Sunplus Technology Company Limited

Parent Company Only Financial Statements for the Years Ended December 31, 2014 and 2013 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

We have audited the accompanying balance sheets of Sunplus Technology Company Limited (the "Company") as of December 31, 2014 and 2013 and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Regulation Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, t financial statements referred to above present fairly, in all material respects, the financial position of Sunplus Technology Company Limited as of December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The accompanying schedules of major accounting items of Sunplus Technology Company Limited as of and for the year ended December 31, 2014 are presented for the purpose of additional analysis. Such schedules have been subjected to the auditing procedures described in the second paragraph. In our opinion, such schedules are consistent, in all material respects, with the financial statements referred to in the first paragraph.

March 23, 2015

<u>Notice to Readers</u>

The accompanying 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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' report and financial statements shall prevail.

SUNPLUS TECHNOLOGY COMPANY LIMITED

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Par Value)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,219,888	11	$ 1,113,194	10
Available-for-sale financial assets - current (Notes 4 and 7)	369,635	3	407,320	4
Notes and trade receivables, net (Notes 4, 5, 9 and 31)	789,360	7	770,109	7
Other receivables (Note 31)	69,705	1	220,584	2
Inventories (Notes 4, 5 and 10)	713,559	6	435,406	4
Other current assets (Note 14)	51,692	1	75,065	1
Total current assets	3,213,839	29	3,021,678	28
NONCURRENT ASSETS				
Available-for-sale financial assets - noncurrent (Notes 4 and 7)	460,616	4	773,185	7
Financial assets carried at cost (Notes 4 and 8)	8,556	-	9,556	-
Investments accounted for using the equity method (Notes 4, 11 and 32)	6,569,667	58	6,000,344	55
Property, plant and equipment (Notes 4, 5 , 12 and 32)	775,098	7	815,874	8
Intangible assets (Notes 4, 5 and 13)	200,631	2	225,196	2
Deferred tax assets (Notes 4, 5 and 23)	3,060	-	3,060	-
Other noncurrent assets (Notes 14, 28 and 32)	14,229	-	14,129	-
Total noncurrent assets	8,031,857	71	7,841,344	72
TOTAL	$ 11,245,696	100	$ 10,863,022	100

	2014		2013	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term bank borrowings (Notes 4 and 15)	$ 100,000	1	$ -	-
Trade payables (Note 16)	336,552	3	382,475	4
Provisions - current (Notes 4 and 17)	16,169	-	20,311	-
Current portion of long-term bank loans (Notes 4, 15 and 32)	394,306	3	590,556	5
Deferred revenue - current (Notes 4, 18 and 31)	599	-	599	-
Other current liabilities (Notes 18 and 31)	306,452	3	354,361	3
Total current liabilities	1,154,078	10	1,348,302	12
NONCURRENT LIABILITIES				
Long-term bank loans, net of current portion (Notes 4, 15 and 32)	657,082	6	632,638	6
Accrued pension liabilities (Notes 4 and 19)	18,423	-	21,023	-
Guarantee deposits	87,676	1	82,860	1
Deferred revenue - noncurrent, net of current portion (Notes 4, 18 and 23)	711	-	1,310	-
Other noncurrent liabilities, net of current portion (Note 18)	1,430	-	-	-
Total noncurrent liabilities	765,322	7	737,831	7
Total liabilities	1,919,400	17	2,086,133	19
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital (Note 20)				
Common shares	5,919,949	53	5,969,099	55
Capital surplus (Notes 4, 20 and 25)	936,044	8	950,179	9
Retained earnings (Note 20)				
Legal reserve	1,790,538	16	1,909,685	18
Special reserve	22,639	-	30,755	-
Retained earnings (accumulated deficit)	410,595	4	(127,263)	(1)
Other equity (Note 20)	309,932	3	199,670	2
Treasury shares (Notes 4 and 20)	(63,401)	(1)	(155,236)	(2)
Total equity attributable to owners of the Company	9,326,296	83	8,776,889	81
Total equity	9,326,296	83	8,776,889	81
TOTAL	$ 11,245,696	100	$ 10,863,022	100

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Years Ended December 31			
	2014		2013	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 21 and 31)	$ 3,415,595	100	$ 3,112,736	100
OPERATING COSTS (Notes 10, 19, 22 and 31)	2,239,565	65	2,036,682	65
GROSS PROFIT	1,176,030	35	1,076,054	35
OPERATING EXPENSES (Notes 19, 22 and 31)				
Selling and marketing	138,313	4	135,009	5
General and administrative	191,990	6	189,219	6
Research and development	857,517	25	812,827	26
Total operating expenses	1,187,820	35	1,137,055	37
OTHER OPERATING INCOME AND EXPENSES	131	-	6,627	-
LOSS FROM OPERATIONS	(11,659)	-	(54,374)	(2)
NONOPERATING INCOME AND EXPENSE (Notes 22 and 31)				
Other income	72,337	2	104,558	4
Other gains and losses	289,317	9	62,369	2
Share of profit (loss) of associates and joint ventures	102,986	3	(51,655)	(2)
Finance costs	(25,185)	(1)	(30,949)	(1)
Total nonoperating income and expenses	439,455	13	84,323	3
PROFIT BEFORE INCOME TAX	427,796	13	29,949	1
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 23)	(5,115)	-	22,836	1
NET REVENUE	422,681	13	52,785	2
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations (Notes 4 and 20)	20,203	1	37,135	1
Unrealized gain on available-for-sale financial assets (Notes 4 and 20)	8,245	-	118,616	4
Actuarial gain on defined benefit plans (Notes 4 and 19)	1,151	-	37,780	1

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Years Ended December 31			
	2014		2013	
	Amount	%	Amount	%
Share of other comprehensive income (loss) of associates and joint ventures (Note 4)	84,359	2	(51,137)	(2)
Other comprehensive income for the period, net of income tax	113,958	3	142,394	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 536,639	16	$ 195,179	6
EARNINGS PER SHARE (New Taiwan dollars Note 24)				
Basic	$ 0.72		$ 0.09	
Diluted	$ 0.72		$ 0.09	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	Capital Stock Issued and Outstanding (Note 20)			Retained Earnings (Note 20)			Other Equity (Notes 4 and 20)			
	Share (Thousands)	Amount	Capital Surplus (Notes 4, 20 and 25)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Shares Treasury (Notes 4 and 20)	Total Equity
BALANCE, JANUARY 1, 2013	596,910	$ 5,969,099	$ 939,124	$ 2,426,181	$ 191,229	$ (903,390)	$ (84,462)	$ 188,110	$ (155,236)	$ 8,570,655
Offset of the 2012 deficit										
Legal reserve	-	-	-	(516,496)	-	516,496	-	-	-	-
Special reserve	-	-	-	-	(160,474)	160,474	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	9,136	-	-	-	-	-	-	9,136
Gain on disposal of investments accounted for by using equity method	-	-	1,919	-	-	-	-	-	-	1,919
Net profit for the year ended December 31, 2013	-	-	-	-	-	52,785	-	-	-	52,785
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	46,372	111,570	(15,548)	-	142,394
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	99,157	111,570	(15,548)	-	195,179
BALANCE, DECEMBER 31, 2013	596,910	5,969,099	950,179	1,909,685	30,755	(127,263)	27,108	172,562	(155,236)	8,776,889
Offset of the 2013 deficit										
Legal reserve	-	-	-	(119,147)	-	119,147	-	-	-	-
Special reserve	-	-	-	-	(8,116)	8,116	-	-	-	-
Restricted employee shares distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	17,350	-	-	-	-	-	-	17,350
Acquisition of equity of subsidiaries	-	-	-	-	-	(13,666)	-	-	-	(13,666)
Changes of equity of subsidiaries	-	-	11,200	-	-	(2,116)	-	-	-	9,084
Net profit for the year ended December 31, 2014	-	-	-	-	-	422,681	-	-	-	422,681
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	-	3,696	101,150	9,112	-	113,958
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	426,377	101,150	9,112	-	536,639
Disposal of treasury stock	(4,915)	(49,150)	(42,685)	-	-	-	-	-	91,835	-
BALANCE, DECEMBER 31, 2014	591,995	$ 5,919,949	$ 936,044	$ 1,790,538	$ 22,639	$ 410,595	$ 128,258	$ 181,674	$ (63,401)	$ 9,326,296

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	Years Ended December 31	
	2014	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 427,796	$ 29,949
Adjustments for:		
Depreciation expenses	105,874	92,511
Amortization expenses	102,542	120,487
Impairment losses recognized on receivables	1,565	-
Financial costs	25,185	30,949
Interest income	(14,642)	(17,397)
Dividend income	(1,622)	(3,538)
Share of (profits) losses of associates and joint ventures	(102,986)	51,655
Gain on disposal of property, plant and equipment	(131)	(7,159)
Loss on disposal of intangible assets	-	532
(Gain) loss on disposal of available-for-sale financial assets	(240,702)	3,760
Gain on disposal of investment accounted for using the equity method	-	(35,700)
Loss on disposal of subsidiaries	-	74
Impairment loss recognized on available-for-sale financial assets	-	13,350
Impairment loss recognized on financial assets measured at cost	-	3,234
Gain on reversal of impairment loss on financial assets	-	(3,888)
Impairment of intangible assets	17,013	-
Unrealized gain on the transactions with associates and joint ventures	-	8,056
Realized gain on the transactions with associates and joint ventures	(2,015)	(600)
Net (gain) loss on foreign currency exchange	(23,772)	7,959
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	4,513	(278,506)
Decrease (increase) in other receivables	24,761	(21,565)
(Increase) decrease in inventories	(278,153)	688,235
Decrease in other current assets	21,866	6,140
(Increase) decrease in trade payables	(45,923)	115,192
Decrease in provisions	(4,142)	(2,254)
(Increase) decrease in other current liabilities	76,447	(5,841)
Decrease in accrued pension liabilities	(1,449)	(1,016)
Cash generated from operations	92,025	794,619
Interest received	14,629	17,726
Dividend received	201,363	86,433
Interest paid	(25,391)	(31,742)
Income tax paid	(5,115)	(5,769)
Net cash generated from operating activities	277,511	861,267
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(53,000)	(215,000)
Proceeds of the sale of available-for-sale financial assets	301,274	195,895
Increase in other assets	-	(219,430)
Capital return to the Company on financial assets carried at cost	1,000	20,212
Purchase of investments accounted for using the equity method	(208,577)	(879,553)
Net cash inflow on disposal of associates	-	319,447
Net cash inflow on disposal of subsidiaries	-	6,722
Payments for property, plant and equipment	(55,337)	(79,962)
Proceeds of the disposal of property, plant and equipment	323	9,591

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	Years Ended December 31	
	2014	**2013**
Payments for intangible assets	(89,410)	(78,448)
Proceeds of the disposal of intangible assets	-	291
(Increase) decrease in other assets - noncurrent	(100)	1,279
Net cash used in investing activities	(103,827)	(918,956)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) of short-term borrowings	100,000	(101,640)
Proceeds of long-term borrowings	600,000	-
Repayments of long-term borrowings	(771,806)	(496,806)
Proceeds of guarantee deposits received	4,816	3,701
Refund of guarantee deposits received	-	-
Net cash used in financing activities	(66,990)	(594,745)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,694	(652,434)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,113,194	1,765,628
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,219,888	$ 1,113,194

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

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

1. GENERAL INFORMATION

Sunplus Technology Company Limited ("Sunplus" or the "Company") was established in August 1990. It researches, develops, designs, tests and sells high quality, high value-added consumer integrated circuits (ICs). Its products are based on core technologies in such areas as multimedia audio/video, single-chip microcontrollers and digital signal processors. These technologies are used to develop hundreds of products including various ICs: liquid crystal display, microcontroller, multimedia, voice/music, and application-specific. Sunplus' shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depositary receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 20).

The parent company only financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors and authorized for issue on March 23, 2015.

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

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

Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Company 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 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
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 27 (Revised 2011) "Separate Financial Statements"	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 1: 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 Company's accounting policies:

1) 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 Company accounts for its jointly controlled entities using the proportionate consolidation method.

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

   IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

3) 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 Company continues to apply the equity method and does not remeasure the retained interest. Under current IAS 28, on the loss of joint control, the Company measures at fair value any investment the Company retains in the former jointly controlled entity. The Company 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.

4) 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.

5) 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 Company 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.

6) Revision to IAS 19 "Employee Benefits"

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

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

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

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
Impact on assets, liabilities and equity			
December 31, 2014			
Investments accounted for using the equity method	$ 6,569,667	$ (539)	$ 6,569,128
Total effect on assets	$ 11,245,698	$ (539)	$ 11,245,157
Accrued pension liabilities	$ 18,423	$ 1,439	$ 19,862
Total effect on liabilities	$ 1,919,400	$ 1,439	$ 1,920,839
Retained earnings	$ 410,595	$ (1,985)	$ 408,610
Capital surplus	936,044	7	936,051
	$ 1,346,639	$ (1,978)	$ 1,344,661
Total effect on equity	$ 9,326,296	$ (1,978)	$ 9,324,318
January 1, 2014			
Investments accounted for using the equity method	$ 6,000,344	$ (562)	$ 5,999,782
Total effect on assets	$ 10,863,022	$ (562)	$ 10,862,460
Accrued pension liabilities	$ 21,023	$ 1,403	$ 22,426
Total effect on liabilities	$ 2,086,133	$ 1,403	$ 2,087,536
Retained earnings	$ (127,263)	$ (1,965)	$ (129,228)
Total effect on equity	$ 8,776,889	$ (1,965)	$ 8,774,924
Impact on total comprehensive income for the year ended December 31, 2014			
Operating cost	$ 2,239,565	$ (62)	$ 2,239,503
Operating expense	1,187,820	(177)	1,187,643
Share of profit of associates and joint ventures	102,986	(68)	102,918
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan	1,151	(275)	876
Share of the other comprehensive income of associates and joint ventures	84,359	84	84,443

7) Amendments to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"

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

8) Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"

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

9) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

The Company 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)
Amendments to IFRS 10, IFRS 12 and IAS 28"'Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 " Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

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

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

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

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

1) IFRS 9 “Financial Instruments”

   Recognition and measurement of financial assets

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

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

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

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

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

The impairment of financial assets

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

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

Hedge accounting

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

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

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

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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 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.

6) IFRS 15 "Revenue from Contracts with Customers"

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

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

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

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

7) 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.

8) Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

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

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

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.

9) Amendment to IAS 1 "Disclosure Initiative"

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The accompanying parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations and IFRSs as endorsed by the FSC.

b. Basis for 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.

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries, associates and jointly controlled entities. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Company engages in the construction business, which has an operating cycle of over one year, the normal operating cycle applies when considering the classification of the Company’s construction-related assets and liabilities.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company’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 parent company only financial statements, the assets and liabilities of the Company'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.

e. 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.

f. Investments Accounted for Using Equity Method

1) Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When testing for impairment, the cash-generating unit is determined based on the financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.
Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with subsidiary and side stream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investments in associates and jointly controlled entities

An associate is an entity over which the Company 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 ventures 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 Company's share of the profit or loss and other comprehensive income of the associate and jointly controlled entity. The Company also recognizes the changes in the Company's share of equity of associates and jointly controlled entity.

When the Company 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 Company's proportionate interest in the associate and jointly controlled entity. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company'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 Company'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 Company's net investment in the associate and jointly controlled entity), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company 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 Company'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 Company'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 Company 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 Company entity transacts with its associate (and jointly controlled entity, profits and losses resulting from the transactions with the associate are recognized in the Company' consolidated financial statements only to the extent of interests in the associate and the jointly controlled entity that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. 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.

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..

h. Intangible assets

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 Company 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.

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, and are recognized in profit or loss when the asset is derecognized.

i. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company 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.

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.

j. 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: Available-for-sale financial assets, and loans and receivables.

i. 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 Company'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.

ii. 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 Company'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 Company 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 Company 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 Company 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:

ii 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.

k. 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).

l. 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.

Sale of goods

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 Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

2) The Company 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 Company; and

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

The Company 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 Company 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 Company 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.

m. 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 Company as lessor

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

2) The Company as lessee

Contingent rents arising under operating leases are recognized as an expense in the year in which they are incurred.

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Company 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 Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company 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.

o. 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.

p. 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 Company'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 Company 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.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

According to the Income Tax Law, an additional tax at 10% of inappropriate earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The

Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In application of the Company'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.

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

The Company 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 year ended December 31, 2014 and 2013, the Company 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 Company 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 December 31, 2014 and December 31, 2013, the carrying amount of trade receivables was $789,360 thousand and $770,109 thousand, respectively (after deducting allowance of $1,565 and $0 thousand, respectively).

c. Income taxes

As of December 31, 2014 and December 31, 2013, no deferred tax asset has been recognized on tax losses of $3,018,716 thousand and $3,338,276 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 Company 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 Company'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 Company also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2014	**2013**
Cash on hand	$ 451	$ 326
Checking accounts and demand deposits	331,165	202,584
Cash equivalent deposits in banks	888,272	910,284
	$ 1,219,888	$ 1,113,194

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

	December 31	
	2014	**2013**
Bank balance	0.05%-4%	0.02%-2.8%

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2014	**2013**
Domestic investments		
- Mutual funds	$ 369,635	$ 407,320
- Quoted shares	460,616	773,185
	$ 830,251	$ 1,180,505
Current	$ 369,635	$ 407,320
Noncurrent	460,616	773,185
	$ 830,251	$ 1,180,505

For the year ended December 31, 2014 and 2013, the Company recognized impairment losses of $0 and $13,350 thousand, respectively.

8. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2014	2013
Domestic unlisted common shares	$ 8,556	$ 9,556
Classified as available for sale	$ 8,556	$ 9,556
Current	$ -	$ -
Noncurrent	8,556	9,556
	$ 8,556	$ 9,556

The above shares were classified as available for sale-noncurrent.

Management believed that the above unlisted equity investments held by the Company, 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 Company believed that the above financial asset carried at cost had impairment losses of $0 and $3,234 thousand as of December 31, 2014 and 2013, respectively.

9. ACCOUNTS RECEIVABLE, NET

	December 31	
	2014	2013
Accounts receivable	$ 787,430	$ 767,571
Receivable from related parties	3,495	2,538
Allowance for doubtful accounts	(1,565)	-
	$ 789,360	$ 770,109

Accounts receivable

The average credit period on sales of goods was 30 to 60 days without interest. In determining the recoverability of a trade receivable, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

Of the trade receivables balance (see the aging analysis below) that are past due at the end of the reporting period, the Company had not recognized an allowance for impairment for notes and trade receivables amounting to $77,857 thousand and $116,202 thousand as of December 31, 2014 and December 31, 2013, respectively, because there had been no significant change in credit quality and the amounts were still considered recoverable. The Company did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to make offsets against any amounts owed by the Company to the counter-party. As of March 23, 2015, the above trade receivables of December 31, 2014 that are past due but not impaired had receive $77,857 thousand.

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

	December 31	
	2014	2013
Under 60 days	$ 77,857	$ 116,202

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

	Years Ended December 31	
	2014	2013
Balance at January 1	$ -	$ 416
Add: Impairment losses recognized on receivable	1,565	-
Deduct: Reversal of the allowance for doubtful accounts	-	(416)
Balance at December 31	$ 1,565	$ -

10. INVENTORIES

	December 31	
	2014	2013
Finished goods	$ 395,322	$ 194,153
Work in progress	283,750	201,758
Raw materials	34,487	39,495
	$ 713,559	$ 435,406

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2014 and 2013 were $2,239,565 thousand and $2,036,682 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended December 31, 2104 and 2013 were as follows:

	Years Ended December 31	
	2014	2013
Inventory (increment) obsolescence	$ 30,152	$ (20,832)
Income from scrap sales	(372)	(887)
	$ 29,780	$ (21,719)

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2014	2013
Investments in subsidiaries	$ 5,238,162	$ 4,987,155
Investments in associates	1,328,679	1,007,117
Investments in jointly controlled entities	2,826	6,072
	$ 6,569,667	$ 6,000,344

a. Investments in subsidiaries

	December 31	
	2014	**2013**
Listed companies		
Generalplus Technology Corp.	$ 696,971	$ 677,373
Non-listed Company		
Ventureplus Group Inc.	1,924,825	1,801,784
Lin Shih Investment Co., Ltd.	705,413	689,302
Sunplus Venture Capital Co., Ltd.	657,167	650,577
Sunplus Innovation Technology	515,675	499,152
Rusell Holdings Limited	342,770	266,194
iCatch Technology Inc.	196,396	199,054
Sunext Technology	108,656	114,978
Sunplus mMedia Inc.	44,343	68,496
Sunplus mMobile Inc.	22,486	-
Wei-Young Investment Inc.	14,758	11,759
Sunplus Technology (H.K.)	4,342	4,088
Sunplus Management Consulting	4,092	4,123
Magic Sky Limited	268	275
	$ 5,238,162	$ 4,987,155
Credit balances on the carrying values of long-term investments (recorded as other current liabilities)		
Sunplus mMobile Inc.	$ -	$ (138,303)

Except for Global Techplus Capital Inc., which was liquidated in September 2013, and Sunplus Management Consulting, the investments accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2014 and 2013 were based on the subsidiaries' financial statements audited by the Companys auditors for the same reporting periods as those of the Company. Please refer to Note 35 for the detail list of investments in subsidiaries.

The percentage subsidiaries' ownerships and voting right held by the Company:

	December 31	
	2014	**2013**
Listed companies		
Generalplus Technology Corp.	34%	34%
Non-listed Company		
Ventureplus Group Inc.	100%	100%
Lin Shih Investment Co., Ltd.	100%	100%
Sunplus Venture Capital Co., Ltd.	100%	100%
Sunplus Innovation Technology	63%	61%
Rusell Holdings Limited	100%	100%
iCatch Technology Inc.	38%	38%
Sunext Technology	61%	61%
Sunplus mMedia Inc.	83%	83%
Sunplus Core (S2-TEK INC.)	100%	-
Wei-Young Investment Inc.	100%	100%

(Continued)

	December 31	
	2014	**2013**
Sunplus Technology (H.K.)	100%	100%
Sunplus Management Consulting	100%	100%
Magic Sky Limited	100%	100%
Credit balances on the carrying values of long-term investments (recorded as other current liabilities)		
Sunplus mMobile Inc.	-	100%

(Concluded)

b. Investments in associates

	December 31	
	2014	**2013**
Listed companies		
Orise Technology, Co., Ltd.	$ 978,143	$ 1,007,117
Global View Co., Ltd.	350,536	-
	$ 1,328,679	$ 1,007,117

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

	December 31	
Name of Associate	**2014**	**2013**
Orise Technology, Co., Ltd.	34%	34%
Global View Co., Ltd.	13%	-

On September 30, 2014, the shareholders agreed the proposal of combination and share translate between Orise Technology Co., Ltd. and Focal technology Co., Ltd. Basic date is January 1, 2015, Orise Technology Co., Ltd. issued the new shares, and then Focal technology Co., Ltd. used a unit share common stock to translate the shareholding ration of Sunplus decreased 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 $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 at $9.3 per share and recognized a gain on disposal of $5,648 thousand. Therefore, we reclassify investments accounted for using the equity method 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 Company recognized an investment loss on HT, as well as the reduction of the carrying value of this investment to zero. The Company also recognized impairment losses of $1,466 thousand on other receivables from HT mMobile Inc. for the year ended December 31, 2013. The Company reversed an impairment loss of $5,354 thousand for the years ended December 31, 2013. HT's third interim board of directors also approved a plan for HT to undergo liquidation, and HT completed its liquidation on March 20, 2013.

In their meeting on June 17, 2014, the board of directors of Global View Co., Ltd. (“Global”) elected a Company 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, which were based on the closing prices of those investments at the balance sheet date, are summarized as follows:

	December 31	
	2014	**2013**
Orise Technology, Co., Ltd.	$ 1,825,393	$ 2,104,404
Generalplus Technology Corp.	$ 1,412,725	$ 1,255,963
Global View Co., Ltd.	$ 259,639	$ -

The summarized financial information of the Company’s associates is set out below:

	December 31	
	2014	**2013**
Total assets	$ 7,604,536	$ 6,314,221
Total liabilities	$ 3,077,598	$ 3,392,196

	Years Ended December 31	
	2014	**2013**
Revenue	$ 9,932,008	$ 9,362,444
Profit for the period	$ 130,051	$ 363,725
Comprehensive income	$ 759,717	$ 363,538
Company’s share of profits of associates	$ 89,006	$ 85,280

The amounts of share of profits of associates are based on the associates’ financial statements audited by the auditors.

The amounts of investments in jointly controlled entities pledged as collateral for bank loans were disclosed in Note 32.

c. Investments in jointly controlled entities

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

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

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

	December 31 2014	December 31 2013
Current assets	$ 269,912	$ 453,707
Noncurrent assets	$ 23,694	$ 22,474
Current liabilities	$ 169,227	$ 208,257
Noncurrent liabilities	$ -	$ -

	Years Ended December 31 2014	Years Ended December 31 2013
Sales	$ 580,397	$ 353,254
Costs of sales	$ 423,564	$ 223,841
Operating expenses	$ 304,275	$ 263,435
Nonoperating income and expenses	$ 4,525	$ 1,976
Income tax expense	$ -	$ -
Share of profit or loss of joint ventures	$ (3,246)	$ (3,013)
Share of comprehensive income of joint ventures	$ (3,246)	$ (3,013)

12. PROPERTY, PLANT AND EQUIPMENT

Year Ended December 31, 2013	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Furniture and Fixtures	Total
Cost						
Balance, beginning of year	$ 973,975	$ 63,925	$ 134,055	$ 125,169	$ 17,862	$ 1,314,986
Additions	-		87	79,611	1,547	81,245
Disposals	(171)	(6,144)	(113,559)	(66,481)	(5,909)	(192,264)
Balance, end of year	973,804	57,781	20,583	138,299	13,500	1,203,967
Accumulated depreciation and Impairment						
Balance, beginning of year	227,958	36,160	125,591	85,316	10,389	485,414
Depreciation expense	20,139	5,616	6,333	56,711	3,712	92,511
Disposals	(171)	(6,144)	(113,559)	(64,049)	(5,909)	(189,832)
Balance, end of year	247,926	35,632	18,365	77,978	8,192	388,093
Net, end of year	$ 725,878	$ 22,149	$ 2,218	$ 60,321	$ 5,308	$ 815,874

Year Ended December 31, 2014	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Furniture and Fixtures	Total
Cost						
Balance, beginning of year	$ 973,804	$ 57,781	$ 20,583	$ 138,299	$ 13,500	$ 1,203,967
Additions	-	1,382	455	46,448	17,005	65,290
Disposals	-	(4,679)	(9,919)	(42,081)	(4,800)	(61,479)
Balance, end of year	973,804	54,484	11,119	142,666	25,705	1,207,778
Accumulated depreciation and Impairment						
Balance, beginning of year	247,926	35,632	18,365	77,978	8,192	388,093
Depreciation expense	20,138	5,473	1,548	74,014	4,701	105,874
Disposals	-	(4,679)	(9,919)	(41,889)	(4,800)	(61,287)
Balance, end of year	268,064	36,426	9,994	110,103	8,093	432,680
Net, end of year	$ 705,740	$ 18,058	$ 1,125	$ 32,563	$ 17,612	$ 775,098

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

Buildings	11-56 years
Auxiliary equipment	5-11 years
Machinery and equipment	1-4 years
Testing equipment	1-4 years
Furniture and fixtures	2-5years
Other equipment	1 years

Refer to Note 32 for the carrying amounts of property, plant and equipment that had been pledged by the Company to secure borrowings.

13. INTANGIBLE ASSETS

Intangible assets consisted of fees paid to Oak Technology ("Oak") for the Company 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 Company to use Philips's optical disc drive (ODD) semiconductor technology.

	Year Ended December 31, 2013			
	Technology License Fees	Software	Patents	Total
Cost				
Balance at January 1	$ 623,026	$ 106,495	$ 97,099	$ 826,620
Additions	68,245	10,203	-	78,448
Disposals	(309,233)	(90,918)	-	(400,151)
Balance at December 31	382,038	25,780	97,099	504,917
Accumulated amortization				
Balance at January 1	413,799	92,168	52,594	558,561
Amortization expense	103,663	11,429	5,395	120,487
Disposals	(309,233)	(90,094)	-	(399,327)
Balance at December 31	208,229	13,503	57,989	279,721
Carrying amounts at December 31, 2013	$ 173,809	$ 12,277	$ 39,110	$ 225,196

	Year Ended December 31, 2014			
	Technology License Fees	Software	Patents	Total
Cost				
Balance at January 1	$ 382,038	$ 25,780	$ 97,099	$ 504,917
Additions	83,813	11,177	-	94,990
Decrease	(147,783)	(14,124)	-	(161,907)
Balance at December 31	318,068	22,833	97,099	438,000

(Continued)

	Year Ended December 31, 2014			
	Technology License Fees	**Software**	**Patents**	**Total**
Accumulated amortization				
Balance at January 1	$ 208,229	$ 13,503	$ 57,989	$ 279,721
Amortization expense	89,000	8,148	5,394	102,542
Decrease	(147,783)	(14,124)	-	(161,907)
Balance at December 31	149,446	7,527	63,383	220,356
Accumulated deficit				
Balance at January 1	-	-	-	-
Additions	17,013	-	-	17,013
Balance at September 30	17,013	-	-	17,013
Carrying amounts at December 31, 2014	$ 151,609	$ 15,306	$ 33,716	$ 200,631

(Concluded)

These intangible assets were depreciated on a straight-line basis at the following rates per annum:

Technology license fees	1-15 years
Software	1-3 years
Patents	18 years

14. OTHER ASSETS

	December 31	
	2014	**2013**
Prepayment for royalties	$ 30,492	$ 53,056
Golf club passports	7,800	7,800
Pledged time deposits	6,100	6,000
Refundable deposits	329	329
Other	21,200	22,009
	$ 65,921	$ 89,194
Current	$ 51,692	$ 75,065
Noncurrent	14,229	14,129
	$ 65,921	$ 89,194

15. LOANS

a. Short-term borrowings

	December 31	
	2014	2013
Unsecured borrowings		
Bank loans	$ 100,000	$ -

The weighted average effective interest rate on the bank loans as of December 31, 2014 was 1.843%.

b. Long-term borrowings

The borrowings of the Company were as follows:

	December 31	
	2014	2013
Loans on credit	$ 662,500	$ 573,750
Secured borrowings	388,888	649,444
	1,051,388	1,223,194
Less: Current portion	394,306	590,556
Long-term borrowings - noncurrent	$ 657,082	$ 632,638

Under the loan contracts, the Company provided shares of Orise Technology Co., Ltd. as collaterals for the above loans (Note 32).

The effective rate borrowings as of December 31 2014 and December 31, 2013 were 1.865%～1.970%, and 1.942%～2.005%.

The loan contracts require the Company to maintain certain financial ratios, such as debt ratio and current ratio as well as a restriction on net tangible assets in 2013 and 2014. However, the Company's not being able to meet the ratio requirement would not be deemed to be a violation of the contracts. As of December 31, 2014, the Company was in compliance with these financial ratio requirements.

16. ACCOUNTS AND NOTES PAYABLE

	December 31	
	2014	2013
Notes payable		
Payable - operating	$ 100	$ -
Accounts payable		
Payable - operating	336,452	382,475
	$ 336,552	$ 382,475

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

17. PROVISIONS

	December 31	
	2014	2013
Customer returns and rebates	$ 16,169	$ 20,311

The above balances were classified as provisions - current.

The provision for 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.

18. OTHER LIABILITIES

	December 31	
	2014	2013
Other payables		
Salaries or bonuses	$ 177,112	$ 121,830
Payable for royalties	38,102	10,415
Labor/health insurance	8,380	14,350
Credit balances on the carrying values of long-term investments	-	138,303
Others	84,288	69,463
	$ 307,882	$ 354,361
Deferred revenue		
Other	$ 1,310	$ 1,909
Current		
- Other liabilities	$ 306,452	$ 354,361
- Deferred revenue	599	599
	$ 307,051	$ 354,960
Noncurrent		
- Deferred revenue	$ 711	$ 1,310
- Other current liabilities	1,430	-
	$ 2,141	$ 1,310

19. RETIREMENT BENEFIT PLANS

Defined contribution plans

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

Defined benefit plans

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

The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, et. The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2 year time deposit with local banks.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualifying actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation on December 31	
	2014	2013
Discount rate(s)	2.00%	1.85%
Expected return on plan assets	2.00%	1.65%
Expected rate(s) of salary increase	4.00%	4.00%

The assessment of the overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, by reference to the aforementioned use of the plan assets and the impact of the related minimum return.

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

	For the Year Ended December 31	
	2014	2013
Current service cost	$ 1,283	$ 1,725
Interest cost	2,913	3,055
Expected return on plan assets	(2,281)	(2,200)
	$ 1,915	$ 2,580

(Continued)

	For the Year Ended December 31	
	2014	2013
An analysis by function		
Operating cost	$ 498	$ 633
Marketing expenses	12	69
Administration expenses	557	719
Research and development expenses	848	1,159
	$ 1,915	$ 2,580

(Concluded)

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 was $1,151 thousand and $37,780 thousand, respectively. The cumulative amount of actuarial gains and losses recognized in other comprehensive income (loss) as of December 31, 2014 and 2013 was $23,790 thousand and $22,639 thousand, respectively.

The amounts included in the consolidated balance sheets arising from the Company's obligation on its defined benefit plans were as follows:

	December 31	
	2014	2013
Present value of funded defined benefit obligation	$ 161,488	$ 157,452
Fair value of plan assets	(143,065)	(136,429)
Net liability arising from defined benefit obligation	$ 18,423	$ 21,023

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	$ 157,452	$ 190,961
Current service cost	1,283	1,725
Interest cost	2,913	3,055
Actuarial gains	(160)	(38,289)
Closing defined benefit obligation	$ 161,488	$ 157,452

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2014	2013
Opening fair value of plan assets	$ 136,429	$ 131,142
Expected return on plan assets	2,281	2,200
Actuarial gain (losses)	991	(509)
Contributions from the employer	3,361	3,596
	3	-
Closing fair value of plan assets	$ 143,065	$ 136,429

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31	
	2014	2013
Cash	19.12%	22.86%
Short-term commercial papers	1.98%	4.10%
Bond	11.92%	9.37%
Fixed income	14.46%	18.11%
Equity instruments	49.69%	44.77%
Others	2.83%	0.79%
	100.00%	100.00%

The Company chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs (Note 35):

	December 31			
	2014	2013	2012	2011
Present value of defined benefit obligation	$ 161,488	$ 157,452	$ 190,961	$ 171,489
Fair value of plan assets	$ 143,065	$ 136,429	$ 131,142	$ 124,384
Deficit	$ 18,423	$ 21,023	$ 59,819	$ 47,105
Experience adjustments on plan liabilities	$ 160	$ 38,289	$ (14,927)	$ -
Experience adjustments on plan assets	$ 991	$ 509	$ 214	$ -

The Company expects to make a contribution of $1,361 thousand and $1,915 thousand, respectively to the defined benefit plans in 2014 and 2013, respectively.

20. EQUITY

a. Share capital

Common shares:

	December 31	
	2014	2013
Numbers of shares authorized (in thousands)	1,200,000	1,200,000
Shares authorized	$ 12,000,000	$ 12,000,000
Number of shares issued and fully paid (in thousands)	591,995	596,910
Shares issued	$ 5,919,949	$ 5,969,099

Fully paid common shares, which have a par value of $10.00, carry one vote per share and a right to dividends.

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

b. Capital surplus

A reconciliation of the carrying amount at the beginning and at the end of 2014 and 2013 for each component of capital surplus was as follows:

	December 31	
	2014	2013
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
From the issuance of common shares	$ 703,376	$ 709,215
From treasury share transactions	34,382	71,228
From the acquisition of a subsidiary	157,423	157,423
Depending on the source, may be used to offset a deficit only or may not be used for any purpose (2)		
Others	40,863	12,313
	$ 936,044	$ 950,179

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

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

1) Up to 6% of paid-in capital as dividends; and

2) 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.

3) 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.

4) 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 $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 were zero for 2013. For the year ended December 31, 2014, the bonus to employees was $110 thousand and the remuneration directors and supervisors was $165 thousand. For the year ended December 31, 2013, based on the Company's Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, the Company 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 the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

The appropriations from the 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)	-	(160,474)	-

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

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

d. Other equity items

Foreign currency translation reserve:

	Years Ended December 31	
	2014	**2013**
Balance at January 1	$ 27,108	$ (84,462)
Exchange differences arising on translating the foreign operations	101,150	111,570
Balance at December 31	$ 128,258	$ 27,108

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

	Years Ended December 31	
	2014	**2013**
Balance at January 1	$ 172,562	$ 188,110
Changes in fair value of available-for-sale financial assets	248,947	(33,433)
Cumulative gain/loss reclassified to profit or loss upon disposal of available-for-sale financial assets	(240,702)	3,760
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	-	13,350
The proportionate share of other comprehensive income/losses reclassified to profit or loss upon partial disposal of associates	-	775
Share of unrealized gain on revaluation of jointly controlled entities accounted for using the equity method	867	-
Balance at December 31	$ 181,674	$ 172,562

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.

e. No controlling interests

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 as of January 1, 2013 and December 31, 2013	4,915	3,560	8,475
Number of shares as of January 1, 2014	4,915	3,560	8,475
Decrease	(4,915)	-	(4,915)
Number of shares as December 31, 2014	-	3,560	3,560

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

	Number of Shares Held (In Thousand)	Carrying Amount	Market Price
December 31, 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

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

f. 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 December 31, 2014, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

21. REVENUE

	Years Ended December 31	
	2014	2013
Revenue from IC	$ 3,329,801	$ 3,053,794
Other	85,794	58,942
	$ 3,415,595	$ 3,112,736

22. NET PROFIT

Net profit included the following items:

a. Other income

	Years Ended December 31	
	2014	2013
Interest income		
Bank deposits	$ 14,642	$ 17,397
Grand income	14,796	-
Dividend income	1,622	3,538
Others	41,277	83,623
	$ 72,337	$ 104,558

b. Other gains and losses

	Years Ended December 31	
	2014	2013
Gain (loss) on disposal of available-for-sale financial assets	$ 240,702	$ (3,760)
Net foreign exchange gains	36,434	16,316
Service income of management support	29,194	26,883
Impairment loss on intangible assets	(17,013)	-
Gain on disposal of investment accounted for using equity method	-	35,700
Gain on reversal of impairment loss on financial assets	-	3,888
Loss on disposal of subsidiary	-	(74)
Impairment loss on financial assets carried at cost	-	(3,234)
Impairment loss on available-for-sale financial assets	-	(13,350)
	$ 289,317	$ 62,369

c. Finance costs

	Years Ended December 31	
	2014	2013
Interest on bank loans	$ 24,492	$ 30,299
Other financial costs	693	650
	$ 25,185	$ 30,949

d. Depreciation and amortization

	Years Ended December 31	
	2014	2013
Property, plant and equipment	$ 105,874	$ 92,511
Intangible assets	102,542	120,487
	$ 208,416	$ 212,998
An analysis of depreciation by function		
Operating costs	$ 6,811	$ 11,628
Operating expenses	99,063	80,883
	$ 105,874	$ 92,511
An analysis of amortization by function		
Operating costs	$ 728	$ 1,307
Selling expenses	-	-
Administrative expenses	4,742	4,198
Research and development expenses	97,072	114,982
	$ 102,542	$ 120,487

e. Employee benefit expense

	Years Ended December 31	
	2014	**2013**
Short-term benefits	$ 687,917	$ 644,683
Post-employment benefits		
Defined contribution plans	25,645	26,202
Defined benefit plans	1,915	2,580
Other employee benefits	5,695	5,336
Total employee benefit expense	$ 721,172	$ 678,801
An analysis of employee benefit expense by function		
Operating costs	$ 102,390	$ 91,976
Operating expenses	618,782	586,825
	$ 721,172	$ 678,801

f. Gain or loss on exchange rate changes

	Years Ended December 31	
	2014	**2013**
Exchange rate gains	$ 86,962	$ 51,670
Exchange rate losses	(50,528)	(35,354)
	$ 36,434	$ 16,316

23. INCOME TAXES

a. Income tax recognized in profit or loss

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

	Years Ended December 31	
	2014	**2013**
Current tax		
Current period	$ 5,115	$ 3,100
Prior periods	-	(93,348)
	5,115	(90,248)
Deferred tax		
Current period	-	67,412
Income tax benefit (expense) recognized in profit or loss	$ 5,115	$ (28,836)

A reconciliation of accounting profit and current income tax expenses is as follows:

	Years Ended December 31	
	2014	**2013**
Profit before tax	$ 427,796	$ 29,949
Income tax expense at the 17% statutory rate	$ 72,725	$ 5,091
Tax effect of adjusting items:		
Nondeductible expenses	(58,282)	(209,742)
Temporary differences	12,984	(14,611)
Tax-exempt income	(518)	(1,325)
Current income tax expense	26,909	(220,587)
Deferred income tax expense		
Temporary differences	(3,900)	5,498
Investment credits	3,900	61,914
Unrecognized investment credit	(26,909)	220,587
Adjustments for prior years' tax	-	(93,348)
Foreign income tax expense	5,115	3,100
Income tax benefit (expense) recognized in profit or loss	$ 5,115	$ (22,836)

The applicable tax rate used above is the corporate tax rate of 17% payable by the Company.

As the status of 2015 appropriations of earnings is uncertain, the potential income tax consequences of 2014 10% additional income tax on unappropriated earnings are not reliably determinable.

b. Current tax assets and liabilities

	December 31	
	2014	**2013**
Current tax assets		
Tax refund receivable	$ 4,647	$ 4,099
Current tax liabilities		
Income tax payable	$ -	$ -

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2014

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Closing Balance**
Temporary differences			
Impairment loss on financial assets	$ 5	$ (5)	$ -
Accrued absences compensation	-	(912)	(912)
Depreciation expense	-	5,014	5,014
Unrealized loss on inventories	-	627	627
Intangible assets	-	(2,499)	(2,499)

(Continued)

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred credits	$ 289	$ (102)	$ 187
Exchange (gains) losses	(1,134)	983	(151)
Others	-	794	794
	(840)	3,900	3,060
Investment credits	3,900	(3,900)	-
	$ 3,060	$ -	$ 3,060

(Concluded)

For the year ended December 31, 2013

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Impairment loss on financial assets	$ 2,378	$ (2,373)	$ 5
Unrealized loss on inventories	2,426	(2,426)	-
Exchange gains	(537)	(597)	(1,134)
Deferred credits	391	(102)	289
	4,658	(5,498)	(840)
Investment credits	65,814	(61,914)	3,900
	$ 70,472	$ (67,412)	$ 3,060

d. Unrecognized deferred tax assets

	December 31	
	2014	2013
Loss Carryforwards		
Expiry in 2019	$ 210,021	$ 368,313
Expiry in 2020	437,687	437,687
Expiry in 2021	621,262	621,262
Expiry in 2022	518,243	518,243
Expiry in 2023	1,231,503	1,274,629
	$ 3,018,716	$ 3,220,134

e. Unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2013:

Unused Amount	Expiry Year
$ 210,021	2019
437,687	2020
621,262	2021
518,243	2022
1,231,503	2023
$ 3,018,716	

The income from the following projects is exempt from income tax for five years. The related 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

f. Integrated income tax

	December 31	
	2014	2013
Imputation credit accounts	$ 372,426	$ 339,960

For 2014, the Company's creditable expected ratio for distribution of earning was 20.48%. For 2013, there was no creditable tax ratio because the Company 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.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of 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.

g. Income tax assessments

The income tax returns of the Company before 2010 had been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2014	2013
Basic earnings per share	$ 0.72	$ 0.09
Diluted earnings per share	$ 0.72	$ 0.09

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

Net Profit for the Period

	Years Ended December 31	
	2014	2013
Profit for the period attributable to owners of the Company	$ 422,681	$ 52,785
Effect of dilutive potential common share:		
Employee bonus		-
Earnings used in the computation of diluted earnings per share	$ 422,681	$ 52,785

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

	Years Ended December 31	
	2014	2013
Weighted average number of common shares used in the computation of basic earnings per shares	$ 588,435	$ 588,435
Effect of dilutive potential common shares:		
Employee bonus	9	-
Weighted average number of common shares used in the computation of diluted earnings per share	$ 588,444	$ 588,435

25. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan

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

Outstanding option rights were as follows:

	2013	
Employee share option plan	Unit (In Thousands)	Weighted-average Price (NT$)
Beginning outstanding balance	18,880	$ 38.03
Options canceled	(1,598)	-
Option past due	(17,282)	-
Ending outstanding balance	-	
Ending exercisable balance	-	

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

In their meeting on June 18, 2012, the Company's shareholders approved a restricted stock plan for employees with a total amount of $280,000 thousand, consisting of 28,000 thousand shares, and authorized the board of directors to determine the issue prices of the restricted shares.

As of December 31, 2013, the restricted stock plan for the Company's employees became invalid since the plan had not been approved by the authorities.

26. DISPOSAL OF SUBSIDIARIES

As stated in Note 11(3), the Company lost its control over S2-tek Technology Co., Ltd. and disposed of another subsidiary. Please refer to the Company's consolidated financial statements Note 30.

As stated in Note 11(1), Global Techplus Capital Inc. had been liquidated in September 2013. Please refer to the Company's consolidated financial statements Note 30.

27. GOVERNMENT GRANTS

In June 2014, the Company signed a contract with the Institute for Information Industry for the Company to develop an IC (integrated circuit) sensor for electrocardiograms with low power consumption and noise and an SDK (software development kit) system for electrocardiograms as well as hardware development. The program started from November 7, 2013,and was ended on May 6, 2015. As of December 31, 2014, the government grants received had amounted to $14,796 thousand, which was classified under non-operating income and gains. In addition, the Company subsitute performance guarantee fund amounted to 17,775 for the assurance of joint guarantor.

28. OPERATING LEASE ARRANGEMENTS

The Company 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 Company does not have a bargain purchase option to acquire the leased land at the expiry of the lease periods.

The Company 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. The amount had been raised from $7,929 thousand to $8,034 thousand for the period ended. The Company had pledged $6,100 thousand time deposits (classified as restricted assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	December 31	
	2014	**2013**
Up to 1 year	$ 6,665	$ 8,034
Over 1 year to 5 years	18,992	20,910
Over 5 years	7,501	12,250
	$ 33,158	$ 41,194

29. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company 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 Company consists of [net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity) attributable to owners of the Company.

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

30. 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 consolidated financial statements approximate their fair values.

	December 31, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 8,556	$ -	$ 9,556	$ -

2) Fair value measurements recognized in the 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).

December 31, 2014	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Mutual funds	$ 369,635	$ -	$ -	$ 369,635
Securities listed in ROC	460,616	-	-	460,616
	$ 830,251	$ -	$ -	$ 830,251

December 31, 2013	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Mutual funds	$ 407,320	$ -	$ -	$ 407,320
Securities listed in ROC	773,185	-	-	773,185
	$ 1,180,505	$ -	$ -	$ 1,180,505

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

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

The fair value of financial instruments which has standard clause and will been transacted in active market is according to market value.

b. Categories of financial instruments

	December 31, 2014	December 31, 2013
Financial assets		
Loans and receivables (i)	$ 2,079,282	$ 2,104,216
Available-for-sale financial assets (ii)	838,807	1,190,061
Financial liabilities		
Measured at amortized cost (iii)	1,575,616	1,688,529

(i) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, refundable deposit and trade and other receivables.

(ii) The balance included available - for - sale financial assets carried at cost.

(iii) The balances included financial liabilities measured at amortized cost, which comprised short-term and long-term loans, guarantee deposits, trade payables, and long-term liabilities -current portion.

c. Financial risk management objectives and policies

The Company's major financial instruments included equity and debt investments, trade receivable, trade payables, bonds payable, borrowings and convertible notes. The Company'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 Company 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 Company's risk management committee.

1) Market risk

The Company'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 Company 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 Company’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 Company considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period, please refers to Note 35.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company's sensitivity to a US$1.00 and RMB$1.00 increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. US$1.00 and RMB$1.00 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	
	Years Ended December 31	
	2014	**2013**
Profit or loss	$(17,386)	$ (16,871)

	RMB impact	
	Years Ended December 31	
	2014	**2013**
Profit or loss	$(42,333)	$ (36,234)

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company 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 amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2014	**2013**
Fair value interest rate risk		
Financial assets	$ 894,372	$ 916,284
Financial liabilities	100,000	-
Cash flow interest rate risk		
Financial assets	330,915	202,180
Financial liabilities	1,051,388	1,223,194

Sensitivity analysis

The sensitivity analyses below were determined based on the Company'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.

Had interest rates increased/decreased by 0.125% basis point and all other variables held constant, the Company's post-tax profit for the years ended December 31, 2014 and 2013 would decrease/increase by $901 thousand and $1,276 thousand.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Company 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.

Had equity prices been 1% higher/lower, post-tax profit for the years ended December 31, 2014 and 2013 would have increased/decreased by $8,303 thousand and $11,805 thousand.

2) Credit risk

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

In order to minimize credit risk, the management of the Company 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 Company 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 Company consider that the Company'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 Company's concentration of credit risk of 92% and 96% in total trade receivables as of December 31, 2014, December 31, 2013, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2014, December 31, 2013, the Company had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

The following table details the Company'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 Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-derivative Financial liabilities						
Noninterest bearing	-	$ -	$ 463,729	$ -	$ -	$ -
Variable interest rate liabilities	1.865~1.970	783	140,278	350,556	560,554	-
Fixed interest rate liabilities	1.843	10	-	100,000	-	88,366
		$ 793	$ 604,007	$ 450,556	$ 560,554	$ 88,366

December 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-derivative Financial liabilities						
Noninterest bearing	-	$ 745	$ 491,057	$ 10	$ 894	$ -
Variable interest rate liabilities	1.942-2.005	999	201,528	389,028	632,638	-
Fixed interest rate liabilities	-	-	-	-	-	81,861
		$ 1,744	$ 692,585	$ 389,038	$ 633,532	$ 81,861

b) Financing facilities

	December 31	
	2014	2013
Unsecured bank overdraft facility		
Amount used	$ 1,403,006	$ 1,506,341
Amount unused	2,119,432	2,369,638
	$ 3,522,438	$ 3,875,979

31. TRANSACTIONS WITH RELATED PARTIES

a. Sales of goods

Account Items	Related Parties Types	For the Year Ended December 31 2014	2013
Sales of goods	Subsidiaries	$ 16,002	$ 14,897
	Joint ventures	7,923	1,226
	Associates	4,185	5,675
		$ 28,110	$ 21,798

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

b. Purchase of good

Related Party	For the Year Ended December 31 2014	2013
Joint ventures	$ 6,467	$ -

Material purchase price to related parties is based on cost and market price. The payment term was similar to those with external vendors.

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

Account Item	Related Party	December 31 2014	2013
Trade receivables	Subsidiaries	$ 2,301	$ 1,698
	Associates	895	-
	Joint ventures	299	840
		$ 3,495	$ 2,538
Other receivable	Subsidiaries	$ 2,709	$ 33,494
	Associates	1,556	2,330
	Joint ventures	35,354	50
		$ 39,619	$ 35,874

There were no guarantees on outstanding receivables from related parties.

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

Account Item	Related Party	December 31 2014	2013
Other current liabilities	Joint ventures	$ 25,330	$ 18,394
	Subsidiaries	598	798
		$ 25,928	$ 19,192

e. Property, plant and equipment acquired

Related Party	December 31 2014	December 31 2013
Joint ventures	$ -	$ 133
Subsidiaries	-	39
	$ -	$ 172

f. Property, plant and equipment disposed of

Related Party	Proceeds of the Disposal of Assets For the Year Ended December 31		Gain on Disposal of Assets For the Year Ended December 31	
	2014	2013	2014	2013
Joint ventures	$ 4	$ 2,392	$ -	$ 270
Subsidiaries	$ 283	$ -	$ 105	$ -

g. Intangible assets disposed of

	Proceeds of the Disposal of Intangible Assets For the Year Ended December 31		Gain on Disposal of Intangible Assets For the Year Ended December 31	
	2014	2013	2014	2013
Joint ventures	$ -	$ 291	$ -	$ 21

h. Other transactions with related parties

Account Item	Related Party	December 31 2014	December 31 2013
Deferred income	Associates	$ 1,099	$ 1,697

Account Item	Related Parties Types	For the Year Ended December 31 2014	For the Year Ended December 31 2013
Operating expenses			
	Joint ventures	$ 48,159	$ 48,973
	Subsidiaries	1,597	1,647
		$ 49,756	$ 50,620
Nonoperating income and expenses	Subsidiaries	$ 30,364	$ 61,519
	Joint ventures	18,708	$ 19,550
	Associates	926	7,286
		$ 49,998	$ 88,355

Support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market.

Administrative support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

i. Financing to related party

The Company provided financing to related parties, as follows:

Account Item	Related Party	December 31 2014	December 31 2013
Other receivables	Subsidiaries	$ -	$161,400
Interest income	Subsidiaries	$ 2,466	$ 3,930
	Associates	-	1,465
		$ 2,466	$ 5,395

The fund was provided to Sunplus mMobile Inc. and HT mMobile with the interest rates ranged from 1.475% to 1.655%.

j. Endorsements and guarantees

Endorsements and guarantees provided by the Company

Related Party Categories	December 31 2014	December 31 2013
Subsidiaries		
Amount endorsed	$ 979,405	$ 810,391
Amount utilized	$ 780,280	$ 810,391

k. Compensation of key management personnel

	For the Year Ended December 31 2014	For the Year Ended December 31 2013
Salaries and Incentives	$ 18,091	$ 17,318
Special compensation	2,022	2,050
	$ 20,113	$ 19,368

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

32. PLEDGED OR MORTGAGED ASSETS

Certain assets pledged or mortgaged as collaterals for long-term bank loans, commercial paper payable, accounts payable, import duties, operating lease and administrative remedies for certificate of no overdue taxes were as follows:

	December 31	
	2014	**2013**
Buildings, net	$ 693,056	$ 712,876
Orise stock	248,207	468,526
Pledged time deposits (classified to other assets, including current and noncurrent)	6,100	6,000
	$ 947,363	$ 1,187,402

33. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In their meeting on January 21, 2015, the Company's shareholders approved the sale of an STB (set-top box) product center to Availink. (The disposal price was about $330,000 thousand.)

In addition, the Company acquired an equity interest of about 16.67% in Availink for $295,000 thousand.

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

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 42,346	5.092	$ 215,626
USD	28,246	31.650	893,986
JPY	140	0.265	37
HKD	5	4.080	20
GBP	3	49.270	148
EUR	1	38.470	38
Nonmonetary items			
USD	10,960	31.650	346,884
HKD	1,064	4.080	4,341
Financial liabilities			
Monetary items			
USD	10,860	31.650	343,719
CNY	13	5.092	66

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 36,243	4.919	$ 178,279
USD	29,458	29.805	877,996
JPY	100	0.284	28
HKD	8	3.843	31
GBP	3	49.28	148
EUR	1	41.09	41
Nonmonetary items			
USD	9,069	29.805	270,302
HKD	1,064	3.843	4,089
Financial liabilities			
Monetary items			
USD	12,587	29.805	375,155
EUR	78	41.090	3,205
CNY	9	4.919	44

35. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required for the Company 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) Marketable securities acquired and disposed of at costs or prices of at least $100 million or 20% of the paid-in capital. Table 4 (attached)

5) Information on investee: Table 5 (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 6)

Except for Table 1 to Table 6, there’s no further information about other significant transactions.

SUNPLUS TECHNOLOGY COMPANY LIMITED

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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	$ -	$ -	1.655%	Note 1	$ -	Note 2	$ -		$ -	$ 466,315 (Note 5)	$ 932,630 (Note 6)
1	Sunplus Technology (Shanghai) Co., Ltd.	Sunplus Prof-tek Technology (Shenzhen)	Other receivables	Yes	21,994	-	-	3.3%	Note 1	-	Note 3	-		-	25,460 (Note 7)	50,920 (Note 7)
		Sunplus APP Technology	Other receivables	Yes	15,989	-	-	3.3%	Note 1	-	Note 4	-		-	24,240 (Note 5)	48,480 (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 Company’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 Company’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 Company’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

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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	Sunplus Technology Company Limited (the Company)	Sun Media Technology Co., Ltd.	3 (Note 3)	$ 932,630 (Note 5)	$ 800,790	$ 800,790	$ 679,840	-	8.59%	$ 1,865,259 (Note 6)	Yes	No	Yes
		Ventureplus Cayman Inc.	3 (Note 3)	932,630 (Note 5)	78,175	78,175	-	-	0.84%	1,865,259 (Note 6)			
(Note 1)		Ytrip Technology Co., Ltd.	3 (Note 3)	932,630 (Note 5)	60,440	60,440	60,440	-	0.65%	1,865,259 (Note 6)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 2)	932,630 (Note 5)	43,671	40,000	40,000	-	0.43%	1,865,259 (Note 6)	Yes	No	No
		Generalplus Technology Inc.	3 (Note 3)	932,630 (Note 5)	13,563	-	-	-	-	1,865,259 (Note 6)	Yes	No	No
		Sunplus Innovation Technology Inc.	2 (Note 2)	932,630 (Note 5)	8,782	-	-	-	-	1,865,259 (Note 6)	Yes	No	No
		iCatch Technology Inc.	1 (Note 4)	932,630 (Note 5)	6,350	-	-	-	-	1,865,259 (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

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	$ 412,545	2	$ 412,545	Note 2
	RITEK Corp.	-	Available-for-sale financial assets	5,000	19,048	-	19,048	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	29,023	-	29,023	Note 2
	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	162,404	-	162,404	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	577	10,021	-	10,021	Note 3
	Cathay China Emerging Industries	-	Available-for-sale financial assets	576	8,901	-	8,901	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	50,823	-	50,823	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,398	-	30,398	Note 3
	Tailspin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,392	-	30,392	Note 3
	Yuanta De-Bao Money Market Fund	-	Available-for-sale financial assets	2,564	30,284	-	30,284	Note 3
	Capital Money Market	-	Available-for-sale financial assets	1,911	30,289	-	30,289	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,373	-	5,373	Note 3
	Franklin Global Fund Start Fund	-	Available-for-sale financial assets	13	5,235	-	5,235	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	5,515	-	5,515	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	87,812	1	87,812	Note 2
	Radiant Innovation Inc.	-	Available-for-sale financial assets	3,043	70,595	7	70,595	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	3,175	-	3,175	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	60	311	-	311	Note 2
	Catcher Technology Co., Ltd.	-	Available-for-sale financial assets	65	16,023	-	16,023	Note 2
	Shin Kong Financial Holding Co., Ltd.	-	Available-for-sale financial assets	1,000	9,010	-	9,010	Note 2
	Asolid Technolgoy Co., Ltd.	-	Available-for-sale financial assets	100	8,235	-	8,235	Note 2
	China Airlines Ltd.	-	Available-for-sale financial assets	500	7,250	-	7,250	Note 2
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets	6	526	-	526	Note 2
	Frankin Templetion Sinoa	-	Available-for-sale financial assets	1,994	20,215	-	20,215	Note 3
	Paradigm Pion Money Market	-	Available-for-sale financial assets	445	5,050	-	5,050	Note 3
	UPAMC JAMES BOND MONEY	-	Available-for-sale financial assets	431	7,078	-	7,078	Note 3
	KGI Economic Moat., Ltd.	-	Available-for-sale financial assets	100	1,103	-	1,103	Note 3
	Yuanta De Bae Money Market Fund	-	Available-for-sale financial assets	169	2,001	-	2,001	Note 3
	CTBC Hwa-win Money Market Fund	-	Available-for-sale financial assets	2,772	30,001	-	30,001	Note 3
	Nomura Taiwan Money Market Fund	-	Available-for-sale financial assets	624	10,006	-	10,006	Note 3
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,036	11,152	10	11,152	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	3,676	5	3,676	Note 1
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 1

(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
	Ortery Technologies, Inc.	-	Financial assets carried at cost	103	-	1	-	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	8	-	-	-	Note 1
	Ubright Optright Corporation-CB	-	Financial assets at fair value through profit or loss - current	20	1,958	-	1,958	Note 2
	CHINA ELECTRIC MFG.CO.,LTD.-CB	-	Financial assets at fair value through profit or loss - current	30	2,979	-	2,979	Note 2
	Shin Kong Financial Holding Co.,Ltd	-	Financial assets at fair value through profit or loss - current	50	5,095	-	5,095	Note 2
	Zero One Technology Co., Ltd.-CB	-	Financial assets at fair value through profit or loss - current	50	4,798		4,798	Note 2
Russell Holdings Limited	<u>Stock</u>							
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	41,946	-	41,946	Notes 1 and 6
					(US$ 1,325)		(US$ 1,325)	
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	1,616	5	1,616	Notes 1 and 6
					(US$ 51)		(US$ 51)	
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	1,664	15	1,664	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
	Aruba Networks, Inc.	-	Available-for-sale financial assets	10	-	-	-	Note 1
Sunplus Venture Capital Co., Ltd.	<u>Stock</u>							
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	63,003	1	63,003	Note 2
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	62,117	-	62,117	Note 2
	Eurocharm Holding Co.	-	Available-for-sale financial assets	601	37,496	-	37,496	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	351	1,832	1	1,832	Note 2
	Aruba Networks, Inc.	-	Available-for-sale financial assets	4	-	-	-	Note 1
	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets	1,250	31,813	-	31,813	Note 2
	Cathay China Emerging Industries	-	Available-for-sale financial assets	576	8,899	-	8,899	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	50,832	-	50,832	Note 3
	Bond	-	Non-active market bond investment	1	14,903	-	14,903	Note 5
	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	1,042	11,220	10	11,220	Note 1
	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	13,691	Note 1
	Touch Screen Glass Technology Co., Ltd.	-	Financial assets carried at cost	4,500	45,000	18	45,000	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	49	-	-	-	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	-	8	-	Note 1
	Simple Act Inc.	-	Financial assets carried at cost	1,900	-	10	-	Note 1
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	68	-	1	-	Note 1
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 1
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 1
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 1

(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	
Sunplus Technology (Shanghai) Co., Ltd.	GF Money Market Fund class B shares	-	Available-for-sale financial assets	18,500	$ 94,202 (RMB$18,500)	-	$ 94,202 (RMB$18,500)	Notes 3 and 6
	CHONGQING CHONG YOU INFORMATION TECHNOLOGY CO., LTD.	-	Financial assets carried at cost	-	-	3	-	Note 1
Wei-Young Investment Inc.	Elitergroup Computer Systems	-	Available-for-sale financial assets	238	6,344	-	6,344	Note 2
Generalplus Technology Inc.	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	1,444	21,498	-	21,498	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	3,390	34,370	-	34,370	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,301	34,254	-	34,254	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	10,948	110,998	-	110,998	Note 3
Sunplus Innovation Technology Inc.	Stock							
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	2,000	4,121	9	4,121	Note 1
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	15,392	10	15,392	Note 1
	Point Grab Ltd.	-	Financial assets carried at cost	182	45,150	4	45,150	Note 1
	Fund							
	Yuanta RMB Money Market	-	Available-for-sale financial assets	2,881	30,880	-	30,880	Note 3
	Fuh Hwa You Li	-	Available-for-sale financial assets	2,263	30,005	-	30,005	Note 3
	Fubon China Money Market	-	Available-for-sale financial assets	4,765	50,423	-	50,423	Note 3

Note 1: The market value was based on carrying value as of December 31, 2014.

Note 2: The Market value was based on the closing price as of December 31, 2014.

Note 3: The market value was based on the net asset value of fund as of December 31, 2014.

Note 4: As of December 31, 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 had not been pledged or mortgaged.

Note 5: The market value was based on Amortised cost as of December 31, 2014.

Note 6: The exchange rate was based on the exchange rate as of December 31, 2014.

(Concluded)

TABLE 4

SUNPLUS TECHNOLOGY COMPANY LIMITED

ACQUISTION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OR PRICES OF AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type of Property	Transaction Date	Transaction Amount (Note)	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.

SUNPLUS TECHNOLOGY COMPANY LIMITED

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
DECEMBER 31, 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
				December 31, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	$ 2,544,740 (US$ 74,305 RMB$37,900)	$ 2,335,605 (US$73,650 RMB$ 900)	-	100	$ 1,924,825	$ (126,403)	$ (126,403)	Subsidiary (Note 2)
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	536,298	536,298	47,290	34	978,143	144,450	49,065	Investee
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	315,658	-	8,229	13	350,536	563,667	39,941	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	705,413	33,049	33,049	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	696,971	311,560	106,867	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	657,167	(12,952)	(12,952)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	63	515,675	9,552	5,973	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	467,154 (US$ 14,760)	467,154 (US$ 14,760)	14,760	100	342,770	55,251	55,251	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	196,396	(15,515)	(5,849)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	108,656	(10,147)	(6,204)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	307,565	307,565	12,441	83	44,343	(29,643)	(24,586)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,092	(31)	(31)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	45,186 (HK$ 11,075)	45,186 (HK$ 11,075)	11,075	100	4,342	(1)	(1)	Subsidiary
	Magic Sky Limited	Samoa	Investment	201,294 (US$ 6,360)	194,964 (US$ 6,160)	-	100	268	(6,083)	(6,083)	Subsidiary (Notes 1 and 2)
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	2,826	(142,917)	(3,246)	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,435,392	16,240	100	22,486	(3,044)	(3,044)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	14,758	1,239	1,239	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	279,723	311,560	42,639	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	9,439	(10,147)	(537)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,453	9,552	204	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,275	(15,515)	(272)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,171	650	4	6,575	(29,643)	(1,178)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,450	38,450	-	-	-	(3,044)	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,788	132,788	9,591	24	29,935	(142,917)	(34,267)	Investee
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	93,830	311,560	12,314	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,108	2,904	6	48,730	9,552	550	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	31,088	(15,515)	(911)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	12,390	(10,147)	(708)	Subsidiary
	Orise Technology Co, Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	17,011	144,450	898	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	13	4,062	(29,643)	(3,773)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,784	-	-	-	(3,044)	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	133,846	133,846	10,001	25	30,999	(142,917)	(35,732)	Investee
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	67,066 (US$ 2,119)	67,066 (US$ 2,119)	442	1	1,236	(10,147)	(71)	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
				December 31, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	$ 1,800	$ 1,800	108	-	1,944	$ 311,560	$ 309	Subsidiary
	Sunext Technolgoy Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	50	(10,147)	(3)	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,544,740 (US$ 74,305 RMB$37,900)	2,335,605 (US$ 73,650 RMB$ 900)	-	100	1,924,804	(126,403)	(126,403)	Subsidiary (Note 2)
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,544,740 (US$ 74,305 RMB$37,900)	2,335,605 (US$ 73,650 RMB$ 900)	-	100	1,924,782	(126,404)	(126,404)	Subsidiary (Note 2)
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	604,199 (US$ 19,090)	604,199 (US$ 19,090)	19,090	100	502,904	8,231	8,231	Subsidiary (Note 2)
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	604,199 (US$ 19,090)	604,199 (US$ 19,090)	19,090	100	502,904	8,231	8,231	Subsidiary (Note 2)
Generalplus (Mauritius) Inc.	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	12,344 (US$ 390)	12,344 (US$ 390)	390	100	6,232	(3,328)	(3,328)	Subsidiary (Note 2)
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	9,177 (EUR$ 237)	9,177 (EUR$ 237)	237	100	-	-		Subsidiary (Note 2)
Sunplus mMedia Inc.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	32,000	-	3,200	80	28,154	(4,824)	(4,390)	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 December 31, 2014.

Note 3: As of December 31, 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 $248,207 thousand had not been pledged or mortgaged.

(Concluded)

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITED

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 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 4)	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 4)	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	$ 544,380 (US$ 17,200)	Note 1	$ 538,050 (US$ 17,000)	$ 20,731 (US$ 655)	$ -	$ 558,781 (US$ 17,655)	100%	$ (40,724)	$ (40,717)	$ 484,804	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	1,020,713 (US$ 32,500)	Note 1	1,020,713 (US$ 32,250)	-	-	1,020,713 (US$ 32,250)	100%	10,200	10,200	938,858	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	633,000 (US$ 20,000)	Note 1	633,000 (US$ 20,000)	-	-	633,000 (US$ 20,000)	100%	(53,540)	(53,540)	330,365	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	76,380 (RMB$ 5,000)	Note 1	18,547 (US$ 586)	50,920 (RMB$ 10,000)	-	69,467 (US$ 586 RMB$ 1,000)	93%	14,566	11,797	67,346	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	165,490 (RMB$ 32,500)	Note 1	118,688 (US$ 3,750)	-	-	118,688 (US$ 3,750)	73%	(44,007)	(31,905)	(12,537)	-
Iculture Communication	Development & sales	16,549 (RMB$ 3,250)	Note 3	16,549 (RMB$ 3,250)	-	-	16,549 (RMB$ 3,250)	100%	(4,923)	(4,923)	5,400 (RMB$ 1,061)	-
Sunplus Technology (Beijing)	Design of software	137,484 (RMB$ 27,000)	Note 1	- (RMB$ -)	137,484 (RMB$27,000)	-	137,484 (RMB$ 27,000)	100%	(22,005)	(22,005)	114,759	-

Accumulated Investment in Mainland China as of December 31, 2014 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Note 4)	Limit on Investment
$ 2,538,132 (US$ 74,241 RMB$ 37,000)	$ 2,554,570 (US$ 74,760 RMB$ 37,000)	$5,595,778

SUNPLUS TECHNOLOGY COMPANY LIMITED
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 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 2)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 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%	$ 11,566	$ 11,556	$ 496,650	$ -

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)	$1,238,143

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 audited financial data as of December 31, 2014.

Note 3: Sunplus Technology Company Limited indirectly invested in a company located in Mainland China through Ytrip Technology Co., Ltd.

Note 4: The initial exchange rate was based on the exchange rate as of December 31, 2014.