai) Co., Ltd. provided funds for Sunplus App Technology to for its need of operation.

Note 5: For each transaction entity, the amount should not exceed 5% of the Group’s and Sunplus Technology (Shanghai) Co., Ltd. net equity as of the latest financial statements.

Note 6: The amount should not exceed 10% of the Group’s and Sunplus Technology (Shanghai) Co., Ltd. net equity based on the latest financial statements.

Note 7: The foreign company has voting shares that are directly and-indirectly wholly owned by the Group’s parent company. The total amounts of all guarantees issued should not exceed RMB10 million, and the individual amounts of the guarantee should not exceed RMB5 million; in addition, the guarantee period should not exceed two years.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(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/Guarantee 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 (Note 1)	Sunplus Technology Company Limited (the Company)	Sun Media Technology Co., Ltd.	3 (Note 3)	$ 918,727 (Note 5)	$ 679,840	$ 679,840	$ 679,840	-	7.40%	$ 1,837,454 (Note 6)	Yes	No	Yes
		Ytrip Technology Co., Ltd.	3 (Note 3)	918,727 (Note 5)	60,440	60,440	60,440	-	0.66%	1,837,454 (Note 6)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 2)	918,727 (Note 5)	43,671	40,000	40,000	-	0.44%	1,837,454 (Note 6)	Yes	No	No
		Generalplus Technology Inc.	3 (Note 3)	918,727 (Note 5)	13,563	-	-	-	-	1,837,454 (Note 6)	Yes	No	No
		Sunplus Innovation Technology Inc.	2 (Note 2)	918,727 (Note 5)	8,782	-	-	-	-	1,837,454 (Note 6)	Yes	No	No
		iCatch Technology Inc.	1 (Note 4)	918,727 (Note 5)	6,350	-	-	-	-	1,837,454 (Note 6)	No	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: Directly held by parent company.

Note 5: 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 6: The amount should not exceed 20% of the endorsement/guarantee provider’s net equity based on the latest financial statements.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2014				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the “Company”)	Stock							
	Tatung Company	-	Available-for-sale financial assets	46,094	$ 409,318	2	$ 409,318	Note 2
	RITEK Corp.	-	Available-for-sale financial assets	5,000	18,399	-	18,399	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	24,792	-	24,792	Note 2
	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	162,171	-	162,171	Note 3
	China High Yield Dim Sum Bond	-	Available-for-sale financial assets	1,381	15,149	-	15,149	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	50,757	-	50,757	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,357	-	30,357	Note 3
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,350	-	30,350	Note 3
	Yuanta De-Bao Money Market Fund	-	Available-for-sale financial assets	2,564	30,243	-	30,243	Note 3
	Capital Money Market	-	Available-for-sale financial assets	1,911	30,246	-	30,246	Note 3
	Eastspring Inv Fund Glbl EqFoF	-	Available-for-sale financial assets	1,150	14,948	-	14,948	Note 3
	JPNorgan Asia High Yieid Total Return Bond	-	Available-for-sale financial assets	1,249	15,024	-	15,024	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,179	-	5,179	Note 3
	Franklin Global Fduntl Start Fund	-	Available-for-sale financial assets	13	5,120	-	5,120	Note 3
	Cathay China Emerging Industries	-	Available-for-sale financial assets	576	7,957	-	7,957	Note 3
	Mega Global High Dividend Fund	-	Available-for-sale financial assets	577	9,796	-	9,796	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	5,020	-	5,020	Note 3
	Yuanta China Opportunity bond	-	Available-for-sale financial assets	1,000	10,291	-	10,291	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	90,977	1	90,977	Note 2
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,435	63,078	7	63,078	Note 2
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	45,568	1	45,568	Notes 2 and 4
	RITEK Technology Co., Ltd.	-	Available-for-sale financial assets	833	3,066	-	3,066	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	60	255	-	255	Note 2
	Catcher Technology Co., Ltd.	-	Available-for-sale financial assets	65	18,330	-	18,330	Note 2
	F-Eurocharm Holdings Co., Ltd.	-	Available-for-sale financial assets	20	1,300	-	1,300	Note 2
	Frankin Templetion Sinoa	-	Available-for-sale financial assets	1,994	20,185	-	20,185	Note 3
	Paradigm Pion Money Market	-	Available-for-sale financial assets	445	5,043	-	5,043	Note 3
	UPAMC JAMES BOND MONEY	-	Available-for-sale financial assets	431	7,069	-	7,069	Note 3
	KGI Economic Moat., Ltd.	-	Available-for-sale financial assets	100	1,004	-	1,004	Note 3
	Yuanta Global REITs Fund	-	Available-for-sale financial assets	763	8,514	-	8,514	Note 3
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets	6	575	-	575	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,295	13,940	10	13,940	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

(Continued)

Holding Company	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2014				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	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
	WayTech Development Inc.	-	Financial assets carried at cost	1,500	-	5	-	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	2,008	-	2,008	Note 2
	CHINA ELECTRIC MFG.CO.,LTD.-CB	-	Financial assets at fair value through profit or loss -Current	30	2,939	-	2,939	Note 2
	China Airlines Ltd.		Financial assets at fair value through profit or loss -Current	30	3,009	-	3,009	Note 2
	Shin Kong Financial Holding Co.,Ltd	-	Financial assets at fair value through profit or loss –Current	50	5,147	-	5,147	Note 2
	Zero One Technology Co., Ltd.-CB	-	Financial assets at fair value through profit or loss -Current	50	4,750		4,750	Note 2
Russell Holdings Limited	Stock					-		
	Aruba Networks, Inc.	-	Available-for-sale financial assets	10	6,731	-	6,731	Notes 2 and 6
					(US$ 221)		(US$ 221)	
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	41,167	-	41,167	Notes 1 and 6
					(US$ 1,353)		(US$ 1,353)	
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	1,553	5	1,553	Notes 1 and 6
					(US$ 51)		(US$ 51)	
Russell Holdings Limited	Innobrige International Inc.	-	Financial assets carried at cost	4,000	1,599	15	1,599	Notes 1 and 6
					(US$ 53)		(US$ 53)	
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	-	-	-	Note 1
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	-	1	-	Note 1
	OZ Optics Limited.	-	Financial assets carried at cost	1,000	-	8	-	Note 1
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	-	3	-	Note 1
Sunplus Venture Capital Co., Ltd.	Stock							
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	65,274	1	65,274	Note 2
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	63,215	-	63,215	Note 2
	Aruba Networks, Inc.	-	Available-for-sale financial assets	4	2,443	-	2,443	Note 2 and 6
	Aiptek International Inc.	-	Available-for-sale financial assets	351	1,498	1	1,498	Note 2
	FSITC Money Market	-	Available-for-sale financial assets	290	50,767	-	50,767	Note 3
	Eurocharm Holding Co.	-	Available-for-sale financial assets	601	39,058	-	39,058	Note 2
	Cathay China Emerging Industries	-	Available-for-sale financial assets	576	7,955	-	7,955	Note 3
	Yuanta China Opparunity Bond	-	Available-for-sale financial assets	1,000	10,291	-	10,291	Note 3
	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets	850	22,015	-	22,015	Note 2
	Feature Integration Technology Inc.	-	Financial assets carried at cost	1,630	18,660	4	18,660	Note 1
	Genius Vision Digital	-	Financial assets carried at cost	750	15,000	6	15,000	Note 1
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,303	14,025	10	14,025	Note 1
	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	13,691	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
	WayTech Development Inc.	-	Financial assets carried at cost	1,000	-	4	-	Note 1
	Touch Screen Glass Technology Co., Ltd.	-	Financial assets carried at cost	4,500	45,000	2	45,000	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

(Continued)

Holding Company	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2014 Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
	Bond	-	Non-active market bond investment	1	$ 14,903	-	$ 14,903	Note 5
Sunplus Technology (Shanghai) Co., Ltd.	GF Money Market Fund class B shares	-	Available-for-sale financial assets	13,870	70,818 (RMB$ 14,353)	-	70,818 (RMB$ 14,353)	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	315	7,021	-	7,021	Note 2
Generalplus Technology Inc.	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	4,804	71,435	-	71,435	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	3,390	34,319	-	34,319	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	1,964	29,207	-	29,207	Note 3
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	1,898	25,180	-	25,180	Note 3
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	1,343	20,138	-	20,138	Note 3
	Yuanta De-Bao Money Market Fund	-	Available-for-sale financial assets	1,281	15,108	-	15,108	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	11,956	121,035	-	121,035	Note 3
Sunplus Innovation Technology Inc.	<u>Fund</u>							
	Mega Diamond Money Market	-	Available-for-sale financial assets	1,407	20,919	-	20,919	Note 3
	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	7,426	91,255	-	91,255	Note 3
	<u>Stock</u>							
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	15,391	10	15,391	Note 1
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	2,000	8,243	9	8,243	Note 1
	Point Grab Ltd.	-	Financial assets carried at cost	182	45,150	4	45,150	Note 1

Note 1: The market value was based on carrying value as of September 30, 2014.

Note 2: The Market value was based on the closing price as of September 30, 2014.

Note 3: The market value was based on the net asset value of fund as of September 30, 2014.

Note 4: As of September 30, 2014, 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 $43,321 thousand and the holding of Sunlus Technology Company Limited of the shares of Orise Technology Co., Ltd. with a market value $252,434 thousand had not been pledged or mortgaged.

Note 5: The market value was based on Amortised cost as of September 30, 2014.

Note 6: The exchange rate was based on the exchange rate as of September 30, 2014.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ACQUISTION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OR PRICES OF AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Sunplus Prof-tek Technology (Shenzhen)	Building	2014.01.09	RMB 159,165 thousand	RMB 159,165 thousand	ShenZhen Investment Holding Co., Ltd.	-	-	-	-	$ -	-	Operation	None

Note: The contract price of the building bought by Sunplus Prof-tek Technology (Shenzhen) (“Prof-tek”) was RMB160,773 thousand; if the final payment will be made within 20 days after the down payment is made, Prof-tek will receive a 1% discount.

TABLE 5

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED MARCH, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Nine months ended September 30, 2014

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Sunplus Technology Co., Ltd. (parent company)	Generalplus Technology Corp.	1	Sales	$ 5,480	Note 1	0.08%
			Nonoperating income and gains	1,391	Note 2	0.02%
			Notes and accounts receivable	1,326	Note 1	0.01%
			Research and development	4	Note 2	-
	Sunext Technology Co., Ltd.	1	Sales	3,879	Note 1	0.06%
			Nonoperating income and gains	7,237	Note 2 and 4	0.11%
			Notes and accounts receivable	225	Note 1	-
			Other receivables	1,130	Note 3	0.01%
	Sunplus mMobile	1	Nonoperating income and gains	1,998	Note 2	0.03%
			Other receivables	161,620	Note 3	1.07%
	Sunplus Innovation Technology Inc.	1	Sales	392	Note 1	0.01%
			Nonoperating income and gains	3,506	Note 2	0.05%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	1,229	Note 3	0.01%
			Other accrued expense	2	Note 1	-
	iCatch Technology, Inc.	1	Sales	3,085	Note 1	0.05%
			Nonoperating income and gains	9,408	Notes 2 and 4	0.14%
			Notes and accounts receivable	883	Note 1	0.01%
			Other receivables	1,911	Note 3	0.01%
	Sunplus Technology (H.K.) Co., Ltd.	1	Marketing expense	1,162	Note 2	0.02%
			Other accrued expense	148	Note 3	-
Sunext Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Research and development	790	Note 2	0.01%
			Accrued expense	348	Note 3	-
	Sunplus Technology Co., Ltd. (Shanghai)		Marketing expense	3,640	Note 2	0.06%
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Marketing expenses	1,172	Note 2	0.02%
			Accrued expense	517	Note 3	-
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	19,505	Note 2	0.30%
			Accrued expense	7,088	Note 3	0.05%
Generalplus Technology Corp.	Sunplus Innovation Technology Inc.	2	Research and development	24	Note 2	-
			Intangible assets	2,925	Note 2	0.02%
			Marketing expenses	5,501	Note 2	0.08%
			Receivable	3	Note 1	-
			Sales	803	Note 1	0.01%
			Accrued expense	25	Note 3	-
	Generalplus Technology (H.K.) corp.	2	Marketing expenses	10,152	Note 2	0.16%
			Accrued expense	2,921	Note 3	0.02%
	Generalplus Technology (shenzhen) corp.	2	Research and development	82,320	Note 3	1.26%
			Accrued expense	28,944	Note 3	0.19%

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
	Sunplusmm Corp.	2	Marketing expenses	$ 4,512	Note 1	0.07%
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	15,521	Note 3	0.24%
			Accrued expenses	5,390	Note 3	0.04%
	SunMedia Technology Co., Ltd.	2	Marketing expenses	15,363	Note 2	0.24%
			Accrued expenses	5,061	Note 3	0.03%
Sunplus Technology Co., Ltd. (Shanghai)	Generalplus Technology (Shenzhen) Corp.	2	Marketing expense	237	Note 1	-
	Sunplus App Technology Co., Ltd.	2	Other receivables	9,375	Note 3	0.06%
	SunMedia Technology Co., Ltd.	2	Research and development	8,831	Note 2	0.14%

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)

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2014	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	$ 2,398,017 (US$74,305 RMB$27,900)	$2,244,874 (US$73,650 RMB$ 900)	-	100	$1,802,460	($143,062)	($143,062)	Subsidiary (Note 2)
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	536,298	536,298	47,290	33	994,801	197,555	67,102	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	707,939	29,471	29,471	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	669,925	248,443	85,217	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	663,671	(9,348)	(9,348)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	63	509,346	222	139	Subsidiary
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	205,343	-	11,756	13	369,702	545,808	27,683	Investee
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	448,999 (US$ 14,760)	448,999 (US$ 14,760)	14,760	100	335,957	62,218	62,218	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	188,826	(28,193)	(10,628)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	104,983	(16,723)	(10,226)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	307,565	307,565	12,441	83	50,837	(21,290)	(17,658)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,102	(22)	(22)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	43,392 (HK$11,075)	43,392 (HK$11,075)	11,075	100	4,224	55		Subsidiary
	Magic Sky Limited	Samoa	Investment	193,471 (US$ 6,360)	187,387 (US$ 6,160)	-	100	1,779	(4,541)	(4,541)	Subsidiary (Notes 1 and 2)
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	3,453	(115,327)	(2,619)	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,435,392	2,435,392	24,000	100	(140,567)	(2,265)	(2,265)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	14,599	1,186	1,186	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	268,945	248,443	34,001	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	9,119	(16,723)	(885)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,244	222	5	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	8,926	(28,193)	(494)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,171	19,171	579	4	6,722	(21,290)	(821)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,788	132,788	9,591	24	36,550	(115,32)	(27,652)	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,450	38,450	-	-		(2,265)	-	Subsidiary
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	90,717	248,443	9,820	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,108	2,904	6	48,166	222	13	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	29,919	(28,193)	(1,657	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	11,968	(16,723)	(1,167	Subsidiary
	Orise Technology Co, Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	17,316	197,555	1,228	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	12	5,058	(21,290)	(2,710	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	37,897	(115,327)	(28,834	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,784	-	-	-	(2,265)	-	Subsidiary
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	64,459 (US$ 2,119)	64,459 (US$ 2,119)	442	1	1,195	(16,723)	(116)	Subsidiary (Note 2)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2014	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	$ 1,800	$ 1,800	108	-	1,866	$ 248,443	$ 246	Subsidiary
	Sunext Technolgoy Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	48	(16,723)	(5)	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,398,017 (US$ 74,305 RMB$27,900)	2,244,874 (US$ 73,650 RMB$ 900)	-	100	1,802,441	(143,061)	(143,061)	Subsidiary (Note 2)
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,398,01 (US$74,305 RMB$27,900)	2,244,874 (US$ 73,650 RMB$ 900)	-	100	1,802,420	(143,061)	(143,061)	Subsidiary (Note 2)
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	580,718 (US$ 19,090)	580,718 (US$ 19,090)	19,090	100	488,612	9,620	9,620	Subsidiary (Note 2)
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	580,71 (US$ 19,090)	570,123	19,090	100	488,612	9,620	9,620	Subsidiary (Note 2)
Generalplus (Mauritius) Inc.	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	11,864 (US$ 390)	11,864 (US$ 390)	-	100	8,080	(1,196)	(1,196)	Subsidiary (Note 2)
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	9,146	9,146	237	100	-	-		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 September 30, 2014.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(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, 2014 (Note 5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2014 (Note 5)	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of September 30, 2014	Accumulated Inward Remittance of Earnings as of September 30, 2014
					Outflow (Note 5)	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	$ 523,224 (US$ 17,200)	Note 1	$ 517,140 (US$ 17,000)	$ 19,925 (US$ 655)	$ -	$537,065 (US$ 17,655)	100%	$(52,047)	$(52,047)	$ 460,983	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	981,045 (US$ 32,500)	Note 1	981,045 (US$ 32,250)	-	-	981,045 (US$ 32,250)	100%	4,913	4,913	904,519	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	608,400 (US$ 20,000)	Note 1	608,400 (US$ 20,000)	-	-	608,400 (US$ 20,000)	100%	(51,730)	(51,730)	321,896	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	24,670 (RMB$5,000)	Note 1	17,826 (US$ 586)	(Note6）-	-	17,826 (US$ 586)	80%	(1,942)	(1,554)	3,456	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	160,355 (RMB$32,500)	Note 1	114,075 (US$ 3,750)	-	-	114,075 (US$ 3,750)	73%	(39,258)	(28,462)	(8,757)	-
Iculture Communication	Development & sales	16,036 (RMB$ 3,250)	Note 4	16,036 (RMB$ 3,250)	-	-	16,036 (RMB$ 3,250)	100%	(2,957)	(2,957)	7,169 (RMB$1,453)	-
Sunplus Technology (Beijing)	Design of software	133,218 (RMB$27,000)	Note 1	-	133,218 (RMB$27,000)	-	133,218 (RMB$ 27,000)	100%	(14,141)	(14,141)	118,943	-

Accumulated Investment in Mainland China as of September 30, 2014 (Note 5)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)	Limit on Investment
$ 2,391,629 (US$ 74,241 RMB$ 27,000)	$ 2,456,768 (US$ 74,760 RMB$ 37,000)	$5,512,363

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(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, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2014	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 3)	Carrying Value as of September 30, 2014	Accumulated Inward Remittance of Earnings as of September 30, 2014
					Outflow	Inflow						
Generalplus Shenzhen	Data processing service	$ 568,854 (US$ 18,700)	Note 1	$ 568,854 (US$ 18,700)	$ -	$ -	$ 568,854 (US$ 18,700)	100%	$ 10,817	$ 10,817	$ 480,508	$ -

Accumulated Investment in Mainland China as of September 30, 2014	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
$568,854 (US$18,700)	$568,854 (US$18,700)	$1,190,891

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 unreviewed financial data as of September 30, 2014.

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 September 30, 2014.

Note 6: The amount approved by the Investment Commission was RMB10,000 thousand, but this amount had not yet been remitted to the investee

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 NINE MONTHS ENDED SEPTEMBER 30, 2014
(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	$ 82,320	21%	Based on contract	Based on contract	Not comparable with market transactions	$ 28,944	68%	$ -	NA