

**Sunplus Technology Company Limited  
and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2020 and 2019 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Sunplus Technology Company Limited

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2020 and 2019, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standard No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2020 and 2019, combined total assets of these non-significant subsidiaries were NT\$4,140,467 thousand and NT\$4,085,977 thousand, respectively, representing 37% and 34%, respectively, of the total consolidated assets, and their combined total liabilities were NT\$351,452 thousand and NT\$314,730 thousand, respectively, representing 21% and 16%, respectively, of the total consolidated liabilities. For the three months ended March 31, 2020 and 2019, these non-significant subsidiaries' total comprehensive income (loss) amounted to NT\$(31,842) thousand and NT\$50,873 thousand, respectively, representing 19% and 52%, respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 12 to the consolidated financial statements, the cumulative carrying amounts of

some associates as of March 31, 2020 and 2019 were NT\$690,537 thousand and NT\$721,994 thousand, respectively. For the three months ended March 31, 2020 and 2019, the share of total comprehensive income (loss) of some associates accounted for using the equity method were NT\$(5,712) thousand and NT\$(16,960) thousand, respectively. These investment amounts disclosed in the consolidated financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020 and 2019 and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Chih Lin and Mei-Chen Tsai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 14, 2020

### Notice to Readers

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

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

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 2,751,965	25	\$ 3,020,628	26	\$ 3,094,761	26
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	987,783	9	1,090,679	10	1,329,220	11
Notes and trade receivables, net (Notes 9, 22 and 33)	752,414	7	832,633	7	869,374	7
Other receivables (Note 33)	38,280	-	28,159	-	66,703	-
Inventories (Note 10)	919,797	8	759,211	7	785,511	7
Other financial assets (Notes 17 and 34)	120,900	1	119,920	1	123,280	1
Other current assets (Note 17)	89,750	1	88,917	1	93,838	1
Total current assets	<u>5,660,889</u>	<u>51</u>	<u>5,940,147</u>	<u>52</u>	<u>6,362,687</u>	<u>53</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at FVTPL - non-current (Note 7)	1,028,241	9	1,027,445	9	830,820	7
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	154,221	2	189,387	2	253,489	2
Investments accounted for using the equity method (Note 12)	690,537	6	695,028	6	721,994	6
Property, plant and equipment (Notes 13 and 34)	1,981,737	18	1,968,803	17	2,059,763	17
Right-of-use assets (Note 14)	238,284	2	241,914	2	248,666	2
Investment properties (Note 15)	1,036,809	9	1,066,797	9	1,150,799	10
Intangible assets (Note 16)	165,533	2	176,233	2	169,359	2
Deferred tax assets (Notes 4 and 25)	28,245	-	28,754	-	30,680	-
Net defined benefit assets - non-current (Notes 4 and 21)	1,163	-	1,163	-	-	-
Other financial assets (Notes 17 and 34)	138,563	1	140,049	1	130,029	1
Other non-current assets (Note 17)	14,024	-	14,047	-	14,244	-
Total non-current assets	<u>5,477,357</u>	<u>49</u>	<u>5,549,620</u>	<u>48</u>	<u>5,609,843</u>	<u>47</u>
<b>TOTAL</b>	<u>\$ 11,138,246</u>	<u>100</u>	<u>\$ 11,489,767</u>	<u>100</u>	<u>\$ 11,972,530</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18 and 34)	\$ 251,656	2	\$ 323,626	3	\$ 176,985	2
Contract liabilities - current (Note 23)	23,700	-	24,912	-	11,921	-
Trade payables (Note 19)	388,413	3	352,155	3	483,560	4
Current tax liabilities (Notes 4 and 25)	62,325	1	52,169	1	55,524	-
Lease liabilities - current (Note 14)	11,676	-	11,885	-	10,959	-
Deferred revenue - current (Notes 20 and 27)	1,550	-	1,568	-	1,668	-
Current portion of long-term loans (Notes 18 and 34)	-	-	-	-	235,693	2
Other current liabilities (Note 20)	400,715	4	576,101	5	423,553	4
Total current liabilities	<u>1,140,035</u>	<u>10</u>	<u>1,342,416</u>	<u>12</u>	<u>1,399,863</u>	<u>12</u>
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities - non-current (Note 14)	227,601	2	230,251	2	236,061	2
Deferred revenue - non-current (Notes 20 and 27)	56,954	-	58,015	-	62,972	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	64,091	1	64,258	1	73,208	1
Guarantee deposits	210,762	2	213,579	2	228,204	2
Other liabilities (Note 20)	13,841	-	8,557	-	3,265	-
Total non-current liabilities	<u>573,249</u>	<u>5</u>	<u>574,660</u>	<u>5</u>	<u>603,710</u>	<u>5</u>
Total liabilities	<u>1,713,284</u>	<u>15</u>	<u>1,917,076</u>	<u>17</u>	<u>2,003,573</u>	<u>17</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22 and 30)</b>						
Share capital						
Ordinary shares	5,919,949	53	5,919,949	52	5,919,949	49
Capital surplus	599,862	5	594,432	5	805,187	7
Retained earnings						
Legal reserve	1,942,388	17	1,942,388	17	1,941,826	16
Special reserve	308,452	3	308,452	2	67,279	1
(Accumulated deficit) unappropriated earnings	(386,898)	(3)	(262,261)	(2)	246,794	2
Total retained earnings	<u>1,863,942</u>	<u>17</u>	<u>1,988,579</u>	<u>17</u>	<u>2,255,899</u>	<u>19</u>
Other equity	(317,591)	(3)	(261,026)	(2)	(379,554)	(3)
Treasury shares	(63,401)	-	(63,401)	(1)	(63,401)	(1)
Total equity attributable to owners of the Company	8,002,761	72	8,178,533	71	8,538,080	71
<b>NON-CONTROLLING INTERESTS (Notes 11, 22 and 30)</b>	<u>1,422,201</u>	<u>13</u>	<u>1,394,158</u>	<u>12</u>	<u>1,430,877</u>	<u>12</u>
Total equity	<u>9,424,962</u>	<u>85</u>	<u>9,572,691</u>	<u>83</u>	<u>9,968,957</u>	<u>83</u>
<b>TOTAL</b>	<u>\$ 11,138,246</u>	<u>100</u>	<u>\$ 11,489,767</u>	<u>100</u>	<u>\$ 11,972,530</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 14, 2020)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 23 and 33)	\$ 1,042,456	100	\$ 1,179,600	100
OPERATING COSTS (Notes 10 and 24)	<u>553,934</u>	<u>53</u>	<u>675,023</u>	<u>57</u>
GROSS PROFIT	<u>488,522</u>	<u>47</u>	<u>504,577</u>	<u>43</u>
OPERATING EXPENSES (Notes 24 and 33)				
Selling and marketing	63,864	6	67,375	6
General and administrative	109,604	11	123,309	11
Research and development	363,100	35	357,494	30
Expected credit loss	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>536,571</u>	<u>52</u>	<u>548,178</u>	<u>47</u>
OTHER REVENUE AND EXPENSES	<u>(117)</u>	<u>-</u>	<u>43</u>	<u>-</u>
LOSS FROM OPERATIONS	<u>(48,166)</u>	<u>(5)</u>	<u>(43,558)</u>	<u>(4)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 24, 27 and 33)				
Other income	18,637	2	23,373	2
Other gains and losses	(52,254)	(5)	79,455	7
Finance costs	(4,304)	-	(5,977)	(1)
Share of loss of associates and joint ventures	<u>(5,712)</u>	<u>(1)</u>	<u>(16,960)</u>	<u>(1)</u>
Total non-operating income	<u>(43,633)</u>	<u>(4)</u>	<u>79,891</u>	<u>7</u>
INCOME (LOSS) BEFORE INCOME TAX	(91,799)	(9)	36,333	3
INCOME TAX EXPENSE (Note 25)	<u>13,955</u>	<u>1</u>	<u>7,984</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>(105,754)</u>	<u>(10)</u>	<u>28,349</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Note 22):				
Unrealized gain (loss) on investments in equity instruments at FVTOCI	(35,332)	(3)	17,070	2

(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)

	<b>Three Months Ended March 31</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(6,478)	(1)	2,950	-
Items that may be reclassified subsequently to profit or loss (Note 22):				
Exchange differences on translating the financial statements of foreign operations	(16,736)	(2)	46,569	4
Share of other comprehensive income (loss) of associates and joint venture	<u>(859)</u>	<u>-</u>	<u>2,754</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(59,405)</u>	<u>(6)</u>	<u>69,343</u>	<u>6</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ (165,159)</u>	<u>(16)</u>	<u>\$ 97,692</u>	<u>8</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ (124,637)	(12)	\$ 7,103	-
Non-controlling interests	<u>18,883</u>	<u>2</u>	<u>21,246</u>	<u>2</u>
	<u>\$ (105,754)</u>	<u>(10)</u>	<u>\$ 28,349</u>	<u>2</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ (181,202)	(17)	\$ 70,392	6
Non-controlling interests	<u>16,043</u>	<u>1</u>	<u>27,300</u>	<u>2</u>
	<u>\$ (165,159)</u>	<u>(16)</u>	<u>\$ 97,692</u>	<u>8</u>
<b>EARNINGS (LOSS) PER SHARE (New Taiwan dollars; Note 26)</b>				
From continuing operations				
Basic	<u>\$ (0.21)</u>	<u>_____</u>	<u>\$ 0.01</u>	<u>_____</u>
Diluted	<u>\$ (0.21)</u>	<u>_____</u>	<u>\$ 0.01</u>	<u>_____</u>

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

(With Deloitte & Touche review report dated May 14, 2020)

(Concluded)

**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES**

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

	Equity Attributable to Owners of the Company											
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share (In Thousand)	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Losses from Investments in Equity Instruments Measured at FVTOCI				
BALANCE AT JANUARY 1, 2019	591,995	\$ 5,919,949	\$ 801,398	\$ 1,941,826	\$ 67,279	\$ 241,734	\$ (138,875)	\$ (303,968)	\$ (63,401)	\$ 8,465,942	\$ 1,401,664	\$ 9,867,606
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	3,788	-	-	-	-	-	-	3,788	-	3,788
Difference between share price and carrying amount from disposal of subsidiaries	-	-	1	-	-	-	-	-	-	1	-	1
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(2,043)	-	-	-	(2,043)	-	(2,043)
Net profit for the three months ended March 31, 2019	-	-	-	-	-	7,103	-	-	-	7,103	21,246	28,349
Other comprehensive income for the three months ended March 31, 2019, net of income tax	-	-	-	-	-	-	43,269	20,020	-	63,289	6,054	69,343
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	7,103	43,269	20,020	-	70,392	27,300	97,692
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,913	1,913
BALANCE AT MARCH 31, 2019	<u>591,995</u>	<u>\$ 5,919,949</u>	<u>\$ 805,187</u>	<u>\$ 1,941,826</u>	<u>\$ 67,279</u>	<u>\$ 246,794</u>	<u>\$ (95,606)</u>	<u>\$ (283,948)</u>	<u>\$ (63,401)</u>	<u>\$ 8,538,080</u>	<u>\$ 1,430,877</u>	<u>\$ 9,968,957</u>
BALANCE AT JANUARY 1, 2020	591,995	\$ 5,919,949	\$ 594,432	\$ 1,942,388	\$ 308,452	\$ (262,261)	\$ (218,780)	\$ (42,246)	\$ (63,401)	\$ 8,178,533	\$ 1,394,158	\$ 9,572,691
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	5,430	-	-	-	-	-	-	5,430	-	5,430
Net profit (loss) for the three months ended March 31, 2020	-	-	-	-	-	(124,637)	-	-	-	(124,637)	18,883	(105,754)
Other comprehensive loss for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	(14,755)	(41,810)	-	(56,565)	(2,840)	(59,405)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	(124,637)	(14,755)	(41,810)	-	(181,202)	16,043	(165,159)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	12,000	12,000
BALANCE AT MARCH 31, 2019	<u>591,995</u>	<u>\$ 5,919,949</u>	<u>\$ 599,862</u>	<u>\$ 1,942,388</u>	<u>\$ 308,452</u>	<u>\$ (386,898)</u>	<u>\$ (233,535)</u>	<u>\$ (84,056)</u>	<u>\$ (63,401)</u>	<u>\$ 8,002,761</u>	<u>\$ 1,422,201</u>	<u>\$ 9,424,962</u>

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

(With Deloitte & Touche review report dated May 14, 2020)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$ (91,799)	\$ 36,333
Adjustments for:		
Depreciation expenses	75,510	62,980
Amortization expenses	18,756	18,611
Expected credit loss	3	-
Net gain on fair value changes of FVTPL	48,660	(60,832)
Finance costs	4,304	5,977
Interest income	(7,039)	(6,219)
Dividend income	(11)	-
Share of profit of associates	5,712	16,960
(Gain) loss on disposal of property, plant and equipment	117	(43)
Net (gain) loss on foreign currency exchange	10,107	(10,522)
Changes in operating assets and liabilities:		
Decrease in trade receivables	80,220	84,567
(Increase) decrease in other receivables	(9,064)	16,130
(Increase) decrease increase in inventories	(160,586)	33,437
Increase in other current assets	(885)	(3,598)
(Decrease) increase in contract liabilities	(1,212)	4,226
Increase (decrease) in trade payables	35,395	(1,400)
Decrease in deferred revenue	(392)	(416)
Decrease in other current liabilities	(187,150)	(153,034)
Decrease in accrued pension liabilities	(167)	(6,105)
Cash generated from (used in) operations	(179,521)	37,052
Interest received	6,518	5,254
Interest paid	(6,094)	(7,677)
Income tax paid	(3,288)	(4,914)
Net cash generated from (used in) operating activities	<u>(182,385)</u>	<u>29,715</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of financial assets at FVTPL	(205,644)	(519,050)
Proceeds from the sale of financial assets at FVTPL	257,042	503,429
Acquisitions of associates and joint ventures	(2,500)	-
Payments for property, plant and equipment	(60,525)	(23,153)
Proceeds from the disposal of property, plant and equipment	30	44
Decrease (increase) in refundable deposits	23	1,308
Payments for intangible assets	(8,668)	(8,617)
Decrease (increase) in other financial assets	(3,779)	29,764
Net cash used in investing activities	<u>(24,021)</u>	<u>(16,275)</u>

(Continued)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of (proceeds from) short-term borrowings	(72,272)	(134,369)
Repayments of long-term borrowings	-	(15,000)
Proceeds from guarantee deposits received	3,647	6,070
Refundable guarantee deposits received	(4,605)	(9,277)
Repayments of the principal portion of lease liabilities	(2,859)	(2,707)
Increase in other liabilities	1,084	-
Dividends paid to non-controlling interests	<u>12,000</u>	<u>(130)</u>
Net cash used in financing activities	<u>(63,005)</u>	<u>(155,413)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>748</u>	<u>1,013</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(268,663)	(140,960)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>3,020,628</u>	<u>3,235,721</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 2,751,965</u>	<u>\$ 3,094,761</u>

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

(With Deloitte & Touche review report dated May 14, 2020)

(Concluded)



## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on May 14, 2020.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

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

The amendments stipulate that, when the Group 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 the Group 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 the Group 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 Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

- 2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to

compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, biological assets excluding bearer plants which are measured at fair value less costs to sell, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### **c. Basis of consolidation**

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of [financial assets at fair value through other comprehensive income (FVTOCI) / financial assets at fair value through profit or loss (FVTPL)] or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

See Note 11 and Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

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.

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

Please refer to the consolidated financial statements with critical accounting judgments and key sources of estimation uncertainty for the year ended December 31, 2019.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand	\$ 6,266	\$ 6,065	\$ 7,656
Checking accounts and demand deposits	774,652	769,510	888,333
Cash equivalents			
Time deposits in banks	1,971,047	2,245,053	2,190,305
Repurchase agreements collateralized by bonds	<u>-</u>	<u>-</u>	<u>8,467</u>
	<u>\$ 2,751,965</u>	<u>\$ 3,020,628</u>	<u>\$ 3,094,761</u>

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

	March 31, 2020	December 31, 2019	March 31, 2019
Bank balances	0.01%-2.10%	0.01%-2.25%	0.01%-1.55%
Repurchase agreements collateralized by bonds	-	-	1.00%

## 7. FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 848,468	\$ 987,692	\$ 1,257,062
Securities listed in the Republic of China (ROC)	97,291	41,960	14,944
Securities unlisted in the ROC	22,950	45,904	23,522
Hybrid financial assets			
Securities listed in the ROC and other countries - CB	<u>19,074</u>	<u>15,123</u>	<u>33,692</u>
	<u>\$ 987,783</u>	<u>\$ 1,090,679</u>	<u>\$ 1,329,220</u>

### Financial liabilities at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Unlisted shares and emerging market shares in the ROC and other countries	\$ 648,141	\$ 658,431	\$ 483,762
Private funds	274,974	260,140	230,822
Mutual funds	74,166	75,119	76,289
Securities listed in the ROC and other countries	<u>30,960</u>	<u>33,755</u>	<u>39,947</u>
	<u>\$ 1,028,241</u>	<u>\$ 1,027,445</u>	<u>\$ 830,820</u>

## 8. FINANCIAL ASSETS AT FVTOCI

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Non-current</u>			
Domestic and foreign investments			
Unlisted shares and emerging market shares	\$ 97,710	\$ 98,915	\$ 172,254
Listed shares and emerging market shares	<u>56,511</u>	<u>90,472</u>	<u>81,235</u>
	<u>\$ 154,221</u>	<u>\$ 189,387</u>	<u>\$ 253,489</u>

## 9. NOTES RECEIVABLE AND TRADE RECEIVABLES, NET

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Notes receivable</u>			
Notes receivable - operating	\$ _____ -	\$ _____ 300	\$ _____ -
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	752,742	832,662	869,977
Less: Allowance for impairment loss	<u>(328)</u>	<u>(329)</u>	<u>(603)</u>
	<u>752,414</u>	<u>832,333</u>	<u>869,374</u>
	<u>\$ 752,414</u>	<u>\$ 832,633</u>	<u>\$ 869,374</u>

### Trade receivables

The average credit period on sales of goods was 30 to 60 days without interest. The Group's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining 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 allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the customer, the customer's current financial position, as well as economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group's current credit risk grading framework is shown in the following table:

March 31, 2020

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 750,947	\$ 1,444	\$ -	\$ 16	\$ 335	\$ 752,742
Loss allowance (Lifetime ECLs)	-	-	-	-	(328)	(328)
Amortized cost	<u>\$ 750,947</u>	<u>\$ 1,444</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 7</u>	<u>\$ 752,414</u>

December 31, 2019

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 832,233	\$ 90	\$ -	\$ -	\$ 339	\$ 832,662
Loss allowance (Lifetime ECLs)	-	-	-	-	(329)	(329)
Amortized cost	<u>\$ 832,233</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 832,333</u>

March 31, 2019

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 864,356	\$ 4,611	\$ -	\$ 462	\$ 548	\$ 869,977
Loss allowance (Lifetime ECLs)	-	-	-	(55)	(548)	(603)
Amortized cost	<u>\$ 864,356</u>	<u>\$ 4,611</u>	<u>\$ -</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ 869,374</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 329	\$ 504
Add: Net remeasurement of loss allowance	3	-
Foreign exchange gains and losses	<u>(4)</u>	<u>99</u>
Balance at March 31	<u>\$ 328</u>	<u>\$ 603</u>

**10. INVENTORIES**

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Finished goods	\$ 371,439	\$ 307,179	\$ 303,411
Work in progress	299,872	281,042	281,116
Raw materials	<u>248,486</u>	<u>170,990</u>	<u>200,984</u>
	<u>\$ 919,797</u>	<u>\$ 759,211</u>	<u>\$ 785,511</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2020 and 2019 were \$532,997 thousand and \$654,821 thousand, respectively.

The cost of inventories recognized as costs of goods sold for the three and nine months ended March 31, 2020 and 2019 are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Inventory write-downs	\$ (869)	\$ (1,426)
Income from scrap sales	<u>11</u>	<u>257</u>
	<u>\$ (858)</u>	<u>\$ (1,169)</u>

## 11. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership (%)			Note	
			March 31, 2020	December 31, 2019	March 31, 2019		
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	-	
	Ventureplus Group Inc.	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 Inc.	Design of ICs	100.00	100.00	100.00	-	
	Sunext Technology Co., Ltd.	Design of ICs	92.55	92.55	91.47	-	
	Sunplus Innovation Technology	Design of ICs	61.13	61.13	61.13	-	
	Generalplus Technology ("Generalplus")	Design of ICs	34.30	34.30	34.30	-	
						Sunplus and its subsidiaries had a 47.99% stake in Generalplus Technology, Inc. and the Group had controlling interest over Generalplus Technology, Inc.; the investee is included in the consolidated financial statements.	
Ventureplus Group	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	89.76	89.76	89.76	-	
	Award Glory	Investment	100.00	100.00	100.00	-	
	Jumplus Technology	Design of ICs	55.00	55.00	55.00	-	
	Ventureplus Mauritius Inc.	Investment	100.00	100.00	100.00	-	
	Ventureplus Cayman Inc.	Investment	100.00	100.00	100.00	-	
	Ventureplus Cayman Inc.	Ytrip Technology	Web research and development	38.47	38.47	38.47	-
		Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education.	53.85	53.85	75.00	-
Sunplus Technology (Shanghai)	Sunplus Prof-tek Technology (Shenzhen)	Software development, consumer technological services and rental sales	100.00	100.00	100.00	-	
	Sunplus Technology (Shanghai)	Software development, consumer technological services and rental sales	100.00	100.00	100.00	-	
	SunMedia Technology	Software development, consumer technological services and rental sales	100.00	100.00	100.00	-	
	Sunplus Technology (Beijing)	Software development, consumer technological services and rental sales	100.00	100.00	100.00	-	
	Ytrip Technology	Web research and development	44.08	44.08	44.08	-	
Sunplus Prof-tek (Shenzhen)	Jsilicon Technology	Software Development and IC Design	100.00	100.00	-	-	
	Shuangxin Technology	Software Development and IC Design	55.00	55.00	-	-	
	Shuangxin Technology	Software Development and IC Design	45.00	45.00	-	-	

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership (%)			Note
			March 31, 2020	December 31, 2019	March 31, 2019	
Ytrip Technology	Iculture Communication	Web development and sale	100.00	100.00	100.00	-
Sunplus Venture	Jumplux Technology	Design of ICs	42.08	42.08	42.08	Sunplus and its subsidiaries owned 97.08% of the equity in Jumplux Technology.
	Han Young Technology	Design of ICs	-	-	70.00	The liquidation of Han Young Technology was completed on November 15, 2019, refer to Note 29.
	Sunext Technology Co., Ltd. ("Sunext")	Design of ICs	-	-	-	Due to organizational restructuring, the company transferred its equity to Sunplus in 2018 and 2019.
	Sunplus mMedia	Design of ICs	7.64	7.64	7.64	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	5.64	5.64	5.64	Sunplus and its subsidiaries had 68.86% equity in Sunplus Innovation
	GenkiTek Co.	Software development	62.50	-	-	Registration of establishment completed on March 6, 2020.
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had a 47.99% stake in Generalplus Technology, Inc. and the Group had controlling interest over Generalplus Technology, Inc.; the investee is included in the consolidated financial statements.
	Sunplus mMedia	Design of ICs	2.60	2.60	2.60	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	2.09	2.09	2.09	Sunplus and its subsidiaries had 68.86% equity in Sunplus Innovation
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	Design of ICs, after sales service and marketing research	100.00	100.00	100.00	-
	Generalplus HK	Sales	100.00	100.00	100.00	-
Award Glory	Sunny Fancy	Investment	100.00	100.00	100.00	-
Sunny Fancy	Giant Kingdom	Investment	100.00	100.00	100.00	-
	Giant Rock	Investment	100.00	100.00	100.00	-
	WORLDPLUS HOLDING L.L.C. (Worldplus)	Investment	100.00	100.00	-	Obtained control on September 2, 2019, so it was included in the consolidated financial statements.
	Giant Best Ltd. (Giant Best)	Investment	100.00	-	-	At the end of March 2020, the establishment registration was completed, but capital was not invested yet.
Giant Kingdom	Ytrip Technology	Web research and development	8.16	8.16	8.16	Sunplus and its subsidiaries had a 90.71% stake in Ytrip.
Giank Rock	Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education	42.31	42.31	25	Sunplus and its subsidiaries had a 96.16% stake in Sunplus App.
Worldplus	Lingyao Technology	Software development and rental sales	100.00	100.00	-	Obtained control on September 2, 2019, so it was included in the consolidated financial statements.

(Concluded)

The financial statements as of and for the three months ended March 31, 2020 and 2019 of the above subsidiaries, except those of Generalplus, Sunplus mMobile Inc., Ventureplus Group Inc., Ventureplus Mauritius Inc., and Ventureplus Cayman Inc., and non-significant subsidiaries Sunplus Technology (Shanghai) and Sunplus Prof-tek Technology (Shenzhen), were not reviewed.

b. Subsidiaries excluded from the consolidated financial statements

Company name	The Voting Ratio of Non-controlling Equity		
	March 31, 2020	December 31, 2019	March 31, 2019
Generalplus Technology Inc.	52.01%	52.01%	52.01%
Sunplus Innovation Technology	31.14%	31.14%	31.14%

Refer to Table 5 for information on country of registration and principal business activities.

Company Name	Profit Attributed to Non-controlling Interests		Non-controlling Interests		
	Three Months Ended March 31		March 31,	December 31,	March 31,
	2020	2019	2020	2019	2019
Generalplus Technology Inc.	\$ 10,015	\$ 16,812	\$ 1,082,345	\$ 1,075,166	\$ 1,132,743
Sunplus Innovation Technology	9,444	5,303	318,395	308,951	288,366

The summarized financial information below represents amounts before intragroup eliminations.

	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 3,130,781	\$ 3,190,003	\$ 3,086,697
Noncurrent assets	787,141	790,554	828,320
Current liabilities	690,049	792,198	665,210
Noncurrent liabilities	<u>210,028</u>	<u>214,644</u>	<u>231,499</u>
Equity	<u>\$ 3,017,845</u>	<u>\$ 2,973,715</u>	<u>\$ 3,018,308</u>
Equity attributable to:			
Owners of the Company	\$ 1,617,105	\$ 1,589,598	\$ 1,597,199
Non-controlling interests	<u>1,400,740</u>	<u>1,384,117</u>	<u>1,421,109</u>
	<u>\$ 3,017,845</u>	<u>\$ 2,973,715</u>	<u>\$ 3,018,308</u>
		For the Three Months Ended March 31	
		2020	2019
Operating revenue		<u>\$ 685,019</u>	<u>\$ 726,641</u>
Net income		\$ 49,581	\$ 49,347
Other comprehensive loss		<u>(5,452)</u>	<u>11,505</u>
Total other comprehensive income		<u>\$ 44,129</u>	<u>\$ 60,852</u>
Equity attributable to:			
Owners of the Company		\$ 30,122	\$ 27,232
Non-controlling interests		<u>19,459</u>	<u>22,115</u>
		<u>\$ 49,581</u>	<u>\$ 49,347</u>
Total other comprehensive income attributable to:			
Owners of the Company		\$ 27,505	\$ 32,753
Non-controlling interests		<u>16,624</u>	<u>28,099</u>
		<u>\$ 44,129</u>	<u>\$ 60,852</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Cash flows		
Cash flows generated from (used in) operating activities	\$ (69,705)	\$ 88,551
Cash flows generated from investing activities	37,029	240
Cash flows used in financing activities	(48,405)	(68,437)
Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>(129)</u>	<u>288</u>
Net cash inflow (outflow)	<u>\$ (81,210)</u>	<u>\$ 20,642</u>
Dividends paid to non-controlling interests Generalplus Technology Inc.	<u>\$ -</u>	<u>\$ -</u> (Concluded)

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Investments in associates	<u>\$ 690,537</u>	<u>\$ 695,028</u>	<u>\$ 721,994</u>
Associates			
iCatch Technology	\$ 313,929	\$ 320,180	\$ 328,781
Global View Co., Ltd.	296,840	297,640	315,001
Autsys Co., Ltd.	77,276	77,208	78,212
Yizhiliang Accelerator Co., Ltd.	<u>2,492</u>	<u>-</u>	<u>-</u>
	<u>\$ 690,537</u>	<u>\$ 695,028</u>	<u>\$ 721,994</u>

<b>Name of associate</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
iCatch Technology	36%	36%	36%
Global View Co., Ltd.	13%	13%	13%
Autsys Co., Ltd.	16%	16%	17%
Yizhiliang Accelerator Co., Ltd.	25%	-	-

Refer to Table 5 following these notes to the consolidated financial statements for information on the associates' business types, main operating locations and registered countries.

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 dates, as follows:

<b>Name of Associate</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Global View Co., Ltd.	<u>\$ 202,445</u>	<u>\$ 239,889</u>	<u>\$ 289,265</u>

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

For the three months ended March 31, 2020 and 2019, the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed.

### 13. PROPERTY, PLANT AND EQUIPMENT

#### a. Assets used by the Group - 2020

	Nine Months Ended March 31, 2020									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
<b>Cost</b>										
Balance, beginning of period	\$ 2,338,519	\$ 187,290	\$ 10,428	\$ 517,417	\$ 5,873	\$ 250,019	\$ 1,480	\$ 23,847	\$ 19,202	\$ 3,354,075
Additions	440	1,328	-	51,802	-	20,129	535	-	4,304	78,538
Disposals	-	-	-	(345)	(482)	(14,547)	-	-	-	(15,374)
Reclassified	-	-	-	-	-	4,073	-	-	(4,073)	-
Effect of exchange rate changes	(5,503)	(4,255)	(59)	(983)	(53)	(5,407)	1,087	(154)	(1,145)	(16,472)
Balance, end of period	<u>\$ 2,333,456</u>	<u>\$ 184,363</u>	<u>\$ 10,369</u>	<u>\$ 567,891</u>	<u>\$ 5,338</u>	<u>\$ 254,267</u>	<u>\$ 3,102</u>	<u>\$ 23,693</u>	<u>\$ 18,288</u>	<u>\$ 3,400,767</u>
<b>Accumulated depreciation</b>										
Balance, beginning of period	\$ 555,243	\$ 143,222	\$ 7,229	\$ 448,652	\$ 4,018	\$ 205,424	\$ 1,239	\$ 20,245	\$ -	\$ 1,385,272
Additions	13,115	3,170	446	30,283	240	4,920	1,239	300	-	53,713
Disposals	-	-	-	(333)	(433)	(14,461)	-	-	-	(15,227)
Effect of exchange rate changes	3,890	(5,238)	(207)	(627)	(44)	(1,229)	(1,142)	(131)	-	(4,728)
Balance, end of period	<u>\$ 572,248</u>	<u>\$ 141,154</u>	<u>\$ 7,468</u>	<u>\$ 477,975</u>	<u>\$ 3,781</u>	<u>\$ 194,654</u>	<u>\$ 1,336</u>	<u>\$ 20,414</u>	<u>\$ -</u>	<u>\$ 1,419,030</u>
Net balance, end of period	<u>\$ 1,761,028</u>	<u>\$ 43,209</u>	<u>\$ 2,901</u>	<u>\$ 89,916</u>	<u>\$ 1,557</u>	<u>\$ 59,613</u>	<u>\$ 1,766</u>	<u>\$ 3,279</u>	<u>\$ 18,288</u>	<u>\$ 1,981,737</u>
Balance at December 31, 2018 and January 1, 2019	<u>\$ 1,783,276</u>	<u>\$ 44,068</u>	<u>\$ 3,199</u>	<u>\$ 68,765</u>	<u>\$ 1,855</u>	<u>\$ 44,595</u>	<u>\$ 241</u>	<u>\$ 3,602</u>	<u>\$ 19,202</u>	<u>\$ 1,968,803</u>

#### b. 2019

	For the Three Months Ended March 31, 2019									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Prepayments for Equipment	Total
<b>Cost</b>										
Balance, beginning of period	\$ 2,383,245	\$ 193,874	\$ 13,729	\$ 616,529	\$ 5,904	\$ 266,331	\$ 2,782	\$ 23,959	\$ 2,940	\$ 3,509,293
Additions	-	-	45	18,239	-	1,259	456	110	1,838	21,947
Disposals	-	-	-	(1,170)	-	(870)	-	-	-	(2,040)
Effect of exchange rate changes	27,992	1,976	227	1,745	127	3,723	34	324	-	36,148
Balance, end of period	<u>\$ 2,411,237</u>	<u>\$ 195,850</u>	<u>\$ 14,001</u>	<u>\$ 635,343</u>	<u>\$ 6,031</u>	<u>\$ 270,443</u>	<u>\$ 3,272</u>	<u>\$ 24,393</u>	<u>\$ 4,778</u>	<u>\$ 3,565,348</u>
<b>Accumulated depreciation</b>										
Balance, beginning of period	\$ 507,818	\$ 126,857	\$ 12,759	\$ 540,595	\$ 3,633	\$ 231,996	\$ 2,331	\$ 19,447	\$ -	\$ 1,456,934
Depreciation expenses	13,414	5,410	566	15,656	303	4,109	1,291	150	-	40,899
Disposals	-	-	-	(1,169)	-	(870)	-	-	-	(2,039)
Effect of exchange rate changes	2,972	2,306	(138)	1,870	74	3,476	(1,177)	408	-	9,791
Balance, end of period	<u>\$ 524,204</u>	<u>\$ 134,573</u>	<u>\$ 13,187</u>	<u>\$ 556,952</u>	<u>\$ 4,010</u>	<u>\$ 238,711</u>	<u>\$ 2,445</u>	<u>\$ 20,005</u>	<u>\$ -</u>	<u>\$ 1,505,585</u>
Net balance, end of period	<u>\$ 1,887,033</u>	<u>\$ 61,277</u>	<u>\$ 814</u>	<u>\$ 66,893</u>	<u>\$ 2,021</u>	<u>\$ 31,732</u>	<u>\$ 827</u>	<u>\$ 4,388</u>	<u>\$ 4,778</u>	<u>\$ 2,059,763</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	10-56 years
Auxiliary equipment	3-11 years
Machinery and equipment	3-10 years
Testing equipment	1-5 years
Transportation equipment	4-10 years
Furniture and fixtures	1-6 years
Leasehold improvements	5 years
Other equipment	3-10 years

Refer to Note 34 for the carrying amounts of property, plant and equipment that had been pledged by the Group to secure borrowings.

#### 14. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Carrying amounts</u>			
Land	\$ 214,184	\$ 215,922	\$ 221,201
Buildings	23,318	25,098	27,141
Transportation equipment	<u>782</u>	<u>894</u>	<u>324</u>
	<u>\$ 238,284</u>	<u>\$ 241,914</u>	<u>\$ 248,666</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Depreciation charge for right-of-use assets			
Land		\$ 1,713	\$ 1,715
Buildings		1,751	1,591
Transportation equipment		<u>112</u>	<u>38</u>
		<u>\$ 3,576</u>	<u>\$ 4,031</u>
Income from the subleasing of right-of-use assets (presented in other income)		<u>\$ (288)</u>	<u>\$ (262)</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2020 and 2019.

The Group has been subleasing its right-of-use lands located in China to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 15).

##### b. Lease liabilities - 2020

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Carrying amounts</u>			
Current	<u>\$ 11,676</u>	<u>\$ 11,885</u>	<u>\$ 10,959</u>
Non-current	<u>\$ 227,601</u>	<u>\$ 230,251</u>	<u>\$ 236,061</u>

Range of discount rate for lease liabilities was as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Land	2.39%	2.39%	2.39%
Buildings	1.575%-4.75	1.575%-4.75%	1.575%
Transportation equipment	1.575%	1.575%	1.575%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants, offices and dormitory, also leases transportation equipment for the use of business travel with lease terms of 2 to 50 years, the lease contract for land located in the ROC specifies that lease payments will be adjusted on the basis of changes in announced land value prices. Lease terms of land in China is 20 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings and transportation equipment at the end of the lease terms.

d. Subleases

Sublease of right-of-use assets - 2020

The Group subleases its right-of-use assets for dormitory under operating leases with lease terms of 2 years.

In addition to the fixed lease payments, the lease contracts are also indicated. The maturity analysis of lease payments receivable under operating subleases was as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Year 1	\$ 865	\$ 1,153	\$ 1,050
Year 2	<u>-</u>	<u>-</u>	<u>787</u>
	<u>\$ 865</u>	<u>\$ 1,153</u>	<u>\$ 1,837</u>

e. Other lease information

2020

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Expenses relating to short-term leases	<u>\$ 2,037</u>	<u>\$ 3,205</u>
Expenses relating to low-value asset leases	<u>\$ 632</u>	<u>\$ 653</u>
Total cash outflow for leases	<u>\$ 6,917</u>	<u>\$ 8,005</u>

The Group leases parking spaces and other leases which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 15. INVESTMENT PROPERTIES

	<b>Completed Investment Properties</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2020	\$ 1,401,007	\$ 98,867	\$ 1,499,874
Effect of exchange rate changes	<u>(30,347)</u>	<u>(1,148)</u>	<u>(31,495)</u>
Balance at March 31, 2020	<u>\$ 1,370,660</u>	<u>\$ 97,719</u>	<u>\$ 1,468,379</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ (430,601)	\$ (2,476)	\$ (433,077)
Depreciation expense	(17,622)	(599)	(18,221)
Effect of exchange rate differences	<u>19,692</u>	<u>36</u>	<u>19,728</u>
Balance at March 31, 2020	<u>\$ (428,531)</u>	<u>\$ (3,039)</u>	<u>\$ (431,570)</u>
Balance at March 31, 2020	<u>\$ 942,129</u>	<u>\$ 94,680</u>	<u>\$ 1,036,809</u>
Balance at December 31, 2019 and January 1, 2020	<u>\$ 970,406</u>	<u>\$ 96,391</u>	<u>\$ 1,066,797</u>
<u>Cost</u>			
Balance at January 1, 2019 as restated	\$ 1,400,135	\$ 102,702	\$ 1,502,837
Effect of exchange rate differences	<u>33,815</u>	<u>2,481</u>	<u>36,296</u>
Balance at March 31, 2019	<u>\$ 1,433,950</u>	<u>\$ 105,183</u>	<u>\$ 1,539,133</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2019	\$ (360,821)	\$ -	\$ (360,821)
Depreciation expense	(18,050)	(687)	(18,737)
Effect of exchange rate differences	<u>(8,773)</u>	<u>(3)</u>	<u>(8,776)</u>
Balance at March 31, 2019	<u>\$ (387,644)</u>	<u>\$ (690)</u>	<u>\$ (388,334)</u>
Balance at March 31, 2019	<u>\$ 1,046,306</u>	<u>\$ 104,493</u>	<u>\$ 1,150,799</u>

The right-of-use assets in the investment properties are the use right of land signed by the Company and is subleased by operating lease. The lease terms of the investment properties are from 1 to 15 years, with extension option according to the original contract when exercising the renewal right. The lessee does not have the right of first refusal at the end of the lease period.

The maturity analysis of lease payments receivable under operating leases of investment properties as of March 31, 2020 was as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Year 1	\$ 130,410	\$ 142,060	\$ 136,051
Year 2	87,194	61,643	89,912
Year 3	<u>51,659</u>	<u>22,066</u>	<u>18,793</u>
	<u>\$ 269,263</u>	<u>\$ 225,769</u>	<u>\$ 244,756</u>

The above items of investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Completed investment properties	5-26 years
Right-of-use assets	35-39 years

The fair value of the investment properties of Lingyao Technology Co. had been determined on the basis of valuations carried out at the reporting dates by Innolux Technology Co., Ltd. The evaluation adopted the income approach, and the important unobservable input values used included the discounted value. The evaluated fair value is as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Fair value	\$ 37,900	\$ 37,900

The investment properties were valued by independent valutors; the Company determined that the fair values reported as of December 31, 2019 were still valid as of March 31, 2020, respectively.

The fair value of the investment properties of SunMedia Technology had been determined on the basis of valuations carried out on December 31, 2019 and 2018 by Sichuan Zongli Real Estate Land Assets Evaluation Co., Ltd. The fair value was measured by using Level 3 inputs. The evaluation adopted the income approach, and the important unobservable input values used included the discounted value. The evaluated fair value is as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Fair value	\$ 1,182,963	\$ 1,182,963	\$ 1,267,909

The investment properties were valued by independent valutors; the Company determined that the fair values reported as of December 31, 2019 and 2018 were still valid as of March 31, 2020 and 2019, respectively.

The fair value of the investment properties of Sunplus Technology (Shanghai) Co., Ltd. had been determined on the basis of valuations carried out at the reporting dates by Suzhou Feng-Zheng valuation firm. The evaluation adopted the income approach, and the important unobservable input values used included the discounted value. The evaluated fair value is as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Fair value	\$ 2,295,816	\$ 2,295,816	\$ 2,471,410

The investment properties were valued by independent valutors; the Company determined that the fair values reported as of December 31, 2019 and 2018 were still valid as of March 31, 2020 and 2019, respectively.

## 16. INTANGIBLE ASSETS

	<b>For the Three Months Ended March 31, 2020</b>				
	<b>Technology License Fees</b>	<b>Software</b>	<b>Patents</b>	<b>Goodwill</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1	\$ 809,249	\$ 312,600	\$ 114,494	\$ 30,596	\$ 1,266,939
Additions	3,832	4,522	-	-	8,354
Disposals	(150)	(410)	-	-	(560)
Effect of exchange rate differences	(327)	(2,077)	(3)	-	(2,407)
Balance at March 31	<u>\$ 812,604</u>	<u>\$ 314,635</u>	<u>\$ 114,491</u>	<u>\$ 30,596</u>	<u>\$ 1,272,326</u>
<u>Accumulated deficit</u>					
Balance at January 1	\$ 583,858	\$ 289,553	\$ 84,582	\$ -	\$ 957,993
Amortization expense	12,763	5,650	343	-	18,756
Disposal	(150)	(410)	-	-	(560)
Effect of exchange rate differences	(172)	(1,935)	(2)	-	(2,109)
Balance at March 31	<u>\$ 596,299</u>	<u>\$ 292,858</u>	<u>\$ 84,923</u>	<u>\$ -</u>	<u>\$ 974,080</u>
<u>Accumulated amortization</u>					
Balance at January 1 and March 31	<u>\$ 111,136</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 132,713</u>
Net balance at March 31	<u>\$ 105,169</u>	<u>\$ 21,777</u>	<u>\$ 7,991</u>	<u>\$ 30,596</u>	<u>\$ 165,533</u>
Net balance at December 31, 2019 and January 1, 2020	<u>\$ 114,255</u>	<u>\$ 23,047</u>	<u>\$ 8,335</u>	<u>\$ 30,596</u>	<u>\$ 176,233</u>
	<b>For the Three Months Ended March 31, 2019</b>				
	<b>Technology License Fees</b>	<b>Software</b>	<b>Patents</b>	<b>Goodwill</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1	\$ 778,507	\$ 298,609	\$ 114,504	\$ 30,596	\$ 1,222,216
Additions	3,016	5,735	-	-	8,751
Deductions	-	(283)	-	-	(283)
Effect of exchange rate differences	580	779	7	-	1,366
Balance at March 31	<u>\$ 782,103</u>	<u>\$ 304,840</u>	<u>\$ 114,511</u>	<u>\$ 30,596</u>	<u>\$ 1,232,050</u>
<u>Accumulated amortization</u>					
Balance at January 1	\$ 556,915	\$ 270,852	\$ 83,215	\$ -	\$ 910,982
Amortization expenses	11,862	6,407	342	-	18,611
Deductions	-	(283)	-	-	(283)
Effect of exchange rate differences	219	446	3	-	668
Balance at March 31	<u>\$ 568,996</u>	<u>\$ 277,422</u>	<u>\$ 83,560</u>	<u>\$ -</u>	<u>\$ 929,978</u>
<u>Accumulated deficit</u>					
Balance at January 1 and March 31	<u>\$ 111,136</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 132,713</u>
Net balance at March 31	<u>\$ 101,971</u>	<u>\$ 27,418</u>	<u>\$ 9,374</u>	<u>\$ 30,596</u>	<u>\$ 169,359</u>

The above-mentioned intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Technology license fees	1-10 years
Software	1-10 years
Patents	8-18 years

An analysis of amortization by function

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Selling and marketing expenses	\$ 27	\$ 26
General and administrative expenses	1,180	1,530
Research and development expenses	<u>17,549</u>	<u>17,055</u>
	<u>\$ 18,756</u>	<u>\$ 18,611</u>

**17. OTHER ASSETS**

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Current</u>			
Other financial assets			
Pledged time deposits (a)	<u>\$ 120,900</u>	<u>\$ 119,920</u>	<u>\$ 123,280</u>
Other assets			
Pledged for EDA tools	\$ 16,014	\$ 16,787	\$ 15,399
Others	<u>73,736</u>	<u>72,130</u>	<u>78,439</u>
	<u>\$ 89,750</u>	<u>\$ 88,917</u>	<u>\$ 93,838</u>
<u>Non-current</u>			
Other financial assets			
Pledged time deposits (a)	\$ 10,913	\$ 10,899	\$ 10,949
Time deposits (b)	<u>127,650</u>	<u>129,150</u>	<u>119,080</u>
	<u>\$ 138,563</u>	<u>\$ 140,049</u>	<u>\$ 130,029</u>
Other assets			
Refundable deposits	\$ 6,224	\$ 6,247	\$ 6,444
Other	<u>7,800</u>	<u>7,800</u>	<u>7,800</u>
	<u>\$ 14,024</u>	<u>\$ 14,047</u>	<u>\$ 14,244</u>

- a. Refer to Note 34 for information on pledged time deposits.
- b. Generalplus Shenzhen invested RMB30,000 thousand, RMB30,000 thousand and RMB26,000 thousand in long-term certificates of deposit with the bank in March 31, 2020, December 31, 2019 and March 31 (for durations of three years), respectively. The interest rates for such certificates of deposit are at fixed rates.

## 18. LOANS

### Short-term borrowings

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Secured borrowings</u>			
Bank loans	\$ 120,589	\$ 120,130	\$ 123,358
<u>Unsecured borrowings</u>			
Bank loans	<u>131,067</u>	<u>203,496</u>	<u>53,627</u>
	<u>\$ 251,656</u>	<u>\$ 323,626</u>	<u>\$ 176,985</u>

The weighted average effective interest rate intervals for bank loans as of March 31, 2020, December 31, 2019 and March 31, 2019 were 1.745%-3.000%, 1.745%-3.000% and 2.500%-3.236% per annum, respectively.

### Long-term borrowings

The borrowings of the Group are as follows:

	<b>Maturity Date</b>	<b>Significant Covenant</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Floating rate borrowings</u>					
Unsecured bank borrowings	2019.10.14	Originally repaid in July 2016, extended to October 2019. The loan was settled in advance on September 10, 2019.	\$ -	\$ -	\$ 135,693
Unsecured bank borrowings	2019.11.10	Repayable semiannually from November 2016	<u>-</u>	<u>-</u>	<u>100,000</u>
			-	-	235,693
Less: Current portion			<u>-</u>	<u>-</u>	<u>235,693</u>
Long-term borrowings			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The intervals of effective borrowing rates as of March 31, 2019 were 1.545%-4.070%, respectively.

According to the loan contract, the 2019 semiannual consolidated financial statements of the Company are limited by current ratio, debt ratio, and interest guarantee multiple. However, the Company's inability to meet the ratio requirements would not be deemed as a violation of the contract.

## 19. TRADE PAYABLES

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Accounts payable</u>			
Payables - operating	<u>\$ 388,413</u>	<u>\$ 352,155</u>	<u>\$ 483,560</u>

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

## 20. OTHER LIABILITIES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Other payables			
Salaries or bonuses	\$ 143,411	\$ 299,871	\$ 154,958
Compensation due to employees and directors	47,136	46,467	62,738
Commission payable	40,154	31,540	47,061
Payable for royalties	39,191	46,676	25,729
Labor/health insurance	23,252	26,629	26,682
Payables for purchases of equipment	19,365	5,552	11,424
Refund liabilities	19,242	21,971	8,630
Payables for labor costs	4,351	6,105	5,748
Unearned receipts	1,513	3,028	1,765
Others	<u>63,100</u>	<u>88,262</u>	<u>78,818</u>
	<u>\$ 400,715</u>	<u>\$ 576,101</u>	<u>\$ 423,553</u>
<u>Deferred revenue</u>			
Arising from government grants (Note 27)	<u>\$ 1,550</u>	<u>\$ 1,568</u>	<u>\$ 1,668</u>
<u>Non-current</u>			
Other payable			
Payable for purchases of equipment	\$ 7,398	\$ 3,198	\$ 2,376
Long-term payable	5,554	4,470	-
Decommissioning liabilities	<u>889</u>	<u>889</u>	<u>889</u>
	<u>\$ 13,841</u>	<u>\$ 8,557</u>	<u>\$ 3,265</u>
Deferred revenue			
Arising from government grants (Note 27)	<u>\$ 56,954</u>	<u>\$ 58,015</u>	<u>\$ 62,972</u>

## 21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans were \$411 thousand and \$424 thousand as of the three months ended March 31, 2020 and 2019, respectively, and were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2019 and 2018.

## 22. EQUITY

### a. Share capital

#### 1) Common shares:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Numbers of shares authorized (in thousands)	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Value of shares authorized	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>591,995</u>	<u>591,995</u>	<u>591,995</u>
Value of shares issued	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>

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 had been reserved for the issuance of convertible bonds and employee share options.

#### 2) Global depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand common shares that consist of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of March 31, 2020, the outstanding 175 thousand units of GDRs represented 350 thousand common shares.

### b. Capital surplus

For each class of capital surplus, a reconciliation of the carrying amounts at the beginning and at the end of March 31, 2020 and 2019 is as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
Arising from the issuance of common shares	\$ 196,095	\$ 196,095	\$ 409,213
Arising from the acquisition of a subsidiary	157,423	157,423	157,423
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	140,184	140,184	140,023

(Continued)

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Used to offset a deficit only</u>			
From treasury share transactions	\$ 45,239	\$ 45,239	\$ 43,958
Changes in net equity of associates or joint ventures accounted for using the equity method	<u>60,921</u>	<u>55,491</u>	<u>54,570</u>
	<u>\$ 599,862</u>	<u>\$ 594,432</u>	<u>\$ 805,187</u> (Concluded)

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, Sunplus shall appropriate 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.

Under the approved shareholders' resolution, the current year's net income less all the foregoing appropriations and distributions, plus the prior years' unappropriated earnings may be distributed as additional dividends. 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 the regulations promulgated, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet (for example, unrealized loss on financial assets and cumulative translation adjustments) should be allocated from unappropriated retained earnings. For the policies on the distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to Note 24-7.

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

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.

The appropriations of earnings for 2019 and 2018 proposed in the shareholders' meeting on , 2020 and June 10, 2019, respectively, are as follows:

	<b>Appropriation of Earnings</b>
	<b>2018</b>
Legal reserve	\$ <u>562</u>
Special reserve	\$ <u>241,173</u>
Cash dividends	\$ <u>-</u>
Cash dividends per share (NT\$)	\$ <u>          </u>

The Company proposed the offsetting of accumulated deficit for 2019 in the shareholders' meeting which was held on March 30, 2020:

	<b>For the Year Ended December 31, 2019</b>
Turnover special surplus reserve	\$ <u>32,263</u>
Offset of accumulated deficit with legal surplus	\$ <u>229,998</u>

The Company proposed and resolved on the board of directors and the shareholders' meeting on March 30, 2020 and June 10, 2019 to issue cash dividends of \$177,598 thousand and \$213,118 thousand in capital reserves, respectively.

The offsetting of 2019 accumulated deficit is subject to the resolution of the shareholders' meeting on June 12, 2020.

d. Special reserves

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1 and March 31	\$ <u>308,452</u>	\$ <u>67,279</u>

e. Other equity items

1) Foreign currency translation reserve:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ (218,780)	\$ (138,875)
Exchange differences on translating the financial statements of foreign operations	(13,896)	40,515
Share of exchange differences of associates accounted for using the equity method	<u>(859)</u>	<u>2,754</u>
Balance at March 31	\$ <u>(233,535)</u>	\$ <u>(95,606)</u>

2) Unrealized gains (losses) from investments in equity instruments measured at FVTOCI:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ (42,246)	\$ (303,968)
Current		
Unrealized (losses) gains	(35,332)	17,070
Share of exchange differences of associates accounted for using equity method	<u>(6,478)</u>	<u>2,950</u>
Balance at March 31	<u>\$ (84,056)</u>	<u>\$ (283,948)</u>

f. Non-controlling interests

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 1,394,158	\$ 1,401,664
Attributable to non-controlling interests:		
Share of profit for the period	18,883	21,246
Exchange differences on translating the financial statements of foreign operations	(2,840)	6,054
Non-controlling interests arising from acquisition of subsidiaries	12,000	-
Others	<u>-</u>	<u>1,913</u>
Balance at March 31	<u>\$ 1,422,201</u>	<u>\$ 1,430,877</u>

g. Treasury shares

<b>Purpose of Buyback</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>	<b>Shares Held by Its Subsidiaries (In Thousands of Shares)</b>	<b>Total (In Thousands of Shares)</b>
Number of shares as of January 1, 2019	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares as March 31, 2019	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares as of January 1, 2020	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares as March 31, 2020	<u>-</u>	<u>3,560</u>	<u>3,560</u>

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

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)
<u>March 31, 2020</u>			
Lin Shin Investment Co., Ltd.	3,560	<u>\$ 63,401</u>	<u>\$ 30,652</u>
<u>December 31, 2019</u>			
Lin Shin Investment Co., Ltd.	3,560	<u>\$ 63,401</u>	<u>\$ 48,238</u>
<u>March 31, 2019</u>			
Lin Shin Investment Co., Ltd.	3,560	<u>\$ 63,401</u>	<u>\$ 47,704</u>

Under the Securities and Exchange Act, Sunplus should neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the right to dividends and to vote.

## 23. REVENUE

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Revenue from contracts with customers	\$ 962,022	\$ 1,109,295
Rental income from property	54,455	39,762
Others	<u>25,979</u>	<u>30,543</u>
	<u>\$ 1,042,456</u>	<u>\$ 1,179,600</u>

### a. Contract information

#### Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

#### Other

Other mainly come from software development.

### b. Contract balances

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>	<b>January 1, 2019</b>
Trade receivables (Note 9)	<u>\$ 752,414</u>	<u>\$ 832,633</u>	<u>\$ 869,374</u>	<u>\$ 954,030</u>
Contract liabilities - current	<u>\$ 23,700</u>	<u>\$ 24,912</u>	<u>\$ 11,921</u>	<u>\$ 7,511</u>

c. Disaggregation of revenue

For the three months ended March 31, 2020

	<b>Reportable Segments</b>	
	<b>Direct Sales</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Primary geographical markets</u>		
Asia	\$ 645,975	\$ 790,722
Taiwan	376,613	378,834
Others	<u>19,868</u>	<u>10,044</u>
	<u>\$ 1,042,456</u>	<u>\$ 1,179,600</u>
<u>Timing of revenue recognition</u>		
Satisfied at a point in time	\$ 986,739	\$ 1,137,626
Satisfied over time	<u>55,717</u>	<u>41,974</u>
	<u>\$ 1,042,456</u>	<u>\$ 1,179,600</u>

**24. NET PROFIT**

Net profit includes the following items:

Other income

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Interest income	\$ 7,039	\$ 6,219
Others	<u>11,598</u>	<u>17,154</u>
	<u>\$ 18,637</u>	<u>\$ 23,373</u>

Other gains and losses

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Net gain (loss) on financial assets and liabilities		
Net gain (loss) on financial assets designated as at FVTPL (Note 7)	\$ (48,660)	\$ 60,832
Net foreign exchange (loss) gain	(5,261)	15,495
Others	<u>1,667</u>	<u>3,128</u>
	<u>\$ (52,254)</u>	<u>\$ 79,455</u>

Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Interest on bank loans	\$ 2,549	\$ 4,046
Interest on lease liabilities	1,413	1,433
Other finance costs	<u>342</u>	<u>498</u>
	<u>\$ 4,304</u>	<u>\$ 5,977</u>

Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
An analysis of depreciation by function		
Operating costs	\$ 20,082	\$ 19,857
Operating expenses	<u>55,428</u>	<u>43,123</u>
	<u>\$ 75,510</u>	<u>\$ 62,980</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 18,756</u>	<u>\$ 18,611</u>

Operating expenses directly related to investment properties

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Direct operating expenses from investment properties that generate rental income	<u>\$ 20,934</u>	<u>\$ 17,717</u>

Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Short-term benefits	\$ 356,446	\$ 375,738
Post-employment benefits		
Defined contribution plans	11,345	11,705
Defined benefit plans (Note 21)	411	424
Other employee benefits	<u>6,829</u>	<u>9,210</u>
Total employee benefits expense	<u>\$ 375,031</u>	<u>\$ 397,077</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 24,179	\$ 24,286
Operating expenses	<u>350,852</u>	<u>372,791</u>
	<u>\$ 375,031</u>	<u>\$ 397,077</u>

Employees' compensation and remuneration of directors and supervisors

The Company resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration to directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors. Sunplus Company had a loss before tax from January 1 to March 31, 2020; therefore, the compensation for employees and remuneration of directors and supervisors were not distributed. The employees' compensation and remuneration of directors and supervisors for the three months ended March 31, 2019 are as follows:

Accrual rate

	<b>For the Three Months Ended March 31, 2019</b>
Employees' compensation	1.00%
Remuneration of directors	1.50%

Amount

	<b>For the Three Months Ended March 31, 2019</b>
Employees' compensation	\$ <u>90</u>
Remuneration of directors	<u>135</u>

If there is a change in the proposed amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The Company held board of directors' meetings on April 22, 2020, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors and supervisors paid for 2019 to differ from the amounts recognized in the consolidated financial statements for the year ended December 31, 2019, respectively. The differences were adjusted to profit and loss for the year ended December 31, 2020.

	<b>For the Three Months Ended March 31, 2019</b>	
	<b>Employees' Compensation</b>	<b>Remuneration of Directors and Supervisors</b>
Amounts resolved in the board of directors' meeting	\$ <u>-</u>	\$ <u>-</u>
Amounts recognized in the annual consolidated financial statements	\$ <u>206</u>	\$ <u>309</u>

The appropriations of earnings for 2018, which were proposed by the board of directors on March 20, 2019, respectively, and are as follows:

	<b>For the Year Ended December 31, 2018</b>	
	<b>Cash Dividends</b>	<b>Share Dividends</b>
Amounts resolved in the board of directors' meeting	\$ 80	\$ -
Amounts recognized in the annual consolidated financial statements	119	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2018.

Information on employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Gain or loss on exchange rate changes

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Exchange rate gains	\$ 8,277	\$ 17,792
Exchange rate losses	<u>(13,538)</u>	<u>(2,297)</u>
	<u>\$ (5,261)</u>	<u>\$ 15,495</u>

## 25. INCOME TAXES

Income tax recognized in profit or loss

The major components of tax expense are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Current tax		
In respect of the current year	\$ 13,446	\$ 15,727
Adjustments for prior periods	<u>-</u>	<u>(7,317)</u>
	13,446	8,410
Deferred tax		
In respect of the current year	<u>509</u>	<u>(426)</u>
Income tax expense recognized in profit or loss	<u>\$ 13,955</u>	<u>\$ 7,984</u>

In July 2019, the President of the ROC approved the announcement of the amendments to the Statute of Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in certain assets or technologies above a specific amount are allowed as deduction when computing the income tax on unappropriated earnings.

Income tax assessments

The income tax returns of Sunplus, Sunplus mMobile, Sunext Generalplus and Sunplus Innovation through 2017 and Jumplux, Sunplus Management Consulting, Wei-Young, Lin Shih, Sunplus Venture and Sunplus mMedia through 2018 had been assessed by the tax authorities.

## 26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2020	2019
Basic earnings (loss) per share	\$ <u>(0.21)</u>	\$ <u>0.01</u>
Diluted earnings (loss) per share	\$ <u>(0.21)</u>	\$ <u>0.01</u>

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

Net profit (loss) for the period

	For the Three Months Ended March 31	
	2020	2019
Profit for the period attributable to owners of the Company	\$ (124,637)	\$ 7,103
Effect of potentially dilutive common shares		
Bonuses to employee	<u>          -</u>	<u>          -</u>
Earnings used in the computation of diluted EPS from continuing operations	\$ <u>(124,637)</u>	\$ <u>7,103</u>

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

	For the Three Months Ended March 31	
	2020	2019
Weighted average number of common shares used in the computation of basic (loss) earnings per share	588,435	588,435
Effect of potentially dilutive potential common shares:		
Bonuses issued to employees	<u>          -</u>	<u>          12</u>
Weighted average number of common shares used in the computation of diluted (loss) earnings per share	<u>588,435</u>	<u>588,447</u>

The Company can settle the bonuses or remuneration to employees in cash or shares. If the Company decides to use shares in settling the entire amount of the bonus or remuneration, the resulting potential shares will be included in the weighted average number of shares outstanding to be used in the computation of diluted (loss) earnings per share, if the effect is dilutive. This dilutive effect of the potential shares will be included in the computation of diluted (loss) earnings per share until the number of shares to be distributed to employees is determined in the following year.

## 27. 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 amounted to \$392 thousand and \$416 thousand for the three months ended March 31, 2020 and 2019, respectively.

## 28. CONSOLIDATION OF SUBSIDIARR

### a. Subsidiaries acquired

<b>Subsidiary</b>	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>	<b>Consideration Transferred</b>
Worldplus and its subsidiaries	Investment, development of computer software, system integration services and building rental	September 2, 2019	100	<u>\$ 112,669</u>

### b. Consideration transferred

	<b>Worldplus and Its Subsidiaries</b>
Cash	<u>\$ 112,669</u>

### c. Assets acquired and liabilities assumed at the date of acquisition

	<b>Worldplus and Its Subsidiaries</b>
Current assets	
Cash and cash equivalents	\$ 64,454
Trade and other receivables	428
Non-current assets	
Property, plant and equipment	377
Construction in progress	17,088
Investment properties	37,383
Current liabilities	
Trade and other payables	(2,303)
Long-term payables	<u>(4,758)</u>
	<u>\$ 112,669</u>

### d. Net cash outflow on the acquisition of subsidiaries

	<b>Worldplus and Its Subsidiaries</b>
Consideration paid in cash	\$ 112,669
Less: Cash and cash equivalent balances acquired	<u>(64,454)</u>
	<u>\$ 48,215</u>

e. Impact of acquisitions on the results of the Group

The results of Worldplus and its subsidiary since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	<b>Worldplus and Its Subsidiaries</b>
Net revenue	\$ <u>2,053</u>
Net profit	\$ <u>(2,582)</u>

If the merger of Worldplus and its subsidiaries occurred on January 1, 2019, the Japanese company's proposed operating income and proposed operating net loss were \$5,516,431 and \$125,834, respectively, from January 1 to December 31, 2019. It is reflected that the actual revenue and operating results of the Company should not be used as a predictor of future operating results. The original accounting treatment of Worldplus and its subsidiaries is only tentative on the balance sheet date. For the purpose of taxation, the tax base of Worldplus and its subsidiaries' assets is subject to re-determination based on the market value of such assets and the taxable value of the company's management.

In determining the pro-forma revenue and profit of the Group had Worldplus and its subsidiaries been acquired at the beginning of the financial year, the management considered the following:

- 1) The fair values of property, plant and equipment, rather than their carrying amounts recognized in the respective pre-acquisition financial statements at the initial accounting for the business combination, were used as a basis for the depreciation of property, plant and equipment.

## 29. DISPOSAL OF SUBSIDIARIES

### 2019

The Group completed the liquidation on its subsidiary, Han Young Technology Co., Ltd. on November 15, 2019.

a. Analysis of assets and liabilities from liquidation

	<b>Hanyang Technology Co., Ltd.</b>
Current assets	
Cash and cash equivalents	\$ 2,481
Other receivables	7
Non-current assets	
Property, plant and equipment	29
Refundable deposits	55
Current liabilities	
Others	<u>(29)</u>
Net assets disposed of	<u>\$ 2,543</u>

b. Loss on liquidation of subsidiaries

	<b>Hanyang Technology Co., Ltd.</b>
Collection price of investments accounted	\$ 1,737
Net assets disposed of	(2,543)
Non-controlling interests	<u>763</u>
Loss on disposal	<u>\$ (43)</u>

c. Net cash inflow on liquidation of subsidiaries

	<b>Hanyang Technology Co., Ltd.</b>
Consideration received in cash and cash equivalents	\$ 1,737
Less: Cash and cash equivalent balances disposed of	<u>(2,481)</u>
	<u>\$ (744)</u>

### 30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

From January to March, April and September 2019, Sunplus purchased the equity from the external shareholders of Sunext Technology Co., Ltd., increasing its controlling interest each from 91.40% to 91.47%, 91.47% to 91.53% and 91.53% to 92.55%, respectively.

In February, May and December 2019, Giant Rock subscribed for the cash capital increase of Sunplus APP Technology, increasing its controlling interest each from 93.33% to 95.00%, 95.00% to 95.65% and 95.65% to 96.16%, respectively.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

	<b>Sunext Technology Co., Ltd.</b>	<b>Sunplus APP Technology</b>
Cash consideration paid	\$ (129)	\$ -
The proportionate share of the carrying amount of net assets of the subsidiary transferred to non-controlling interests	<u>130</u>	<u>(2,043)</u>
Differences recognized from equity transactions	<u>\$ 1</u>	<u>\$ (2,043)</u>

	<b>Sunext Technology Co., Ltd.</b>	<b>Sunplus APP Technology</b>	<b>Total</b>
<u>Line items adjusted for equity transactions</u>			
Retained earnings	\$ -	\$ (2,043)	\$ (2,043)
Capital surplus - difference between share price and carrying amount from disposal of subsidiaries	<u>1</u>	<u>-</u>	<u>1</u>
	<u>\$ 1</u>	<u>\$ (2,043)</u>	<u>\$ (2,042)</u>

### 31. 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.

### 32. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments that are not measured at fair value

The management of the Company considers that the fair value of financial assets and financial liabilities that are not measured at fair value approximate their fair value.

#### b. Fair value of financial instruments that are measured at fair value on a recurring basis

##### 1) Fair value hierarchy

March 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Mutual funds	\$ 922,634	\$ -	\$ -	\$ 922,634
Listed shares and emerging market shares in the ROC and other countries	128,251	-	-	128,251
Securities listed in the ROC and other countries - CB	19,074	-	-	19,074
				(Continued)

	Level 1	Level 2	Level 3	Total
Unlisted shares and emerging market shares in the ROC and other countries	\$ 81,600	\$ -	\$ 589,491	\$ 671,091
Private funds	<u>-</u>	<u>-</u>	<u>274,974</u>	<u>274,974</u>
	<u>\$ 1,151,559</u>	<u>\$ -</u>	<u>\$ 864,465</u>	<u>\$ 2,016,024</u>
Financial assets at FVTOCI				
Listed shares and emerging market shares in the ROC and other countries	\$ 56,511	\$ -	\$ -	\$ 56,511
Unlisted shares emerging market shares in the ROC and other countries	<u>20,114</u>	<u>-</u>	<u>77,596</u>	<u>97,710</u>
	<u>\$ 76,625</u>	<u>\$ -</u>	<u>\$ 77,596</u>	<u>\$ 154,221</u> (Concluded)
<u>December 31, 2019</u>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 1,062,811	\$ -	\$ -	\$ 1,062,811
Listed shares and emerging market shares in the ROC and other countries	75,715	-	-	75,715
Unlisted shares and emerging market shares in the ROC and other countries	7,864	-	696,471	704,335
Securities listed in the ROC and other countries - CB	15,123	-	-	15,123
Private funds	<u>-</u>	<u>-</u>	<u>260,140</u>	<u>260,140</u>
	<u>\$ 1,161,513</u>	<u>\$ -</u>	<u>\$ 956,611</u>	<u>\$ 2,118,124</u>
Financial assets at FVTOCI				
Listed shares and emerging market shares in the ROC	\$ 90,472	\$ -	\$ -	\$ 90,472
Unlisted shares and emerging market shares in the ROC and other countries	<u>18,680</u>	<u>-</u>	<u>80,235</u>	<u>98,915</u>
	<u>\$ 109,152</u>	<u>\$ -</u>	<u>\$ 80,235</u>	<u>\$ 189,387</u>

March 31, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Mutual funds	\$ 1,333,351	\$ -	\$ -	\$ 1,333,351
Listed shares and emerging market shares	54,891	-	-	54,891
Unlisted shares and emerging market shares	3,122	-	504,162	507,284
Securities listed in the ROC - CB	33,692	-	-	33,692
Private funds	<u>-</u>	<u>-</u>	<u>230,822</u>	<u>230,822</u>
	<u>\$ 1,425,056</u>	<u>\$ -</u>	<u>\$ 734,984</u>	<u>\$ 2,160,040</u>
Financial assets at FVTOCI				
Listed shares and emerging market shares	\$ 81,235	\$ -	\$ -	\$ 81,235
Unlisted shares emerging market shares	<u>22,848</u>	<u>-</u>	<u>149,406</u>	<u>172,254</u>
	<u>\$ 104,083</u>	<u>\$ -</u>	<u>\$ 149,406</u>	<u>\$ 253,489</u>

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2020

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>	<b>Total</b>
Balance at January 1, 2020	\$ 956,611	\$ 80,235	\$1,036,846
Recognized in profit or loss	(17,173)	-	(17,173)
Recognized in other comprehensive income	-	(2,806)	(2,806)
Purchases	14,592	-	14,592
Disposal	(2,051)	-	(2,051)
Transfers out of Level 3	(87,500)	-	(87,500)
Effect of exchange rate changes	<u>(14)</u>	<u>167</u>	<u>153</u>
Balance at March 31, 2020	<u>\$ 864,465</u>	<u>\$ 77,596</u>	<u>\$ 942,061</u>

For the three months ended March 31, 2019

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>	<b>Total</b>
Balance at January 1, 2019	\$ 622,584	\$ 110,671	\$ 773,255
Recognized in profit or loss	13,374	-	13,374
Recognized in other comprehensive income	-	8,557	8,557
Purchases	57,432	-	57,432
Reclassifications	-	30,001	30,001
Effect of exchange rate changes	<u>1,594</u>	<u>177</u>	<u>1,771</u>
Balance at March 31, 2019	<u>\$ 734,984</u>	<u>\$ 149,406</u>	<u>\$ 884,390</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair values of unlisted equity securities - ROC were determined using the market approach. The significant unobservable inputs used are listed in the table below. An increase in the price-to-book ratio or price-sales ratio or a decrease in the discount for lack of marketability used in isolation would result in increases in fair value.

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Price-to-book ratio	1.18-7.62	1.85-4.42	0.84-4.50
Price-to-sales ratio	0.68-10.18	2.27-6.37	0.80-7.52
Discount for lack of marketability	10%-20%	10%-20%	10%-30%

- b) The fair values of unlisted shares and emerging market shares and private funds were determined using the asset-based approach. The Group assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Group assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

- c) The fair values of unlisted shares and emerging market shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or a decrease in the weighted average cost of capital or discount for lack of marketability used in isolation would result in increases in fair value.

c. Categories of financial instruments

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)	\$ 2,016,024	\$ 2,118,124	\$ 2,160,040
Financial assets at amortized cost (i)	3,808,346	4,147,636	4,290,591
Financial assets at FVTOCI			
Equity instruments	154,221	189,387	253,489
<u>Financial liabilities</u>			
Measured at amortized cost (ii)	850,831	889,360	1,124,442

- i) The balances include financial assets, which comprise cash and cash equivalents, notes receivable and trade receivables, other trade receivables, other financial assets and refundable deposits.
  - ii) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes receivable and trade payables, long-term liabilities - current portion, long term loans and guarantee deposits.
- d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, convertible notes, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. 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 reports 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 denominated in foreign currencies, and management's use of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange rate risk management, each foreign currency denominated 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.

For 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, refer to Note 35.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US\$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of \$1.00. The sensitivity analysis covers cash and cash equivalents, notes and accounts receivable, other receivables, accounts payable, other accounts payable, long-term and short-term loans, other financial assets, and deposit margins. A negative number below indicates a decrease in post-tax profit associated with the New Taiwan dollar strengthening \$1.00 against USD and RMB. For a \$1.00 weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit, and the balances below would be positive (negative).

	<b>USD Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Profit or loss	\$ (4,693)	\$ (7,033)

  

	<b>RMB Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Profit or loss	\$ 591	\$ 494

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 appetites, ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period are as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Fair value interest rate risk			
Financial assets	\$ 2,230,510	\$ 2,505,022	\$ 2,392,908
Financial liabilities	490,933	565,762	424,005
Cash flow interest rate risk			
Financial assets	774,648	769,506	947,348
Financial liabilities	-	-	235,693

Sensitivity analysis

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

Had interest rates increased/decreased by 0.125% and all other variables been held constant, the Group's post-tax profit would have increased/decreased by \$968 thousand, respectively, for the three months ended March 31, 2020 and increased/decreased by \$890 thousand, respectively, for the three months ended March 31, 2019.

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.

Had the prices of financial assets at FVTPL been 1% higher/lower, post-tax profit for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$20,160 and \$21,600 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$1,542 and \$2,535 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a 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 the failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the 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 consist 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 covers are purchased.

The Group's concentration of credit risk of 59%, 75% and 61% in total trade receivables as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2020, December 31, 2019 and March 31, 2019, the Group had available unutilized overdraft and financing facilities set out below.

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities 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 include both interest and principal cash flows.

March 31, 2020

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 274,367	\$ 154,650	\$ 616	\$ 35,327	\$ -
Finance lease liabilities	1,414	3,107	12,778	58,002	263,997
Fixed interest rate liabilities	<u>103,115</u>	<u>-</u>	<u>148,589</u>	<u>4,842</u>	<u>145,037</u>
	<u>\$ 378,896</u>	<u>\$ 157,757</u>	<u>\$ 161,983</u>	<u>\$ 97,171</u>	<u>\$ 409,034</u>

Additional information about the maturity analysis for lease liabilities

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 17,299</u>	<u>\$ 57,002</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>	<u>\$ 43,343</u>	<u>\$ 122,561</u>

December 31, 2019

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial Liabilities</u>					
Non-interest bearing	\$ 271,434	\$ 172,191	\$ -	\$ -	\$ -
Lease liabilities	1,414	3,109	13,074	58,541	266,450
Fixed interest rate liabilities	<u>179,756</u>	<u>23,984</u>	<u>120,130</u>	<u>4,922</u>	<u>142,928</u>
	<u>\$ 452,604</u>	<u>\$ 199,284</u>	<u>\$ 133,204</u>	<u>\$ 63,463</u>	<u>\$ 409,378</u>

Additional information about the maturity analysis for lease liabilities

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 17,597</u>	<u>\$ 60,032</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>	<u>\$ 43,896</u>	<u>\$ 122,971</u>

March 31, 2019

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 263,172	\$ 271,192	\$ -	\$ 37,348	\$ -
Finance lease liabilities	1,380	2,884	12,297	62,504	272,316
Variable interest rate liabilities	89	50,000	185,693	-	-
Fixed interest rate liabilities	<u>53,627</u>	<u>-</u>	<u>123,358</u>	<u>6,965</u>	<u>151,638</u>
	<u>\$ 318,268</u>	<u>\$ 324,076</u>	<u>\$ 321,348</u>	<u>\$ 106,817</u>	<u>\$ 423,954</u>

Additional information about the maturity analysis for lease liabilities

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 16,561</u>	<u>\$ 62,504</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>	<u>\$ 45,551</u>	<u>\$ 128,673</u>

b) Financing facilities

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Unsecured bank overdraft facilities			
Amount used	\$ 251,656	\$ 323,416	\$ 412,515
Amount unused	<u>4,450,667</u>	<u>4,515,381</u>	<u>4,288,691</u>
	<u>\$ 4,702,323</u>	<u>\$ 4,838,797</u>	<u>\$ 4,701,206</u>

**33. TRANSACTIONS WITH RELATED PARTIES**

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

a. Name and relationship of related parties

<b>Name</b>	<b>Relationship with the Group</b>
Beijing Golden Global View Co., Ltd.	Associate (Note 1)
iCatch Technology Co., Ltd.	Associate
Advanced Vehicle Systems Co., Ltd.	Associate (Note 2)

Note 1: It is an associate of the Company; subsidiary of Global View Co., Ltd.

Note 2: It is an associate of the Company; subsidiary of AutoSys Co., Ltd.

b. Sales of goods

Line Item	Related Party Category	For the Three Months Ended March 31	
		2020	2019
Sales	Associates	<u>\$ 12,009</u>	<u>\$ 17,125</u>

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

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

Line Item	Related Party Category	March 31, 2020	December 31, 2019	March 31, 2019
Trade receivables	Associates	<u>\$ 11,514</u>	<u>\$ 11,645</u>	<u>\$ 14,081</u>
Other trade receivables	Associates	<u>\$ 254</u>	<u>\$ 280</u>	<u>\$ 1,255</u>

There were no guarantees on outstanding receivables from related parties. For the nine months ended March 31, 2020 and 2019, no impairment loss was recognized for trade receivables from related parties.

d. Other transactions with related parties

Account Item	Related Party Type	For the Three Months Ended March 31	
		2020	2019
Operating expenses	Associates	<u>\$ -</u>	<u>\$ 139</u>
Non-operating revenue	Associates	<u>\$ 2,439</u>	<u>\$ 2,681</u>

Administrative support services price were negotiated between the Company and the related parties, and were thus not comparable with those in the market. There are no other available transactions to be compared with.

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

e. Compensation of key management personnel

	For the Three Months Ended March 31	
	2020	2019
Short-term employee benefits	\$ 15,985	\$ 15,122
Post-employment benefits	<u>298</u>	<u>351</u>
	<u>\$ 16,283</u>	<u>\$ 15,473</u>

The remuneration to directors and other key management personnel was determined by the compensation committee in accordance with individual performance and the market trend.

### 34. PLEDGED OR MORTGAGED ASSETS

The following assets of the Company have been pledged or mortgaged as endorsement guarantees, loans, purchase quotas, leased land, performance guarantee fund for R&D subsidy programs and collateral for customs clearance:

	March 31, 2020	December 31, 2019	March 31, 2019
Buildings, net	\$ 590,884	\$ 595,735	\$ 610,286
Pledged time deposits (classified as other financial assets, including current and non-current)	<u>131,813</u>	<u>130,819</u>	<u>134,229</u>
	<u>\$ 722,697</u>	<u>\$ 726,554</u>	<u>\$ 744,515</u>

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

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

March 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 28,142	30.225	\$ 850,592
CNY	950	4.255	4,042
JPY	371	0.279	104
HKD	118	3.898	460
GBP	3	37.250	112
EUR	1	33.240	33
Non-monetary items			
USD	28	30.620	848
CHF	734	30.925	22,705
<u>Financial liabilities</u>			
Monetary items			
USD	23,449	30.225	708,746
CNY	1,541	4.255	6,557
JPY	1,196	0.279	333

December 31, 2019

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 44,893	29.980	\$ 1,345,892
CNY	1,399	4.305	6,023
JPY	391	0.276	108
HKD	173	3.849	666
GBP	3	39.360	118
EUR	1	33.590	34
Nonmonetary items			
USD	28	30.620	848
CHF	734	30.925	22,705
<u>Financial liabilities</u>			
Monetary items			
USD	26,876	29.980	805,742
CNY	1,643	4.305	7,073
JPY	241	0.276	67

March 31, 2019

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 35,629	30.820	\$ 1,098,086
CNY	1,570	4.580	7,191
JPY	752	0.278	209
HKD	223	3.926	875
GBP	3	40.110	120
EUR	1	34.610	35
Nonmonetary items			
USD	45	30.820	1,387
<u>Financial liabilities</u>			
Monetary items			
USD	28,596	30.820	881,329
CNY	2,064	4.580	9,453
JPY	962	0.278	267
CHF	753	30.940	23,298

The foreign currency exchange losses (realized and unrealized) amounted to \$(5,261) thousand and \$15,495 thousand for the three months ended March 31, 2020 and 2019, respectively. Due to the diversity of the Group's assets and liabilities denominated in foreign currencies, it is impractical to disclose foreign currency exchange gains and losses by each significant foreign currency other than those with significant influence.

### 36. ADDITIONAL DISCLOSURES

- a. Information about significant transactions and investees and b. Information on investees:
- 1) Financings provided: Table 1 (attached)
  - 2) Endorsements/guarantees provided: Table 2 (attached)
  - 3) Marketable securities held: Table 3 (attached)
  - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: No.
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: No.
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: No.
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
  - 9) Trading in derivative instruments: No.
  - 10) Intercompany relationships and significant intercompany transactions: Table 4 (attached)
  - 11) Information on investees: Table 5 (attached)
- c. 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 receipt of services.
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

Except for the information disclosed in Tables 1 to 8, there is no further information about other significant transactions.

### **37. 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 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 sub-segment and operating results for the three months ended March 31, 2020 and 2019 are shown in the accompanying consolidated statements of comprehensive income, and the assets by segment as of March 31, 2020 and 2019 are shown in the accompanying consolidated balance sheets.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(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		
2	Sunplus Technology (Shanghai) Co., Ltd.	Sunplus APP Technology	Receivables from related parties	Yes	\$ 12,522	\$ 12,522	\$ 12,522	1.8%	Note 1	-	Note 2	\$ 12,522	-	\$ -	\$ 21,415 (Note 7)	\$ 42,830 (Note 7)
3	Russell Holdings Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	261,077	261,077	261,077	-	Note 1	-	Note 3	-	-	-	455,427 (Note 8)	455,427 (Note 8)
4	Sunplus Venture Capital Co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	232,426	232,426	232,426	1.85%	Note 1	-	Note 4	-	-	-	419,740 (Note 9)	419,740 (Note 9)
5	Sunplus Prof-tek Technology (Shenzhen)	Sunplus APP Technology	Receivables from related parties	Yes	39,354	39,354	39,354	1.80%	Note 1	-	Note 5	39,354	-	-	37,851 (Note 10)	75,703 (Note 10)
6	Lin Shih Investments co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	121,645	112,247	112,247	1.85%	Note 1	-	Note 6	-	-	-	317,228 (Note 11)	317,228 (Note 11)

Note 1: Short-term financing.

Note 2: Sunplus Technology (Shanghai) Co., Ltd. provided funds for the operating needs of Sunplus APP Technology.

Note 3: Russell Holdings Ltd. provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 4: Sunplus Venture Capital provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 5: Sunplus Prof-tek Technology (Shenzhen) provided funds for the operating needs of Sunplus APP Technology.

Note 6: Lin Shin Investments Co., Ltd. provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 7: The aggregate amount of all guarantees issued should not exceed 10% of the net equity of Sunplus Technology (Shanghai) Co., Ltd. ("Sunplus Shanghai"), and the individual amount of each guarantee should not exceed 5% of Sunplus Shanghai's net equity, with net equity based on its latest financial statements.

Note 8: Russell Holdings Ltd. and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 80%, and its period should not exceed more than 2 years.

Note 9: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Sunplus Venture Capital Co., Ltd.'s net equity as of its latest financial statements.

Note 10: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 10% of Sunplus Prof-tek Technology (Shenzhen); and the individual amount of each guarantee should not exceed 5% of Sunplus Shanghai's net equity. Sunplus Prof-tek (Shenzhen) Co., Ltd. reported the relevant improvement plan to the board of directors on April 10, 2020 and completed the improvement according to the planned schedule.

Note 11: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shih Investments Co., Ltd.'s net equity as of its latest financial statements.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE THREE MONTHS ENDED MARCH 31, 2020

(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 as of the Latest Financial Statements	Maximum Collateral/Gua rantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
0 (Note 1)	Sunplus	Sun Media Technology Co., Ltd.	3 (Note 3)	\$ 800,276 (Note 4)	\$ 169,365	\$ -	\$ -	\$ -	-	\$ 1,600,552 (Note 5)	Yes	No	Yes
1 (Note 2)	RUSSELL HOLDINGS LTD.	Sun Media Technology Co., Ltd.	3 (Note 3)	341,570 (Note 6)	122,860	122,860	122,860	122,860	21.58	341,570 (Note 6)	No	No	Yes

Note 1: Issuer.

Note 2: Investee.

Note 3: Sunplus and its subsidiaries jointly hold more than 50% of the common shares of the endorsee.

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

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

Note 6: Russell Holdings Ltd. and the endorsement guaranty object are the parent company which holds 100% voting rights directly or indirectly. For each transaction entity, the guarantee amount should not exceed 60% of the endorsement/guarantee provider's net equity, i.e., Russell Holdings Ltd. provider's latest financial statements.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

FOR THE THREE MONTHS ENDED MARCH 31, 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise, U.S. Dollars and Renminbi in Thousands)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the "Company")	Nomura Taiwan Money Market	-	Financial assets at FVTPL - current	616	\$ 10,109	-	\$ 10,109	Note 3
	FSITC Money Market	-	Financial assets at FVTPL - current	108	19,406	-	19,406	Note 3
	Mega RMB Money Market RMB	-	Financial assets at FVTPL - current	466	24,012	-	24,012	Note 3
	FSITC RMB Money Market TWD	-	Financial assets at FVTPL - current	5,387	52,179	-	52,179	Note 3
	Taishin 1699 Money Market	-	Financial assets at FVTPL - current	2,216	30,141	-	30,141	Note 3
	Mega Diamond Money Market	-	Financial assets at FVTPL - current	13,197	166,390	-	166,390	Note 3
	Yuanta USD Money Market USD	-	Financial assets at FVTPL - current	239	76,802	-	76,802	Note 3
	Prudential Financial RMB Money Market TWD	-	Financial assets at FVTPL - current	5,810	57,038	-	57,038	Note 3
	Yuanta RMB Money Market TWD	-	Financial assets at FVTPL - current	1,702	17,772	-	17,772	Note 3
	Pine Bridge Multi-Income Fund	-	Financial assets at FVTPL - current	95	27,618	-	27,618	Note 3
	Marvest Series 1 Fund	-	Financial assets at FVTPL - non-current	2	60,450	-	60,450	Note 3
	Yuanta Emerging Indonesia and India 4 years Bond Fund	-	Financial assets at FVTPL - non-current	1,500	13,716	-	13,716	Note 3
	Triknights Capital Corporation	-	Financial assets at FVTPL - non-current	29,625	285,289	5	285,289	Note 1
	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	1,500	48,960	-	48,960	Note 2
	Network Capital Global Fund	-	Financial assets at FVTOCI - non-current	380	2,586	7	2,586	Note 1
Lin Shih Investment Co., Ltd.	Taiwan Mask Corp.	-	Financial assets at FVTPL - current	101	2,505	-	2,505	Note 2
	UPI Semiconductor Corp.	-	Financial assets at FVTPL - current	300	10,760	-	10,760	Note 1
	A-Spine Asia Co., Ltd.	-	Financial assets at FVTPL - current	197	12,190	-	12,190	Note 2
	Everlight Electronics Co., Ltd. - CB	-	Financial assets at FVTPL - current	80	7,964	-	7,964	Note 2
	Kee Song Bio - Technology Holdings Limited	-	Financial assets at FVTPL - current	50	4,360	-	4,360	Note 2
	YFC-Bon Eagle ELECTRIC CO., LTD.	-	Financial assets at FVTPL - current	50	4,220	-	4,220	Note 2
	Hon Chuan Co., Ltd.	-	Financial assets at FVTPL - current	50	2,473	-	2,473	Note 1
	Enterex International Limited - CB	-	Financial assets at FVTPL - current	30	2,530	-	2,530	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets at FVTPL - non-current	4,272	-	7	-	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets at FVTPL - non-current	300	-	4	-	Note 1
Sanjet Technology Corporation	-	Financial assets at FVTPL - non-current	8	-	-	-	Note 1	
Ortery Technologies, Inc.	-	Financial assets at FVTPL - non-current	103	-	1	-	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	Chain Sea Information Integration Co., Ltd.	-	Financial assets at FVTPL - non-current	43	\$ 474	-	\$ 474	Note 1
	Lead Sun Corporation	-	Financial assets at FVTPL - non-current	1,000	27,934	12	27,934	Note 1
	AIII CO., Ltd.	-	Financial assets at FVTPL - non-current	26	431	-	431	Note 1
	GEMFOR Leading Financial Solution Provider Fund	-	Financial assets at FVTPL - non-current	13	216	-	216	Note 1
	Ability Enterprise Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,434	56,511	2	56,511	Note 2
	Sunplus Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,560	30,652	1	30,652	Note 2
	Prine Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	33	1,720	-	1,720	Note 1
Russell Holdings Limited	Synerchip Inc.	-	Financial assets at FVTPL - non-current	6,452	-	12	-	Note 1
	OZ Optics Limited	-	Financial assets at FVTPL - non-current	1,000	-	8	-	Note 1
	Ortega InfoSystem, Inc.	-	Financial assets at FVTPL - non-current	2,557	-	-	-	Note 1
	Innobrige International Inc.	-	Financial assets at FVTPL - non-current	4,000	-	15	-	Note 1
	Ether Precision Inc.	-	Financial assets at FVTPL - non-current	1,250	-	1	-	Note 1
	Asia Tech Taiwan Venture, L.P.	-	Financial assets at FVTPL - non-current	-	-	5	-	Note 1
	Asia B2B on Line Inc.	-	Financial assets at FVTPL - non-current	1,000	-	3	-	Note 1
	AMED Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	10,142	4	10,142	Note 1
	Intudo Ventures II, L.P.	-	Financial assets at FVTPL - non-current	-	33,006	6	33,006	Note 1
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,710	21,157	13	21,157	Note 1
Sunplus Venture Capital Co., Ltd.	Taiwan High Speed Rail	-	Financial assets at FVTPL - current	900	25,875	-	25,875	Note 2
	Charles Schwab - Money Fund	-	Financial assets at FVTPL - current	-	2,053	-	2,053	Note 1
	Taiwan Mask Corp.	-	Financial assets at FVTPL - current	108	2,678	-	2,678	Note 2
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at FVTPL - current	100	27,400	-	27,400	Note 2
	Media Tek Inc.	-	Financial assets at FVTPL - current	80	26,200	-	26,200	Note 2
	eWave System, Inc.	-	Financial assets at FVTPL - non-current	1,833	-	22	-	Note 1
	VenGlobal International Fund	-	Financial assets at FVTPL - non-current	1	-	-	-	Note 1
	Book4u Company Limited	-	Financial assets at FVTPL - non-current	9	-	-	-	Note 1
	Sanjet Technology Corp.	-	Financial assets at FVTPL - non-current	49	-	-	-	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Simple Act Inc.	-	Financial assets at FVTPL - non-current	1,900	\$ -	10	\$ -	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets at FVTPL - non-current	5,000	-	8	-	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets at FVTPL - non-current	375	-	5	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets at FVTPL - non-current	68	-	1	-	Note 1
	Cyberon Corporation	-	Financial assets at FVTPL - non-current	786	26,650	8	26,650	Note 1
	Grand Fortune Venture Capital Co., Ltd.	-	Financial assets at FVTPL - non-current	5,000	54,950	7	54,950	Note 1
	Huijia Health Life Technology	-	Financial assets at FVTPL - non-current	1,000	23,850	5	23,850	Note 1
	Fuyou Venture Capital Limited Partnersh	-	Financial assets at FVTPL - non-current	-	19,878	10	19,878	Note 1
	San Neng Group Holding Co., Ltd.	-	Financial assets at FVTPL - non-current	900	30,960	1	30,960	Note 2
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	4,500	81,630	16	81,630	Note 1
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	55,423	2	55,423	Note 1
	TIEF Fund LP	-	Financial assets at FVTPL - non-current	-	40,721	7	40,721	Note 1
Sunplus Venture Capital Co., Ltd.	Intudo Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	46,728	8	46,728	Note 1
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	1,247	20,114	4	20,114	Note 2
	Qun-Kin Venture Capital	-	Financial assets at FVTOCI - non-current	3,000	24,000	6	24,000	Note 1
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	1,364	4,580	4	4,580	Note 1
Wei-Young Investment Inc.	Cheng Mei Materials Technology Corporation	-	Financial assets at FVTPL - current	2,000	10,160	-	10,160	Note 2
Sunplus Technology (Shanghai) Co., Ltd.	GF Every Day The Red Haired Type Money Market Fund B	-	Financial assets at FVTPL - current	13,700	58,854	-	58,854	Note 3
	GF Live Treasure Currency B	-	Financial assets at FVTPL - current	13,550	58,219	-	58,219	Note 3
	Chongqing CYIT Communication Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	-	3	-	Note 1
	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	41,142	16	41,142	Note 1
	Xiamen Xm-plus Technology Ltd.	-	Financial assets at FVTPL - non-current	-	10,378	3	10,378	Note 1
Generalplus Technology Inc.	Franklin Templeton SinoAm Money Market	-	Financial assets at FVTPL - current	3,440	35,759	-	35,759	Note 3
	Yuata De-Li Money Market Fund B	-	Financial assets at FVTPL - current	1,403	23,000	-	23,000	Note 3
Sunplus Innovation Technology Inc.	Mega Diamond Money Market	-	Financial assets at FVTPL - current	810	10,213	-	10,213	Note 3
	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL - current	3,963	60,313	-	60,313	Note 3
	Yuanta De-Li Money Market	-	Financial assets at FVTPL - current	1,832	30,026	-	30,026	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Innovation Technology Inc.	Fuh Hwa You Li Money Market	-	Financial assets at FVTPL - current	2,235	\$ 30,262	-	\$ 30,262	Note 3
	Taishin 1699 Money Market	-	Financial assets at FVTPL - current	2,212	30,083	-	30,083	Note 3
	Advanced Silicon SA	-	Financial assets at FVTOCI - non-current	1,000	22,705	10	22,705	Note 1
	Advanced NuMicro System, Inc.	-	Financial assets at FVTOCI - non-current	2,000	848	8	848	Note 1
	PointGrab Ltd.	-	Financial assets at FVTOCI - non-current	182	-	1	-	Note 1
Magic Sky Limited	GTA Co., Ltd.	-	Financial assets at FVTPL - non-current	1,413	40,501	-	40,501	Note 1
Giant Rock Inc.	Xiamen Xm-plus Technology Ltd.	-	Financial assets at FVTPL - non-current	-	42,172	-	42,172	Note 1
Sunext Technology Co., Ltd.	Yuanta Taiwan Dividend Plus ETF	-	Financial assets at FVTPL - current	2,000	20,000	-	20,000	Note 3
	EVERGREEN STEEL Co., Ltd.	-	Financial assets at FVTPL - non-current	1,000	32,640	-	32,640	Note 2
Jsilicon Technology Co., Ltd.	GF Live Treasure Currency B	-	Financial assets at FVTPL - current	1,700	8,219	-	8,219	Note 3

Note 1: The market value was based on the carrying amount as of March 31 2020.

Note 2: The market value was based on the closing price as of March 31, 2020.

Note 3: The market value was based on the net asset value of the fund as of March 31, 2020.

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020

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

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Technology Co., Ltd. (the "Company")	Generalplus Technology Inc.	1	Sales	\$ 674	Note 1	0.06%
			Notes and accounts receivable	238	Note 1	-
	Sunext Technology Co., Ltd.	1	Sales	43	Note 1	-
			Non-operating income	387	Note 2	0.04%
			Other receivable	127	Note 3	-
			Notes and accounts receivable	28	Note 1	-
Sunplus Innovation Technology Inc.	Sunplus Innovation Technology Inc.	1	Sales	106	Note 1	0.01%
			Non-operating income	1,003	Note 2	0.10%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	332	Note 3	-
			Jumplux Technology Co., Ltd.	1	Sales	1,092
		Non-operating income	3,942	Notes 2 and 4	0.38%	
		Notes and accounts receivable	318	Note 1	-	
		Other receivables	1,173	Note 3	0.01%	
Gen Ki Tek Co.	Gen Ki Tek Co.	1	Other receivables	97	Note 3	-
			Non-operating income	97	Note 2	0.01%
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Other accrued expenses	1,026	Note 3	0.01%
			Marketing expenses	1,033	Note 2	0.10%
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other accrued expenses	5,506	Note 3	0.05%
			Marketing expenses	5,545	Note 2	0.53%
Generalplus Technology Inc.	Generalplus Technology (H.K.) Inc.	2	Marketing expenses	1,865	Note 2	0.18%
			Other accrued expenses	1,880	Note 3	0.02%
Generalplus Technology (Shenzhen) Inc.	Generalplus Technology (Shenzhen) Inc.	2	Sales	1,735	Note 2	0.17%
			Research and development expenses	18,671	Note 2	1.79%
			Notes and accounts receivable	519	Note 3	-
			Other accrued expenses	18,755	Note 3	0.17%
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Other receivables	702	Note 3	0.01%
	Jumplux Technology Co., Ltd.	2	Notes and accounts receivable	278	Note 1	-
Jumplux Technology Co., Ltd.	Jumplux Technology Co., Ltd.	2	Sales	276	Note 1	0.03%
			Notes and accounts receivable	7,109	Note 1	0.06%
Lin Shih Investment Co., Ltd.	Sun Media Technology Co., Ltd.	2	Sales	7,501	Note 1	0.72%
			Other receivables	108,885	Note 3	0.98%
Sunplus Venture Capital Co., Ltd.	Sun Media Technology Co., Ltd.	2	Interest revenue	537	Note 2	0.05%
			Other receivables	229,893	Note 3	2.06%
Russell Holdings Limited	Sun Media Technology Co., Ltd.	2	Interest revenue	1,066	Note 2	0.10%
			Other receivables	256,913	Note 3	2.31%

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Technology (Beijing)	Shjangxin Technology Co., Ltd. (Chongqing)	2	Sales	\$ 701	Note 1	0.07%
			Notes and accounts receivable	2,096	Note 1	0.02%
Sunplus App Technology	Sunplus Technology (Beijing)	2	Management expenses	141	Note 2	0.01%
			Refundable deposits	51	Note 2	-

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

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

Note 3: The transaction payment terms were similar to 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 counterparty were made under normal terms.

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

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
MARCH 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2020			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2020	December 31, 2019	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	\$ 2,416,201 (US\$ 74,605 RMB\$ 37,900)	\$ 2,416,201 (US\$ 74,605 RMB\$ 37,900)	-	100	\$ 1,333,010	\$ (25,266)	\$ (25,266)	Subsidiary
	Award Glory Ltd.	Belize	Investment	227,546 (US\$ 5,642 RMB\$ 13,400)	227,546 (US\$ 5,642 RMB\$ 13,400)	-	100	151,942	(7,582)	(7,582)	Subsidiary
	Global View Co., Ltd.	Hsinchu, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229	13	296,840	49,718	6,494	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	697,593	(9,861)	(9,861)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	686,510	19,254	6,604	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	1,035,035	(15,942)	(15,942)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	61	592,435	30,327	18,538	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies	Investment	745,349 (US\$ 24,660)	745,349 (US\$ 24,660)	24,660	100	574,488	(9)	(9)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	28	257,909	(30,841)	(9,826)	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	983,237	983,237	58,778	93	190,823	(3,685)	(3,411)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,441	90	23,595	(35)	(32)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	3,733	(35)	(35)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	43,170 (HK\$ 11,075)	43,170 (HK\$ 11,075)	11,075	100	36	-	-	Subsidiary
	Magic Sky Limited	Samoa	Investment	309,504 (US\$ 10,160)	307,086 (US\$ 10,160)	-	100	43,124	8,129	8,129	Subsidiary (Note2)
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	29,561	(15)	(15)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	70,157	70,157	5,400	100	42,213	(7,390)	(7,390)	Subsidiary
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	132,000	132,000	132,000	55	(454)	(5,888)	(3,238)	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	275,274	19,254	2,635	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	18,032	30,327	633	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	1	12,577	(30,841)	(416)	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	2	5,347	(35)	-	Subsidiary
	Yizhiliang Accelerator Co., Ltd.	Hsinchu, Taiwan	Investment management consultant	1,250	-	125	13	1,246	(34)	(4)	Investee
Sunplus Venture Capital Co., Ltd.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100	42	(347)	(5,888)	(2,478)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	55,701	30,327	1,710	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,332	5	43,443	(30,841)	(1,439)	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	8	454	(35)	(3)	Subsidiary
	Gen Ki Tek Co.	Taipei, Taiwan	Software development	20,000	-	2,000	63	19,911	(142)	(89)	Subsidiary
	Yizhiliang Accelerator Co., Ltd.	Hsinchu, Taiwan	Investment management consultant	1,250	-	125	13	1,246	(34)	(4)	Investee
Russell Holdings Limited	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	75,563 (US\$ 2,500)	75,563 (US\$ 2,500)	5,000	16	77,276	(3,183)	(517)	Investee
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,416,201 (US\$ 74,605 RMB\$ 37,900)	2,416,201 (US\$ 74,605 RMB\$ 37,900)	-	100	1,333,008	(25,266)	(25,266)	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,416,201 (US\$ 74,605 RMB\$ 37,900)	2,416,201 (US\$ 74,605 RMB\$ 37,900)	-	100	1,332,986	(25,266)	(25,266)	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	576,995 (US\$ 19,090)	576,995 (US\$ 19,090)	19,090	100	471,479	1,427	1,427	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	576,995 (US\$ 19,090)	576,995 (US\$ 19,090)	19,090	100	471,859	1,427	1,427	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	11,788 (US\$ 390)	11,788 (US\$ 390)	-	100	3,621	(1,123)	(1,123)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2020			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2020	December 31, 2019	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	\$ 227,546 (US\$ 5,642 RMB\$ 13,400)	\$ 227,546 (US\$ 5,642 RMB\$ 13,400)	-	100	\$ 151,942	\$ (7,582)	\$ (7,582)	Subsidiary
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	23,334 (US\$ 772)	23,334 (US\$ 772)	-	100	568	14	14	Subsidiary
	Giant Rock Inc.	Anguilla	Investment	95,403 (US\$ 1,270 RMB\$ 13,400)	95,403 (US\$ 1,270 RMB\$ 13,400)	-	100	45,093	(5,657)	(5,657)	Subsidiary
	WORLDPLUS HOLDINGS L.L.C.	America	Investment	108,810 (US\$ 3,600)	108,810 (US\$ 3,600)	-	100	106,281	(1,939)	(1,939)	Subsidiary
	Giant Best Ltd.	Seychelles	Investment	(Note3)	(Note3)	(Note3)	(Note3)	(Note3)	(Note3)	(Note3)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of March 31, 2020.

Note 2: The amount of remittances in this period has not completed registered for capital changes.

Note 3: The establishment registration was completed at the end of March 2020, but the actual remittance has not been completed:(Concluded)

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(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, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2020	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of March 31, 2020	Accumulated Inward Remittance of Earnings as of March 31, 2020
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Development of computer software, system integration services and building rental	\$ 519,870 (US\$ 17,200)	Note 1	\$ 533,622 (US\$ 17,655)	\$ -	\$ -	\$ 533,622 (US\$ 17,655)	100%	\$ (8,286)	\$ (8,286) (Note 2)	\$ 415,150	\$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development of computer software, system integration services and building rental	974,756 (US\$ 32,250)	Note 1	974,756 (US\$ 32,250)	-	-	974,756 (US\$ 32,250)	100%	2,758	2,758 (Note 2)	750,957	-
Sun Media Technology Co., Ltd.	Development of computer software, system integration services and building rental	604,500 (US\$ 20,000)	Note 1	604,500 (US\$ 20,000)	-	-	604,500 (US\$ 20,000)	100%	(19,663)	(19,663) (Note 3)	110,144	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	110,630 (RMB 26,000)	Note 1	107,067 (US\$ 586 RMB 21,000)	-	-	107,067 (US\$ 586 RMB 21,000)	96%	(2,342)	(2,252) (Note 3)	1,801	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services	260,619 (RMB 61,250)	Note 1	136,345 (US\$ 4,511)	-	-	136,345 (US\$ 4,511)	91%	153	138 (Note 3)	1,909	-
Sunplus Technology (Beijing)	Development of computer software, system integration services and building rental	114,885 (RMB 27,000)	Note 1	114,885 (RMB 27,000)	-	-	114,885 (RMB 27,000)	100%	1,123	1,123 (Note 3)	49,773	-
Iculture Communication Co., Ltd.	System development	13,829 (RMB 3,250)	Note 4	-	-	-	-	100%	(72)	(72) (Note 3)	(7)	-
JSilicon Technology Co., Ltd. (Ru Dong)	Development of computer software, system integration services	42,550 (RMB 10,000)	Note 5	-	-	-	-	100%	(12,555)	(27,588) (Note 3)	15,485	-
Lingyao Technology Co., Ltd. (Shenzhen)	Development of computer software, system integration services and building rental	81,011 (RMB 19,039)	Note 7	108,810 (US\$ 3,600)	-	-	108,810 (US\$ 3,600)	100%	(1,606)	(1,939) (Note 3)	106,281	-
Shuangxin Technology Co., Ltd. (Chongqing)	Development of computer software, system integration services	8,510 (RMB 2,000)	Note 6	-	-	-	-	100%	(6,187)	(6,187) (Note 3)	68,235	-

Accumulated Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 2,626,456 (US\$ 79,872 RMB 49,900 )	\$ 2,639,555 (US\$ 78,602 RMB 62,000 )	\$ 4,801,657

Sunplus Venture Capital Co., Ltd.

Accumulated Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$ 38,084 (US\$ 1,260 )	\$ 38,084 (US\$ 1,260 )	\$ 629,610

(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, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2020	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of March 31, 2020	Accumulated Inward Remittance of Earnings as of March 31, 2020
					Outflow	Inflow						
Generalplus Shenzhen	Design of ICs, after sales service and marketing research	\$ 565,208 (US\$ 18,700)	Note 1	\$ 565,208 (US\$ 18,700)	\$ -	\$ -	\$ 565,208 (US\$ 18,700)	100%	\$ 2,550	\$ 2,550	\$ 468,218	\$ -

Accumulated Investment in Mainland China as of March 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 565,208 (US\$ 18,700 )	\$ 565,208 (US\$ 18,700 )	\$ 1,218,639

Note 1: Indirect investment in a company located in mainland China through investment in a company located in a third country.

Note 2: Based on the reviewed financial statements of investees in the same period.

Note 3: Based on the financial statements which had not been reviewed in the same period.

Note 4: Ytrip Technology Co., Ltd.'s indirect investment in a company located in mainland China.

Note 5: Sunplus Technology (Shanghai) Co., Ltd.'s indirect investment in a company located in mainland China.

Note 6: The initial exchange rate was based on the exchange rate as of March 31, 2020.

Note 7: It is a company located in mainland China that acquired the investment of the third regional investment company on September 2, 2019.

Note 8: The Ministry of Economic Affairs approved an investment in the shares of San Neng Group Holding Co., Ltd., which is accounted for under the financial assets at FVTPL - non-current.

Note 9: The original foreign currency was derived from the exchange rate on March 31, 2020.

(Concluded)

**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE THREE MONTHS ENDED MARCH 31, 2020**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Technology (Shenzhen) Corp.	Development and processing services	\$ 18,671	18.90%	Based on contract	Based on contract	Not comparable with market transactions	\$ 18,755	90.75%	\$ -	NA
	Sales	1,735	0.37%	Based on contract	Based on contract	Not comparable with market transactions	519	100.00%	(126)	NA

**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Zhou-jie, Huang	92,737,817	15.66

Note 1: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding more than 5% of Sunplus' shares, and the process of registration and book-entry delivery in dematerialized form on the last business date of current quarter were completed. There may be a discrepancy in the number of shares recorded on the Company's consolidated financial statements and its dematerialized securities due to the difference in the basis of preparation.

Note 2: As shown on the table above, the delivery of the shareholder's shareholding to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who held more than 10% of the shares have to disclose the insider equity, which include their own shares and their shares delivered to the trust and their right to make decisions on the trust property. Information on insider equity declaration is available on the Market Observation Post System website.