Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2015 and 2014 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2015 and 2014 and the related consolidated statements of comprehensive income for the three months ended June 30, 2015 and 2014 and for the six months ended June 30, 2015 and 2014, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As disclosed in Note 14, the financial statements of some immaterial subsidiaries included in the consolidated financial statements were based on the subsidiaries' unreviewed financial statements. The total assets of these subsidiaries as of June 30, 2015 and 2014 were 45% (NT$7,030,066 thousand) and 43% (NT$6,550,483 thousand), respectively, of the total consolidated assets, and the total liabilities were 38% (NT$1,815,206 thousand) and 36% (NT$1,654,004 thousand), respectively, of the total consolidated liabilities. For the three months ended June 30, 2015 and 2014, the total comprehensive loss of NT$42,031 thousand and total comprehensive income of NT$60,901 thousand, respectively, were 46,188% and 115%, respectively, of the total consolidated comprehensive income. For the six months ended June 30, 2015 and 2014, the total comprehensive loss of NT$125,008 thousand and total comprehensive income of NT$221,512 thousand, respectively, were 22% and 78%, respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 15 to the consolidated financial statements, the carrying values of two equity-method investments as of June 30, 2015 and 2014 were NT$385,556 thousand and NT$435,931 thousand, respectively. For the three months ended June 30, 2015 and 2014, there were net investment losses of NT$6,036 thousand and NT$27,809 thousand, respectively. For the six months ended June 30, 2015 and 2014, there were net investment losses of NT$6,325 thousand and NT$40,320 thousand, respectively. These investment amounts and other associates' information disclosed in Note 39 to the financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the equity-method investees' and subsidiaries' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements as of and for the six months ended June 30, 2015 and 2014 of Sunplus Technology Company Limited and its subsidiaries referred to the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

August 12, 2015

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2015 (Reviewed) Amount	%	December 31, 2014 (Audited) Amount	%	June 30, 2014 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 3,613,048	23	$ 3,576,732	24	$ 3,326,890	22
Financial assets at fair value through profit or loss - current (Note 7)	22,942	-	14,830	-	12,852	-
Available-for-sale financial assets - current (Note 8)	985,194	7	984,307	7	1,506,078	10
Debt investments with no active market - current (Note 9)	15,313	-	14,903	-	14,903	-
Notes and accounts receivable, net (Notes 11 and 36)	1,747,820	11	1,729,796	12	1,925,868	13
Other receivables (Note 36)	457,772	3	144,819	1	237,175	1
Inventories (Note 12)	1,426,940	9	1,347,742	9	1,231,012	8
Other current assets (Note 19)	196,738	1	224,598	1	264,346	2
Total current assets	8,465,767	54	8,037,727	54	8,519,124	56
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent, net of current portion (Notes 8 and 15)	2,277,796	15	731,787	5	781,649	5
Financial assets carried at cost (Note 10)	331,076	2	241,005	2	248,888	2
Investments accounted for using the equity method (Note 15)	385,556	2	1,409,239	9	1,470,465	10
Property, plant and equipment (Note 16)	3,501,095	22	3,490,672	24	2,181,735	14
Investment properties (Note 17)	265,530	2	282,663	2	276,968	2
Intangible assets (Note 18)	220,685	1	278,188	2	326,613	2
Deferred tax assets (Notes 4 and 28)	46,520	-	42,126	-	49,772	-
Other noncurrent assets (Notes 19 and 33)	233,885	2	306,037	2	1,297,355	9
Total noncurrent assets	7,262,143	46	6,781,717	46	6,633,445	44
TOTAL	$ 15,727,910	100	$ 14,819,444	100	$ 15,152,569	100

LIABILITIES AND EQUITY	June 30, 2015 (Reviewed) Amount	%	December 31, 2014 (Audited) Amount	%	June 30, 2014 (Reviewed) Amount	%
CURRENT LIABILITIES						
Short-term bank borrowings (Note 20)	$ 742,701	5	$ 304,085	2	$ 744,725	5
Accounts payable (Notes 21 and 36)	1,000,627	7	728,569	5	974,564	7
Current tax liabilities (Notes 4 and 28)	39,954	-	26,005	-	17,533	-
Provisions - current (Note 22)	15,467	-	21,849	-	21,587	-
Current portion of long-term bank loans (Note 20)	684,988	4	905,296	6	926,634	6
Deferred revenue - current (Notes 23 and 31)	2,732	-	3,375	-	3,273	-
Other current liabilities (Notes 23 and 36)	1,286,276	8	836,995	6	776,645	5
Total current liabilities	3,772,745	24	2,826,174	19	3,464,961	23
NONCURRENT LIABILITIES						
Long-term bank (loans) borrowings (Note 20)	633,819	4	657,082	4	758,814	5
Accrued pension liabilities (Notes 4 and 24)	94,060	1	108,105	1	117,989	1
Guarantee deposits (Note 33)	204,649	1	221,747	1	205,292	1
Deferred revenue - noncurrent, net of current portion (Notes 23, 31 and 36)	78,086	-	81,311	1	78,188	1
Other noncurrent liabilities (Note 23)	2,319	-	2,319	-	1,299	-
Total noncurrent liabilities	1,012,933	6	1,070,564	7	1,161,582	8
Total liabilities	4,785,678	30	3,896,738	26	4,626,543	31
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital (Note 25)						
Common shares	5,919,949	38	5,919,949	40	5,919,949	39
Capital surplus (Notes 25 and 30)	894,476	6	936,051	6	931,514	6
Retained earnings (accumulated deficit) (Note 25)						
Legal reserve	1,831,596	12	1,790,538	12	1,790,538	12
Special reserve	17,833	-	22,639	-	22,639	-
Unappropriated earnings (accumulated deficit)	670,345	4	408,610	3	206,834	1
Other equity (Note 25)	135,541	1	309,932	2	234,692	1
Treasury shares (Notes 25 and 37)	(63,401)	(1)	(63,401)	-	(63,401)	-
Total equity attributable to owners of the Company	9,406,339	60	9,324,318	63	9,042,765	59
NONCONTROLLING INTERESTS (Notes 14 and 25)	1,535,893	10	1,598,388	11	1,483,261	10
Total equity	10,942,232	70	10,922,706	74	10,526,026	69
TOTAL	$ 15,727,910	100	$ 14,819,444	100	$ 15,152,569	100

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

(With Deloitte & Touche review report dated August 12, 2015)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 26 and 36)	$ 2,312,432	100	$ 2,241,849	100	$ 4,176,235	100	$ 3,702,203	100
OPERATING COSTS (Notes 12, 24, 27 and 36)	1,385,479	60	1,306,770	58	2,485,585	60	2,160,945	58
GROSS PROFIT	926,953	40	935,079	42	1,690,650	40	1,541,258	42
OPERATING EXPENSES (Notes 24, 27 and 36)								
Selling and marketing	99,819	4	107,228	5	186,363	4	198,175	5
General and administrative	163,710	7	132,852	6	316,471	8	249,061	7
Research and development	461,381	20	471,003	21	1,085,545	26	882,993	24
Total operating expenses	724,910	31	711,083	32	1,588,379	38	1,330,229	36
OTHER REVENUE AND EXPENSES	(860)	-	(7)	-	(859)	-	(12)	-
INCOME FROM OPERATIONS	201,183	9	223,989	10	101,412	2	211,017	6
NONOPERATING INCOME (Notes 27 and 36)								
Other income	19,429	1	22,206	1	34,782	1	38,590	1
Other gains and losses	(19,237)	(1)	83,541	4	687,812	16	142,468	4
Finance costs	(8,298)	(1)	(9,833)	(1)	(16,190)	-	(17,333)	-
Share of profit of associates and joint ventures (Note 15)	(6,036)	-	14,702	1	(6,325)	-	52,700	1
Total nonoperating income	(14,142)	(1)	110,616	5	700,079	17	216,425	6
PROFIT BEFORE INCOME TAX	187,041	8	334,605	15	801,491	19	427,442	12
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 28)	25,613	1	15,464	1	34,068	1	20,874	1
NET PROFIT FROM CONTINUING OPERATIONS	161,428	7	319,141	14	767,423	18	406,568	11
NET PROFIT FROM DISCOUNTINUED OPERATIONS (Note 13)	-	-	(66,446)	(3)	(27,845)	(1)	(153,483)	(4)
NET PROFIT OF THE PERIOD	161,428	7	252,695	11	739,578	17	253,085	7
OTHER COMPREHENSIVE INCOME								
Item that will not be reclassified subsequently to profit or loss:								

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Remeasurement of defined benefit plans	-	-	-	-	1,606	-	-	-
Item that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations (Note 25)	(37,093)	(2)	(48,366)	(2)	(63,263)	(1)	(64,740)	(2)
Unrealized gain on available-for-sale financial assets (Note 25)	(127,620)	(5)	(151,667)	(7)	(119,580)	(3)	95,063	3
Share of other comprehensive loss of associates and joint venture	3,194	-	68	-	2,597	-	74	-
Other comprehensive income(loss) for the period, net of income tax	(161,519)	(7)	(199,965)	(9)	(178,640)	(4)	30,397	1
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	$ (91)	-	$ 52,730	2	$ 560,938	13	$ 283,482	8
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	$ 93,530	4	$ 200,339	9	$ 651,579	16	$ 208,799	6
Noncontrolling interests	67,898	3	52,356	2	87,999	2	44,286	1
	$ 161,428	7	$ 252,695	11	$ 739,578	18	$ 253,085	7
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO:								
Owner of the Company	$ (65,013)	(3)	$ 4,476	-	$ 478,835	11	$ 243,821	7
Noncontrolling interests	64,922	3	48,254	2	82,103	2	39,661	1
	$ (91)	-	$ 52,730	2	$ 560,938	13	$ 283,482	8
EARNINGS PER SHARE (New Taiwan dollars; Note 29)								
From continuing and discontinued operations								
Basic	$ 0.16		$ 0.34		$ 1.11		$ 0.35	
Diluted	$ 0.16		$ 0.34		$ 1.11		$ 0.35	
From continuing operations								
Basic	$ 0.16		$ 0.45		$ 1.15		$ 0.62	
Diluted	$ 0.16		$ 0.45		$ 1.15		$ 0.62	

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

(With Deloitte & Touche review report dated August 12, 2015) (Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company											
	Capital Stock Issued and Outstanding (Note 23)			Retained Earnings (Note 23)			Other Equity (Notes 4 and 23)					
	Shares (Thousand)	Amount	Capital Surplus (Notes 4, 23 and 28)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Treasury Shares (Notes 4, 23 and 35)	Total	Noncotrolling Interests (Notes 4 and 23)	Total Equity
BALANCE, JANUARY 1, 2014	596,910	$ 5,969,099	$ 950,179	$ 1,909,685	$ 30,755	$ (127,263)	$ 27,108	$ 172,562	$ (155,236)	$ 8,776,889	$ 1,588,623	$ 10,365,512
Effect of retrospective application of IAS 19 and retrospective restatement of financial statements	-	-	-	-	-	(1,965)	-	-	-	(1,965)	(269)	(2,234)
Balance at January 1, 2014 as restated	596,910	5,969,099	950,179	1,909,685	30,755	(129,228)	27,108	172,562	(155,236)	8,774,924	1,588,354	10,363,278
Appropriation of the 2013 earnings												
Legal reserve	-	-	-	(119,147)	-	119,147	-	-	-	-	-	-
Special reserve	-	-	-	-	(8,116)	8,116	-	-	-	-	-	-
Change in capital surplus from investment in associates and joint ventures accounted for by the equity method	-	-	13,053	-	-	-	-	-	-	13,053	-	13,053
Change of equity of subsidiaries	-	-	10,967	-	-	-	-	-	-	10,967	-	10,967
Net profit for the six months ended June 30, 2014	-	-	-	-	-	208,799	-	-	-	208,799	44,286	253,085
Other comprehensive income for the six months ended June 30, 2014, net of income tax	-	-	-	-	-	-	(60,322)	95,344	-	35,022	(4,625)	30,397
Total comprehensive income for the six months ended June 30, 2014	-	-	-	-	-	208,799	(60,322)	95,344	-	243,821	39,661	283,482
Disposal of treasury shares	(4,915)	(49,150)	(42,685)	-	-	-	-	-	91,835	-	-	-
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(144,754)	(144,754)
BALANCE, JUNE 30, 2014	591,995	$ 5,919,949	$ 931,514	$ 1,790,538	$ 22,639	$ 206,834	$ (33,214)	$ 267,906	$ (63,401)	$ 9,042,765	$ 1,483,261	$ 10,526,026
BALANCE, JANUARY 1, 2015	591,995	$ 5,919,949	$ 936,044	$ 1,790,538	$ 22,639	$ 410,595	$ 128,258	$ 181,674	$ (63,401)	$ 9,326,296	$ 1,598,644	$ 10,924,940
Effect of retrospective application of IAS 19 and retrospective restatement of financial statements	-	-	7	-	-	(1,985)	-	-	-	(1,978)	(256)	(2,234)
Balance at January 1, 2015 as restated	591,995	5,919,949	936,051	1,790,538	22,639	408,610	128,258	181,674	(63,401)	9,324,318	1,598,388	10,922,706
Appropriation of the 2014 earnings												
Legal reserve	-	-	-	41,058	-	(41,058)	-	-	-	-	-	-
Special reserve	-	-	-	-	(4,806)	4,806	-	-	-	-	-	-
Cash dividend for common stock	-	-	-	-	-	(355,198)	-	-	-	(355,198)	-	(355,198)
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	(324)	-	-	-	-	-	-	(324)	-	(324)
Changes of equity of subsidiaries	-	-	41	-	-	-	-	-	-	41	-	41
Disposal of investments in associates	-	-	(41,292)	-	-	-	-	(41)	-	(41,333)	-	(41,333)
Net profit for the six months ended June 30, 2015	-	-	-	-	-	651,579	-	-	-	651,579	87,999	739,578
Other comprehensive income for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	1,606	(60,375)	(113,975)	-	(172,744)	(5,896)	(178,640)
Total comprehensive income for the six months ended June 30, 2015	-	-	-	-	-	653,185	(60,375)	(113,975)	-	478,835	82,103	560,938
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(144,598)	(144,598)
BALANCE, JUNE 30, 2015	591,995	$ 5,919,949	$ 894,476	$ 1,831,596	$ 17,833	$ 670,345	$ 67,883	$ 67,658	$ (63,401)	$ 9,406,339	$ 1,535,893	$ 10,942,232

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

(With Deloitte & Touche review report dated August 12, 2015)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30 2015	For the Six Months Ended June 30 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax		
Income before income tax from continuing operations	$ 801,491	$ 427,442
Income before income tax from discontinued operations	(27,845)	(153,483)
	773,646	273,959
Adjustments for:		
Depreciation expenses	146,500	129,194
Amortization expenses	48,916	83,619
Net (gain) loss on fair value change of financial assets designated as at fair value through profit or loss	(57)	142
Financial costs	16,190	17,333
Interest income	(18,519)	(19,051)
Dividend income	(2,997)	(700)
Share of profit of associates and joint ventures	6,325	(52,700)
(Gain) loss on disposal of property, plant and equipment	(6,407)	12
Gain on disposal of intangible assets	(279,900)	-
Gain on disposal of investment	(53,519)	(244,171)
Gain on disposal of subsidiaries	(906,358)	-
Impairment loss recognized on financial assets	233,997	92,631
Impairment loss recognized on non-financial assets	94,123	-
Realized gain on the transactions with associates and joint ventures	-	(384)
Net loss on foreign currency exchange	(790)	3,685
Amortization of prepaid lease prepayments	1,544	1,511
Changes in operating assets and liabilities:		
Increase in financial assets held for trading	(7,642)	(4,813)
Increase in trade receivables	(23,084)	(398,917)
Decrease (increase) in other receivables	46,019	(32,156)
Increase in inventories	(79,198)	(308,795)
Decrease (increase) in other current assets	8,326	(31,173)
Increase in accounts payable	274,294	149,292
Decrease in provisions	(6,382)	(2,328)
Decrease in deferred revenue	(911)	-
(Decrease) increase in other current liabilities	(35,822)	5,821
Decrease in accrued pension liabilities	(12,439)	(516)
Cash generated from (used in) operations	215,855	(338,505)
Interest received	15,349	16,226
Dividend received	2,997	700
Interest paid	(15,221)	(17,645)
Income tax paid	(21,532)	(49,467)
Net cash generated from (used in) operating activities	197,448	(388,691)

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2015	**2014**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(664,567)	(521,101)
Proceeds of the sale of available-for-sale financial assets	736,137	391,181
Purchase of debt investments with no active market	(15,313)	(14,903)
Proceeds of the sale of debt investment with no active market	16,256	-
Purchase of financial assets measured at cost	(92,400)	(60,083)
Proceeds of the sale of financial assets measured at cost	-	11,854
Capital return to the Company - financial assets carried at cost	1,200	1,000
Payments for property, plant and equipment	(216,176)	(216,096)
Proceeds of the disposal of property, plant and equipment	163	14
Increase in refundable deposits	-	(1,275)
Decrease in refundable deposits	2,299	-
Payments for intangible assets	(111,874)	(90,046)
Decrease (increase) in other assets	(579)	47,106
Prepayments for equipment	-	(742,876)
Net cash used in investing activities	(344,854)	(1,195,225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	436,885	579,574
Proceeds of long-term borrowings	-	460,836
Repayments of long-term borrowings	(231,432)	(413,055)
Proceeds of guarantee deposits received	10,707	26,122
Refund of guarantee deposits received	(26,609)	(42,946)
Increase (decrease) in noncontrolling interests	1,577	(3,551)
Net cash generated from financing activities	191,128	606,980
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(7,406)	(27,569)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,316	(1,004,505)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,576,732	4,331,395
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,613,048	$ 3,326,890

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

(With Deloitte & Touche review report dated August 12, 2015)

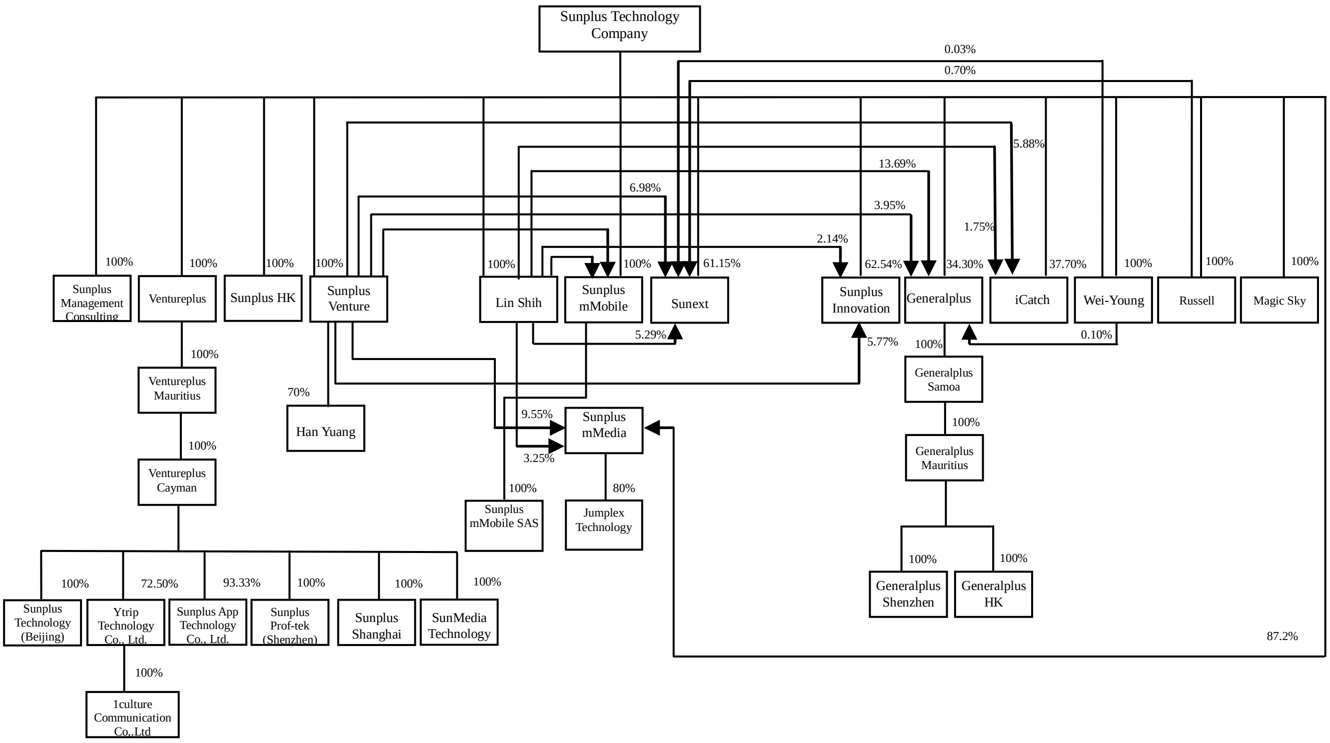
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

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

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the “Group”) as of June 30, 2015:



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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on August 12, 2015.

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

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

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

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

   1) IFRS 10 "Consolidated Financial Statements"

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

   2) IFRS 11 "Joint Arrangements"

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

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

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

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

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

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

5) IFRS 13 “Fair Value Measurement”

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

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

Please refer to Note 35 for related disclosure.

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

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

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

7) Revision to IAS 19 "Employee Benefits"

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

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

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

The impact on the current period is set out below:

The Impact on Assets, Liabilities and Equity	**June 30, 2015**
Accrued pension liabilities increased	$ 14
Retained earnings decreased	$ (18)
Non-controlling interests increased	4
Equity decreased	$ (14)

The Impact on Other Comprehensive Income	**For the Six Months Ended June 30, 2015**
Increase on operating expense	$ 14
Decreases on net income	$ 14
Impact on total comprehensive loss attributable to:	
Owners of the Company	$ (18)
Non-controlling interests	4
	$ (14)

The impact on the prior period is set out below:

Impact on Assets, Liabilities and Equity	As Originally Stated	Adjustments Arising from Initial Application	Restated
December 31, 2014			
Other current assets	$ 224,616	$ (18)	$ 224,598
Total effect on assets	$ 14,819,462	$ (18)	$ 14,819,444
Accrued pension liabilities	$ 105,889	$ 2,216	$ 108,105
Total effect on liabilities	$ 3,894,522	$ 2,216	$ 3,896,738
Retained earnings	$ 410,595	$ (1,985)	$ 408,610
Capital surplus	936,044	7	936,051
Non-controlling interests	1,598,644	(256)	1,598,388
	$ 2,945,283	$ (2,234)	$ 2,943,049
Total effect on equity	$ 10,924,940	$ (2,234)	$ 10,922,706
June 30, 2014			
Other current assets	$ 264,364	$ (18)	$ 264,346
Total effect on assets	$ 15,152,587	$ (18)	$ 15,152,569
Accrued pension liabilities	$ 115,773	$ 2,216	$ 117,989
Total effect on liabilities	$ 4,624,327	$ 2,216	$ 4,626,543
Retained earnings	$ 208,799	$ (1,965)	$ 206,834
Non-controlling interests	1,483,530	(269)	1,483,261
	$ 1,692,329	$ (2,234)	$ 1,690,095
Total effect on equity	$ 10,528,260	$ (2,234)	$ 10,526,026
January 1, 2014			
Other current assets	$ 232,700	$ (18)	$ 232,682
Total effect on assets	$ 14,201,612	$ (18)	$ 14,201,594
Accrued pension liabilities	$ 116,289	$ 2,216	$ 118,505
Total effect on liabilities	$ 3,836,100	$ 2,216	$ 3,838,316

(Continued)

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

(Concluded)

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

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

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

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

10) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 " Mandatory Effective Date of and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 " Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28" Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 " Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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

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

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

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

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

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

The impairment of financial assets

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

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

Hedge accounting

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

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

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

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts”.
When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

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

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

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

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

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

9) Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

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

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

10) Amendment to IAS 1 “Disclosure Initiative”

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

c. Other important accounting policies

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

1) Employee benefits

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

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

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

2) Taxation

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

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

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

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

6. CASH AND CASH EQUIVALENTS

	June 30, 2015	December 31, 2014	June 30, 2014
Cash on hand	$ 5,049	$ 6,366	$ 6,433
Checking accounts and demand deposits	1,518,201	907,475	1,005,144
Cash equivalent deposits in banks	2,032,260	2,604,185	2,260,411
Repurchase agreements collateralized by bonds	57,538	58,706	54,902
	$ 3,613,048	$ 3,576,732	$ 3,326,890

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

	June 30, 2015	December 31, 2014	June 30, 2014
Bank balance	0.01%-4.1%	0.01%-4.0%	0.02%-3.46%
Repurchase agreement collateralized by bonds	1.00%	1.0%-1.625%	1.0%-1.625%

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

	June 30, 2015	December 31, 2014	June 30, 2014
Financial assets held for trading			
Nonderivative financial assets			
Corporate bonds of domestic listed stocks	$ 22,942	$ 14,830	$ 12,852

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2015	December 31, 2014	June 30, 2014
Domestic investments			
- Mutual funds	$ 933,283	$ 911,450	$ 1,423,560
- Quoted shares	2,329,707	804,644	856,855
Foreign investments			
- Quoted shares	-	-	7,312
	$ 3,262,990	$ 1,716,094	$ 2,287,727
Current	$ 985,194	$ 984,307	$ 1,506,078
Noncurrent	2,277,796	731,787	781,649
	$ 3,262,990	$ 1,716,094	$ 2,287,727

For the three months ended June 30, 2015 and 2014, the Group recognized impairment losses of $45,748 thousand and $170,951 thousand, respectively.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	June 30, 2015	December 31, 2014	June 30, 2014
Fixed income fund	$ 15,313	$ 14,903	$ 14,903

In May 2015, and March 2014, the Group bought a fixed-income Germany fund established for meeting certain building needs. The fund price is US$500 thousand and the effective interest rate of fund is 8%.

10. FINANCIAL ASSETS MEASURED AT COST

	June 30, 2015	December 31, 2014	June 30, 2014
Domestic unlisted common shares	$ 331,076	$ 241,005	$ 248,888
Classified as available for sale	$ 331,076	$ 241,005	$ 248,888

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

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Notes receivable	$ -	$ 121	$ 5,326
Accounts receivable	1,692,107	1,716,326	1,902,986
Accounts receivable - related parties	57,278	14,914	19,121
Allowance for doubtful receivables	(1,565)	(1,565)	(1,565)
	1,747,820	1,729,675	1,920,542
	$ 1,747,820	$ 1,729,796	$ 1,925,868

Accounts receivable

The average credit period on sales of goods was 30-90 days without interest. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

Of the trade receivables balance (see below for aged analysis) that are past due at the end of the reporting period, the Group had not recognized an allowance for impaired notes receivable and trade receivables for $148,068 thousand, $77,857 thousand and $128,858 thousand as of June 30, 2015, December 31, 2014 and June 30, 2014, respectively, because there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to offset against any amounts owed by the Group to the counterparty. As of August 12, 2015, the above trade receivables of June 30, 2015 that are past due but not impaired had received $76,853 thousand.

Age of receivables was as follow:

	June 30, 2015	December 31, 2014	June 30, 2014
0-60 days	$ 1,332,289	$ 1,332,057	$ 1,560,363
61-90 days	323,428	328,655	231,927
91-120 days	21,268	70,528	129,817
121-360 days	72,400	-	-
Total	$ 1,749,385	$ 1,731,240	$ 1,922,107

The above was the aging analysis as of reporting period.

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

	June 30, 2015	December 31, 2014	June 30, 2014
Less than 60 days	$ 148,068	$ 77,857	$ 128,230
61-90 days	-	-	466
More than 91-120 days	-	-	162
	$ 148,068	$ 77,857	$ 128,858

Above analysis was based on the past due date.

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

	Individually Impaired	Collectively Impaired	Total
Balance at January 1, 2014	$ -	$ -	$ -
Add: Impairment losses recognized on receivable	1,565	-	1,565
Balance at June 30, 2014	$ 1,565	$ -	$ 1,565
Balance at January 1, 2015	$ 1,565	$ -	$ 1,565
Add: Impairment losses recognized on receivable	-	-	-
Balance at June 30, 2015	$ 1,565	$ -	$ 1,565

12. INVENTORIES

	June 30, 2015	December 31, 2014	June 30, 2014
Finished goods	$ 606,913	$ 662,976	$ 455,324
Work in progress	556,847	499,212	557,775
Raw materials	263,180	185,554	217,913
	$ 1,426,940	$ 1,347,742	$ 1,231,012

The costs of inventories recognized as cost of goods sold for the six months ended June 30, 2015 and 2014 were $2,473,700 thousand and $2,115,374 thousand, respectively, and $1,379,464 thousand and $1,274,920 thousand for the three months ended June 30, 2015 and 2014, respectively.

The cost of inventories recognized as cost of good sold in the three months ended June 30, 2014 and six months ended June 30, 2015 and 2014 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
(Gains) losses on inventory value recoveries	$ 589	$ (586)	$ 7,248	$ (3,177)
Income from scrap sales	(97)	(145)	(132)	(224)
	$ 492	$ (731)	$ 7,116	$ (3,401)

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

a. Discontinued operations

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

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

Loss from discontinued operations was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Net loss for the period	$ -	$ (66,446)	$ (315,011)	$ (153,483)
Gains on disposal (see Note 32)	-	-	287,166	-
	$ -	$ (66,446)	$ (27,845)	$ (153,483)

Segment revenue and cash flow results:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Operating revenue	$ -	$ 163,684	$ 96,100	$ 409,872
Operating costs	-	(87,363)	(230,623)	(272,159)
Gross profit (loss)	-	76,231	(134,523)	137,713
Selling and marketing expenses	-	(2,221)	(1,982)	(6,979)
General and administrative expenses	-	(12,811)	(4,302)	(25,481)
Research and development expenses	-	(127,735)	(80,081)	(258,736)
Loss from operations	-	(66,446)	(220,888)	(153,483)
Other loss	-	-	(94,123)	-
Loss before tax	-	(66,446)	(315,011)	(153,483)
Income tax expense	-	-	-	-
Net loss for the period	$ -	$ (66,446)	$ (315,011)	$ (153,483)

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Loss from discontinued operations attributable to:				
Owners of the Company	$ -	$ (66,446)	$ (315,011)	$ (153,483)
Non-controlling interest	-	-	-	-
	$ -	$ (66,446)	$ (315,011)	$ (153,483)
Net cash used in operating activities	$ -	$ (270,494)	$ (48,216)	$ (433,650)
Net cash outflows	$ -	$ (270,494)	$ (48,216)	$ (433,650)

(Concluded)

There was no tax expense or benefit related to the gain (loss) on discontinued operations.

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

14. SUBSIDIARIES

a. The subsidiaries included in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership June 30, 2015	December 31, 2014	June 30, 2014	Note
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	-
	Ventureplus	Investment	100.00	100.00	100.00	-
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	-
	Sunplus Venture	Investment	100.00	100.00	100.00	-
	Lin Shih Investment	Investment	100.00	100.00	100.00	-
	Sunplus mMobile .	Design of integrated circuits (ICs)	100.00	100.00	100.00	-
	Sunext Technology	Design and sale of ICs	61.15	61.15	61.15	-
	Sunplus Innovation Technology	Design of ICs	62.54	62.54	62.54	-
	Generalplus Technology (“Generalplus”)	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	iCatch	Design of ICs	37.70	37.70	37.70	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
	Wei-Young Investment Inc.	Investment	100.00	100.00	100.00	-
	Russell Holdings Limited	Investment	100.00	100.00	100.00	-
	Magic Sky Limited	Investment	100.00	100.00	100.00	-
	Sunplus mMedia Inc.	Design of ICs	87.20	82.94	82.94	-
Ventureplus	Ventureplus Mauritius	Investment	100.00	100.00	100.00	-
Ventureplus Mauritius	Ventureplus Cayman	Investment	100.00	100.00	100.00	-
Ventureplus Cayman	Ytrip Technology	Web research and development	72.50	72.50	72.50	-
	Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education.	93.33	93.33	80.00	-
	Sunplus Prof-tek Technology (Shenzhen)	Development and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Technology (Shanghai)	Manufacturing and sale of consumer and rental	100.00	100.00	100.00	-
	SunMedia Technology	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Technology(Beijing)	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	The investee was established in January 2014
Ytrip Technology	1culture Communication	Development and sale	100.00	100.00	100.00	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership June 30, 2015	December 31, 2014	June 30, 2014	Note
Sunplus Venture	Han Young Technology	Design of ICs	70.00	70.00	70.00	-
	Sunext Technology Co., Ltd. ("Sunext")	Design and sale of ICs	6.98	6.98	6.98	Sunplus and its subsidiaries had 74.15% equity in Sunext.
	Generalplus Technology Inc.	Design of ICs	3.95	3.95	3.95	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunplus mMedia	Design of ICs	9.55	12.73	12.73	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	5.77	5.77	5.76	Sunplus and its subsidiaries had 70.45% equity in Sunplus Innovation
	iCatch Technology, Inc.	Design of ICs	5.88	5.88	5.88	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc.
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunext Technology	Design and sale of ICs	5.29	5.29	5.29	Sunplus and the subsidiaries had 74.15% equity in Sunext.
	Sunplus mMedia	Design of ICs	3.25	4.33	3.86	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	2.14	2.14	2.14	Sunplus and its subsidiaries had 70.45% equity in Sunplus Innovation
	iCatch Technology,	Design of ICs	1.75	1.75	1.75	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
Sunplus mMobile	Sunplus mMobile SAS	Design of ICs	100.00	100.00	100.00	-
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	After-sales service	100.00	100.00	100.00	-
	Generalplus HK	Sales	100.00	100.00	100.00	-
Wei-Young	Generalplus	Design of Ics	0.10	0.10	0.10	Sunplus and its subsidiaries had 52.04% equity in Generalplus
	Sunext Technology	Design and sale of Ics	0.03	0.03	0.03	Sunplus and its subsidiaries had 74.15% equity in Sunext
Russell	Sunext Technology	Design and sale of Ics	0.70	0.70	0.70	Sunplus and its subsidiaries had 74.15% equity in Sunext
Sunplus mMedia Inc.	Jumplux Technology	Design and sale of Ics	80.00	80.00	-	The investee was established in October 2014

(Concluded)

The financial statements as of and for the six months ended June 30, 2015 of the above subsidiaries except those of Generalplus and Sunplus mMobile, had not been reviewed. The financial statements as of and for the six months ended June 30, 2014 of the above subsidiaries, except those of Generalplus, had not been reviewed.

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

	The voting Ratio of Noncontrolling Equity June 30, 2015	December 31, 2014	June 30, 2014
Company name			
Generalplus Technology Inc.	47.96%	47.96%	47.96%

See Table 5 for the information on place of incorporation and principal place of business.

	Profits Attributed to Non-controlling Interests				Non-controlling Interests		
	Three Months Ended June 30		Six Months Ended June 30		June 30,	December 31,	June 30,
Company name	2015	2014	2015	2014	2015	2014	2014
Generalplus Technology Inc.	$ 62,750	$ 61,232	$ 84,661	$ 72,510	$ 936,458	$1,003,480	$ 913,468

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

The summarized financial information below represents amounts before intragroup eliminations.

	June 30, 2015	December 31, 2014	June 30, 2014
Current assets	$ 2,360,481	$ 1,776,298	$ 2,305,150
Non-current assets	800,389	825,416	739,482
Current liabilities	1,144,594	432,051	1,068,791
Non-current liabilities	92,444	106,091	99,942
Equity	$ 1,923,832	$ 2,063,572	$ 1,875,899
Equity attributable to:			
Owners of the Company	$ 987,374	$ 1,060,092	$ 962,431
Non-controlling interests	936,458	1,003,480	913,468
	$ 1,923,832	$ 2,063,572	$ 1,875,899

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Operating revenue	$ 945,451	$ 931,384	$ 1,507,769	$ 1,404,430
Net income	$ 130,832	$ 127,667	$ 176,516	$ 151,181
Other comprehensive income	(6,758)	(8,474)	(11,572)	(10,060)
Total other comprehensive income	$ 124,074	$ 119,193	$ 164,944	$ 141,121
Equity attributable to:				
Owners of the Company	$ 68,082	$ 66,435	$ 91,855	$ 78,671
Non-controlling interests	62,750	61,232	84,661	72,510
	$ 130,832	$ 127,667	$ 176,516	$ 151,181
Total other comprehensive attributable to:				
Owners of the Company	$ 64,565	$ 62,027	$ 85,833	$ 73,438
Non-controlling interests	59,509	57,166	79,111	67,683
	$ 124,074	$ 119,193	$ 164,944	$ 141,121

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Cash flows				
Cash flows from operating activities	$ 8,430	$ 27,267	$ 69,258	$ 42,730
Cash flows used in investing activities	(339,619)	(375,530)	(394,819)	(386,963)
Cash flows used in financing activities	224,832	220,194	210,710	209,895
Effect of exchange rate changes on the balance of cash held in foreign currencies	(392)	(2,748)	(963)	(3,252)
Net cash outflow	$ (106,749)	$ (130,817)	$ (115,814)	$ (137,590)
Dividend paid to non-controlling interests				
Generalplus Technology Inc.	$ -	$ -	$ -	$ -

(Concluded)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2015	December 31, 2014	June 30, 2014
Investments in associates	$ 337,242	$ 1,345,479	$ 1,373,848
Investments in jointly controlled entities	48,314	63,760	96,617
	$ 385,556	$ 1,409,239	$ 1,470,465

a. Investments in associates

	June 30, 2015	December 31, 2014	June 30, 2014
Listed companies			
Global View, Co., Ltd.	$ 337,242	$ 350,536	$ 339,314
FocalTech System Co., Ltd.	-	994,943	1,034,534
	$ 337,242	$ 1,345,479	$ 1,373,848

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

Associate	June 30, 2015	December 31, 2014	June 30, 2014
Global View Co., Ltd.	13%	13%	13%
FocalTech Systems Co., Ltd.	-	34%	34%

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

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

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

Name of Associate	**June 30, 2015**	**December 31, 2014**	**June 30, 2014**
Global View Co., Ltd.	$ 345,637	$ 259,639	$ 350,928
FocalTech Systems Co., Ltd.	$ -	$ 1,858,790	$ 2,460,730

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

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

b. Investments in jointly controlled entities

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

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

Company name	**June 30, 2015**	**December 31, 2014**	**June 30, 2014**
Jointly controlled entities			
S2-Tek Inc.	$ 48,314	$ 63,760	$ 96,617

Please refer to the Table 5 for associates business type, main operating location and the registered countries information.

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

The financial statements as of six months ended June 30, 2015 are not reviewed. The financial statements of above except for Focaltech Inc. as of six months ended June 30, 2014 are not reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Six Months Ended June 30, 2014									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Equipment	Leasehold Equipment	Other Equipment	Construction in Progress	Total
Cost										
Balance, beginning of Period	$ 1,269,627	$ 151,411	$ 30,672	$ 399,339	$ 10,942	$ 224,542	$ 6,402	$ 19,154	$ 872,834	$ 2,984,923
Additions	64,678	1,367	2,124	44,545	-	18,035	1,096	199	35,608	167,652
Disposals	-	-	(209)	(1,197)	-	(2,476)	-	-	-	(3,882)
Effect of exchange rate changes	(1,644)	(310)	(2,557)	(878)	(226)	(2,980)	(2,205)	602	(19,238)	(29,436)
Balance, end of period	1,332,661	152,468	30,030	441,809	10,716	237,121	5,293	19,955	889,204	3,119,257
Accumulated depreciation										
Balance, beginning of period	273,056	60,565	26,613	258,438	7,995	176,581	4,284	11,252	-	818,784
Additions	15,299	9,336	7,578	71,161	559	12,284	2,521	1,323	-	120,061
Disposals	-	-	(200)	(1,180)	-	(2,476)	-	-	-	(3,856)
Effect of exchange rate changes	(1,751)	(1,466)	(6,356)	6,044	(170)	(941)	(4,152)	(173)	-	(8,965)
Balance, end of period	286,604	68,435	27,635	334,463	8,384	185,448	2,653	12,402	-	926,024
Accumulated Impairment										
Balance, beginning of period	-	-	-	11,498	-	-	-	-	-	11,498
Additions	-	-	-	-	-	-	-	-	-	-
Balance, end of period	-	-	-	11,498	-	-	-	-	-	11,498
Net, end of period	$ 1,046,057	$ 84,033	$ 2,395	$ 95,848	$ 2,332	$ 51,673	$ 2,640	$ 7,553	$ 889,204	$ 2,181,735

	For the Six Months Ended June 30, 2015									
	Buildings	Auxiliary equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance, beginning of period	$ 2,516,262	$ 205,872	$ 20,988	$ 492,573	$ 11,306	$ 267,052	$ 5,623	$ 23,743	$ 957,782	$ 4,501,201
Additions	-	339	345	72,135	960	3,773	1,584	6,194	120,211	205,541
Disposals	-	-	-	(54,720)	-	(3,363)	-	(-)	-	(50,083)
Effect of exchange rate changes	(30,088)	1,754	8,427	(2,685)	-	(8,531)	(1,767)	(6,460)	(22,573)	(61,923)
Balance, end of period	2,486,174	207,965	29,760	507,303	12,266	258,931	5,440	23,477	1,055,420	4,586,736
Accumulated depreciation										
Balance, beginning of period	303,556	73,331	18,932	374,204	9,077	202,317	3,479	14,135	-	999,031
Additions	28,046	13,068	13,929	64,477	188	14,116	1,162	912	-	135,898
Disposals	-	-	-	(50,827)	-	(3,208)	-	-	-	(54,035)
Effect of exchange rate changes	(409)	(487)	(5,713)	10,409	(113)	(9,651)	(789)	2	-	(6,751)
Balance, end of period	331,193	85,912	27,148	398,263	9,152	203,574	3,852	15,049	-	1,074,143
Accumulated impairment										
Balance, beginning of period	-	-	-	11,498	-	-	-	-	-	11,498
Additions	-	-	-	-	-	-	-	-	-	-
Balance, end of period	-	-	-	11,498	-	-	-	-	-	11,498
Net, beginning of period	$ 2,212,706	$ 132,541	$ 2,056	$ 106,871	$ 2,229	$ 64,735	$ 2,144	$ 9,608	$ 957,782	$ 3,490,672
Net, end of period	$ 2,154981	$ 122,053	$ 2,612	$ 97,542	$ 3,114	$ 55,357	$ 1,588	$ 8,428	$ 1,055,420	$ 3,501,095

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

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

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

17. INVESTMENT PROPERTIES

	For the Six Months Ended June 30	
	2015	**2014**
Cost		
Balance at January 1	$ 458,669	$ 456,827
Effect of foreign currency exchange differences	(10,719)	(10,734)
Balance at June 30	$ 447,950	$ 446,093
Accumulated depreciation		
Balance at January 1	$ 176,006	$ 163,758
Depreciation expense	10,602	9,133
Effect of foreign currency exchange differences	(4,188)	(3,766)
Balance at June 30	$ 182,420	$ 169,125
Net beginning of period	$ 282,663	$ 293,069
Net end of period	$ 265,530	$ 276,968

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

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

	June 30, 2015	December 31, 2014	June 30, 2014
Fair value	$ 406,078	$ 406,078	$ 378,894
Discount rate	85.33%	85.33%	87.33%

For the investment properties not valued by independent valuators but valued by the Group, the Group determined that the fair values reported as of December 31, 2014 and January 1, 2014 were still valid as of June 30, 2015 and 2014.

The rental income generated for the six months ended June 30, 2015 and 2014 was $75,017 thousand and $71,334 thousand, respectively.

The rental income generated for the three months ended June 30, 2015 and 2014 was $37,476 thousand and $35,971 thousand, respectively.

18. INTANGIBLE ASSETS

	For the Six Months Ended June 30, 2014					
	Technology License Fees	**Software**	**Patents**	**Goodwill**	**Technological Know-how**	**Total**
Cost						
Balance at January 1	$ 1,069,626	$ 365,709	$ 113,932	$ 30,596	$ 2,460	$ 1,582,323
Additions	64,177	10,932	297	-	-	75,406
Effect of foreign currency exchange differences	-	(521)	-	-	-	(521)
Balance at June 30	$ 1,133,803	$ 376,120	$ 114,229	$ 30,596	$ 2,460	$ 1,657,208

(Continued)

	For the Six Months Ended June 30, 2014					
	Technology License Fees	Software	Patents	Goodwill	Technological Know-how	Total
Accumulated amortization						
Balance at January 1	$ 878,004	$ 307,880	$ 58,881	$ -	$ 2,460	$ 1,247,225
Amortization expense	58,115	22,137	3,367	-	-	83,619
Effect of foreign currency exchange differences	-	(249)	-	-	-	(249)
Balance at June 30	$ 936,119	$ 329,768	$ 62,248	$ -	$ 2,460	$ 1,330,595
Net, end of period	$ 197,684	$ 46,352	$ 51,981	$ 30,596	$ -	$ 326,613

(Concluded)

	For the Six Months Ended June 30, 2015					
	Technology License Fees	Software	Patents	Goodwill	Technological Know-how	Total
Cost						
Balance at January 1	$ 700,653	$ 346,096	$ 114,229	$ 30,596	$ 2,460	$ 1,194,034
Additions	92,378	13,499	-	-	-	105,877
Decrease	(66,118)	(899)	-	-	-	(67,007)
Effect of foreign currency exchange differences	(2)	(643)	-	-	-	(645)
Balance at June 30	$ 726,911	$ 358,063	$ 114,229	$ 30,596	$ 2,460	$ 1,232,259
Accumulated amortization						
Balance at January 1	$ 524,354	$ 306,403	$ 65,616	$ -	$ 2,460	$ 898,833
Amortization expense	27,287	18,260	3,369	-	-	48,916
Decrease	(46,639)	(296)	-	-	-	(46,935)
Effect of foreign currency exchange differences	1	(377)	-	-	-	(376)
Balance at June 30	$ 505,003	$ 323,990	$ 68,985	$ -	$ 2,460	$ 900,438
Accumulated impairment						
Balance at January 1	$ 17,013	$ -	$ -	$ -	$ -	$ 17,013
Effect of foreign currency exchange differences	94,123	-	-	-	-	94,123
Balance at June 30	$ 111,136	$ -	$ -	$ -	$ -	$ 111,136
Net, beginning of period	$ 159,286	$ 39,693	$ 48,613	$ 30,596	$ -	$ 278,188
Net, end of period	$ 110,772	$ 34,073	$ 45,244	$ 30,596	$ -	$ 220,685

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

The Company recognized impairment loss on above intangible assets $94,123 thousand for the six months ended June 30, 2015.

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

	Xintec
Technology license fees	1-10 years
Software	1-10 years
Patents	8-18 years
Technological know-how	5 years

19. OTHER ASSETS

	June 30, 2015	December 31, 2014	June 30, 2014
Finance lease payables	$ 127,414	$ 132,032	$ 126,229
Pledged time deposits (Note 37)	95,529	93,116	92,812
Other financial asset	79,568	81,472	-
Refundable deposits	4,849	7,148	8,528
Prepaid long-term investments	-	63,300	59,730
Prepaid equipment payables	-	110	1,081,021
Other	123,263	153,457	193,381
	$ 430,623	$ 530,635	$ 1,561,701
Current	$ 196,738	$ 224,598	$ 264,346
Noncurrent	233,885	306,037	1,297,355
	$ 430,623	$ 530,635	$ 1,561,701

The amounts of the Group's finance lease payables for land grant in China as of June 30, 2015, December 31 2014 and June 30, 2014 were $127,414 thousand, $132,032 thousand and $126,229 thousand.

20. LOANS

Short-term borrowings

	June 30, 2015	December 31, 2014	June 30, 2014
Unsecured borrowings			
- bank loans	$ 742,701	$ 304,085	$ 744,725

The weighted average effective interest rate on the bank loans as of June 30, 2015, December 31 2014 and June 30, 2014 were 0.96%-2.5429%, 1.843%-2.2% and 0.95%-2.78%.

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	June 30, 2015	December 31, 2014	June 30, 2014
Floating rate borrowings					
Secured bank borrowing	2017.3.16	Repayable semiannually from March 2012	$ 311,110	$ 388,888	$ 466,666
Un-secured bank borrowing	2019.2.28	Repayable quarterly from February 2014	281,250	300,000	200,000
Un-secured Bank borrowing	2016.6.27	Repayable semiannually from June 2014	240,000	300,000	200,000
Un-secured bank borrowing	2017.1.10	Repayable on January 2017	182,417	199,410	-
Un-secured bank borrowing	2016.7.14	Repayable on July 2016	152,015	155,790	246,865
Un-secured bank borrowing	2015.12.18	Repayable on June 2015	152,015	155,790	100,204

(Continued)

	Maturity Date	Significant Covenant	June 30, 2015	December 31, 2014	June 30, 2014
Un-secured bank borrowing	2015.3.30	Repayable quarterly from March 2012	$ -	$ 62,500	$ 187,500
Un-secured bank borrowing	2015.1.10	Repayable on January 2015	-	-	104,213
Secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	-	-	90,000
Un-secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	-	-	90,000
			$ 1,318,807	$ 1,562,378	$ 1,685,448
Current			$ 684,988	$ 905,296	$ 926,634
Noncurrent			633,819	657,082	758,814
			$ 1,318,807	$ 1,562,378	$ 1,685,448

(Concluded)

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

The effective rate borrowings as of June 30, 2015, December 31, 2014 and June 30, 2014 were 1.865%-2.558%, 1.865%-2.752% and 1.865%-3.1%.

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

21. ACCOUNTS PAYABLE

	June 30, 2015	December 31, 2014	June 30, 2014
Notes payable			
Payable - operating	$ -	$ 100	$ -
Accounts payable			
Payable - operating	1,000,627	728,469	974,564
	$ 1,000,627	$ 728,569	$ 974,564

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

22. PROVISIONS

	June 30, 2015	December 31, 2014	June 30, 2014
Customer returns and rebates	$ 15,467	$ 21,849	$ 21,587

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

21. OTHER LIABILITIES

	June 30, 2015	December 31, 2014	June 30, 2014
Other payables			
Payable for dividend	$ 501,331	$ -	$ 130,474
Salaries and bonus	373,446	424,590	273,669
Employee bonuses and compensation payable to directors and supervisions	125,999	83,013	104,071
Payable for purchase of equipment	39,596	50,231	4,509
Unearned revenue	38,147	42,117	31,396
Labor/health insurance	26,280	28,604	32,584
Payable for commissions	21,141	10,384	21,301
Payable for royalties	10,201	38,349	24,368
Professional service fees	6,380	5,628	7,817
Others	146,074	156,398	147,755
	$ 1,288,595	$ 839,314	$ 777,944
Deferred revenue			
Arising from governments grants (Note 31)	$ 76,980	$ 79,749	$ 76,224
Others	3,838	4,937	5,237
	$ 80,818	$ 84,686	$ 81,461
Current			
- Other current liability	$ 1,286,276	$ 836,995	$ 776,645
- Deferred revenue	2,732	3,375	3,273
	$ 1,289,008	$ 840,370	$ 779,918
Noncurrent			
- Other liability	$ 2,319	$ 2,319	$ 1,299
- Deferred revenue	78,086	81,311	78,188
	$ 80,405	$ 83,630	$ 79,487

24. RETIREMENT BENEFIT PLANS

Defined contribution plans

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

Defined benefit plans

Before the promulgation of the LPA, Sunplus, Generalplus, Sunext, Sunplus Innovation, Jumplex Technology, Sunplus mMedia and iCatch of the Group had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Group makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

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

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

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Liability Arising from Defined Benefit Obligation
January 1, 2014	$ 280,781	$ 166,865	$ 113,916
Service cost			
Current service cost	1,794	-	1,794
Interest cost	5,215	2,990	2,225
Recognized gain and loss	7,009	2,990	4,019
Remeasurement			
Expected return on plan assets	-	909	(909)
Experience adjustment on actuarial gain (loss)	(8,090)	88	(8,178)
Recognized in other comprehensive profit or loss.	(8,090)	997	(9,087)
Contributions from employer	-	5,800	(5,800)
December 31, 2014	$ 279,700	$ 176,652	$ 103,048

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Cost of revenue	$ 129	$ 153	$ 246	$ 305
Marketing expenses	115	92	219	184
General and administrative expenses	218	129	409	256
Research and development expenses	368	750	(10,815)	1,505
	$ 830	$ 1,124	$ (9,941)	$ 2,250

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

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

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

25. EQUITY

a. Share capital

Common shares:

	June 30, 2015	December 31, 2014	June 30, 2014
Numbers of shares authorized (in thousands)	1,200,000	1,200,000	1,200,000
Amount of shares authorized	$ 12,000,000	$ 12,000,000	$ 12,000,000

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

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

	June 30, 2015	December 31, 2014	June 30, 2014
Number of shares issued and fully paid (in thousands)	591,995	591,995	591,995
Amount of shares issued	$ 5,919,949	$ 5,919,949	$ 5,919,949

b. Capital surplus

For each class of capital surplus, a reconciliation of the carrying amounts at the beginning and at the end of the six months ended June 30, 2015 and 2014 was as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
From the issuance of common shares	$ 703,376	$ 703,376	$ 703,376
From treasury share transactions	34,382	34,382	34,382

(Continued)

	June 30, 2015	December 31, 2014	June 30, 2014
From the acquisition of a subsidiary	$ 157,423	$ 157,423	$ 157,423
Depending on the source, may be used to offset a deficit only or may not be used for any purpose (b)			
Others	(705)	40,870	36,333
	$ 894,476	$ 936,051	$ 931,514

(Concluded)

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

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

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 NT$0.5 per share.

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

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Company expects to make consequential amendments to the Company's Articles of Incorporation to be approved during the 2016 annual shareholders' meeting. For information about the accrual basis of the employee remuneration and remuneration to directors and supervisors for the three months ended June 30, 2015 and 2014, and the six months ended June 30, 2015 and 2014, and the actual appropriations for the years ended December 31, 2014 and 2013, please refer to Employee benefits expense in Note 27-6.

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. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

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

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

The appropriations from the 2015 and 2014 earnings were approved at the shareholders’ meetings on June 12, 2015 and June 11, 2014, respectively. The appropriations, including dividends, were as follows:

	For Year 2014		**For Year 2013**	
	Appropriation of Earnings	**Dividends Per Share (NT$)**	**Appropriation of Earnings**	**Dividends Per Share (NT$)**
Legal reserve	$ -	$ -	$ 119,147	$ -
Unappropriated earnings offset losses	12,086	-	-	-
Appropriated legal Reserves	41,058	-	-	-
Special reserve	(4,806)	-	(8,116)	-
Cash dividend	355,198	0.6	-	-

d. Others equity items

1) Exchange differences on translating the financial statement of foreign operations:

	For the Six Months Ended June 30	
	2015	**2014**
Balance at January 1	$ 128,258	$ 27,108
Exchange differences arising on translating the foreign operations	(60,375)	(60,322)
Balance at June 30	$ 67,883	$ (33,214)

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

2) Unrealized gain (loss) from available-for-sale financial assets:

	For the Six Months Ended June 30	
Balance at January 1	$ 181,674	$ 172,562
Changes in fair value of available-for-sale financial assets	(237,033)	339,283
Cumulative gain reclassified to profit or loss upon disposal of available-for-sale financial assets	(53,106)	(244,625)
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	170,951	-
The proportionate share of other comprehensive income reclassified to profit or loss upon partial disposal of associates	(41)	-
Share of unrealized gain on revaluation of available-for-sale financial assets of associates and jointly controlled entities accounted for using the equity method	5,213	686
Balance at June 30	$ 67,658	$ 267,906

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. Noncontrolling interests

	For the Six Months Ended June 30	
	2015	**2014**
Balance at January 1	$ 1,598,388	$ 1,588,354
Attributable to noncontrolling interests:		
Share of profit for the year	87,999	44,286
Exchange difference arising on translation of foreign entities	(5,504)	(5,030)
Unrealized gains on available-for-sale financial assets	(392)	405
Associates' distribution of dividends	(146,133)	(130,474)
Purchase of noncontrolling interests in subsidiaries	-	(6,037)
Noncontrolling interests －restructured shares options held by subsidiaries' employees	1,577	(10,729)
Others	(42)	2,486
Balance at June 30	$ 1,535,893	$ 1,483,261

f. Treasury shares

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2014	4,915	3,560	8,475
Decrease	(4,915)	-	(4,915)
Number of shares at June 30, 2014	-	3,560	3,560
Number of shares at January 1 and June 30, 2015	-	3,560	3,560

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

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
June 30, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 60,342
December 31, 2014			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 45,568
June 30, 2014			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 42,364

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.

g. 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 June 30, 2015, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

26. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Revenue from IC	$ 2,169,831	$ 2,152,351	$ 3,949,896	$ 3,545,900
Rental income from property	37,476	35,971	75,017	71,334
Other	105,125	53,527	151,322	84,969
	$ 2,312,432	$ 2,241,849	$ 4,176,235	$ 3,702,203

27. NET PROFIT

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

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Interest income				
Bank deposits	$ 10,228	$ 10,117	$ 18,519	$ 19,051
Dividend income	2,997	700	2,997	700
Others	6,204	11,389	13,266	18,839
	$ 19,429	$ 22,206	$ 34,782	$ 38,590

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Gain on disposal of investment	$ 49,883	$ 191,830	$ 959,877	$ 244,171
Net foreign exchange losses	(26,937)	(18,085)	(46,826)	(14,002)
Net (loss) gain on financial assets designated as at FVTPL	(10)	(175)	57	(142)
Impairment loss on financial assets carried at cost	(45,748)	(92,631)	(233,997)	(92,631)
Other	3,575	2,602	8,701	5,072
	$ (19,237)	$ 83,541	$ 687,812	$ 142,468

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Interest on bank loans	$ 8,298	$ 9,833	$ 16,190	$ 17,333

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Capitalized interest	$ 3,576	$ 3,016	$ 7,278	$ 3,316
Capitalization rate	2.69%	2.63%	2.69%	2.63%

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Property, plant and equipment	$ 64,410	$ 54,952	$ 135,898	$ 120,061
Investment property	5,249	4,499	10,602	9,133
Intangible assets	28,104	39,224	48,916	83,619
	$ 97,763	$ 98,675	$ 195,416	$ 212,813
An analysis of depreciation by function				
Operating costs	$ 2,535	$ 2,814	$ 5,053	$ 5,948
Operating expenses	67,124	56,637	141,447	123,246
	$ 69,659	$ 59,451	$ 146,500	$ 129,194
An analysis of amortization by function				
Operating costs	$ 279	$ 213	$ 539	$ 401
Selling and marketing expenses	60	28	117	55
General and administrative expenses	3,842	5,198	6,464	7,863
Research and development expenses	23,923	33,785	41,796	75,300
	$ 28,104	$ 39,224	$ 48,916	$ 83,619

e. Operating expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Direct operating expenses from investment property that generated rental income	$ 5,752	$ 5,661	$ 11,508	$ 11,094
Direct operating expenses from investment property that did not generate rental income	21,303	22,250	43,373	53,261
	$ 27,055	$ 27,911	$ 54,881	$ 64,355

f. Employee benefit expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Post-employment benefit				
Defined contribution plans	$ 13,052	$ 14,838	$ 27,165	$ 29,937
Defined benefit plans (Note 24)	830	1,124	(9,941)	2,250
Other employee benefit	423,794	588,066	1,155,738	1,091,846
Total employee benefit expense	$ 437,676	$ 604,028	$ 1,172,962	$ 1,124,033
An analysis of employee benefit expense by function				
Operating costs	$ 41,288	$ 38,607	$ 81,757	$ 77,547
Operating expenses	396,388	565,421	1,091,205	1,046,486
	$ 437,676	$ 604,028	$ 1,172,962	$ 1,124,033

Under the Company Act as amended in May 2015, the Company's Articles of Incorporation should stipulate a fixed amount or ratio of annual profit to be distributed as employee remuneration. However, the Company has not made consequential amendments to its policies for distribution of employee remuneration. The bonus to employees and remuneration to directors and supervisors are contributed with a fixed ratio of net income (net of the bonus and remuneration), were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Bonus to employees	$ 841	$ -	$ 2,312	$ -
Remuneration to directors and supervisors	1,262	-	3,468	-

In response to the articles of incorporation, the Company should appropriate 6% of net income for stock dividend in priority. So, there is no need to appropriate bonus to employees are remuneration to directors and supervisors.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of bonuses to employees and remuneration to directors and supervisors for 2014 and 2013 have been approved in the shareholders' meetings on June 12, 2015 were as follows:

	For the Year Ended December 31	
	2014	
	Cash Dividends	Share Dividends
Bonus to employees	$ 191	$ -
Remuneration of directors and supervisors	287	-

The bonus to employees and the remuneration to directors and supervisors for the years ended December 31, 2014 approved in the shareholders' meetings on June 12, 2015 and the amounts recognized in the financial statements for the years ended December 31, 2014 was as follows:

	For the Year Ended December 31, 2014	
	Bonus to Employees	**Remuneration of Directors and Supervisors**
Amounts [proposed by the board of directors/approved in shareholders' meetings]	$ 191	$ 287
Amounts recognized in respective financial statements	110	165

The differences were adjusted to profit and loss for the six months ended June 30, 2015 and 2014.

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

g. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
Foreign exchange gains	$ 28,935	$ 6,826	$ 39,711	$ 41,772
Foreign exchange losses	(55,872)	(24,911)	(86,537)	(55,774)
	$ (26,937)	$ (18,085)	$ (46,826)	$ (14,002)

28. INCOME TAXES

a. Integrated income tax

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
Current tax				
Current period	$ 19,718	$ 20,985	$ 37,578	$ 19,049
Prior periods	(480)	(5,013)	(480)	(5,013)
Others	543	306	1,462	2,107
	19,781	16,278	38,560	16,143
Deferred tax				
Current period	5,930	(692)	(4,394)	4,853
Others	(98)	(122)	(98)	(122)
	5,832	(814)	(4,492)	4,731
Income tax expense (benefit) recognized in profit or loss	$ 25,613	$ 15,464	$ 34,068	$ 20,874

b.

	June 30, 2015	December 31, 2014	June 30, 2014
Imputation credits accounts	$ 373,946	$ 372,426	$ 339,960

	For the Year Ended December 31 2014 (Expected)
Creditable ratio for distribution of earning	20.48%

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

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

Income tax assessments

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

29. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Basic earnings per share				
From continuing operations	$ 0.16	$ 0.45	$ 1.15	$ 0.62
From discontinued operations	-	(0.11)	(0.04)	(0.27)
Total basic earnings per share	$ 0.16	$ 0.34	$ 1.11	$ 0.35

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Diluted loss per share				
From continuing operations	$ 0.16	$ 0.45	$ 1.15	$ 0.62
From discontinued operations	-	(0.11)	(0.04)	(0.27)
Total diluted earnings per share	$ 0.16	$ 0.34	$ 1.11	$ 0.35

(Concluded)

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Profit for the period attributable to owners of the Group	$ 93,520	$ 200,339	$ 651,579	$ 208,799
Earnings used in the computation of basic EPS	93,520	200,339	651,579	208,799
Less: Profit for the period from discontinued operations used in the computation of basic EPS from discontinued operation	-	(66,446)	(27,845)	(153,483)
Earnings used in the computation of diluted earnings per share	93,520	266,785	679,424	362,282
Effect of potentially dilutive ordinary shares				
Bonus to employee				
Earnings used in the computation of diluted EPS from continuing operation	-	-	-	-
	$ 93,520	$ 266,785	$ 679,424	$ 362,282

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Profit for the period attributable to owners of the Group	$ 588,435	$ 588,435	$ 588,435	$ 588,435
Effect of dilutive potential common shares:				
Employee share option or employee remuneration	197	-	197	-
Earnings used in the computation of diluted earnings per share	$ 588,632	$ 588,435	$ 588,632	$ 588,435

The Group can settle bonus or remuneration to employees in cash or shares; thus, the Group assumed the entire amount of the bonus or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted stock plan

In their meeting on June 28, 2012, the shareholders of Sunplus Innovation Techology Inc. (SITI) approved a plan on a restricted employee stock ownership plan (ESOP), through which employees would receive 2,400 thousand shares amounting to $24,000 thousand, with no up-front cost and at a par value of $10.00; the Financial Supervisory Commission approved this plan on June 28, 2013.

On August 7, 2013, under the board of directors' approval, SITI executed the restricted ESOP, through which employees received 1,000 thousand shares at a par value of $10.00 with no up-front cost. On August 15, 2013, which was both the grant date and the ESOP execution date, the fair value of each share was NT$8.7699.

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

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

a. 50% shareholding ratio after the second anniversary from the grant date;

b. 50% of the shareholding ratio after the third anniversary from the grant date.

The restrictions under the ESOP are as follows:

a. During the duration of the restricted ESOP, the employee may not vend, discount, transfer, grant, enact, or any other methods.

b. During the duration of the restricted ESOP, employees will still receive stock and/or cash dividends, and also have rights to join the capital increase by cash plan (if any).

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

iCatch Technology Inc.

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

Information about the iCatch's outstanding options for the year ended June 30, 2015 was as follows:

	Year ended June 30, 2015	
	Number of Options (In Thousands)	**Weighted Average Exercise Price (NT$)**
Share-Based Payment		
Balance, beginning of period	7,500	$ 10
Balance, end of period	5,929	10

As of June 30, 2015, information about iCatch's outstanding and exercisable options was as follows:

2013 First time executed:

	Outstanding Options			Options Exercisable	
Range of Exercise Price (NT$)	**Number Outstanding (Thousands)**	**Remaining Contractual Life (In Years)**	**Exercise Price (NT$/Per Share)**	**Number Exercisable (Thousand)**	**Exercise Price (NT$/Per Share)**
$10	5,929	4.17	$10	-	$ -

2013 second time executed:

	Outstanding Options			Options Exercisable	
Exercise Price (NT$)	**Number Outstanding (Thousands)**	**Remaining Contractual Life (In Years)**	**Exercise Price (NT$/Per Share)**	**Number Exercisable (Thousands)**	**Exercise Price (NT$/Per Share)**
$10	1,571	5.08	$10	-	$ -

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

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

31. GOVERNMENT GRANTS

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

The total revenue recognized as profit for the years ended June 30, 2014 was 893 thousand.

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

32. DISPOSAL OF SUBSIDIARIES

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

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

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

33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

Sunplus

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

Future annual minimum rentals under the leases are as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Up to 1 year	$ 7,833	$ 6,665	$ 8,034
Over 1 year to 5 years	31,262	18,992	19,267
Over 5 years	49,600	7,501	9,876
	$ 88,695	$ 33,158	$ 37,177

Sunplus Innovation

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

The future lease payables are as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Up to 1 year	$ 9,961	$ 9,961	$ 9,961
Over 1 year to 5 years	15,900	20,880	25,861
	$ 25,861	$ 30,841	$ 35,822
Refundable deposits	$ 1,660	$ 1,660	$ 1,660

Generalplus

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

Future annual minimum rentals under the leases are as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Up to 1 year	$ 1,474	$ 1,474	$ 1,474
Over 1 year to 5 years	5,896	5,896	5,896
Over 5 years	737	1,474	2,211
	$ 8,107	$ 8,844	$ 9,581

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

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

The future lease payments are as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Up to 1 year	$ 2,154	$ 2,962	$ 2,962
Over 1 year to 5 years	-	493	1,975
	$ 2,154	$ 3,455	$ 4,937
Refundable deposits	$ 521	$ 521	$ 521

The Group as lessor

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

As of June 30, 2015, December 31, 2014, June 30, 2014 deposits received under operating leases amounted to $24,443 thousand, $25,981 thousand and $23,026 thousand, respectively.

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

	June 30, 2015	December 31, 2014	June 30, 2014
Up to 1 year	$ 83,764	$ 108,118	$ 108,081
Over 1 to 5 years	45,932	71,230	102,834
	$ 129,696	$ 179,348	$ 210,915

34. CAPITAL MANAGEMENT

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

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

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

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

	June 30, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 331,076	$ -	$ 241,005	$ -
Debt investment with no active market	15,313	-	14,903	-

	June 30, 2014	
	Carrying Amount	Fair Value
Financial assets		
Financial assets carried at cost	$ 248,888	$ -
Financial assets carried at cost	14,903	-

b. Fair value measurements recognized in the condensed balance sheets

June 30, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 22,942	$ -	$ -	$ 22,942
Available-for-sale financial assets				
Mutual funds	$ 933,283	$ -	$ -	$ 933,283
Securities listed in the ROC	-	-	-	-
Securities listed overseas	2,329,707	-	-	2,329,707
	$ 3,262,990	$ -	$ -	$ 3,262,990

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 14,830	$ -	$ -	$ 14,830
Available-for-sale financial assets				
Mutual funds	$ 911,450	$ -	$ -	$ 911,450
Securities listed in the ROC	804,644	-	-	804,644
Securities listed overseas	-	-	-	-
	$ 1,716,094	$ -	$ -	$ 1,716,094

June 30, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 12,852	$ -	$ -	$ 12,852
Available-for-sale financial assets				
Mutual funds	$ 1,423,560	$ -	$ -	$ 1,423,560
Securities listed in the ROC	856,855	-	-	856,855
Securities listed overseas	7,312	-	-	7,312
	$ 2,287,727	$ -	$ -	$ 2,287,727

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

c. Categories of financial instruments

	June 30, 2015	December 31, 2014	June 30, 2014
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 22,942	$ 14,830	$ 12,852
Loans and receivables (i)	5,918,370	5,554,870	5,513,364
Available-for-sale financial assets	3,594,066	1,957,099	2,536,615
Financial liabilities			
Measured at amortized cost (ii)	3,266,784	2,816,779	3,610,029

(i) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, trade and other receivables, and refundable deposits. Those reclassified to held-for-sale disposal groups are also included.

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

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

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

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

	USD impact	
	For the Six Months Ended June 30	
	2015	**2014**
Profit or loss	$ (22,645)	$ 6,517

	RMB impact	
	For the Six Months Ended June 30	
	2015	**2014**
Profit or loss	$ (84,382)	$(114,712)

b) Interest rate risk

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

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

	June 30, 2015	December 31, 2014	June 30, 2014
Fair value interest rate risk			
Financial assets	$ 2,063,615	$ 2,756,009	$ 2,180,425
Financial liabilities	481,240	148,295	598,063
Cash flow interest rate risk			
Financial assets	1,638,755	899,131	1,232,454
Financial liabilities	1,580,268	1,718,168	1,832,110

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.125% basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the six months ended June 30, 2015 and 2014 would decrease/increase by $73 thousand and $750 thousand.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.
The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.
If equity prices had been 1% higher/lower, post-tax profit for the three months ended June 30, 2015 and 2014 would have increased/decreased by $32,630 thousand and $22,877 thousand.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognized financial assets as stated in the condensed balance sheets.
In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk was significantly reduced.

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

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.
The Group's concentration of credit risk of 49%, 56% and 54% in total trade receivables as of June 30, 2015, December 31, 2014 and June 30, 2014, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2015, December 31, 2014 and June 30, 2014, the Group had available unutilized overdraft and financing facilities refer to the following b) Financing facilities.

a) Liquidity and interest risk rate tables

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

June 30, 2015

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 422,031	$ 1,140,070	$ 26,797	$ 20,520	$ -
Floating interest rate liabilities	1.865-2.558	469	96,528	794,120	633,819	-
Fixed interest rate liabilities	0.8-2.5429	209,248	218,866	55,847	116,549	143,329
		$ 631,748	$ 1,455,464	$ 876,764	$ 770,888	$ 143,329

December 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year-5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 171,950	$ 657,975	$ 48,899	$ 36,636	$ -
Floating interest rate liabilities	1.865-2.752	783	140,278	350,556	560,554	-
Fixed interest rate liabilities	0.8-2.2	10	265	135,341	666,780	149,588
		$ 172,743	$ 798,518	$ 534,796	$ 1,263,970	$ 149,588

June 30, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year-5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 454,345	$ 930,298	$ 104,150	$ 34,496	$ -
Floating interest rate liabilities	1.865-3.1	891	170,278	405,278	658,610	-
Fixed interest rate liabilities	0.8-2.78	354,022	230,365	23,760	597,943	192,986
		$ 809,258	$ 1,330,941	$ 533,188	$ 1,291,049	$ 192,986

b) Financing facilities

	June 30, 2015	December 31, 2014	June 30, 2014
Unsecured bank overdraft facility			
Amount used	$ 2,270,680	$ 2,129,373	$ 3,521,993
Amount unused	4,812,200	3,954,250	2,776,779
	$ 7,082,880	$ 6,083,623	$ 6,298,772

36. TRANSACTIONS WITH RELATED PARTIES

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

a. Operating revenue

Account Items	Related Parties Types	For the Three Months Ended June 30 2015	For the Three Months Ended June 30 2014	For the Six Months Ended June 30 2015	For the Six Months Ended June 30 2014
Sales of goods	Associates	$ -	$ 14,788	$ -	$ 31,000
	Joint ventures	11,654	11,324	58,779	21,075
		$ 11,654	$ 26,112	$ 58,779	$ 52,075

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

b. Purchase of good

Related Party	For the Three Months Ended June 30 2015	For the Three Months Ended June 30 2014	For the Six Months Ended June 30 2015	For the Six Months Ended June 30 2014
Joint ventures	$ -	$ 958	$ -	$ 958

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

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

Account Item	Related Party	June 30, 2015	December 31, 2014	June 30, 2014
Trade receivables	Associates	$ -	$ 8,772	$ 10,529
	Joint ventures	57,278	6,142	8,592
		$ 57,278	$ 14,914	$ 19,121
Other receivable	Associates	$ 24,688	$ 35,354	$ 94,656
	Joint ventures	4,559	1,556	1,576
		$ 29,247	$ 36,910	$ 96,232

There were no guarantees on outstanding receivables from related parties.

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

Account Item	Related Party	June 30, 2015	December 31, 2014	June 30, 2014
Accounts payable	Joint ventures	$ -	$ -	$ 1,002
Other current liabilities	Joint ventures	$ -	$ 25,330	$ -

There were no guarantees on outstanding receivables from related parties.

e. Property, plant and equipment disposal

Related Party	Proceeds of the Disposal of Assets		Gain on Disposal of Assets	
	Six Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Joint ventures	$ -	$ 4	$ -	$ -

f. Other transactions with related parties

Account Item	Related Party	June 30, 2015	December 31, 2014	June 30, 2014
Deferred income	Associates	$	$ 1,099	$ 1,398

Account Item	Related Parties Types	Three Months Ended June 30		Six Months Ended June 30	
		2015	2014	2015	2014
Operating expenses	Joint ventures	$ 13,734	$ -	$ 13,929	$ 14,035
Nonoperating income and expenses	Joint ventures	$ 3,924	$ 4,729	$ 8,088	$ 9,383
	Associates	-	306	-	523
		$ 3,924	$ 5,035	$ 8,088	$ 9,906

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

g. Compensation of directors, supervisors and management personnel:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Salaries and Incentives	$ 8,717	$ 9,995	$24,092	$26,316
Special compensation	754	968	1,656	1,792
	$ 9,471	$10,963	$25,748	$28,108

Compensation of directors and other supervisors is decided by the Remuneration Committee based on individual performance and market trend.

37. PLEDGED OR MORTGAGED ASSETS

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

	June 30, 2015	December 31, 2014	June 30, 2014
Buildings, net	$ 683,146	$ 693,056	$ 702,966
Pledged time deposits (classified as other assets, current and noncurrent)	95,529	93,116	92,812
Subsidiary's holding of Sunplus' stock	57,366	43,321	40,275
Focal Tech Systems	-	248,207	473,133
	$ 836,041	$ 1,077,700	$ 1,309,186

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

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

June 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 86,097	4.973	$ 428,160
USD	84,475	30.86	2,606,899
JPY	777	0.252	196
HKD	120	3.98	478
EUR	2	34.46	138
GBP	3	48.48	145

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Nonmonetary items			
USD	$ 1,689	30.86	$ 52,123
EUR	510	34.46	17,575
Financial liabilities			
Monetary items			
USD	61,830	30.86	1,908,074
CNY	1,715	4.973	8,529

(Concluded)

December 31, 2014

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

June 30, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 115,487	4.811	$ 555,608
USD	66,155	29.865	1,975,719
JPY	639	0.2946	188
HKD	162	3.853	624
GDR	3	50.87	153
EUR	2	40.78	82

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Nonmonetary items			
USD	$ 1,758	29.865	$ 52,503
EUR	510	40.78	20,798
Financial liabilities			
Monetary items			
USD	72,672	29.865	2,170,349
CNY	775	4.811	3,729

(Concluded)

The foreign currency exchange loss (realized and unrealized) was $26,937 thousand and $18,085 thousand for the three months ended June 30, 2015 and 2014, respectively. The foreign currency exchange loss (realized and unrealized) was $46,826 thousand and $14,002 thousand for the six months ended June 30, 2015 and 2014, respectively. Due to the diversity of the functional currencies used by entities in the group, the Group was unable to disclose foreign currency with significant influence.

39. ADDITIONAL DISCLOSURES

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

   1) Financings provided: Table 1 (attached)

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

   3) Marketable securities held: Table 3 (attached)

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

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

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)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)

      a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

      b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by subsegment and operating results for the six months ended June 30, 2015 and 2014 are shown in the accompanying consolidated income statements, and the assets by segment as of June 30, 2015 and 2014 are shown in the accompanying consolidated balance sheets.

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED
(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		
1	Ventureplus Cayman Inc.	Sunplus Prof-tek Technology (Shenzhen)	Other receivables	Yes	$ 45,403	$ 45,403	$ 45,403	2.37%	Note 1	$ -	Note 2	$ -	-	$ -	$ 192,478 (Note 5)	$ 384,956 (Note 5)
1	Ventureplus Cayman Inc.	Ytrip Technology Co., Ltd.	Other receivables	Yes	20,094	20,094	3,045	2.40%	Note 1	-	Note 3	-	-	-	96,239 (Note 6)	192,478 (Note 6)
2	Sunplus Technology (Shanghai) Co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	111,006	111,006	111,006	2.35%	Note 1	-	Note 4	-	-	-	290,883 (Note 7)	290,883 (Note 7)

Note 1: Short-term financing.

Note 2: Ventureplus Cayman Inc. provided funds to Sunplus Prof-tek Technology (Shenzhen) for its needs in operation.

Note 3: Ventureplus Cayman Inc. provided funds to Ytrip Technology Co., Ltd. for its needs in operation.

Note 4: Sunplus Technology (Shanghai) Co., Ltd. provided funds to Sun Media Technology Co., Ltd. for its needs in operation.

Note 5: The foreign company has voting shares that are directly and indirectly wholly owned by the Group’s parent company. The total amount of all guarantees issued should not exceed 20% of Ventureplus Cayman Inc. net equity based on the latest financial statements, and the individual amounts of the guarantee should not exceed 10% of Ventureplus Cayman Inc. net equity based on the latest financial statements; in addition, the guarantee period should not exceed two years.

Note 6: The amount should not exceed 10% of Ventureplus Cayman Inc. net equity based on the latest financial statements, and the individual amounts of the guarantee should not exceed 5% of Ventureplus Cayman Inc. net equity based on the latest financial statements.

Note 7: The foreign company has voting shares that are directly and-indirectly wholly owned by the Group’s parent company. The total amount of all guarantees issued and the individual amounts of the guarantee should not exceed 60% of Sunplus Technology (Shanghai) Co., Ltd. net equity as of the latest financial statements; in addition, the guarantee period should not exceed two years.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/Guarantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
0 (Note 1)	Sunplus Technology Company Limited (the Company)	Sun Media Technology Co., Ltd.	3 (Note 3)	$ 940,634 (Note 4)	$ 809,890	$ 809,890	$ 809,890	$ -	8.61	$ 1,881,268 (Note 5)	Yes	No	Yes
		Ventureplus Cayman Inc.	3 (Note 3)	940,634 (Note 4)	156,300	156,300	78,175	-	1.66	1,881,268 (Note 5)	Yes	No	No
		Ytrip Technology Co., Ltd.	3 (Note 3)	940,634 (Note 4)	62,370	62,370	62,370	-	0.66	1,881,268 (Note 5)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 2)	940,634 (Note 4)	40,000	40,000	40,000	-	0.43	1,881,268 (Note 5)	Yes	No	No

Note 1: Issuer.

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

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

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

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

TABLE 3

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	June 30, 2015				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	$ 318,051	2	$ 318,051	Note 2
	RITEK Corp.	-	Available-for-sale financial assets	5,000	16,349	-	16,349	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	25,678	-	25,678	Note 2
	FolcalTech Inc.		Available-for-sale financial assets	47,290	1,657,514	11	1,657,514	Note 2
	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	162,889	-	162,889	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	577	9,876	-	9,876	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	50,959	-	50,959	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,484	-	30,484	Note 3
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,478	-	30,478	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,346	-	5,346	Note 3
	Franklin Global Fduntl Start Fund	-	Available-for-sale financial assets	13	5,155	-	5,155	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	5,585	-	5,585	Note 3
	Network Capital Global Fund	-	Financial assets carried at cost	380	3,800	7	3,800	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	87,548	1	87,548	Note 2
	Radiant Innovation Inc.	-	Available-for-sale financial assets	3,043	63,292	7	63,292	Note 2
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	60,342	1	60,342	Notes 2 and 4
	RITEK Technology Co., Ltd.	-	Available-for-sale financial assets	833	2,725	-	2,725	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	60	256	-	256	Note 2
	Asolid Technology Co., Ltd.	-	Available-for-sale financial assets	100	5,074	-	5,074	Note 2
	China Airlines Ltd.	-	Available-for-sale financial assets	1,000	13,150	-	13,150	Note 2
	SinoPac RMB Money Market Fund	-	Available-for-sale financial assets	1,000	10,198	-	10,198	Note 3
	Yuanta Global Equity Income Fund	-	Available-for-sale financial assets	5,000	50,075	-	50,075	Note 3
Lin Shih Investment Co., Ltd.	KGI Economic Moat., Ltd.	-	Available-for-sale financial assets	100	1,117	-	1,117	Note 3
	Nomura Taiwan Money Market Fund	-	Available-for-sale financial assets	624	10,035	-	10,035	Note 3
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,036	11,152	10	11,152	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	3,676	5	3,676	Note 1
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 1
	Chain Sea Information Integration Co., Ltd.	-	Financial assets carried at cost	56	1,121	1	1,121	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	-	7	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	103	-	1	-	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	8	-	-	-	Note 1
	AWEA MECHANTRONIC CO., LTD. -CB	-	Financial assets at fair value through profit or loss - current	20	1,990	-	1,990	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	June 30, 2015				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	Ubright Optright Corporation-CB	-	Financial assets at fair value through profit or loss - current	20	$ 1,970	-	$ 1,970	Note 2
	Everlight Electronics Co., Ltd.-CB	-	Financial assets at fair value through profit or loss - current	80	7,992	-	7,992	Note 2
	T3EX Global Holdings Corp.-CB	-	Financial assets at fair value through profit or loss - current	30	3,150	-	3,150	Note 2
	CHILISIN ELECTRONICS CORP.-CB	-	Financial assets at fair value through profit or loss - current	80	7,840	-	7,840	Note 2
Russell Holdings Limited	<u>Stock</u>							
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	40,899	-	40,899	Notes 1 and 6
					(US$ 1,325)		(US$ 1,325)	
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	1,576	5	1,576	Notes 1 and 6
					(US$ 51)		(US$ 51)	
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	1,622	15	1,622	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
	Synerchip Inc.	-	Financial assets carried at cost	6,452	-	12	-	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	62,814	1	62,814	Note 2
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	65,778	-	65,778	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	351	1,506	-	1,506	Note 2
	Aruba Networks, Inc.	-	Available-for-sale financial assets	4	-	-	-	Note 1
	FolcalTech Inc.	-	Available-for-sale financial assets	865	30,325	-	30,325	Note 2
	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets	1,250	33,688	-	33,688	Note 2
	Bond	-	Non-active market bond investment	1	15,313	-	15,313	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
Sunplus Venture Capital Co., Ltd.	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	13,691	Note 1
	Touch Screen Glass Technology Co., Ltd.	-	Financial assets carried at cost	4,500	45,000	18	45,000	Note 1
	Taiwan Environmental Scientific Co., Ltd.	-	Financial assets carried at cost	650	20,400	3	20,400	Note 1
	Dawning Leading Technology Inc.		Financial assets carried at cost	3,000	42,000	1	42,000	Note 1
	Qun-Xin Venture Capital		Financial assets carried at cost	3,000	30,000	6	30,000	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 Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	June 30, 2015				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	2,580	$ 12,836 (RMB$ 2,581)	-	$ 12,836 (RMB$ 2,581)	Notes 3 and 6
	CHONGQING CHONG YOU INFORMATION TECHNOLOGY CO., LTD.	-	Financial assets carried at cost	-	-	3	-	Note 1
Wei-Young Investment Inc.	Elitegroup Computer Systems	-	Available-for-sale financial assets	238	7,474	-	7,474	Note 2
Generalplus Technology Inc.	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	10,726	160,150	-	160,150	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,955	30,055	-	30,055	Note 3
	Union Money Market Fund		Available-for-sale financial assets	6,917	90,022	-	90,022	Note 3
	Jih Sun Money Market Fund		Available-for-sale financial assets	1,372	20,004	-	20,004	Note 3
	Nomura Taiwan Money Market Fund		Available-for-sale financial assets	7,219	116,042	-	116,042	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,301	34,349	-	34,349	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	1,100	11,182	-	11,182	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	15,391	10	15,391	Note 1
	Point Grab Ltd.	-	Financial assets carried at cost	182	45,151	4	45,151	Note 1
	Fund							
	Yuanta RMB Money Market	-	Available-for-sale financial assets	5,737	61,300	-	61,300	Note 3
	Fubon China Money Market	-	Available-for-sale financial assets	2,383	25,146	-	25,146	Note 3

Note 1: The market value was based on carrying value as of June 30, 2015.

Note 2: The Market value was based on the closing price as of June 30, 2015.

Note 3: The market value was based on the net asset value of fund as of June 30, 2015.

Note 4: As of June 30, 2015, the above marketable securities, except the holdings of Lin Shih Investment Co., Ltd. of the shares of Sunplus Technology Company Limited with a market value $57,366 thousand had not been pledged or mortgaged.

Note 5: The market value was based on Amortized cost as of June 30, 2015.

Note 6: The exchange rate was based on the exchange rate as of June 30, 2015.

(Continued)

TABLE 4

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
SIX MONTH ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Six Months ended June 30, 2015

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Technology Co., Ltd. (“parent company”)	Generalplus Technology Corp.	1	Sales	$ 3,088	Note 1	0.07
			Nonoperating income and gains	1	Note 2	-
			Notes and accounts receivable	1,243	Note 1	0.01
			Other receivables	104,508	Note 3	0.66
	Sunext Technology Co., Ltd.	1	Sales	343	Note 1	0.01
			Nonoperating income and gains	4,871	Notes 2 and 4	0.12
			Notes and accounts receivable	85	Note 1	-
			Other receivables	809	Note 3	0.01
	Sunplus Innovation Technology Inc.	1	Sales	240	Note 1	0.01
			Nonoperating income and gains	2,055	Note 2	0.05
			Notes and accounts receivable	78	Note 1	-
			Other receivables	1,053	Note 3	0.01
	iCatch Technology, Inc.	1	Sales	3,980	Note 1	0.10
			Nonoperating income and gains	6,509	Notes 2 and 4	0.16
			Notes and accounts receivable	1,590	Note 1	0.01
			Other receivables	1,092	Note 3	0.01
	Sunplus Technology (H.K.) Co., Ltd.	1	Marketing expense	573	Note 2	0.01
			Other accrued expense	443	Note 3	-
	Jumplux Technology Co., Ltd.	1	Other receivables	257	Note 3	-
			Non operating income and gain	1,495	Note 2	0.04
			Sales	1,050	Note 1	0.03
	Sunplus mMedia Inc.	1	Accrued expense	306	Note 3	-
			Notes and accounts receivable	211	Note 1	-
			Other receivables	1,276	Note 3	0.01
			Sales	402	Note 1	0.01
			Marketing expenses	262	Note 1	0.01
			Non operating income and gain	1,631	Note 2	0.04
Sunext Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Research and development	1,245	Note 2	0.03
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Marketing expenses	566	Note 2	0.01
			Accrued expense	1,265	Note 3	0.01
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	13,546	Note 2	0.32
			Accrued expense	7,729	Note 3	0.05

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Generalplus Technology Corp.	Sunplus Innovation Technology Inc.	2	Intangible assets	$ 293	Note 2	-
			Marketing expenses	1,755	Note 2	0.04
	Generaplus Technology (H.K.) Corp.	2	Marketing expense	6,799	Note 2	0.16
			Accrued expense	1,966	Note 3	0.01
	Generalplus Technology (Shenzhen) corp.	2	Research and development	45,657	Note 2	1.09
			Accrued expense	22,501	Note 3	0.14
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	11,491	Note 2	0.28
			Accrued expenses	5,834	Note 3	0.04
	SunMedia Technology Co., Ltd.	2	Marketing expenses	14,027	Note 2	0.34
			Accrued expenses	6,961	Note 3	0.04
	Sunplus Technology (Beijing)	2	Marketing expenses	78	Note 2	-
			Accrued expenses	78	Note 3	-
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Interest income	35	Note 2	-
			Other receivables	108,411	Note 3	0.69
Sunplus mMedia Inc.	Sunplus Technology (Beijing)	2	Accrued expense	137	Note 3	-
			Research and development	172	Note 2	-
VENTUREPLUS CAYMAN INC.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other receivables	45,403	Note 3	0.29
	Ytrip Technology Co., Ltd.	2	Other receivables	3,045	Note 3	0.02
Lin Shih Investment Co., Ltd.	Generalplus Technology Corp.	2	Other receivables	41,698	Note 3	0.27
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Corp.	2	Other receivables	12,043	Note 3	0.08
Wei-Young Investment Inc.	Generalplus Technology Corp.	2	Other receivables	302	Note 3	-

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

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

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

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

Note 5: 1 - From parent company to subsidiary.
2 - Between subsidiaries.

(Concluded)

TABLE 5

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2015			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2015	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	$ 2,481,529 (US$ 74,305 RMB$37,900)	$ 2,481,529 (US$ 74,305 RMB$37,900)	-	100	$ 1,808,090	$ (72,504)	$ (72,504)	Subsidiary (Note 2)
	FolcalTech Inc.	Hsinchu, Taiwan	Design of ICs	-	536,298	-	-	-	-	-	Investee
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	315,658	315,658	8,229	13	337,242	69,822	9,121	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	732,184	41,420	41,420	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	649,105	176,516	60,545	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	687,836	32,157	32,157	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	63	509,088	(10,782)	(6,743)	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	455,494 (US$ 14,760)	455,494 (US$ 14,760)	14,760	100	272,883	(62,585)	(62,585)	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	209,959	36,546	13,778	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	106,425	(3,726)	(2,278)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	357,565	307,565	17,441	87	70,292	(21,759)	(18,514)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,072	(19)	(19)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	44,079 (HK$ 11,075)	44,079 (HK$ 11,075)	11,075	100	244	(3,991)	(3,991)	Subsidiary (Note 2)
	Magic Sky Limited	Samoa	Investment	202,442 (US$ 6,560)	196,270 (US$ 6,360)	-	100	3,347	(3,119)	(3,119)	Subsidiary (Notes 1 and 2)
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	2,141	(30,138)	(685)	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	30,173	7,686	7,686	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	16,056	180	180	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	260,598	176,516	24,158	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	9,246	(3,726)	(197)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,213	(10,782)	(230)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,899	36,546	641	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,048	650	3	7,140	(21,759)	(825)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,788	132,788	9,591	24	22,709	(30,138)	(7,226)	Investee
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	88,306	176,516	6,977	Subsidiary
	FolcalTech Inc.	Hsinchu, Taiwan	Design of ICs	-	10,800	-	-	-	-	-	Investee
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	48,084	(10,782)	(623)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	33,181	36,546	2,147	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	12,136	(3,726)	(260)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	10	5,716	(21,759)	(2,421)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	133,846	133,846	10,001	25	23,464	(30,138)	(7,535)	Investee
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	65,392 (US$ 2,119)	65,392 (US$ 2,119)	442	1	1,211 (US$ 39)	(3,726)	(27) (US$ 1)	Subsidiary (Note 2)
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	1,800	1,800	108	-	1,805	176,516	175	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	49	(3,726)	(1)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2015			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2015	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	$ 2,481,529 (US$ 74,305 RMB$37,900)	$ 2,481,529 (US$ 74,305 RMB$37,900)	-	100	$ 1,808,071	$ (72,503)	$ (72,503)	Subsidiary (Note 2)
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,481,529 (US$ 74,305 RMB$37,900)	2,481,529 (US$ 74,305 RMB$37,900)	-	100	1,808,049	(72,502)	(72,502)	Subsidiary (Note 2)
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	589,117 (US$ 19,090)	589,117 (US$ 19,090)	19,090	100	492,523	1,254	1,254	Subsidiary (Note 2)
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	589,117 (US$ 19,090)	589,117 (US$ 19,090)	19,090	100	492,521	1,254	1,254	Subsidiary (Note 2)
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	12,035 (US$ 390)	12,035 (US$ 390)	-	100	4,996	(1,129)	(1,129)	Subsidiary (Note 2)
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	8,167 (EUR 237)	8,167 (EUR 237)	237	100	-	-	-	Subsidiary (Note 2)
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	$ 32,000	$ 32,000	32,000	80	20,238	(4,148)	(3,318)	Subsidiary (Note 2)

Note 1: Current capital registration has not been completed.

Note 2: The initial exchange rate was based on the exchange rate as of June 30, 2015.

(Concluded)

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2015	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of June 30, 2015	Accumulated Inward Remittance of Earnings as of June 30, 2015
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	$ 530,792 (US$ 17,200)	Note 1	$ 544,833 (US$ 17,655)	$ -	$ -	$ 544,833 (US$ 17,655)	100%	$ 21,148	$ 21,148	$ 494,477	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	995,235 (US$ 32,250)	Note 1	995,235 (US$ 32,250)	-	-	995,235 (US$ 32,250)	100%	(11,984)	(11,984)	905,093	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	617,200 (US$ 20,000)	Note 1	617,200 (US$ 20,000)	-	-	617,200 (US$ 20,000)	100%	(29,841)	(29,841)	293,160	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	74,595 (RMB$ 15,000)	Note 1	67,814 (US$ 586 RMB$ 10,000)	-	-	67,814 (US$ 586 RMB$ 10,000)	93%	(11,035)	(10,299)	55,551	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	161,623 (RMB$ 32,500)	Note 1	115,725 (US$ 3,750)	-	-	115,725 (US$ 3,750)	73%	(35,607)	(25,815)	(37,873)	-
Sunplus Technology (Beijing)	Design of software	134,271 (RMB$ 27,000)	Note 1	134,271 (RMB$ 27,000)	-	-	134,271 (RMB$ 27,000)	100%	(15,309)	(15,309)	96,855	-

Accumulated Investment in Mainland China as of June 30, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 2,475,078 (US$ 74,241 RMB$ 37,000)	$ 2,491,094 (US$ 74,760 RMB$ 37,000)	$5,643,803

(Continued)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2015	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 3)	Carrying Value as of June 30, 2015	Accumulated Inward Remittance of Earnings as of June 30, 2015
					Outflow	Inflow						
Generalplus Shenzhen	Data processing service	$ 577,082 (US$ 18,700)	Note 1	$ 577,082 (US$ 18,700)	$ -	$ -	$ 577,082 (US$ 18,700)	100%	$ 2,383	$ 2,383	$ 487,505	$ -

Accumulated Investment in Mainland China as of March 31, 2015	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
$ 577,082 (US$ 18,700)	$ 577,082 (US$ 18,700)	$1,154,299

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

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

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

Note 4: The initial exchange rate was based on the exchange rate as of June 30, 2015.

(Concluded)

TABLE 7

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Term	Comparison with Market Transactions	Ending Balance	%		
Generalplus Technology (Shenzhen) Corp.	Development and processing services	$ 45,657	19%	Based on contract	Based on contract	Not comparable with market transactions	$22,501	83%	$ -	NA