# Sunplus Technology Company Limited and Subsidiaries

## Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

## DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Sunplus Technology Company Limited

By

CHOU-CHYE HUANG
Chairman

March 30, 2020

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders
Sunplus Technology Company Limited

**Opinion**

We have audited the accompanying consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries (collectively referred to as the "Group") as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Validity of Specific Customer's Revenue</u>
Integrated circuit chip sales accounted for 93% of the Group's total revenue. Operating income declined in 2019, but sales to some customers increased significantly. Therefore, we deem revenue recognition as a key audit matter. For detailed explanation of revenue, refer to Notes 4 and 23 to the accompanying consolidated financial statements.

1. We understood the related internal control and operating procedures in the sales transaction cycle, and we evaluated and confirmed the operating effectiveness of the internal control and operating procedures.

2. We selected samples from the sales details, and we examined customers' original orders, sales electronic orders, delivery orders, logistics receipt documents or export declaration, and sales invoices for any abnormal situations and confirmed the validity of the revenue.

**Other Matter**

We have also audited the parent company only financial statements of Sunplus Technology Company Limited as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

**Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chih Lin and Yu-Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2020

<u>*Notice to Readers*</u>

*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 audit such consolidated financial statements are those generally applied in the Republic of China.*

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

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2019 AND 2018**
**(In Thousands of New Taiwan Dollars)**

| | 2019 | | 2018 | |
|---|---|---|---|---|
| **ASSETS** | **Amount** | **%** | **Amount** | **%** |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | $ 3,020,628 | 26 | $ 3,235,721 | 27 |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7) | 1,090,679 | 10 | 1,313,747 | 11 |
| Notes and accounts receivable, net (Notes 4, 5, 9, 23 and 33) | 832,633 | 7 | 954,030 | 8 |
| Other receivables (Notes 4 and 33) | 28,159 | - | 70,960 | 1 |
| Inventories (Notes 4 and 10) | 759,211 | 7 | 818,948 | 7 |
| Other financial assets - current (Notes 17 and 34) | 119,920 | 1 | 153,575 | 1 |
| Other current assets (Note 17) | 88,917 | 1 | 91,321 | 1 |
| Total current assets | 5,940,147 | 52 | 6,638,302 | 56 |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through profit or loss - non-current (Notes 4 and 7) | 1,027,445 | 9 | 737,867 | 6 |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 189,387 | 2 | 246,208 | 2 |
| Investments accounted for using the equity method (Notes 4 and 12) | 695,028 | 6 | 729,219 | 6 |
| Property, plant and equipment (Notes 4, 5 and 13) | 1,968,803 | 17 | 2,052,359 | 17 |
| Right-of-use assets (Notes 3, 4, 5 and 14) | 241,914 | 2 | - | - |
| Investment properties (Notes 4 and 15) | 1,066,797 | 9 | 1,039,314 | 9 |
| Intangible assets (Notes 4, 5 and 16) | 176,233 | 2 | 178,521 | 2 |
| Deferred tax assets (Notes 4 and 25) | 28,754 | - | 30,254 | - |
| Net defined benefit assets - non-current (Notes 4 and 21) | 1,163 | - | - | - |
| Other financial assets - non-current (Notes 17 and 34) | 140,049 | 1 | 127,215 | 1 |
| Other non-current assets (Notes 17 and 33) | 14,047 | - | 147,725 | 1 |
| Total non-current assets | 5,549,620 | 48 | 5,288,682 | 44 |
| TOTAL | $ 11,489,767 | 100 | $ 11,926,984 | 100 |
| **LIABILITIES AND EQUITY** | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Notes 18 and 34) | $ 323,626 | 3 | $ 311,215 | 3 |
| Contract liabilities - current (Note 23) | 24,912 | - | 7,511 | - |
| Accounts payable (Note 19) | 352,155 | 3 | 484,810 | 4 |
| Current tax liabilities (Notes 4 and 25) | 52,169 | 1 | 56,972 | - |
| Lease liabilities - current (Notes 3, 4, 5 and 14) | 11,885 | - | - | - |
| Deferred revenue - current (Notes 4, 20 and 27) | 1,568 | - | 1,629 | - |
| Current portion of long-term bank borrowings (Notes 18 and 34) | - | - | 250,046 | 2 |
| Other current liabilities (Note 20) | 576,101 | 5 | 572,546 | 5 |
| Total current liabilities | 1,342,416 | 12 | 1,684,729 | 14 |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities - non-current (Notes 3, 4, 5 and 14) | 230,251 | 2 | - | - |
| Deferred revenue - non-current (Notes 4, 20 and 27) | 58,015 | - | 61,894 | - |
| Net defined benefit liabilities - non-current (Notes 4 and 21) | 64,258 | 1 | 79,313 | 1 |
| Guarantee deposits (Note 33) | 213,579 | 2 | 230,177 | 2 |
| Other liabilities (Note 20) | 8,557 | - | 3,265 | - |
| Total non-current liabilities | 574,660 | 5 | 374,649 | 3 |
| Total liabilities | 1,917,076 | 17 | 2,059,378 | 17 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 22 and 30) | | | | |
| Share capital | | | | |
| Ordinary shares | 5,919,949 | 52 | 5,919,949 | 50 |
| Capital surplus | 594,432 | 5 | 801,398 | 7 |
| Retained earnings | | | | |
| Legal reserve | 1,942,388 | 17 | 1,941,826 | 16 |
| Special reserve | 308,452 | 2 | 67,279 | 1 |
| (Deficits not yet compensated) unappropriated earnings | (262,261) | (2) | 241,734 | 2 |
| Total retained earnings | 1,988,579 | 17 | 2,250,839 | 19 |
| Other equity | (261,026) | (2) | (442,843) | (4) |
| Treasury shares | (63,401) | (1) | (63,401) | (1) |
| Total equity attributable to owners of the Company | 8,178,533 | 71 | 8,465,942 | 71 |
| NON-CONTROLLING INTERESTS (Notes 4, 11, 22 and 30) | 1,394,158 | 12 | 1,401,664 | 12 |
| Total equity | 9,572,691 | 83 | 9,867,606 | 83 |
| TOTAL | $ 11,489,767 | 100 | $ 11,926,984 | 100 |

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

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2019 | | 2018 | |
|---|---|---|---|---|
| | **Amount** | **%** | **Amount** | **%** |
| NET OPERATING REVENUE (Notes 4, 23, and 33) | $ 5,512,330 | 100 | $ 6,077,733 | 100 |
| OPERATING COSTS (Notes 10 and 24) | 3,137,755 | 57 | 3,648,349 | 60 |
| GROSS PROFIT | 2,374,575 | 43 | 2,429,384 | 40 |
| OPERATING EXPENSES (Notes 24 and 33) | | | | |
| Selling and marketing expenses | 263,373 | 5 | 286,562 | 5 |
| General and administrative expenses | 498,466 | 9 | 532,943 | 9 |
| Research and development expenses | 1,481,269 | 27 | 1,699,345 | 28 |
| Expected credit gain (Note 9) | (73) | - | - | - |
| Total operating expenses | 2,243,035 | 41 | 2,518,850 | 42 |
| OTHER OPERATING INCOME AND EXPENSES | 201 | - | (324) | - |
| PROFIT (LOSS) FROM OPERATIONS | 131,741 | 2 | (89,790) | (2) |
| NON-OPERATING INCOME AND EXPENSES (Notes 4, 14, 24, 27 and 33) | | | | |
| Other income | 156,116 | 3 | 116,463 | 2 |
| Other gains and losses | 1,127 | - | 246,002 | 4 |
| Finance costs | (24,849) | (1) | (23,823) | - |
| Share of loss of associates | (19,915) | - | (44,862) | (1) |
| Total non-operating income and expenses | 112,479 | 2 | 293,780 | 5 |
| PROFIT BEFORE INCOME TAX | 244,220 | 4 | 203,990 | 3 |
| INCOME TAX EXPENSE (Notes 4 and 25) | 69,468 | 1 | 61,667 | 1 |
| NET PROFIT FOR THE YEAR | 174,752 | 3 | 142,323 | 2 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | |
| Items that will not be reclassified subsequently to profit or loss (Notes 4 and 22): | | | | |
| Remeasurement of defined benefit plans | 4,864 | - | 1,845 | - |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income | (21,444) | - | (103,685) | (2) |

(Continued)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2019 | | 2018 | |
|---|---|---|---|---|
| | **Amount** | **%** | **Amount** | **%** |
| Share of the other comprehensive income (loss) of associates accounted for using the equity method | 3,789 | - | (8,556) | - |
| Items that may be reclassified subsequently to profit or loss (Notes 4 and 22): | | | | |
| Exchange differences on translating the financial statements of foreign operations | (84,888) | (2) | (18,061) | - |
| Share of other comprehensive loss of associates accounted for using the equity method | (4,394) | - | (2,904) | - |
| Other comprehensive loss for the year, net of income tax | (102,073) | (2) | (131,361) | (2) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | $ 72,679 | 1 | $ 10,962 | - |
| NET PROFIT ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 15,309 | - | $ 5,616 | - |
| Non-controlling interests | 159,443 | 3 | 136,707 | 2 |
| | $ 174,752 | 3 | $ 142,323 | 2 |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ (77,049) | (2) | $ (120,733) | (2) |
| Non-controlling interests | 149,728 | 3 | 131,695 | 2 |
| | $ 72,679 | 1 | $ 10,962 | - |
| EARNINGS PER SHARE (Note 26) | | | | |
| Basic | $ 0.03 | | $ 0.01 | |
| Diluted | $ 0.03 | | $ 0.01 | |

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

**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**
**(In Thousands of New Taiwan Dollars)**

| | Equity Attributable to Owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share Capital Issued and Outstanding | | | Retained Earnings | | | Other Equity | | | | | |
| | Share (Thousands) | Amount | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings (Deficits not yet Compensated) | Exchange Differences on Translating the Financial Statements of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Treasury Shares | Total | Non-controlling Interests | Total Equity |
| BALANCE AT JANUARY 1, 2018 | 591,995 | $ 5,919,949 | $ 835,241 | $ 1,900,505 | $ 22,995 | $ 707,497 | $ (122,100) | $ (230,011) | $ (63,401) | $ 8,970,675 | $ 1,678,527 | $ 10,649,202 |
| Appropriation of 2017 earnings | | | | | | | | | | | | |
| Legal reserve | - | - | - | 41,321 | - | (41,321) | - | - | - | - | - | - |
| Special reserve | - | - | - | - | 44,284 | (44,284) | - | - | - | - | - | - |
| Cash dividends to shareholders | - | - | - | - | - | (327,551) | - | - | - | (327,551) | - | (327,551) |
| Changes in capital surplus from investments in associates accounted for using the equity method | - | - | 50,782 | - | - | - | - | - | - | 50,782 | - | 50,782 |
| Issuance of share dividends from capital surplus | - | - | (86,846) | - | - | - | - | - | - | (86,846) | - | (86,846) |
| Difference between share price and carrying amount from disposal of subsidiaries | - | - | (271) | - | - | - | - | - | - | (271) | - | (271) |
| Changes of equity of subsidiaries | - | - | - | - | - | (22,606) | - | - | - | (22,606) | - | (22,606) |
| Net profit for the year ended December 31, 2018 | - | - | - | - | - | 5,616 | - | - | - | 5,616 | 136,707 | 142,323 |
| Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax | - | - | - | - | - | 1,453 | (16,775) | (111,027) | - | (126,349) | (5,012) | (131,361) |
| Total comprehensive income (loss) for the year ended December 31, 2018 | - | - | - | - | - | 7,069 | (16,775) | (111,027) | - | (120,733) | 131,695 | 10,962 |
| Adjustment of capital surplus for the Company | | | | | | | | | | | | |
| Cash dividends received by subsidiaries | - | - | 2,492 | - | - | - | - | - | - | 2,492 | - | 2,492 |
| Disposals of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | - | (37,070) | - | 37,070 | - | - | - | - |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | - | - | (408,558) | (408,558) |
| BALANCE AT DECEMBER 31, 2018 | 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 |
| Appropriation of 2018 earnings | | | | | | | | | | | | |
| Legal reserve | - | - | - | 562 | - | (562) | - | - | - | - | - | - |
| Special reserve | - | - | - | - | 241,173 | (241,173) | - | - | - | - | - | - |
| Cash dividends to sharesholders | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in capital surplus from investments in associates accounted for using the equity method | - | - | 4,709 | - | - | - | - | - | - | 4,709 | - | 4,709 |
| Issuance of share dividends from capital surplus | - | - | (213,118) | - | - | - | - | - | - | (213,118) | - | (213,118) |
| Difference between share price and carrying amount from disposal of subsidiaries | - | - | 162 | - | - | - | - | - | - | 162 | - | 162 |
| Changes of equity of subsidiaries | - | - | - | - | - | (3,394) | - | - | - | (3,394) | - | (3,394) |
| Net profit for the year ended December 31, 2019 | - | - | - | - | - | 15,309 | - | - | - | 15,309 | 159,443 | 174,752 |
| Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax | - | - | - | - | - | 5,339 | (79,905) | (17,792) | - | (92,358) | (9,715) | (102,073) |
| Total comprehensive income (loss) for the year ended December 31, 2019 | - | - | - | - | - | 20,648 | (79,905) | (17,792) | - | (77,049) | 149,728 | 72,679 |
| Adjustment of capital surplus for the Company | | | | | | | | | | | | |
| Cash dividends received by subsidiaries | - | - | 1,281 | - | - | - | - | - | - | 1,281 | - | 1,281 |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | - | - | (157,234) | (157,234) |
| Disposals of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | - | (279,514) | - | 279,514 | - | - | - | - |
| BALANCE AT DECEMBER 31, 2019 | 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 |

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

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS
## FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
## (In Thousands of New Taiwan Dollars)

| | 2019 | 2018 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | $ 244,220 | $ 203,990 |
| Adjustments for: | | |
| Depreciation expenses | 282,554 | 275,786 |
| Amortization expenses | 77,812 | 82,237 |
| Expected credit loss reversed on trade receivables | (73) | - |
| Net gain on fair value change of financial assets designated as of fair value through profit or loss | (17,879) | (67,736) |
| Finance costs | 24,849 | 23,823 |
| Interest income | (24,578) | (22,896) |
| Dividend income | (28,815) | (26,982) |
| Compensation costs of employee share options | - | 37 |
| Share of profits of associates | 19,915 | 44,862 |
| (Gain) loss on disposal of property, plant and equipment | (161) | 324 |
| Gain on disposal of intangible assets | (39) | - |
| (Gain) loss on disposal of subsidiaries | 43 | (170,897) |
| Gain on disposal of investments | - | (11,724) |
| Net loss on foreign currency exchange | 8,984 | 34,248 |
| Gain on lease modification | (1) | - |
| Amortization of prepaid lease payments | - | 2,810 |
| Changes in operating assets and liabilities: | | |
| Decrease in trade receivables | 114,248 | 114,488 |
| Decrease in other receivables | 41,197 | 11,333 |
| Decrease (increase) in inventories | 59,737 | (17,157) |
| Increase in other current assets | (132) | (6,368) |
| Increase in net defined benefits assets - non-current | (1,163) | - |
| Decrease in trade payables | (130,606) | (89,495) |
| Increase in contract liabilities | 17,401 | 27,331 |
| Decrease in deferred revenue | (1,629) | (3,659) |
| Increase (decrease) in other current liabilities | 4,465 | (153,224) |
| Decrease in defined benefits liabilities - non-current | (10,191) | (4,309) |
| Cash generated from operations | 680,158 | 246,822 |
| Interest received | 26,584 | 21,707 |
| Dividends received | 45,274 | 101,047 |
| Interest paid | (27,923) | (20,370) |
| Income tax paid | (72,440) | (65,287) |
| Net cash generated from operating activities | 651,653 | 283,919 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at FVTOCI | - | (105,213) |
| Purchase of financial assets at FVTPL | (1,588,698) | (1,764,316) |
| Proceeds from the sale of financial assets at FVTPL | 1,572,327 | 2,060,690 |
| Proceeds from the sale of financial assets at FVTOCI | 25,990 | 4,930 |
| Acquisition of associates | - | (110,368) |
| Net cash outflow on acquisition of subsidiaries (Note 28) | (48,215) | - |
| Proceeds from disposal of subsidiaries | (744) | (159,571) |
| Payments for property, plant and equipment | (138,970) | (173,729) |
| Proceeds of the disposal of property, plant and equipment | 4,239 | 568 |
| Increase in refundable deposits | (459) | (2,039) |

(Continued)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**
**(In Thousands of New Taiwan Dollars)**

| | 2019 | 2018 |
|---|---|---|
| Decrease in refundable deposits | 1,871 | 62 |
| Payments for intangible assets | (78,623) | (84,655) |
| Proceeds of disposal of intangible assets | 484 | - |
| Payments for investment properties | (1,488) | (3,891) |
| Decrease in investment properties | - | 10,016 |
| Decrease on other financial assets - non-current | 10,909 | 10,635 |
| Decrease in other assets - non-current | - | 3,570 |
| Net cash (used in) generated from investing activities | (241,377) | (313,311) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of short-term borrowings | 15,000 | (132,566) |
| Repayments of long-term borrowings | (248,544) | (179,088) |
| Proceeds of guarantee deposits received | 22,168 | 47,914 |
| Refunds of guarantee deposits received | (33,729) | (18,331) |
| Repayment of principal portion of lease liabilities | (11,303) | - |
| Increase in other liabilities | 4,758 | - |
| Cash dividends paid | (211,837) | (411,905) |
| Dividends paid to non-controlling interests | (157,520) | (169,798) |
| Decrease in non-controlling interests | (2,184) | (31,266) |
| Net cash used in financing activities | (623,191) | (895,040) |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | (2,178) | 3,876 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (215,093) | (920,556) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 3,235,721 | 4,156,277 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | $ 3,020,628 | $ 3,235,721 |

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

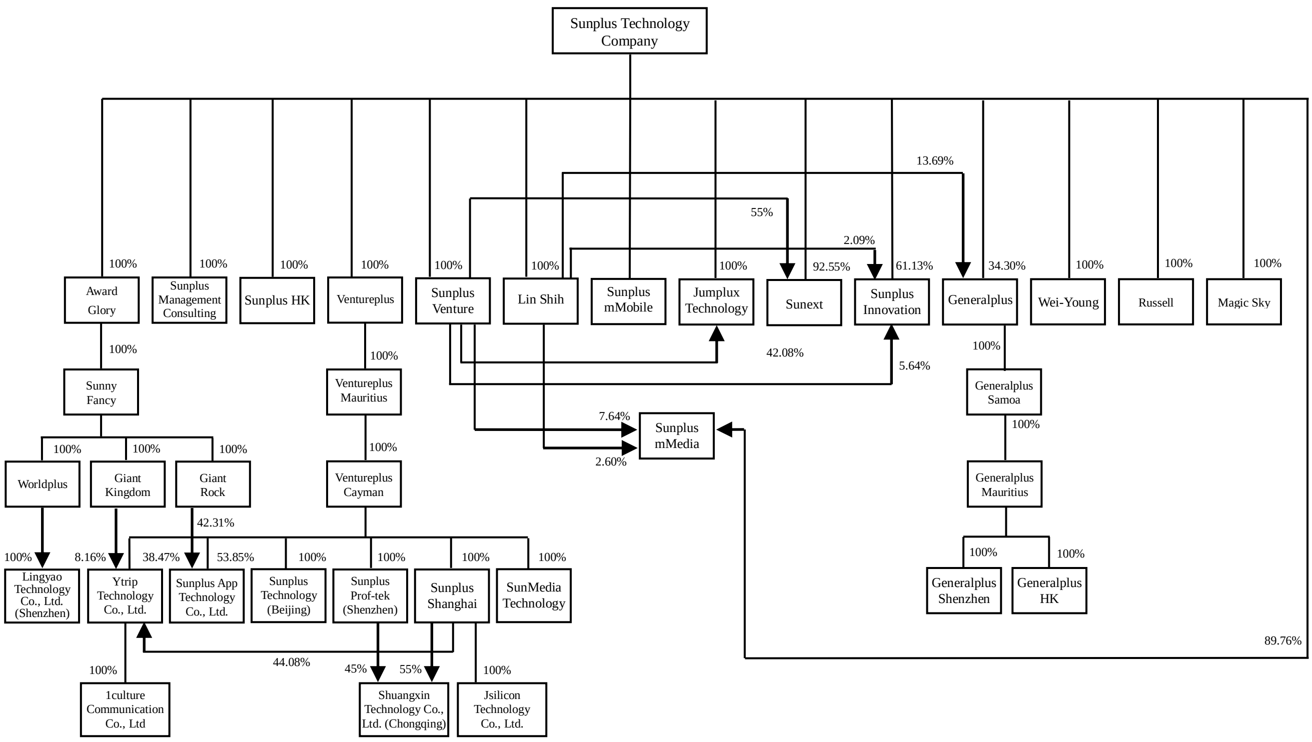
# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
## (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

### 1. GENERAL INFORMATION

Sunplus Technology Company Limited (“Sunplus” or the “Company”) was established in August 1990. It researches, develops, designs, tests and sells high quality, high value-added consumer integrated circuits (ICs). Its products are based on core technologies in such areas as multimedia audio/video, single-chip microcontrollers and digital signal processors. These technologies are used to develop hundreds of products including various ICs: liquid crystal display, microcontroller, multimedia, voice/music, and application-specific. Sunplus’ shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depositary receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 22).

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the “Group”) as of December 31, 2019:




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

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 30, 2020.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies:

   1) IFRS 16 "Leases"

      IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

      Definition of a lease

      The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

      The Group as lessee

      The Group recognizes right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

      Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities. The Group applies IAS 36 to all right-of-use assets.

The lessee's weighted average incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.58%-2.39%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

| | |
|---|---|
| The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018 | $ 99,174 |
| Less: Recognition exemption for short-term leases and leases of low-value assets | - |
| Undiscounted amounts on January 1, 2019 | $ 99,174 |
| Discounted amounts using the incremental borrowing rate on January 1, 2019 | $ 88,507 |
| Add: Adjustments as a result of a different treatment of extension and termination options | 161,220 |
| Lease liabilities recognized on January 1, 2019 | $ 249,727 |

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

| | **As Originally Stated on January 1, 2019** | **Adjustments Arising from Initial Application** | **Restated on January 1, 2019** |
|---|---|---|---|
| Prepayments for leases - current | $ 2,756 | $ (2,756) | $ - |
| Prepayments for leases - non-current | 102,175 | (102,175) | - |
| Right-of-use assets | - | 251,956 | 251,956 |
| Investment properties | 1,039,314 | 102,702 | 1,142,016 |
| Total effect on assets | $ 1,144,245 | $ 249,727 | $ 1,393,972 |
| Lease liabilities - current | $ - | $ 10,907 | $ 10,907 |
| Lease liabilities - non-current | - | 238,820 | 238,820 |
| Total effect on liabilities | $ - | $ 249,727 | $ 249,727 |

2) IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Company should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Company should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the entity expects to better predict the resolution of the uncertainty. The Company has to reassess its judgments and estimates if facts and circumstances change.

3) Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”

The amendments clarified that IFRS 9 “Financial Instruments” shall be applied to account for other financial instruments in an associate or joint venture to which the equity method is not applied. These included long-term interests that, in substance, form part of the Group’s net investment in an associate or joint venture.

4) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group applied the above amendments prospectively.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2020

| New IFRSs | Effective Date Announced by IASB |
|---|---|
| Amendments to IFRS 3 “Definition of a Business” | January 1, 2020 (Note 1) |
| Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform” | January 1, 2020 (Note 2) |
| Amendments to IAS 1 and IAS 8 “Definition of Material” | January 1, 2020 (Note 3) |

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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.

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

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|---|---|
| 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

   The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

   The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, 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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 the 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 the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. 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).

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 date of acquisition up to the effective date of disposal, 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 no controlling interests even if this results in the no 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 Group's interests and the no controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the no 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 no 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 if the Group had directly disposed of the related assets or liabilities.

The fair value of investment retained in subsidiaries at the date when control is lost is regarded as the fair value on the initial recognition of the investment in an associate.

See Note 11 and Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and no controlling interests as appropriate).

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

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The inventories of Sunplus Technology Company Limited, Generalplus Technology Inc., Sunplus Innovation Technology Inc., Sunplus mMobile Inc., iCatch Technology Inc., Sunplus mMedia Inc., Jumplux

Technology and Sunext Technology Co., Ltd. are generally recorded at standard cost. On the balance sheet date, the cost is adjusted to approximate weighted-average cost method. Other subsidiaries' inventories are recorded at the weighted-average cost.

g. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

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

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

h. Property, plant and equipment

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

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. (It includes right-of-use assets that meet the definition of investment properties in 2019)

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated at first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. The impairment loss recognized for goodwill is not reversible in subsequent periods.

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of tangible and intangible assets other than goodwill

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

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

A financial asset is classified as at FVTPL when such a financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 32: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, other financial assets, notes and accounts receivable, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

Cash equivalents include time deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Provisions

For the best estimate of provisions, the discounted cash flows need to consider the risk and uncertainties of obligations. Provisions are measured by the discounted value of the estimated cash flows for the liquidation of the obligation.

o. Revenue recognition

The Group identifies a contract with a customer, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Unearned receipts for merchandise sales would be recognized as contract liabilities before the Group fulfills its performance obligations.

Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of ICs. Sales of ICs are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

Other

Other mainly comes from software development.

p. Lease

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

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

   When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

   Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

   The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4(9) for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

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

1) The Group as lessor

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

2) The Group as lessee

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

q. Government grants

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

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

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Share-based payment arrangements

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

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

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and should be returned, they are recognized as payables. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in capital surplus - restricted shares for employees.

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

t. Taxation

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

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

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

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

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

**Critical Accounting Judgements**

a. Lease terms - 2019

In determining a lease term, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Group occur.

**Key Sources of Estimation Uncertainty**

a. Estimated impairment of financial assets

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

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

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

c. Lessees' incremental borrowing rates- 2019

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for the same currency and relevant duration is selected as a reference rate, and the lessee's credit spread adjustments and lease specific adjustments are also taken into account.

## 6. CASH AND CASH EQUIVALENTS

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Cash on hand | $ 6,065 | $ 7,521 |
| Checking accounts and demand deposits | 769,510 | 1,338,553 |
| Cash equivalent | | |
| Time deposits in banks | 2,245,053 | 1,881,214 |
| Repurchase agreements collateralized by bonds | - | 8,433 |
| | $ 3,020,628 | $ 3,235,721 |

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

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Bank balance | 0.01%-2.25% | 0.01%-1.55% |
| Repurchase agreement collateralized by bonds | - | 1.00% |

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

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Financial assets at FVTPL - current | | |
| Financial assets classified as at FVTPL | | |
| Non-derivative financial assets | | |
| - Mutual funds | $ 987,692 | $ 1,280,668 |
| - Unlisted securities in the ROC | 45,904 | 4,361 |
| - Listed securities in the ROC | 41,960 | - |
| Financial assets held for trading | | |
| Non-derivative financial assets | | |
| - Securities listed in the ROC and other countries - CB | 15,123 | 28,718 |
| | $ 1,090,679 | $ 1,313,747 |
| Financial liabilities at FVTPL – non-current | | |
| Financial assets classified as at FVTPL | | |
| Non-derivative financial assets | | |
| - Securities unlisted in the ROC | $ 658,431 | $ 462,387 |
| - Private funds | 260,140 | 160,226 |
| - Mutual funds | 75,119 | 75,432 |
| - Securities listed in the ROC and other countries | 33,755 | 39,822 |
| | $ 1,027,445 | $ 737,867 |

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Non-current | | |
| Domestic and foreign investments | | |
| Unlisted shares and emerging market shares | $ 98,915 | $ 127,991 |
| Listed shares and emerging market shares | 90,472 | 78,246 |
| Private funds | - | 39,971 |
| | $ 189,387 | $ 246,208 |

## 9. NOTES AND ACCOUNTS RECEIVABLE, NET

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Notes receivable | | |
| Notes receivable - operating | $ 300 | $ 16 |
| Trade receivables | | |
| At amortized cost | | |
| Gross carrying amount | 832,662 | 954,518 |
| Less: Allowance for impairment loss | (329) | (504) |
| | 832,333 | 954,014 |
| | $ 832,633 | $ 954,030 |

Trade receivable

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 debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. 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. 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:

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 |
| Expected credit losses | - | - | - | - | (329) | (329) |
| Amortized cost at December 31, 2019 | $ 832,233 | $ 90 | $ - | $ - | $ 10 | $ 832,333 |

December 31, 2018

| | Not Overdue | Overdue 1- 60 days | Overdue 61-90 days | Overdue 91-120 days | Overdue 121 days or More | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount | $ 953,258 | $ 691 | $ - | $ - | $ 569 | $ 954,518 |
| Expected credit losses | - | - | - | - | (504) | (504) |
| Amortized cost at December 31, 2018 | $ 953,258 | $ 691 | $ - | $ - | $ 65 | $ 954,014 |

The movements of the loss allowance of trade receivables were as follows:

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Balance at January 1 | $ 504 | $ 107,744 |
| Less: Amounts written off (Note) | (76) | (107,257) |
| Less: Net remeasurement of loss allowance | (73) | - |
| Exchange differences | (26) | 17 |
| Balance at December 31 | $ 329 | $ 504 |

Note: The accounts receivable from one customer that were overdue for 2 years and determined to be uncollectible and the accounts receivable from another customer that was declared bankrupt by court ruling were both written off. The written-off receivables and allowance were both $107,257.

## 10. INVENTORIES

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Finished goods | $ 307,179 | $ 321,099 |
| Work in progress | 281,042 | 290,973 |
| Raw materials | 170,990 | 206,876 |
| | $ 759,211 | $ 818,948 |

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 were $3,050,138 thousand and $3,563,885 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended December 31, 2019 and 2018 were as follows:

| | Years Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Inventory write - downs | $ (16,192) | $ (35,411) |
| Income from scrap sales | 103 | 361 |
| | $ (16,089) | $ (35,050) |

## 11. SUBSIDIARIES

a. The subsidiaries included in the consolidated financial statements

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

| Name of Investor | Name of Investee | Main Businesses and Products | Percentage of Ownership December 31 2019 | Percentage of Ownership December 31 2018 | Note |
|---|---|---|---|---|---|
| Sunplus | Sunplus Management Consulting | Management | 100.00 | 100.00 | - |
| | Ventureplus Group Inc. ("Ventureplus Group") | Investment | 100.00 | 100.00 | - |
| | Sunplus Technology (H.K.) | International trade | 100.00 | 100.00 | - |
| | Sunplus Venture | Investment | 100.00 | 100.00 | - |
| | Lin Shih Investment ("Lin Shih") | Investment | 100.00 | 100.00 | - |
| | Sunplus mMobile Inc. | Design of ICs | 100.00 | 100.00 | - |
| | Sunext Technology Co., Ltd. ("Sunext") | Design of ICs | 92.55 | 91.40 | - |
| | Sunplus Innovation Technology | Design of ICs | 61.13 | 61.13 | - |
| | Generalplus Technology Inc. ("Generalplus") | Design of ICs | 34.30 | 34.30 | Sunplus and its subsidiaries owned 47.99% of the equity in Generalplus Technology, Inc. and the Group had controlling interest over Generalplus Technology, Inc.; the investee is included in the consolidated financial statements |
| | Wei-Young Investment Inc. | Investment | 100.00 | 100.00 | - |
| | Russell Holdings Limited | Investment | 100.00 | 100.00 | - |
| | Magic Sky Limited | Investment | 100.00 | 100.00 | - |
| | Sunplus mMedia Inc. | Design of ICs | 89.76 | 89.76 | - |
| | Award Glory | Investment | 100.00 | 100.00 | - |
| | Jumplux Technology | Design of ICs | 55.00 | 55.00 | - |
| Ventureplus Group | Ventureplus Mauritius | Investment | 100.00 | 100.00 | - |
| Ventureplus Mauritius | Ventureplus Cayman | Investment | 100.00 | 100.00 | - |
| Ventureplus Cayman | Ytrip Technology | Web research and development | 38.47 | 38.47 | Sunplus and its subsidiaries owned 90.71% of the equity in Ytrip. |
| | Sunplus App Technology | Manufacturing and sale of computer software; system integration services and information management and education. | 53.85 | 93.33 | - |
| | Sunplus Prof-tek Technology (Shenzhen) | Development of computer software, system integration services, building rental services and property management | 100.00 | 100.00 | - |
| | Sunplus Technology (Shanghai) | Development of computer software, system integration services and building rental services | 100.00 | 100.00 | - |
| | SunMedia Technology | Development of computer software, system integration services and building rental services | 100.00 | 100.00 | - |
| | Sunplus Technology (Beijing) | Development of computer software, system integration services and building rental services | 100.00 | 100.00 | - |
| Sunplus Technology (Shanghai) | Ytrip Technology | Web research and development | 44.08 | 44.08 | Sunplus and its subsidiaries owned 90.71% of the equity in Ytrip. |
| | Jsilicon Technology | Software Development and IC Design | 100.00 | - | Registration of establishment completed on February 26, 2019. |
| | Shuangxin Technology | Software Development and IC Design | 55.00 | - | - |
| Sunplus Prof-tek (Shenzhen) | Shuangxin Technology | Software Development and IC Design | 45.00 | - | Sunplus and its subsidiaries owned 100% of the equity in Chongqing Shuangxin Co., Ltd. |
| Ytrip Technology | Cculture Communication | Development and sale | 100.00 | 100.00 | - |
| Sunplus Venture | Jumplux Technology | Design of ICs | 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. | Design of ICs | - | - | Due to organizational reorganization, it transferred its equity to Sunplus on 2018 and 2019. |
| | Sunplus mMedia | Design of ICs | 7.64 | 7.64 | Sunplus and its subsidiaries owned 100% of the equity in Sunplus mMedia. |
| | Sunplus Innovation | Design of ICs | 5.64 | 5.64 | Sunplus and its subsidiaries owned 100% of the equity in Sunplus Innovation |
| Lin Shih | Generalplus Technology Inc. | Design of ICs | 13.69 | 13.69 | Sunplus and its subsidiaries had 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 |

(Continued)

| Name of Investor | Name of Investee | Main Businesses and Products | Percentage of Ownership December 31 2019 | Percentage of Ownership December 31 2018 | Note |
|---|---|---|---|---|---|
| Lin Shih | Sunplus mMedia | Design of ICs | 2.60 | 2.60 | Sunplus and its subsidiaries owned 100% of the equity in Sunplus mMedia. |
| | Sunplus Innovation | Design of ICs | 2.09 | 2.09 | Sunplus and its subsidiaries owned 68.86% of the equity in Sunplus Innovation. |
| Generalplus | Generalplus Samoa | Investment | 100.00 | 100.00 | - |
| Generalplus Samoa | Generalplus Mauritius | Investment | 100.00 | 100.00 | - |
| Generalplus Mauritius | Generalplus Shenzhen | IC product development, after sales service and market research | 100.00 | 100.00 | - |
| | Generalplus HK | Marketing | 100.00 | 100.00 | - |
| Award Glory | Sunny Fancy | Investment | 100.00 | 100.00 | - |
| Sunny Fancy | Giant Kingdom | Investment | 100.00 | 100.00 | - |
| | Giant Rock | Investment | 100.00 | 100.00 | - |
| | WORLDPLUS HOLDINGS L.L.C. (Worldplus) | Investment | 100.00 | 100.00 | - |
| Giant Kingdom | Ytrip Technology | Web research and development | 8.16 | 8.16 | Sunplus's subsidiaries owned 90.71% of the equity in Ytrip. |
| Giank Rock | Sunplus App Technology | Manufacturing and sale of computer software; system integration services and information management and education | 42.31 | - | Sunplus and its subsidiaries owned 96.16% of the equity in Sunplus App. |
| Worldplus | Lingyao Technology | Software development and rental sales | 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 years ended December 31, 2019 of the above subsidiaries except Sunplus Management Consulting and Generalplus HK, were audited by the auditors. The management of the Company believes that the financial statements of Sunplus Management Consulting and Generalplus HK will not be subject to major adjustments if it were audited.

b. Subsidiary excluded from the consolidated financial statements

| Company name | The Voting Ratio of Non-controlling Equity December 31 2019 | The Voting Ratio of Non-controlling Equity December 31 2018 |
|---|---|---|
| Generalplus Technology Inc. | 52.01% | 52.01% |
| Sunplus Innovation Technology | 31.14% | 31.14% |

Refer to attachment 6 for registered countries and company information:

| Company Name | Profits Attributed to Non-controlling Interests Years Ended December 31 2019 | Profits Attributed to Non-controlling Interests Years Ended December 31 2018 | Non-controlling Interests December 31 2019 | Non-controlling Interests December 31 2018 |
|---|---|---|---|---|
| Generalplus Technology Inc. | $ 116,295 | $ 147,898 | $ 1,075,166 | $ 1,109,947 |
| Sunplus Innovation Technology | 42,244 | 18,906 | 308,951 | 283,063 |
| iCatch Technology | - | (20,889) | - | - |

The summarized financial information below represents amounts before intragroup eliminations.

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Current assets | $ 3,190,003 | $ 3,201,689 |
| Non-current assets | 790,554 | 760,401 |
| Current liabilities | 792,198 | 828,965 |
| Non-current liabilities | 214,644 | 175,669 |
| Equity | $ 2,973,715 | $ 2,957,456 |
| Equity attributable to: | | |
| Owners of the Company | $ 1,589,598 | $ 1,564,446 |
| Non-controlling interests | 1,384,117 | 1,393,010 |
| | $ 2,973,715 | $ 2,957,456 |

| | For the Years Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Operating revenue | $ 3,606,544 | $ 4,223,670 |
| Net income | $ 359,235 | $ 306,710 |
| Other comprehensive income | (19,486) | (10,077) |
| Total other comprehensive income | $ 339,749 | $ 296,633 |
| Equity attributable to: | | |
| Owners of the Company | $ 200,697 | $ 160,795 |
| Non-controlling interests | 158,538 | 145,915 |
| | $ 359,235 | $ 306,710 |
| Total other comprehensive attributable to: | | |
| Owners of the Company | $ 191,123 | $ 156,526 |
| Non-controlling interests | 148,626 | 140,107 |
| | $ 339,749 | $ 296,633 |
| Cash flows | | |
| Cash flows from operating activities | $ 512,043 | $ 414,702 |
| Cash flows from (used in) investing activities | 57,697 | (146,496) |
| Cash flows used in financing activities | (304,255) | (296,520) |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | 1,452 | (1,649) |
| Net cash outflow | $ 266,937 | $ (29,963) |
| Dividend paid to non-controlling interests | $ (157,520) | $ (169,798) |

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Investments in associates | $ 695,028 | $ 729,219 |

a. Investments in associates

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Listed companies | | |
| iCatch Technology | $ 320,180 | $ 350,859 |
| Global View Co., Ltd. | 297,640 | 307,106 |
| Autsys Co., Ltd. | 77,208 | 71,254 |
| | $ 695,028 | $ 729,219 |

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

| | December 31 | |
|---|---|---|
| **Name of Associate** | **2019** | **2018** |
| iCatch Technology | 36% | 36% |
| Global View Co., Ltd. | 13% | 13% |
| Autsys Co., Ltd. | 16% | 19% |

Refer to Table 6 following these Notes to Consolidated Financial Statements for information on the associates' business types, main operating locations and registered countries, and Table 7 following these Notes for the information on investments in mainland China.

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

| | December 31 | |
|---|---|---|
| **Name of Associate** | **2019** | **2018** |
| Global View, Co., Ltd. | $ 239,889 | $ 248,530 |

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

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

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Total assets | $ 2,438,751 | $ 2,569,477 |
| Total liabilities | $ 313,348 | $ 369,039 |

| | Years Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Revenue | $ 1,088,383 | $ 1,005,661 |
| Profit for the period | $ (5,711) | $ (45,428) |
| Comprehensive income | $ (14,131) | $ (103,126) |
| Group's share of profits of associates | $ (19,915) | $ (44,862) |

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the year ended December 31, 2019 and 2018 was based on the associates' financial statements audited by the auditors for the same years.

## 13. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Group - 2019

| | Buildings | Auxiliary Equipment | Machinery and Equipment | Testing Equipment | Transportation Equipment | Furniture and Fixtures | Leasehold Improvements | Other Equipment | Prepayments for Equipment and Construction in Progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | | |
| Balance at January 1, 2019 | $ 2,383,245 | $ 193,874 | $ 13,729 | $ 616,529 | $ 5,904 | $ 266,331 | $ 2,782 | $ 23,959 | $ 2,940 | $ 3,509,393 |
| Additions | - | 442 | 5,446 | 102,304 | 773 | 17,700 | 457 | 234 | 9,900 | 137,256 |
| Disposals | - | (5,408) | (6,486) | (198,512) | (1,076) | (40,489) | (1,716) | (39) | - | (253,726) |
| Reclassified to investment property | - | - | - | - | - | 10,493 | - | - | (10,720) | (227) |
| Consolidated changes | - | - | - | - | - | 2,501 | - | 205 | 17,088 | 19,794 |
| Effect of exchange rate changes | (44,726) | (1,618) | (2,261) | (2,904) | 272 | (6,517) | (43) | (512) | (6) | (58,315) |
| Balance at December 31, 2019 | $ 2,338,519 | $ 187,290 | $ 10,428 | $ 517,417 | $ 5,873 | $ 250,019 | $ 1,480 | $ 23,847 | $ 19,202 | $ 3,354,075 |
| Accumulated depreciation | | | | | | | | | | |
| Balance at January 1, 2019 | $ 507,818 | $ 126,857 | $ 12,759 | $ 540,595 | $ 3,633 | $ 231,996 | $ 2,331 | $ 19,447 | $ - | $ 1,445,436 |
| Depreciation expense | 53,530 | 19,626 | 2,322 | 95,336 | 1,145 | 16,945 | 5,288 | 601 | - | 194,793 |
| Disposals | - | (5,408) | (6,375) | (195,243) | (1,052) | (39,515) | (1,716) | (39) | - | (249,648) |
| Consolidated changes | - | - | - | - | - | 2,273 | - | 85 | - | 2,358 |
| Effect of exchange rate changes | (6,105) | 2,147 | (1,477) | (3,534) | 292 | (5,975) | (4,664) | 151 | - | (19,165) |
| Balance at December 31, 2019 | $ 555,243 | $ 143,222 | $ 7,229 | $ 437,154 | $ 4,018 | $ 205,424 | $ 1,239 | $ 20,245 | $ - | $ 1,373,774 |
| Accumulated impairment | | | | | | | | | | |
| Balance at December 31, 2019 | $ - | $ - | $ - | $ 11,498 | $ - | $ - | $ - | $ - | $ - | $ 11,498 |
| Carrying amounts at December, 2019 | $ 1,783,276 | $ 44,068 | $ 3,199 | $ 68,765 | $ 1,855 | $ 44,595 | $ 241 | $ 3,602 | $ 19,202 | $ 1,968,803 |

b. 2018

| | Buildings | Auxiliary Equipment | Machinery and Equipment | Testing Equipment | Transportation Equipment | Furniture and Fixtures | Leasehold Improvements | Other Equipment | Construction in Progress | Payable for purchases of Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | | | |
| Balance at January 1, 2018 | $ 2,407,349 | $ 184,489 | $ 15,131 | $ 566,450 | $ 7,846 | $ 257,883 | $ 26,352 | $ 21,772 | $ - | $ - | $ 3,487,272 |
| Additions | - | 882 | 1,576 | 133,708 | - | 19,426 | 125 | 253 | 45 | 2,940 | 158,955 |
| Disposals | - | (9,476) | (1,836) | (5,908) | (1,790) | (6,625) | - | (1,237) | - | - | (26,872) |
| Reclassified to investment property | - | 23,676 | - | - | - | 45 | (23,676) | - | (45) | - | - |
| Consolidated changes | - | - | - | (77,014) | - | (1,224) | (516) | - | - | - | (78,754) |
| Effect of exchange rate changes | (24,104) | (5,697) | (1,142) | (707) | (152) | (3,174) | 497 | 3,171 | - | - | (31,308) |
| Balance at December 31, 2018 | $ 2,383,245 | $ 193,874 | $ 13,729 | $ 616,529 | $ 5,904 | $ 266,331 | $ 2,782 | $ 23,959 | $ - | $ 2,940 | $ 3,509,293 |
| Accumulated depreciation | | | | | | | | | | | |
| Balance at January 1, 2018 | $ 456,802 | $ 109,497 | $ 13,500 | $ 478,413 | $ 3,556 | $ 226,324 | $ 4,695 | $ 18,833 | $ - | $ - | $ 1,311,620 |
| Depreciation expense | 53,993 | 21,608 | 3,612 | 101,194 | 1,348 | 15,746 | 5,272 | 773 | - | - | 203,546 |
| Disposals | - | (9,476) | (1,115) | (6,389) | (22) | (7,741) | - | (1,237) | - | - | (25,980) |
| Reclassified to investment property | - | 2,762 | - | - | - | - | (2,762) | - | - | - | - |
| Consolidated charges | - | - | - | (34,174) | - | (505) | (473) | - | - | - | (35,152) |
| Effect of exchange rate changes | (2,977) | 2,466 | (3,238) | 1,551 | (1,249) | (1,828) | (4,401) | 1,078 | - | - | (8,598) |
| Balance at December 31, 2018 | $ 507,818 | $ 126,857 | $ 12,759 | $ 540,595 | $ 3,633 | $ 231,996 | $ 2,331 | $ 19,447 | $ - | $ - | $ 1,445,436 |

(Continued)

| | Buildings | Auxiliary Equipment | Machinery and Equipment | Testing Equipment | Transportation Equipment | Furniture and Fixtures | Leasehold Improvements | Other Equipment | Construction in Progress | Payable for purchases of Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Accumulated impairment | | | | | | | | | | | |
| Balance at December 31, 2018 | $ - | $ - | $ - | $ 11,498 | $ - | $ - | $ - | $ - | $ - | $ - | $ 11,498 |
| Balance at December 31, 2017 and January 1, 2018 | $ 1,950,547 | $ 74,992 | $ 1,631 | $ 76,539 | $ 4,290 | $ 31,559 | $ 21,657 | $ 2,939 | $ - | $ - | $ 2,164,154 |
| Carrying amounts at December, 2018 | $ 1,875,427 | $ 67,017 | $ 970 | $ 64,436 | $ 2,271 | $ 34,335 | $ 451 | $ 4,512 | $ - | $ 2,940 | $ 2,052,359 |

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following 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 - 2019

| | December 31, 2019 |
|---|---|
| Carrying amounts | |
| Land | $ 215,922 |
| Buildings | 25,098 |
| Transportation equipment | 894 |
| | $ 241,914 |

| | 2019 |
|---|---|
| Additions to right-of-use assets | $ 3,989 |
| Depreciation charge for right-of-use assets | |
| Land | $ 6,859 |
| Buildings | 6,454 |
| Transportation equipment | 361 |
| | $ 13,674 |
| Income from the subleasing of right-of-use assets (presented in other income) | $ (1,093) |

The other part of right-of-use assets-land in China is subleased by operating leases, and the relevant right-of-use assets are classified as investment properties. Please refer to Note 15.

b. Lease liabilities - 2019

| | December 31, 2019 |
|---|---|
| Carrying amounts | |
| Current | $ 11,885 |
| Non-current | $ 230,251 |

Range of discount rate for lease liabilities was as follows:

| | December 31, 2019 |
|---|---|
| Land | 2.39% |
| Buildings | 1.575%-4.75% |
| Transportation equipment | 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. Lease terms of land in the ROC is 20 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 45-50 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 - 2019

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

The maturity analysis of lease payments receivable under operating subleases was as follows:

| | December 31, 2019 |
|---|---|
| Year 1 | $ 1,153 |

e. Other lease information

2019

| | 2019 |
|---|---|
| Expenses relating to short-term leases | $ 11,343 |
| Expenses relating to low-value asset leases | $ 2,282 |
| Total cash outflow for leases | $ 30,995 |

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.

2018

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

| | December 31, 2018 |
|---|---|
| Not later than 1 year | $ 16,561 |
| Later than 1 year and not later than 5 years | 46,037 |
| Later than 5 years | 36,576 |
| | $ 99,174 |

## 15. INVESTMENT PROPERTIES

| | Completed Investment Properties | Right-of-use Assets | Total |
|---|---|---|---|
| Cost | | | |
| Balance at January 1, 2019 | $ 1,400,135 | $ - | $ 1,400,135 |
| Adjustments on initial application of IFRS 16 | - | 102,702 | 102,702 |
| Balance at January 1, 2019 as restated | 1,400,135 | 102,702 | 1,502,837 |
| Additions | 1,488 | - | 1,488 |
| Effect of acquisition of subsidiary | 52,074 | - | 52,074 |
| Effect of exchange rate differences | (52,690) | (3,835) | (56,525) |
| Balance at December 31, 2019 | $ 1,401,007 | $ 98,867 | $ 1,499,874 |
| Accumulated depreciation | | | |
| Balance at January 1, 2019 | $ (360,821) | $ - | $ (360,821) |
| Depreciation expense | (71, 513) | (2,574) | (74,087) |
| Effect of acquisition of subsidiary | (14,691) | - | (14,691) |
| Effect of exchange rate differences | 16,424 | 98 | 16,522 |
| Balance at December 31, 2019 | $ (430,601) | $ (2,476) | $ (433,077) |
| Balance at December 31, 2019, net | $ 970,406 | $ 96,391 | $ 1,066,797 |
| Cost | | | |
| Balance at January 1, 2018 | $ 1,435,061 | $ - | $ 1,435,061 |
| Additions | 3,891 | | 3,891 |
| Disposals | (10,016) | - | (10,016) |
| Effect of exchange rate differences | (28,801) | - | (28,801) |
| Balance at December 31, 2018 | $ 1,400,135 | $ - | $ 1,400,135 |

(Continued)

| | Completed Investment Properties | Right-of-use Assets | Total |
|---|---|---|---|
| Accumulated depreciation | | | |
| Balance at January 1, 2018 | $ (296,010) | $ - | $ (296,010) |
| Depreciation expense | (72,240) | - | (72,240) |
| Effect of exchange rate differences | 7,429 | - | 7,429 |
| Balance at December 31, 2018 | $ (360,821) | $ - | $ (360,821) |
| Balance at December 31, 2018 | $ 1,039,314 | $ - | $ 1,039,314 |

(Concluded)

The right-of-use assets in the investment properties are the use right of land signed by the Group and is subleased under 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 December 31, 2019 was as follows:

| | December 31, 2019 |
|---|---|
| Year 1 | $ 142,060 |
| Year 2 | 61,643 |
| Year 3 | 22,066 |
| | $ 225,769 |

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 future minimum lease payments of non-cancellable operating lease commitments as of December 31, 2018 are as follows:

| | December 31, 2018 |
|---|---|
| Not later than 1 year | $ 226,650 |
| Later than 1 year and not later than 5 years | 568,499 |
| Later than 5 years | 581,826 |
| | $ 1,376,975 |

The newly added investment properties of Lingyao Technology Co., Ltd. in Shenzhen, China were due to the merger of enterprises. The fair value of the investment properties is appraised by an independent valuation agency of non-related parties. Innolux Technology Co., Ltd. conducted a valuation by using income approach on September 2, 2019, and the important unobservable inputs used included discounted values. The fair value of the valuation is as follows:

| | December 31, 2019 |
|---|---|
| Fair value | $ 37,900 |

The fair value of the investment properties of SunMedia Technology had been determined on the basis of valuations carried out on December 31, 2018 and 2017 by Sichuan Zongli Real Estate Land Assets Evaluation 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:

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Fair value | $ 1,182,963 | $ 1,267,909 |

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:

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Fair value | $ 2,295,816 | $ 2,471,410 |

## 16. INTANGIBLE ASSETS

| | Year Ended December 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Technology License Fees | Software | Patents | Goodwill | Total |
| Cost | | | | | |
| Balance at January 1 | $ 778,507 | $ 298,609 | $ 114,504 | $ 30,596 | $ 1,222,216 |
| Additions | 55,525 | 20,069 | - | - | 75,594 |
| Decrease | (23,509) | (6,026) | - | - | (29,535) |
| Reclassified | (350) | - | - | - | (350) |
| Effect of exchange rate differences | (924) | (52) | (10) | - | (986) |
| Balance at December 31 | $ 809,249 | $ 312,600 | $ 114,494 | $ 30,596 | $ 1,266,939 |
| Accumulated amortization | | | | | |
| Balance at January 1 | $ 556,915 | $ 270,852 | $ 83,215 | $ - | $ 910,982 |
| Amortization expense | 51,139 | 25,302 | 1,371 | - | 77,812 |
| Decrease | (23,509) | (5,581) | - | - | (29,090) |
| Reclassified | (175) | - | - | - | (175) |
| Effect of exchange rate differences | (512) | (1,020) | 4 | - | (1,536) |
| Balance at December 31 | $ 583,858 | $ 289,553 | $ 84,582 | $ - | $ 957,993 |

(Continued)

| | Year Ended December 31, 2019 | | | | |
|---|---|---|---|---|---|
| | **Technology License Fees** | **Software** | **Patents** | **Goodwill** | **Total** |
| Accumulated deficit | | | | | |
| Balance at January 1 and December 31 | $ 111,136 | $ - | $ 21,577 | $ - | $ 132,713 |
| Carrying amounts at December 31, 2018 | $ 114,255 | $ 23,047 | $ 8,335 | $ 30,596 | $ 176,233 |

(Concluded)

| | Year Ended December 31, 2018 | | | | |
|---|---|---|---|---|---|
| | **Technology License Fees** | **Software** | **Patents** | **Goodwill** | **Total** |
| Cost | | | | | |
| Balance at January 1 | $ 762,432 | $ 310,734 | $ 114,510 | $ 30,596 | $ 1,218,272 |
| Additions | 66,784 | 24,736 | - | - | 91,520 |
| Decrease | (20,568) | (22,271) | - | - | (42,839) |
| Effect of exchange rate differences | (500) | (3,439) | (6) | - | (3,945) |
| Consolidated changes | (29,641) | (11,151) | - | - | (40,792) |
| Balance at December 31 | $ 778,507 | $ 298,609 | $ 114,504 | $ 30,596 | $ 1,222,216 |
| Accumulated amortization | | | | | |
| Balance at January 1 | $ 528,672 | $ 275,297 | $ 81,846 | $ - | $ 885,815 |
| Amortization expense | 54,526 | 26,340 | 1,371 | - | 82,237 |
| Decrease | (20,568) | (22,271) | - | - | (42,839) |
| Effect of exchange rate differences | (181) | (375) | (2) | - | (558) |
| Consolidated changes | (5,534) | (8,139) | - | - | (13,673) |
| Balance at December 31 | $ 556,915 | $ 270,852 | $ 83,215 | $ - | $ 910,982 |
| Accumulated deficit | | | | | |
| Balance at January 1 | $ 114,749 | $ - | $ 21,577 | $ - | $ 136,326 |
| Consolidated changes | (3,613) | - | - | - | (3,613) |
| Balance at December 31 | $ 111,136 | $ - | $ 21,577 | $ - | $ 132,713 |
| Carrying amounts at December 31, 2018 | $ 110,456 | $ 27,757 | $ 9,712 | $ 30,596 | $ 178,521 |

Other 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 depreciation by function”

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Operating costs | $ - | $ 228 |
| Selling and marketing expenses | 106 | 110 |
| General and administrative expenses | 5,894 | 6,743 |
| Research and development expenses | 71,812 | 75,156 |
| | $ 77,812 | $ 82,237 |

## 17. OTHER ASSETS

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Current | | |
| Other financial assets | | |
| Pledged time deposits (a) | $ 119,920 | $ 153,575 |
| Other assets | | |
| Prepayments for EDA tools | $ 16,787 | $ 17,194 |
| Finance lease payables (c) | - | 2,756 |
| Others | 72,130 | 71,371 |
| | $ 88,917 | $ 91,321 |
| Non-current | | |
| Other financial assets | | |
| Pledged time deposits (a) | $ 10,899 | $ 10,943 |
| Time deposits (b) | 129,150 | 116,272 |
| | $ 140,049 | $ 127,215 |
| Other assets | | |
| Refundable deposits | $ 6,247 | $ 7,749 |
| Finance lease payables (c) | - | 102,175 |
| Prepaid long-term investment | - | 30,001 |
| Others | 7,800 | 7,800 |
| | $ 14,047 | $ 147,725 |

a. Refer to Note 34 for information on pledged time deposits.

b. Generalplus Shenzhen invested RMB30,000 thousand and RMB26,0000 thousand in long-term certificates of deposit with the bank in December 31, 2019 and December 31, 2018 (for durations of three years). The interest rates for such certificates of deposit are at fixed rates.

c. The amounts of the Group’s finance lease payables for right of use assets - Land in China as of December 31, 2018 was $104,931 thousand, respectively.

## 18. LOANS

Short-term borrowings

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Secured borrowings | | |
| Bank loans | $ 120,130 | $ 122,769 |
| Unsecured borrowings | | |
| Bank loans | 203,496 | 188,446 |
| | $ 323,626 | $ 311,215 |

The weighted average effective interest rates for bank loans from January 1, 2019 to December 31, 2019 and from January 1, 2018 to December 31, 2018 were 1.745%-3.000% and 2.500%-3.594% per annum, respectively.

Long-term borrowings

The borrowings of the Group were as follows:

| | Maturity Date | Significant Covenant | December 31 2019 | December 31 2018 |
|---|---|---|---|---|
| Floating rate borrowings | | | | |
| 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. | $ - | $ 135,046 |
| Unsecured bank borrowings | 2019.11.10 | Repayable semiannually from November 2016, the loan was repaid on maturity | - | 100,000 |
| Unsecured bank borrowings | 2019.2.14 | Repayable quarterly from February 2014, the loan was repaid on maturity | - | 15,000 |
| | | | - | 250,046 |
| Less: Current portion | | | - | 250,046 |
| Long-term borrowings | | | $ - | $ - |

The effective borrowing rates as of December 31, 2018 were 1.545%-3.959%.

According to the loan contract, the consolidated financial statements of the company for 107 are limited by current ratio, debt ratio, interest guarantee multiple. However, the Company’s inability to meet the ratio requirements would not be deemed as a violation of the contracts. As of 2018, the Company was in compliance with these financial ratio requirements.

## 19. TRADE PAYABLES

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Accounts payable | | |
| Payable - operating | $ 352,155 | $ 484,810 |

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

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Current | | |
| Other payables | | |
| Salaries or bonuses | $ 299,871 | $ 299,445 |
| Payable for royalties | 46,676 | 42,261 |
| Compensation due to directors | 46,467 | 59,190 |
| Commissions payable | 31,540 | 39,772 |
| Labor/health insurance | 26,629 | 29,424 |
| Refund liabilities | 21,971 | 14,796 |
| Payables for labor | 6,105 | 6,403 |
| Payables for purchases of equipment | 5,552 | 8,088 |
| Receipt in advance | 3,028 | 3,767 |
| Others | 88,262 | 69,400 |
| | $ 576,101 | $ 572,546 |
| Deferred revenue | | |
| Deferred revenue | | |
| Arising from government grants (Note 27) | $ 1,568 | $ 1,629 |
| Non-current | | |
| Other payable | | |
| Long-term payables | $ 4,470 | $ - |
| Payables for purchases of equipment | 3,198 | 2,376 |
| Decommissioning liabilities | 889 | 889 |
| | $ 8,557 | $ 3,265 |
| Deferred revenue | | |
| Arising from government grants (Note 27) | $ 58,015 | $ 61,894 |

## 21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

Before the promulgation of the LPA, Sunplus, Generalplus, Sunext, Sunplus Innovation and Jumplux Technology of the Group had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Group makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the company has no right to influence the investment policy and strategy. According to the letter of Zhuhuanzi No. 1090003642 issued by the Hsinchu Science Park Administration of the Ministry of Science and Technology, the Company ceased its retirement fund contribution temporarily from January 1, 2020 to December 31, 2020.

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

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Present value of funded defined benefit obligation | $ 267,360 | $ 268,025 |
| Fair value of plan assets | (204,475) | (188,770) |
| Net liabilities arising from defined benefit obligation | $ 62,885 | $ 79,255 |

Movements in net defined benefit liabilities were as follows:

| | **Present Value of Funded Defined Benefit Obligation** | **Fair Value of Plan Assets** | **Net Defined Benefit Liabilities (Assets)** |
|---|---|---|---|
| Balance at January 1, 2018 | $ 290,833 | $ 191,869 | $ 98,964 |
| Service cost | | | |
| Current service cost | 789 | - | 789 |
| Net interest expense (income) | 3,587 | 2,513 | 1,074 |
| Recognized gain and loss | 4,376 | 2,513 | 1,863 |
| Remeasurement | | | |
| Return on plan assets | - | 4,596 | (4,596) |
| Actuarial (gain) loss-experience adjustment | (4,068) | - | (4,068) |
| Actuarial (gain) loss-changes in demographic assumptions | (53) | - | (53) |
| Actuarial loss-changes in financial assumptions | 5,222 | - | 5,222 |
| Recognized in other comprehensive income | 1,101 | 4,596 | (3,495) |
| Contributions from the employer | - | 5,932 | (5,932) |
| Consolidated changes | (24,373) | (8,609) | (15,764) |
| Liabilities extinguished on settlement | (3,912) | (7,531) | 3,619 |
| Balance at December 31, 2018 | $ 268,025 | $ 188,770 | $ 79,255 |

(Continued)

| | Present Value of Funded Defined Benefit Obligation | Fair Value of Plan Assets | Net Defined Benefit Liabilities (Assets) |
|---|---|---|---|
| Balance at January 1, 2019 | $ 268,025 | $ 188,770 | $ 79,255 |
| Service cost | | | |
| Current service cost | 805 | - | 805 |
| Net interest expense (income) | 3,051 | 2,212 | 839 |
| Recognized gain and loss | 3,856 | 2,212 | 1,644 |
| Remeasurement | | | |
| Return on plan assets | - | 6,223 | (6,223) |
| Actuarial (gain) loss-experience adjustment | (2,387) | - | (2,387) |
| Actuarial (gain) loss-changes in demographic assumptions | 47 | - | 47 |
| Actuarial loss-changes in financial assumptions | 3,602 | - | 3,602 |
| Recognized in other comprehensive income | 1,262 | 6,223 | (4,961) |
| Contributions from the employer | - | 13,053 | (13,053) |
| Benefit paid | (5,783) | (5,783) | - |
| Balance at December 31, 2019 | $ 267,360 | $ 204,475 | $ 62,885 |

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the benefit plans is as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Operating costs | $ 155 | $ 215 |
| Selling and marketing expenses | 176 | 234 |
| General and administrative expenses | 431 | 453 |
| Research and development expenses | 936 | 904 |
| Net liability arising from defined benefit obligation | $ 1,698 | $ 1,806 |

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Discount rate(s) | 0.80%-1.00% | 1.10%-1.20% |
| Expected rate(s) of salary increase | 4.00%-5.00% | 4.00%-5.00% |
| Resignation rate | 0%-28% | 0%-28% |

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Discount rate(s) | | |
| 0.25% increase | $ (7,703) | $ (8,405) |
| 0.25% decrease | $ 8,014 | $ 8,761 |
| Expected rate(s) of salary increase | | |
| 1% increase | $ 32,682 | $ 35,932 |
| 1% decrease | $ (28,567) | $ (31,147) |

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Expected contributions to the plan for the next year | $ 4,024 | $ 9,106 |
| Average duration of the defined benefit obligation | 13-16 years | 14-17 years |

## 22. EQUITY

a. Share capital

1) Ordinary shares:

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Number of shares authorized (in thousands) | 1,200,000 | 1,200,000 |
| Shares authorized | $ 12,000,000 | $ 12,000,000 |
| Number of shares issued and fully paid (in thousands) | 591,995 | 591,995 |
| Shares issued | $ 5,919,949 | $ 5,919,949 |

Fully paid ordinary 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 ordinary shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US$9.57 per unit. As of December 31, 2019, the outstanding 175 thousand units of GDRs represented 350 thousand ordinary shares.

b. Capital surplus

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a) | | |
| Arising from the issuance of ordinary shares | $ 196,095 | $ 409,213 |
| Arising from the acquisition of a subsidiary | 157,423 | 157,423 |
| The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 140,184 | 140,022 |
| May be used to offset a deficit only | | |
| From treasury share transactions | 45,239 | 43,958 |
| Changes in net equity of associates or joint ventures accounted for using the equity method | 55,491 | 50,782 |
| | $ 594,432 | $ 801,398 |

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 distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 24-g.

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

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 from the 2019 and 2018 earnings were approved at the shareholders' meetings in June 10, 2019 and on June 11, 2018, respectively. The appropriations, including dividends, were as follows:

| | **Appropriation of Earnings** | |
|---|---|---|
| | **For Year 2018** | **For Year 2017** |
| Legal reserve | $ 562 | $ 41,321 |
| Special reserve | $ 241,173 | $ 44,284 |
| Cash dividend | $ - | $ 327,551 |
| Cash dividend per share (NT$) | $ - | $ 0.5533 |

The Company's shareholders also proposed in the shareholders' meeting on June 10, 2019 and June 11, 2018 to issue cash dividends from capital surplus of $213,118 and $86,846 thousand, respectively.

The appropriation of earnings for 2019 is subject to resolution in the shareholders' meeting to be held on June 12, 2020.

d. Special reserve

| | **For the Year Ended December 31** | |
|---|---|---|
| | **2019** | **2018** |
| Beginning at January 1 | $ 62,279 | $ 22,995 |
| Appropriations to the special reserve | 241,173 | 44,284 |
| Balance at December 31 | $308,452 | $ 67,279 |

e. Other equity items

1) Foreign currency translation reserve:

| | **For the Year Ended December 31** | |
|---|---|---|
| | **2019** | **2018** |
| Balance at January 1 | $ (138,875) | $ (122,100) |
| Exchange differences on translating foreign operations | (75,511) | (13,871) |
| Share of exchange differences of associates accounted for using equity method | (4,394) | (2,904) |
| Balance at December 31 | $ (218,780) | $ (138,875) |

2) Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income:

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Balance at January 1 | $ (303,968) | $ (230,011) |
| Current | | |
| Unrealized gain (loss) | (20,881) | (104,028) |
| Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal | 279,514 | 37,070 |
| Share of unrealized gain (loss) on associates accounted for using the equity method | 3,089 | (6,999) |
| Balance at December 31 | $ (42,246) | $ (303,968) |

f. Non-controlling interests

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Balance at January 1 | $ 1,401,664 | $ 1,677,049 |
| Attributable to no controlling interests: | | |
| Share of profit for the year | 159,443 | 136,707 |
| Exchange difference on translation foreign operations | (9,377) | (4,190) |
| Unrealized gain (loss) on financial assets at FVTOCI | (563) | 343 |
| Actuarial gains on defined benefit plans | 225 | (1,165) |
| Distribution of dividends by subsidiaries | (157,520) | (169,798) |
| Non-controlling interests related to outstanding vested share options held by the employees of subsidiaries | - | 37 |
| Disposal of subsidiaries (Note 29) | - | (229,844) |
| Others | 286 | (8,953) |
| Balance at December 31 | $ 1,394,158 | $ 1,401,664 |

g. Treasury shares

| Purpose of Buyback | Shares Transferred to Employees (In Thousands of Shares) | Shares Held by Its Subsidiaries (In Thousands of Shares) | Total (In Thousands of Shares) |
|---|---|---|---|
| Number of shares as of January 1, 2018 | - | 3,560 | 3,560 |
| Decrease | - | - | - |
| Number of shares as December 31, 2018 | - | 3,560 | 3,560 |
| Number of shares as of January 1, 2019 | - | 3,560 | 3,560 |
| Decrease | - | - | - |
| Number of shares as December 31, 2019 | - | 3,560 | 3,560 |

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

| Name of Subsidiary | Shares Transferred to Employees (in Thousands of Shares) | Shares Held by Its Subsidiaries (in Thousands of Shares) | Total (in Thousands of Shares) |
|---|---|---|---|
| December 31, 2019 | | | |
| Lin Shin Investment Co., Ltd | 3,560 | $ 63,401 | $ 48,238 |
| December 31, 2018 | | | |
| Lin Shin Investment Co., Ltd | 3,560 | $ 63,401 | $ 40,050 |

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

## 23. REVENUE

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Revenue from contracts with customers | $ 5,110,744 | $ 5,663,059 |
| Rental income from property | 265,330 | 199,184 |
| Other | 136,256 | 215,490 |
| | $ 5,512,330 | $ 6,077,733 |

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

| | December 31, 2019 | December 31, 2018 | January 1, 2018 |
|---|---|---|---|
| Trade receivables (Note 9) | $ 832,633 | $ 954,030 | $ 1,197,626 |
| Contract liabilities - current | $ 24,912 | $ 7,511 | $ - |

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

c. Disaggregation of revenue

For the Year Ended December 31, 2018

| | Reportable Segments | |
|---|---|---|
| | Direct Sales | |
| | 2018 | 2018 |
| Primary geographical markets | | |
| Asia | $ 3,499,818 | $ 4,065,798 |
| Taiwan | 1,956,236 | 1,909,863 |
| Others | 59,276 | 102,072 |
| | $ 5,512,330 | $ 6,077,733 |
| Timing of revenue recognition | | |
| Satisfied at a point in time | $ 5,236,136 | $ 5,860,179 |
| Satisfied over time | 276,194 | 217,554 |
| | $ 5,512,330 | $ 6,077,733 |

## 24. NET PROFIT

Net profit included the following items:

a. Other income

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Interest income | $ 24,578 | $ 22,896 |
| Dividend income | 28,815 | 26,982 |
| Subsidy income | 19,294 | 1,661 |
| Others | 83,429 | 64,924 |
| | $ 156,116 | $ 116,463 |

b. Other gains and losses

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Net gain (loss) on financial assets and liabilities | | |
| Net gain (loss) on financial assets designated as at FVTPL (Note 7) | $ 17,879 | $ 67,736 |
| Net foreign exchange loss | (27,640) | (15,895) |
| Gain on disposal of subsidiary/associates | (43) | 182,621 |
| Others | 10,931 | 11,540 |
| | $ 1,127 | $ 246,002 |

c. Finance costs

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Interest on bank loans | $ 15,721 | $ 21,239 |
| Interest on lease liabilities | 5,674 | - |
| Other finance costs | 3,454 | 2,584 |
| | $ 24,849 | $ 23,823 |

d. Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| An analysis of depreciation by function | | |
| Operating costs | $ 81,393 | $ 79,758 |
| Operating expenses | 201,161 | 196,028 |
| | $ 282,554 | $ 275,786 |
| An analysis of amortization by function | | |
| Operating costs | $ - | $ 228 |
| Operating expenses | 77,812 | 82,009 |
| | $ 77,812 | $ 82,237 |

e. Operating expenses directly related to investment properties

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Direct operating expenses from investment property that generated rental income | $ 77,547 | $ 76,191 |

f. Employee benefit expense

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Short-term benefits | $ 1,494,942 | $ 1,716,303 |
| Post-employment benefits | | |
| Defined contribution plans | 45,278 | 56,066 |
| Defined benefit plans (Note 21) | 1,698 | 1,806 |
| Other employee benefits | 46,976 | 57,872 |
| Share-based payments | | |
| Equity-settled | - | 37 |
| Other employee benefits | 28,171 | 28,418 |
| Total employee benefit expense | $ 1,570,089 | $ 1,802,630 |
| An analysis of employee benefit expense by function | | |
| Operating costs | $ 97,707 | $ 136,269 |
| Operating expenses | 1,472,382 | 1,666,361 |
| | $ 1,570,089 | $ 1,802,630 |

g. Employees' compensation and remuneration of directors

The Company resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration 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 of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which have been approved by the Company's board of directors on March 30, 2020 and March 20, 2018, respectively, were as follows:

Accrual rate

| | For the Year Ended December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Employees' compensation | 1.00% | 1.00% |
| Remuneration of directors | 1.50% | 1.50% |

Amount

| | For the Year Ended December 31 | | | |
|---|---|---|---|---|
| | **2019** | | **2018** | |
| | **Cash** | **Shares** | **Cash** | **Shares** |
| Employees' compensation | $ 206 | $ - | $ 80 | $ - |
| Remuneration of directors | 309 | - | 119 | - |

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on exchange rate changes

| | For the Year Ended December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Exchange rate gains | $ 87,093 | $ 140,569 |
| Exchange rate losses | (114,733) | (156,464) |
| | $ (27,640) | $ (15,895) |

## 25. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Current tax | | |
| In respect of the current year | $ 90,323 | $ 86,720 |
| Adjustments for prior periods | (22,355) | (24,496) |
| Consolidated changes | - | (1,518) |
| | 67,968 | 60,706 |
| Deferred tax | | |
| In respect of the current year | 1,500 | 961 |
| Income tax expense recognized in profit or loss | $ 69,468 | $ 61,667 |

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

| | Years Ended December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Profit before tax | $ 244,220 | $ 203,990 |
| Income tax expense at the 17% statutory rate | $ 48,844 | $ 40,798 |
| Different statutory rate in other jurisdictions | 2,344 | 1,710 |
| Tax effect of adjusting items: | | |
| Nondeductible expenses in determining taxable income | 3,163 | (11,962) |
| Temporary differences | (11,475) | (22,380) |
| Unrecognized temporary differences | (419) | (885) |
| Current investment credit | (6,650) | - |
| Effects of consolidated income tax filing | (42) | (47) |
| Current income tax expense | 35,765 | 7,234 |
| Deferred income tax expense | | |
| Temporary differences | 1,500 | 961 |
| Unrecognized loss carryforwards | 49,771 | 77,806 |
| Adjustments for prior years' tax | (22,355) | (24,496) |
| Foreign income tax expense | 4,787 | 1,680 |
| Consolidated changes | - | (1,518) |
| Income tax expense recognized in profit or loss | $ 69,468 | $ 61,667 |

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings.

b. Current tax assets and liabilities

| | December 31 2019 | December 31 2018 |
|---|---|---|
| Current tax assets | | |
| Tax refund receivable (classified as other receivable) | $ 516 | $ 871 |
| Prepaid income tax (classified as other current assets) | 24 | - |
| | $ 540 | $ 871 |
| Current tax liabilities | | |
| Income tax payable | $ 52,169 | $ 56,972 |

c. Deferred tax assets and liabilities

The Group offset certain deferred tax assets and deferred tax liabilities that met the offset criteria.

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

For the year ended December 31, 2019

| **Deferred Tax Assets** | **Opening Balance** | **Recognized in Profit or Loss** | **Closing Balance** |
|---|---|---|---|
| Temporary differences | | | |
| Unrealized loss on inventories | $ 12,102 | $ 18 | $ 12,120 |
| Fixed assets | 4,063 | 884 | 4,947 |
| Unrealized sales | 675 | 208 | 883 |
| Exchange (gains) losses | (1,003) | 777 | (226) |
| Other | 14,417 | (3,387) | 11,030 |
| | $ 30,254 | $ (1,500) | $ 28,754 |

For the year ended December 31, 2018

| **Deferred Tax Assets** | **Opening Balance** | **Recognized in Profit or Loss** | **Closing Balance** |
|---|---|---|---|
| Temporary differences | | | |
| Unrealized loss on inventories | $ 19,913 | $ (7,811) | $ 12,102 |
| Fixed assets | 864 | 3,199 | 4,063 |
| Unrealized sales | 658 | 17 | 675 |
| Exchange (gains) losses | (924) | (79) | (1,003) |
| Other | 10,704 | 3,713 | 14,417 |
| | $ 31,215 | $ (961) | $ 30,254 |

d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Loss Carryforwards | | |
| Expiry in 2019 | $ - | $ 257,108 |
| Expiry in 2020 | 251,700 | 251,700 |
| Expiry in 2021 | 535,328 | 551,637 |
| Expiry in 2022 | 536,364 | 536,364 |
| Expiry in 2023 | 1,467,084 | 1,467,084 |
| Expiry in 2024 | 65,199 | 65,199 |
| Expiry in 2025 | 49,489 | 49,489 |
| Expiry in 2026 | 55,551 | 55,551 |
| Expiry in 2027 | 88,194 | 88,194 |
| Expiry in 2028 | 130,320 | 130,320 |
| Expiry in 2029 | 75,674 | - |
| | $ 3,254,903 | $ 3,452,646 |
| Deductible temporary differences | $ 113,956 | $ 177,411 |

e. Unused loss carryforwards and tax-exemptions

Loss carryforwards as of December 31, 2019 pertaining to Sunplus:

| Unused Amount | Expiry Year |
|---|---|
| $ 211,457 | 2020 |
| 322,509 | 2021 |
| 394,894 | 2022 |
| 1,144,831 | 2023 |
| 24,228 | 2027 |
| 19,642 | 2029 |
| $ 2,117,561 | |

Loss carryforwards as of December 31, 2019 pertaining to Sunplus Venture:

| Unused Amount | Expiry Year |
|---|---|
| $ 17,891 | 2020 |
| 4,863 | 2022 |
| 92,197 | 2023 |
| $ 114,951 | |

Loss carryforwards as of December 31, 2019 pertaining to Lin Shin:

| Unused Amount | Expiry Year |
|---|---|
| $ 39,908 | 2023 |

Loss carryforwards as of December 31, 2019 pertaining to Sunext:

| Unused Amount | Expiry Year |
|---|---|
| $ 103,779 | 2021 |
| 100,760 | 2022 |
| 159,490 | 2023 |
| 31,147 | 2024 |
| 975 | 2025 |
| $ 396,151 | |

Loss carryforwards as of December 31, 2019 pertaining to Sunplus mMedia:

| Unused Amount | Expiry Year |
|---|---|
| $ 22,352 | 2020 |
| 109,040 | 2021 |
| 35,847 | 2022 |
| 30,658 | 2023 |
| 29,360 | 2024 |
| 27,164 | 2025 |
| 11,155 | 2026 |
| 9,369 | 2027 |
| 57,427 | 2028 |
| 25,066 | 2029 |
| $ 357,438 | |

Loss carryforwards as of December 31, 2019 pertaining to Jumplux:

| Unused Amount | Expiry Year |
|---|---|
| $ 4,692 | 2024 |
| 21,350 | 2025 |
| 44,396 | 2026 |
| 54,597 | 2027 |
| 72,893 | 2028 |
| 30,966 | 2029 |
| $ 228,894 | |

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

| Project | Tax Exemption Period |
|---|---|
| Sunplus | |
| Fourteenth expansion | January 1, 2015 to December 31, 2019 |
| Fifteenth expansion | January 1, 2015 to December 31, 2019 |

f. Income tax assessments

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

## 26. EARNINGS PER SHARE

**Unit: NT$ Per Share**

| | For the Year Ended December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Basic gain per share | $ 0.03 | $ 0.01 |
| Diluted earnings per share | $ 0.03 | $ 0.01 |

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

Net profit for the year

| | Years Ended December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Profit for the year attributable to owners of the Company | $ 15,309 | $ 5,616 |
| Effect of potentially dilutive ordinary shares | | |
| Bonuses for employees | - | - |
| Earnings used in the computation of diluted EPS from continuing operations | $ 15,309 | $ 5,616 |

The weighted average number of ordinary shares outstanding (in thousand shares) is as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Weighted average number of ordinary shares used in the computation of basic earnings per shares | 588,435 | 588,435 |
| Effect of dilutive potential ordinary shares: | | |
| Bonuses issued to employees | 16 | 60 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 588,451 | 588,495 |

If the Company offered to settle bonus 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 computation of diluted earnings per share, if the effect is dilutive. This dilutive effect of the potential shares will be included in the computation of diluted 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. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset.

The total revenue recognized as profit for the years ended December 31, 2019 and 2018 was $1,629 and $1,661 thousand, respectively.

## 28. CONSOLIDATION OF SUBSIDIARR

a. Subsidiaries acquired

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

b. Consideration transferred

| | Worldplus and Its Subsidiaries |
|---|---|
| Cash | $ 112,669 |

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

| | Worldplus and Its Subsidiaries |
|---|---|
| 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 | (4,758) |
| | $ 112,669 |

d. Net cash outflow on the acquisition of subsidiaries

| | Worldplus and Its Subsidiaries |
|---|---|
| Consideration paid in cash | $ 112,669 |
| Less: Cash and cash equivalent balances acquired | (64,454) |
| | $ 48,215 |

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:

| | Worldplus and Its Subsidiaries |
|---|---|
| Net revenue | $ 2,053 |
| Net profit | $ (2,582) |

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 $728,250, 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 amd liabilities from liquidation

| | Hanyang Technology Co., Ltd. |
|---|---|
| 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 | (29) |
| Net assets disposed of | $ (2,543) |

b. Loss on liquidation of subsidiaries

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

c. Net cash inflow on liquidation of subsidiaries

| | Hanyang Technology Co., Ltd. |
|---|---|
| Consideration received in cash and cash equivalents | $ 1,737 |
| Less: Cash and cash equivalent balances disposed of | (2,481) |
| | $ (744) |

2018

In March 2018, the Company did not participate in the capital increase in cash of Sunplus Technology Xiamen Xm-plus in accordance with the shareholding ratio, resulting in the company's shareholding ratio decreasing from 100% to 45%, and the number of directors was less than half the usual number, hence the control of Sunplus Technology Xiamen Xm-plus was lost. In addition, iCatch Technology has independently operated its financial activities on July 31, 2018, so the Company assessed it has lost control.

a. Analysis of assets and liabilities on the date control was lost

| | Sunplus Technology Xiamen Xm-plus | iCatch Technology |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 187 | $ 159,384 |
| Accounts receivables | - | 130,898 |
| Inventories | 971 | 205,200 |
| Other receivables | 63 | 5,686 |
| Other current assets | 1,009 | 94,941 |
| Non-current assets | | |
| Property, plant and equipment | 595 | 43,007 |
| Intangible assets | 77 | 25,427 |
| Refundable deposits | - | 1,674 |
| Deferred income tax - non-current | - | 1,518 |
| Current liabilities | | |
| Trade payables | (170) | (148,922) |
| Accrued expenses | - | (28,812) |
| Other current liabilities | (20,710) | (606) |
| Accrued pension liabilities | - | (15,533) |
| Deposits received | - | (33,053) |
| Contract liabilities | - | (19,637) |
| Net liabilities disposed of | $ (17,978) | $ 421,172 |

b. Gain on disposal of subsidiaries

| | Sunplus Technology Xiamen Xm-plus | iCatch Technology |
|---|---|---|
| Collection price of investments accounted for using the equity method | $ 9,294 | $ 335,164 |
| Disposed of net liabilities (assets) | 17,978 | (421,172) |
| Reclassification of net assets and related hedging instruments to accumulated exchange differences on profit (loss) due to loss of control of subsidiaries | (211) | - |
| Non-controlling interests | - | 229,844 |
| Gain on disposals | $ 27,061 | $ 143,836 |

## 30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Sunplus purchased Jumplux Technology's issuance of ordinary shares for cash on July, 2018, resulting in an increase in the overall shareholding ratio from 95.00% to 97.08%.

Sunplus Shanghai Company purchased Yrip Technology’s issuance of ordinary shares for cash on August, 2018, resulting in an increase in the overall shareholding ratio from 83.40% to 90.71%.

Lingyang Company repurchased its equity from the external shareholders of Sunext Company from October to December, 2018, resulting in an increase in the overall shareholding ratio from 74.15% to 91.40%.

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 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 capital increase in cash of Sunplus App Technology, increasing its controlling interest from 93.33% to 95.00%, 95.00% to 95.65% and 95.65% to 96.16%.

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

2019

| | Sunext Technology Co., Ltd. | Sunplus App Technology |
|---|---|---|
| Cash consideration paid | $ (2,184) | $ - |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests | 2,346 | (3,394) |
| Differences recognized from equity transactions | $ 162 | $ (3,394) |

| | Sunext Technology Co., Ltd. | Sunplus App Technology | Total |
|---|---|---|---|
| Line items adjusted for equity transactions | | | |
| Unappropriated earnings | $ - | $ (3,394) | $ (3,394) |
| Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | | | |
| Retained earnings | 162 | - | 162 |
| | $ 162 | $ (3,394) | $ (3,232) |

2018

| | Jumplux Technology | Ytrip Technology Co., Ltd. | Sunext Technology Co., Ltd. |
|---|---|---|---|
| Cash consideration paid | $ - | $ - | $ (31,571) |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests | (3,667) | (18,747) | 31,300 |
| Reattribution of other equity to (from) non-controlling interests | | | |
| Exchange differences on translating the financial statements of foreign operations | - | 212 | - |
| Differences recognized from equity transactions | $ (3,667) | $ (18,535) | $ (271) |

| | Jumplux Technology | Ytrip Technology Co., Ltd. | Sunext Technology Co., Ltd. | Total |
|---|---|---|---|---|
| Line items adjusted for equity transactions | | | | |
| Capital surplus - changes in percentage of ownership interests in subsidiaries | $ (3,667) | $ (18,535) | $ - | $ (22,202) |
| Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | - | - | (271) | (271) |
| | $ (3,667) | $ (18,535) | $ (271) | $ (22,473) |

## 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 values of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

December 31, 2019

| | 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 |

(Continued)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Unlisted shares and emerging market shares in the ROC and other countries | $ 7,864 | $ - | $ 696,471 | $ 74,335 |
| Securities listed in the ROC and other countries - CB | 15,123 | - | - | 15,123 |
| Private funds | - | - | 260,140 | 260,140 |
| | $ 1,161,513 | $ - | $ 956,611 | $ 2,118,124 |
| 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 | 18,680 | - | 80,235 | 98,915 |
| | $ 109,152 | $ - | $ 80,235 | $ 189,387 |

(Concluded)

December 31, 2018

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Mutual funds | $ 1,356,100 | $ - | $ - | $ 1,356,100 |
| Listed shares and emerging market shares in the ROC and other countries | 44,183 | - | - | 44,183 |
| Unlisted shares and emerging market shares in the ROC and other countries | - | - | 462,387 | 462,387 |
| Securities listed in the ROC - CB | 28,718 | - | - | 28,718 |
| Private funds | - | - | 160,226 | 160,226 |
| | $ 1,429,001 | $ - | $ 622,613 | $ 2,051,614 |
| Financial assets at FVTOCI | | | | |
| Listed shares and emerging market shares in the ROC | $ 78,246 | $ - | $ - | $ 78,246 |
| Unlisted shares and emerging market shares in the ROC and other countries | 17,320 | - | 110,671 | 127,991 |
| Private funds | - | - | 39,971 | 39,971 |
| | $ 95,566 | $ - | $ 150,642 | $ 246,208 |

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 Year Ended December 31, 2019

| Financial Assets | Financial Assets at FVTPL | Financial Assets at FVTOCI | Total |
|---|---|---|---|
| Balance at January 1, 2019 | $ 662,584 | $ 110,671 | $ 773,255 |
| Recognized in profit or loss | (25,062) | - | (25,062) |
| Recognized in other comprehensive income | - | (35,402) | (35,402) |
| Purchases | 328,054 | - | 328,054 |
| Disposals and proceeds from return of capital of investments | (5,963) | (24,604) | (30,567) |
| Reclassified | - | 30,001 | 30,001 |
| Effect of exchange rate changes | (3,002) | (431) | (3,433) |
| Balance at December 31, 2019 | $ 956,611 | $ 80,235 | $1,036,846 |

For the Year Ended December 31, 2018

| Financial Assets | Financial Assets at FVTPL | Financial Assets at FVTOCI | Total |
|---|---|---|---|
| Balance at January 1, 2018 | $ 442,888 | $ 171,568 | $ 614,456 |
| Recognized in profit or loss | 16,345 | - | 16,345 |
| Recognized in other comprehensive income | - | (78,319) | (78,319) |
| Purchases | 315,443 | 35,894 | 351,337 |
| Disposals | (111,996) | (4,930) | (116,926) |
| Transfers out of Level 3 | - | (13,593) | (13,593) |
| Effect of exchange rate changes | (96) | 51 | (45) |
| Balance at December 31, 2018 | $ 622,584 | $ 110,671 | $ 773,255 |

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

a) The fair values of unlisted shares and emerging market shares 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.

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Price-to-book ratio | 1.85-4.42 | 0.66-4.16 |
| Price-to-sales ratio | 2.27-6.37 | 0.69-7.52 |
| Discount for lack of marketability | 10%-20% | 10%-30% |

b) The fair values of unlisted shares and emerging market shares 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 (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.

c. Categories of financial instruments

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Financial assets | | |
| Fair value through profit or loss (FVTPL) | $ 2,118,124 | $ 2,051,614 |
| Financial assets at amortized cost (i) | 4,147,636 | 4,549,250 |
| Financial assets at fair value through other comprehensive income | | |
| Equity instruments | 189,387 | 246,208 |
| Financial liabilities | | |
| Measured at amortized cost (ii) | 889,360 | 1,276,248 |

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were 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, other financial assets, long-term and short-term loans, accounts payable, other accounts payable 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.

| | **USD Impact** | |
|---|---|---|
| | **Years Ended December 31** | |
| | **2019** | **2018** |
| Profit or loss | $ (18,017) | $ (9,525) |

| | **RMB Impact** | |
|---|---|---|
| | **Years Ended December 31** | |
| | **2019** | **2018** |
| Profit or loss | $ 244 | $ (107) |

b) Interest rate risk

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

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

| | **December 31** | |
|---|---|---|
| | **2019** | **2018** |
| Fair value interest rate risk | | |
| Financial assets | $ 2,505,022 | $ 2,025,410 |
| Financial liabilities | 565,762 | 311,215 |
| Cash flow interest rate risk | | |
| Financial assets | 769,506 | 1,367,150 |
| Financial liabilities | - | 250,046 |

Sensitivity analysis

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

Had interest rates increased/decreased by 0.125% and all other variables held constant, the Group's post-tax profit for the years ended December 31, 2019 and 2018 would increase/decrease by $962 thousand and $1,396 thousand, respectively.

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 year ended December 31, 2019 and 2018 would have increased/decreased by $21,181 and $20,516 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the year ended December 31, 2019 and 2018 would have increased/decreased by $1,894 and $2,462 thousand, respectively.

2) Credit risk

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

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

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

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

The Group’s concentration of credit risk of 75% and 59% in total trade receivables as of December 31, 2019 and 2018, 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 December 31, 2019 and 2018, the Group had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

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

December 31, 2019

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

Additional information about the maturity analysis for lease liabilities:

| | **Less than 1 Year** | **1-5 Years** | **5-10 Years** | **10-15 Years** | **15-20 Years** | **20+ Years** |
|---|---|---|---|---|---|---|
| Lease liabilities | $ 17,597 | $ 60,032 | $ 49,046 | $ 49,046 | $ 43,896 | $ 122,971 |

December 31, 2018

| | **On Demand or Less than 1 Month** | **1-3 Months** | **More than 3 Months to 1 Year** | **Over 1 Year to 5 Years** | **5+ Years** |
|---|---|---|---|---|---|
| Nonderivative financial liabilities | | | | | |
| Non-interest bearing | $ 274,169 | $ 85,001 | $ 561,988 | $ 38,504 | $ 63,523 |
| Lease liabilities | 105 | 15,000 | 235,046 | - | - |
| Fixed interest rate liabilities | 117,896 | - | 193,361 | 7,685 | 152,292 |
| | $ 392,170 | $ 100,001 | $ 990,395 | $ 46,189 | $ 215,815 |

b) Financing facilities

| | December 31 | |
|---|---|---|
| | 2019 | 2018 |
| Unsecured bank overdraft facility, review annually and payable on demand | | |
| Amount used | $ 323,416 | $ 561,504 |
| Amount unused | 4,515,381 | 4,479,716 |
| | $ 4,838,797 | $ 5,041,220 |

## 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

| Name | Relationship with the Group |
|---|---|
| Global View Co., Ltd. | Associate |
| Beijing Golden Global View Co., Ltd. | Associate (Note 1) |
| iCatch Technology, Inc. | Associate (Note 2) |
| AutoSys Co., Ltd. | Associate (Note 3) |

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

Note 2： On July 31, 2018, the Company assessed that it had lost control of iCatch Technology, Inc.; therefore, it is classified as an associate.

Note 3： It is an associate of the company; subsidiary of AutoSys Co., Ltd.

b. Sales of goods

| | | For the Year Ended December 31 | |
|---|---|---|---|
| Line Items | Related Party Categories | 2019 | 2018 |
| Sales | Associates | $ 54,712 | $ 51,833 |

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

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

| | | December 31 | |
|---|---|---|---|
| Account Item | Related Party | 2019 | 2018 |
| Trade receivables | Associates | $ 11,645 | $ 17,941 |
| Other trade receivable | Associates | $ 280 | $ 1,358 |

There were no guarantees on outstanding receivables from related parties. For the years ended December 31, 2019 and 2018, no impairment loss was recognized for trade receivables from related parties.

d. Other transactions with related parties

| Account Item | Related Parties Types | December 31 2019 | 2018 |
|---|---|---|---|
| Refundable deposits | Associates | $ - | $ 871 |
| Deposits received | Associates | $ - | $ 393 |
| Operating expenses | Associates | $ 139 | $ 4,539 |
| Non-operating income and expenses | Associates | $ 10,228 | $ 9,009 |

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

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

e. Compensation of key management personnel

| | For the Years Ended December 31 2019 | 2018 |
|---|---|---|
| Short-term employee benefits | $ 50,100 | $ 61,183 |
| Post-employment benefits | 1,297 | 1,562 |
| | $ 51,397 | $ 62,745 |

The remuneration of directors and other key management personnel was determined by the Compensation Committee in accordance with individual performance and market trends.

## 34. PLEDGED OR MORTGAGED ASSETS

The following assets of the Company have been pledged or mortgaged as guarantees for endorsement, loan, purchase quota, leased land and customs clearance:

| | December 31 2019 | 2018 |
|---|---|---|
| Buildings, net | $ 595,735 | $ 615,136 |
| Pledged time deposits (classified as other financial assets, including current and non-current) | 130,819 | 164,518 |
| | $ 726,554 | $ 779,654 |

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

The Group's group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2019

| | Foreign Currencies (In Thousands) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| 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 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 26,876 | 29.980 | 805,742 |
| CNY | 1,643 | 4.305 | 7,073 |
| JPY | 241 | 0.276 | 67 |

December 31, 2018

| | Foreign Currencies (In Thousands) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 42,724 | 30.715 | $ 1,312,268 |
| CNY | 2,388 | 4.472 | 10,679 |
| JPY | 352 | 0.278 | 98 |
| HKD | 152 | 3.921 | 596 |
| GBP | 3 | 38.880 | 117 |
| EUR | 1 | 35.200 | 35 |
| Nonmonetary items | | | |
| USD | 28 | 30.715 | 848 |
| CHF | 786 | 31.190 | 24,513 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 33,199 | 30.715 | 1,019,707 |
| CNY | 2,281 | 4.472 | 10,201 |

The foreign currency exchange loss and gain (realized and unrealized) were amounted to $27,640 thousand and $15,895 thousand for the ended December 31, 2019 and 2018, respectively. Due to the diversity of the functional currencies of the Group, it is unable to disclose foreign currency with significant influence.

## 36. ADDITIONAL DISCLOSURES

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

   1) Financings provided: Table 1 (attached)

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

   3) Marketable securities held: Table 3 (attached)

   4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Tables4 (attached)

   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 5 (attached)

   11) Information on investee: Table 6 (attached)

b. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 8)

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

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

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

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

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

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

Except for Table 1 to Table 8, there’s 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 referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub segment and operating results for the years ended December 31, 2019 and 2018 are shown in the accompanying consolidated income statements, and the assets by segment as of December 31, 2019 and 2018 are shown in the accompanying consolidated balance sheets.

a. Segment revenues and results

The following was an analysis of the Group’s operating revenue and results by reportable segment.

| | Segment Revenue | |
|---|---|---|
| | For the Year Ended December 31 | |
| | 2019 | 2018 |
| IC design | $ 5,111,744 | $ 5,663,059 |
| Income from lease of property, plant, and equipment | 265,330 | 199,184 |
| Other income | 136,256 | 215,490 |
| | $ 5,512,330 | $ 6,077,733 |

b. Geographical information

The Group operates in two principal geographical areas - the Asia and Taiwan.

The Group’s revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

| | Revenue from External Customers | | Non-current Assets | |
|---|---|---|---|---|
| | For the Year Ended December 31 | | For the Year Ended December 31 | |
| | 2019 | 2018 | 2019 | 2018 |
| Asia | $3,499,818 | $4,067,191 | $2,159,216 | $2,192,346 |
| Taiwan | 1,956,236 | 1,908,470 | 1,294,531 | 1,077,848 |
| Others | 56,276 | 102,072 | - | - |
| | $5,512,330 | $6,077,733 | $3,453,747 | $3,270,194 |

Non-current assets exclude non-current assets held for sale, financial instruments, deferred tax assets, post-employment benefits assets, and assets result from insurance contracts.

c. Information about major customers

Single customers contributing 10% or more to the Group’s revenue were as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | **2019** | **2018** |
| Customer A | $ 844,237 | $ 763,906 |
| Customer B | 651,715 | 652,318 |
| Customer C | Note | 622,701 |

Note: The amount of revenue does not reach 10% of the company’s net revenue.

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**FINANCINGS PROVIDED**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| No. | Lender | Borrower | Financial Statement Account | Related Party | 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. | Sun Media Technology Co., Ltd. | Receivables from related parties | Yes | $ 91,300 | $ - | $ - | 1.8% | Note 1 | $ - | Note 2 | $ - | - | $ - | $ 256,983 (Note 8) | $ 256,983 (Note 8) |
| 2 | Sunplus Technology (Shanghai) Co., Ltd. | Sunplus APP Technology | Receivables from related parties | Yes | 25,108 | 12,522 | 12,522 | 1.8% | Note 1 | - | Note 3 | 12,522 | - | - | 21,415 (Note 9) | 42,830 (Note 9) |
| 3 | Russell Holdings Ltd. | Sun Media Technology Co., Ltd. | Receivables from related parties | Yes | 335,477 | 261,077 | 261,077 | 2.05% | Note 1 | - | Note 4 | - | - | - | 455,427 (Note 10) | 455,427 (Note 10) |
| 4 | Sunplus Venture Capital Co., Ltd. | Sun Media Technology Co., Ltd. | Receivables from related parties | Yes | 293,926 | 232,426 | 232,426 | 2.05% | Note 1 | - | Note 5 | - | - | - | 419,740 (Note 11) | 419,740 (Note 11) |
| 5 | Sunplus Prof-tek Technology (Shenzhen) | Sunplus APP Technology | Receivables from related parties | Yes | 41,086 | 39,354 | 39,354 | 1.8% | Note 1 | - | Note 6 | 39,354 | - | - | 37,851 (Note 12) | 75.703 (Note 12) |
| 5 | Lin Shih Investment Co., Ltd. | Sun Media Technology Co., Ltd. | Receivables from related parties | Yes | 135,170 | 121,645 | 121,164 | 2.05% | Note 1 | - | Note 7 | - | - | - | 317,228 (Note 13) | 317,228 (Note 13) |

Note 1: Short-term financing.

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

Note 3: Sunplus Technology (Shanghai) Co., Ltd. provided funds for the operating needs of Sunplus APP Technology.

Note 4: Russell Holdings Ltd. provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 5: Sunplus Venture Capital provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 6: Sunplus Prof-tek Technology (Shenzhen) provided funds for the operating needs of Sunplus APP Technology.

Note 7: Lin Shih Investment Co., Ltd. Provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 8: The foreign company has voting shares that are directly and indirectly wholly owned by the Company’s parent company. The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 60% of Sunplus Technology (Shanghai) Co., Ltd.’s net equity as of its latest financial statements; in addition, each guarantee period should not exceed two years.

Note 9: 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 10: The foreign company has voting shares that are directly and indirectly wholly owned by the Company’s parent company. The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 80% of Russell Holdings Ltd.’s net equity as of its latest financial statements; in addition, each guarantee period should not exceed two years.

Note 11: 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 12: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 10% of the net equity of Sunplus Prof-tek Technology (Shenzhen); and the individual amount of each guarantee should not exceed 5% of Sunplus Shanghai’s net equity.

Note 13: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shih Investment Co., Ltd.’s net equity as of its latest financial statements.

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(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/Guarantee Amounts Allowable | Provided by the Company | Guarantee Provided by the Subsidiary | Guarantee Provided to a Subsidiary Located in Mainland China |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Name | Nature of Relationship | | | | | | | | | | |
| 0 (Note 1) | Sunplus Technology Company Limited ("Sunplus") | Sun Media Technology Co., Ltd. | 3 (Note 4) | $ 817,853 (Note 5) | $ 428,573 | $ 169,365 | $ 107,625 | $ - | 2.07 | $ 1,635,707 (Note 6) | Yes | No | Yes |
| | | Sunext Technology Co., Ltd. | 2 (Note 3) | 817,853 (Note 5) | 10,000 | - | - | - | - | 1,635,707 (Note 6) | Yes | No | No |
| 1 (Note 2) | Russell Holdings Ltd. | Sun Media Technology Co., Ltd. | 3 (Note 4) | 341,570 (Note 7) | 279,585 | 122,860 | 122,860 | 122,860 | 21.58 | 341,570 (Note 7) | No | No | Yes |

Note 1: Issuer.

Note 2: Investee.

Note 3: The endorser directly holds more than 50% of the ordinary shares of the endorsee.

Note 4: Sunplus and its subsidiaries jointly hold more than 50% of the ordinary shares of the endorsee.

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

Note 7: 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.

**TABLE 3**

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(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 | December 31, 2019 | | | | 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 Fund | - | Financial assets at fair value through profit or loss - current | 616 | $ 10,096 | - | $ 10,096 | Note 3 |
| | Mega RMB Money Market Fund | - | Financial assets at fair value through profit or loss - current | 466 | 24,146 | - | 24,146 | Note 3 |
| | FSITC RMB Money Market Fund TWD | - | Financial assets at fair value through profit or loss - current | 5,387 | 52,658 | - | 52,658 | Note 3 |
| | FSITC US Top 100 bond fund A | - | Financial assets at fair value through profit or loss - current | 2,000 | 20,100 | - | 20,100 | Note 3 |
| | Taishin 1699 Money Market Fund | - | Financial assets at fair value through profit or loss - current | 2,216 | 30,100 | - | 30,100 | Note 3 |
| | Mega Diamond Money Market Fund | - | Financial assets at fair value through profit or loss - current | 13,197 | 166,162 | - | 166,162 | Note 3 |
| | UPAMC James Bond Money Market Fund | - | Financial assets at fair value through profit or loss - current | 1,851 | 31,058 | - | 31,058 | Note 3 |
| | Yuanta USD Money Market Fund USD | - | Financial assets at fair value through profit or loss - current | 239 | 75,886 | - | 75,886 | Note 3 |
| | PineBridge Muliti - Income Fund | - | Financial assets at fair value through profit or loss - current | 95 | 30,516 | - | 30,516 | Note 3 |
| | Prudential Financial RMB Money Market Fund TWD | - | Financial assets at fair value through profit or loss - current | 5,810 | 57,349 | - | 57,349 | Note 3 |
| | Yuanta RMB Money Market TWD | - | Financial assets at fair value through profit or loss - current | 1,702 | 17,918 | - | 17,918 | Note 3 |
| | Harvest Series 1 Fund | - | Financial assets at fair value through profit or loss - non-current | 2 | 59,960 | - | 59,960 | Note 3 |
| | Yuanta Emerging Indonesia and India 4 years Bond Fund | - | Financial assets at fair value through profit or loss - non-current | 1,500 | 15,159 | - | 15,159 | Note 3 |
| | Broadcom Inc. | - | Financial assets at fair value through profit or loss - non-current | - | 815 | - | 815 | Note 2 |
| | Triknight Capital Corporation | - | Financial assets at fair value through profit or loss - non-current | 29,625 | 285,289 | 5 | 285,289 | Note 1 |
| | EVERGREEN STEEL Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 1,500 | 52,500 | - | 52,500 | Note 1 |
| | Network Capital Global | - | Financial assets at fair value through other comprehensive income - non-current | 380 | 2,586 | 7 | 2,586 | Note 1 |

(Continued)

| Holding Company Name | Type and Name of Marketable Security | Relationship with the Holding Company | Financial Statement Account | December 31, 2019 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares or Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Lin Shih Investment Co., Ltd. | UPI Semiconductor Corp. | - | Financial assets at fair value through profit or loss - current | 300 | $ 18,420 | - | $ 18,420 | Note 1 |
| | A-Spine Asia Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 220 | 19,620 | - | 19,620 | Note 1 |
| | Taiwan Mask Corp. | - | Financial assets at fair value through profit or loss - current | 101 | 3,479 | - | 3,479 | Note 2 |
| | Enterex International Limited - CB | - | Financial assets at fair value through profit or loss - current | 30 | 2,700 | - | 2,700 | Note 2 |
| | Kee Song Bio - Technology Holdings Limited | - | Financial assets at fair value through profit or loss - current | 50 | 4,423 | - | 4,423 | Note 2 |
| | Everlight Electronics Co., Ltd. - CB | - | Financial assets at fair value through profit or loss - current | 80 | 8,000 | - | 8,000 | Note 2 |
| | Genius Vision Digital Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 300 | - | 4 | - | Note 1 |
| | Ortery Technologies, Inc. | - | Financial assets at fair value through profit or loss – non-current | 103 | - | 1 | - | Note 1 |
| | Chain Sea Information Integration Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 43 | 474 | - | 474 | Note 1 |
| | AIII Co., Ltd. | - | Financial assets at fair value through profit or loss – non-current | 26 | 431 | - | 431 | Note 1 |
| | GEMFOR Leading Financial Solution Provider fund | - | Financial assets at fair value through profit or loss - non-current | 13 | 216 | - | 216 | Note 1 |
| | Sanjet Technology Corporation | - | Financial assets at fair value through profit or loss - non-current | 8 | - | - | - | Note 1 |
| | Minton Optic Industry Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 4,272 | - | 7 | - | Note 1 |
| | Lead Sun Corporation | - | Financial assets at fair value through profit or loss - non-current | - | 27,934 | 12 | 27,934 | Note 1 |
| | Ability Enterprise Co., Ltd. | - | Financial assets at fair value through other comprehensive income - non-current | 5,434 | 90,472 | 2 | 90,472 | Note 2 |
| | Sunplus Technology Co., Ltd. | Parent company | Financial assets at fair value through other comprehensive income - non-current | 3,560 | 48,238 | 1 | 48,238 | Note 2 |
| | Prine Rich International Co., Ltd. | - | Financial assets at fair value through other comprehensive income - non-current | 33 | 4,600 | - | 4,600 | Note 1 |
| Russell Holdings Limited | Synerchip Inc. | - | Financial assets at fair value through profit or loss - non-current | 6,452 | - | 12 | - | Note 1 |
| | OZ Optics Limited | - | Financial assets at fair value through profit or loss - non-current | 1,000 | - | 8 | - | Note 1 |
| | Innobrige International Inc. | - | Financial assets at fair value through profit or loss - non-current | 4,000 | - | 15 | - | Note 1 |

(Continued)

| Holding Company Name | Type and Name of Marketable Security | Relationship with the Holding Company | Financial Statement Account | December 31, 2019 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares or Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Russell Holdings Limited | Ether Precision Inc. | - | Financial assets at fair value through profit or loss - non-current | 1,250 | $ - | 1 | $ - | Note 1 |
| | Asia Tech Taiwan Venture, L.P. | - | Financial assets at fair value through profit or loss - non-current | - | - | 5 | - | Note 1 |
| | Asia B2B on Line Inc. | - | Financial assets at fair value through profit or loss - non-current | 1,000 | - | 3 | - | Note 1 |
| | AMED Ventures I, L.P. | - | Financial assets at fair value through profit or loss - non-current | - | 5,563 | 3 | 5,563 | Note 1 |
| | Intudo Ventures II, L.P. | - | Financial assets at fair value through profit or loss - non-current | - | 24,411 | 6 | 24,411 | Note 1 |
| | GeneOne Diagnostics Corporation | - | Financial assets at fair value through other comprehensive income - non-current | 1,710 | 20,386 | 13 | 20,386 | Note 1 |
| Sunplus Venture Capital Co., Ltd. | Taiwan Mask Corp. | - | Financial assets at fair value through profit or loss - current | 108 | 3,721 | - | 3,721 | Note 2 |
| | Charles Schwab - Money Fund | - | Financial assets at fair value through profit or loss - current | - | 2,032 | - | 2,032 | Note 2 |
| | Cyberon Corporation | - | Financial assets at fair value through profit or loss - non-current | 786 | 27,530 | 8 | 27,530 | Note 1 |
| | Grand Fortune Venture Capital Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 5,000 | 54,950 | 7 | 54,950 | Note 1 |
| | Ortery Technologies, Inc. | - | Financial assets at fair value through profit or loss - non-current | 68 | - | 1 | - | Note 1 |
| | Funyou Venture Capital Limited Partnersh | - | Financial assets at fair value through profit or loss - non-current | - | 19,877 | 10 | 19,877 | Note 1 |
| | Book4u Company Limited | - | Financial assets at fair value through profit or loss - non-current | 9 | - | - | - | Note 1 |
| | Sanjet Technology Corp. | - | Financial assets at fair value through profit or loss - non-current | 49 | - | - | - | Note 1 |
| | Simple Act Inc. | - | Financial assets at fair value through profit or loss - non-current | 1,900 | - | 10 | - | Note 1 |
| | Minton Optic Industry Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 5,000 | - | 8 | - | Note 1 |
| | Raynergy Tek Inc. | - | Financial assets at fair value through profit or loss - non-current | 4,500 | 81,630 | 16 | 81,630 | Note 1 |
| | Genius Vision Digital | - | Financial assets at fair value through profit or loss - non-current | 375 | - | 5 | - | Note 1 |
| | CDIB Capital Growth Partners L.P. | - | Financial assets at fair value through profit or loss - non-current | - | 54,379 | 2 | 54,379 | Note 1 |
| | VenGlobal International Fund | - | Financial assets at fair value through profit or loss - non-current | 1 | - | - | - | Note 1 |
| | TIEF Fund LP | - | Financial assets at fair value through profit or loss - non-current | - | 40,721 | 7 | 40,721 | Note 1 |
| | San Neng Group Holding Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | 900 | 32,940 | 1 | 32,940 | Note 2 |

(Continued)

| Holding Company Name | Type and Name of Marketable Security | Relationship with the Holding Company | Financial Statement Account | December 31, 2019 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares or Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Sunplus Venture Capital Co., Ltd. | Huijia Health Life Technology | - | Financial assets at fair value through profit or loss - non-current | 1,000 | $ 30,000 | 6 | $ 30,000 | Note 1 |
| | Intudo Ventures I, L.P. | - | Financial assets at fair value through profit or loss - non-current | - | 45,630 | 8 | 45,630 | Note 1 |
| | eWave System, Inc. | - | Financial assets at fair value through profit or loss - non-current | 1,833 | - | 22 | - | Note 1 |
| | Feature Integration Technology Inc. | - | Financial assets at fair value through other comprehensive income - non-current | 1,247 | 18,680 | 4 | 18,680 | Note 2 |
| | Qun-Kin Venture Capital | - | Financial assets at fair value through other comprehensive income - non-current | 3,000 | 24,000 | 6 | 24,000 | Note 1 |
| | Protect Life International Biomedical Inc. | - | Financial assets at fair value through other comprehensive income - non-current | 1,364 | 5,110 | 4 | 5,110 | Note 1 |
| Wei-Young Investment Inc. | Shiny Brands Group Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 105 | 7,864 | - | 7,864 | Note 2 |
| | Cheng Mei Materials Technology Corporation | - | Financial assets at fair value through profit or loss - current | 2,000 | 14,600 | - | 14,600 | Note 2 |
| | Chipbond Technology Corporation | - | Financial assets at fair value through profit or loss - current | 300 | 20,160 | - | 20,160 | Note 2 |
| Sunplus Technology (Shanghai) Co., Ltd. | GF Every Day The Red Haired Type Money Market Fund B | | Financial assets at fair value through profit or loss - current | 13,100 | 56,579 | - | 56,579 | Note 3 |
| | GF Live Treasury Currency B | - | Financial assets at fair value through profit or loss - current | 13,550 | 58,493 | - | 58,493 | Note 3 |
| | Chongqing CYIT Communication Technology Co., Ltd. | - | Financial assets at fair value through profit or loss - non-current | - | - | 3 | - | Note 1 |
| | Ready Sun Investment Group Fund | - | Financial assets at fair value through profit or loss - non-current | - | 41,625 | 16 | 41,625 | Note 1 |
| | Xiamen Xm-plus Technology Ltd. | | Financial assets at fair value through profit or loss - non-current | - | 11,520 | 3 | 11,520 | Note 1 |
| Generalplus Technology Inc. | Franklin Templeton SinoAm Money Market Fund | - | Financial assets at fair value through profit or loss - current | 7,869 | 81,669 | - | 81,669 | Note 3 |
| Sunplus Innovation Technology Inc. | Mega Diamond Money Market Fund | - | Financial assets at fair value through profit or loss - current | 810 | 10,199 | - | 10,199 | Note 3 |
| | Yuanta Wan Tai Money Market Fund | - | Financial assets at fair value through profit or loss - current | 3,963 | 60,241 | - | 60,241 | Note 3 |
| | Fuh Hwa You Li Money Market Fund | - | Financial assets at fair value through profit or loss - current | 2,235 | 30,226 | - | 30,226 | Note 3 |
| | Yuanta De-Li Money Market Fund | - | Financial assets at fair value through profit or loss - current | 4,333 | 70,939 | - | 70,939 | Note 3 |
| | Taishin 1699 Money Market Fund | - | Financial assets at fair value through profit or loss - current | 2,212 | 30,042 | - | 30,042 | Note 3 |
| | Advanced Silicon SA | - | Financial assets at fair value through other comprehensive income - non-current | 1,000 | 22,705 | 10 | 22,705 | Note 1 |

(Continued)

| Holding Company Name | Type and Name of Marketable Security | Relationship with the Holding Company | Financial Statement Account | December 31, 2019 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares or Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value | |
| Sunplus Innovation Technology Inc. | Advanced NuMicro System, Inc. | - | Financial assets at fair value through other comprehensive income - non-current | 2,000 | $ 848 | 8 | $ 848 | Note 1 |
| | Point Grab Ltd. | - | Financial assets at fair value through other comprehensive income - non-current | 182 | - | 1 | - | Note 1 |
| Magic Sky Limited | GTA Co., Ltd. - CB | - | Financial assets at fair value through profit or loss - non-current | - | 32,079 | - | 32,079 | Note 1 |
| Giant Rock Inc. | Xiamen Xm-plus Technology Ltd. | | Financial assets at fair value through profit or loss - non-current | - | 46,813 | 15 | 46,813 | Note 1 |
| Sunext Technology Co., Ltd. | Yunata Taiwan Dividend + ETF Feeder Fund | - | Financial assets at fair value through profit or loss - current | 2,843 | 31,609 | - | 31,609 | Note 3 |
| | Yunata Taiwan Top 50 ETF Feeder Fund | - | Financial assets at fair value through profit or loss - current | 467 | 5,715 | - | 5,715 | Note 3 |
| | EVERGREEN STEEL Co.,Ltd. | | Financial assets at fair value through profit or loss - current | 1,000 | 35,000 | - | 35,000 | Note 1 |
| Jsilicon Technology Co., Ltd. | GF Live Treasure Currency B | - | Financial assets at fair value through profit or loss - current | 7,888 | 33,959 | - | 33,959 | Note 3 |

Note 1: The market value was based on the carrying amount as of December 31, 2019.

Note 2: The market value was based on the closing price as of December 31, 2019.

Note 3: The market value was based on the net asset value of the fund as of December 31, 2019.

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name | Type and Name of Marketable Securities | Financial Statement Account | Counterparty | Relationship | Beginning Balance | | Acquisition(Note 1) | | Disposal(Note 1) | | | | Ending Balance(Note 3) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount | Carrying Amount | Gain (Loss) on Disposal | Shares | Amount |
| Generalplus Technology Inc. | Franklin Templeton SinoAm Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | 5,721 | $ 59,048 | 29,017 | $ 300,000 | 26,869 | $ 278,000 | $ 277,539 | $ 461 | 7,869 | $ 81,669 |

Note 1: The cumulative purchase and sale amount shall be calculated separately at the market price to determine whether it has reached NT$300 million or 20% of the paid-up capital.

Note 2: The paid-in capital refers to the paid-in capital of the parent company.

Note 3: The amount on the end of the period is the amount of unrealized profit or loss.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name | Counterparty | Flow of Transaction (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 | $ 2,562 | Note 1 | 0.05% |
| | | | Non-operating income and gains | 145 | Note 2 | - |
| | | | Notes and trade receivables | 407 | Note 1 | - |
| | Sunext Technology Co., Ltd. | 1 | Sales | 196 | Note 1 | - |
| | | | Non-operating income and gains | 4,361 | Notes 2 | 0.08% |
| | | | Notes and trade receivables | 5 | Note 1 | - |
| | | | Other receivables | 295 | Note 3 | - |
| | Sunplus Innovation Technology Inc. | 1 | Sales | 424 | Note 1 | 0.01% |
| | | | Non-operating income and gains | 3,805 | Note 2 | 0.07% |
| | | | Notes and trade receivables | 74 | Note 1 | - |
| | | | Other receivables | 337 | Note 3 | - |
| | Sunplus mMedia Inc. | 1 | Non-operating income and gains | 3,956 | Notes 2 and 4 | 0.07% |
| | Jumplux Technology Co., Ltd. | 1 | Sales | 4,508 | Note 1 | 0.08% |
| | | | Non-operating income and gains | 14,291 | Notes 2 and 4 | 0.26% |
| | | | Notes and trade receivables | 111 | Note 1 | - |
| | | | Other receivables | 1,091 | Note 3 | 0.01% |
| Sunplus Innovation Technology Inc. | Sun Media Technology Co., Ltd. | 2 | Accrued expenses | 1,114 | Note 3 | 0.01% |
| | | | Marketing expenses | 3,151 | Note 2 | 0.06% |
| | Sunplus Prof-tek (Shenzhen) Co., Ltd. | 2 | Accrued expenses | 5,503 | Note 3 | 0.05% |
| | | | Marketing expenses | 23,208 | Note 1 | 0.42% |
| Generalplus Technology Inc. | Sunplus Innovation Technology Inc. | 2 | Sales | 513 | Note 1 | 0.01% |
| | Generalplus Technology (Hong Kong) Inc. | 2 | Marketing expenses | 11,081 | Note 1 | 0.20% |
| | | | Accrued expenses | 2,048 | Note 3 | 0.02% |
| | Generalplus Technology (Shenzhen) Inc. | 2 | Sales | 13,422 | Note 2 | 0.24% |
| | | | Research and development expenses | 84,656 | Note 2 | 1.54% |
| | | | Notes and trade receivables | 1,752 | Note 3 | 0.02% |
| | | | Accrued expenses | 28,838 | Note 3 | 0.25% |
| Sunplus Technology (Shanghai) Co., Ltd. | SunMedia Technology Co., Ltd. | 2 | Accrued expenses | 710 | Note 3 | 0.01% |
| | | | Interest income | 1,441 | Note 1 | 0.03% |
| | | | Research and development expenses | 5,358 | Note 1 | 0.10% |
| | Sunplus App Technology | 2 | Interest income | 251 | Note 2 | - |
| | Sunplus Technology (Beijing) | 2 | Research and development expenses | 150 | Note 2 | - |
| | Jumplux Technology Co., Ltd. | 2 | Sales | 969 | Note 1 | 0.02% |
| | | | Notes and trade receivables | 427 | Note 1 | - |

(Continued)

| Company Name | Counterparty | Flow of Transaction (Note 5) | Intercompany Transactions | | | |
|---|---|---|---|---|---|---|
| | | | **Financial Statement Account Item** | **Amount** | **Terms** | **Percentage of Consolidated Total Gross Sales or Total Assets** |
| Jumplux Technology Co., Ltd. | Sunplus Technology (Beijing) | 2 | Research and development expenses | $ 2,867 | Note 2 | 0.05% |
| | Jsilicon Technology | 2 | Sales | 8,987 | Note 1 | 0.16% |
| | | | Notes and trade receivables | 5,645 | Note 1 | 0.05% |
| Lin Shih Investment Co., Ltd. | Sun Media Technology Co., Ltd. | 2 | Interest income | 992 | Note 2 | 0.02% |
| | | | Other receivables | 117,008 | Note 3 | 1.02% |
| Sunplus Venture Co., Ltd. | Sun Media Technology Co., Ltd. | 2 | Interest income | 5,309 | Note 2 | 0.10% |
| | | | Other receivables | 228,029 | Note 3 | 1.98% |
| Russell Holdings Ltd. | Sun Media Technology Co., Ltd. | 2 | Other receivables | 255,277 | Note 3 | 2.22% |
| | | | Interest income | 5,412 | Note 2 | 0.10% |
| | Sunplus Technology (Beijing) | 2 | Management expenses | 38 | Note 2 | - |
| | | | Sales | 585 | Note 1 | 0.01% |
| Sun Media Technology Co., Ltd. | Sunplus Technology (Beijing) | 2 | Management expenses | 38 | Note 2 | - |
| | | | Sales | 585 | Note 1 | 0.01% |
| Sunplus Prof-tek (Shenzhen) Co., Ltd. | Sunplus App Technology | 2 | Interest income | 553 | Note 2 | 0.01% |
| Sunplus Technology (Beijing) | Jsilicon Technology | 2 | Sales | 2,057 | Note 1 | 0.04% |
| | | | Notes and trade receivables | 45 | Note 1 | - |
| | Shuangxin Technology | 2 | Sales | 3,663 | Note 1 | 0.07% |
| | | | Notes and trade receivables | 1,421 | Note 1 | 0.01% |
| Sunplus App Technology | Sunplus Technology (Beijing) | 2 | Research and development expenses | 10 | Note 2 | - |

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

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

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

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

Note 5: The directional flow of the transactions are indicated by the following numerals:
1 - From parent company to subsidiary.
2 - Between subsidiaries.

(Concluded)

**TABLE 6**

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES**
**DECEMBER 31, 2019**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2019 | | | Net Income (Loss) of the Investee | Investment Gain (Loss) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2019 | December 31, 2018 | Shares (Thousands) | Percentage of Ownership (%) | Carrying Amount | | | |
| Sunplus Technology Company Limited | Ventureplus Group Inc. | Belize | Investment | $ 2,399,817<br>(US$ 74,605<br>RMB 37,900) | $ 2,399,817<br>(US$ 74,605<br>RMB 37,900) | - | 100 | $ 1,373,861 | $ 21,479 | $ 21,479 | Subsidiary |
| | Award Glory Ltd. | Belize | Investment | 226,834<br>(US$ 5,642<br>RMB 13,400) | 61,219<br>(US$ 2,042) | - | 100 | 160,186 | 8,497 | 8,497 | Subsidiary |
| | GLOBAL VIEW CO., LTD. | Hsinchu, Taiwan | Consumer electronics, components and rental of buildings | 315,658 | 315,658 | 8,229 | 13 | 297,640 | 85,934 | 11,165 | Investee |
| | Lin Shih Investment Co., Ltd. | Hsinchu, Taiwan | Investment | 699,988 | 699,988 | 70,000 | 100 | 744,832 | 43,053 | 41,771 | Subsidiary |
| | Generalplus Technology Inc. | Hsinchu, Taiwan | Design of ICs | 281,001 | 281,001 | 37,324 | 34 | 681,743 | 223,584 | 76,690 | Subsidiary |
| | Sunplus Venture Capital Co., Ltd. | Hsinchu, Taiwan | Investment | 999,982 | 999,982 | 100,000 | 100 | 1,049,350 | 43,973 | 43,973 | Subsidiary |
| | Sunplus Innovation Technology Inc. | Hsinchu, Taiwan | Design of ICs | 414,663 | 414,663 | 31,450 | 61 | 573,897 | 135,651 | 82,919 | Subsidiary |
| | Russell Holdings Limited | Cayman Islands, British West Indies | Investment | 739,307<br>(US$ 24,660) | 721,319<br>(US$ 24,060) | 24,660 | 100 | 569,284 | 5,887 | 5,887 | Subsidiary |
| | iCatch Technology, Inc. | Hsinchu, Taiwan | Design of ICs | 207,345 | 207,345 | 20,735 | 29 | 263,237 | (79,931) | (27,997) | Investee |
| | Sunext Technology Co., Ltd. | Hsinchu, Taiwan | Design of ICs | 983,237 | 981,053 | 58,778 | 93 | 194,234 | 19,076 | 17,497 | Subsidiary |
| | Sunplus mMedia Inc. | Hsinchu, Taiwan | Design of ICs | 407,565 | 407,565 | 22,441 | 90 | 23,627 | (25,068) | (22,501) | Subsidiary |
| | Sunplus Management Consulting Inc. | Hsinchu, Taiwan | Management | 5,000 | 5,000 | 500 | 100 | 3,768 | (142) | (142) | Subsidiary |
| | Sunplus Technology (H.K.) Co., Ltd. | Kowloon Bay, Hong Kong | International trade | 42,628<br>(HK$ 11,075) | 42,628<br>(HK$ 11,075) | 11,075 | 100 | 35 | (3) | (3) | Subsidiary |
| | Magic Sky Limited | Samoa | Investment | 304,597<br>(US$ 10,160) | 302,049<br>(US$ 10,075) | - | 100 | 32,282 | (53,190) | (53,190) | Subsidiary |
| | Sunplus mMobile Inc. | Hsinchu, Taiwan | Design of ICs | 2,596,792 | 2,596,792 | 16,240 | 100 | 29,576 | (209) | (209) | Subsidiary |
| | Wei-Young Investment Inc. | Hsinchu, Taiwan | Investment | 70,157 | 70,157 | 5,400 | 100 | 49,602 | (5,239) | (5,239) | Subsidiary |
| | Jumplux Technology Co., Ltd. | Hsinchu, Taiwan | Design of ICs | 132,000 | 132,000 | 13,200 | 55 | 2,785 | (26,527) | (14,590) | Subsidiary |
| Lin Shih Investment Co., Ltd. | Generalplus Technology Inc. | Hsinchu, Taiwan | Design of ICs | 86,256 | 86,256 | 14,892 | 14 | 273,385 | 223,584 | 30,599 | Subsidiary |
| | Sunplus Innovation Technology Inc. | Hsinchu, Taiwan | Design of ICs | 15,701 | 15,701 | 1,075 | 2 | 17,399 | 135,651 | 2,834 | Subsidiary |
| | iCatch Technology, Inc. | Hsinchu, Taiwan | Design of ICs | 9,645 | 9,645 | 965 | 1 | 12,784 | (79,931) | (1,094) | Investee |
| | Sunplus mMedia Inc. | Hsinchu, Taiwan | Design of ICs | 19,408 | 19,408 | 650 | 3 | 5,348 | (25,068) | (652) | Investee |
| Sunplus Venture Capital Co., Ltd. | Jumplux Technology Co., Ltd. | Hsinchu, Taiwan | Design of ICs | 101,000 | 101,000 | 10,100 | 42 | 2,130 | (26,527) | (11,163) | Subsidiary |
| | Sunplus Innovation Technology Inc. | Hsinchu, Taiwan | Design of ICs | 57,388 | 57,388 | 2,904 | 6 | 53,990 | 135,651 | 7,655 | Subsidiary |
| | iCatch Technology, Inc. | Hsinchu, Taiwan | Design of ICs | 33,439 | 33,439 | 3,332 | 5 | 44,159 | (79,931) | (3,779) | Subsidiary |
| | Sunplus mMedia Inc. | Hsinchu, Taiwan | Design of ICs | 44,878 | 44,878 | 1,909 | 8 | 457 | (25,068) | (1,914) | Subsidiary |
| | Han Young Technology Co., Ltd. | Taipei, Taiwan | Design of ICs | - | 4,200 | - | - | - | - | - | Subsidiary (Note 2) |
| Russell Holdings Limited | Autosys Co., Ltd. | Cayman Islands, British west Indies | Investment | 74,950<br>(US$ 2,500) | 74,950<br>(US$ 2,500) | - | 16 | 77,208 | (1,845) | (1,793) | Investee |
| Ventureplus Group Inc. | Ventureplus Mauritius Inc. | Mauritius | Investment | 2,399,817<br>(US$ 74,605<br>RMB 37,900) | 2,399,817<br>(US$ 74,605<br>RMB 37,900) | - | 100 | 1,373,859 | 21,496 | 21,496 | Subsidiary |
| Ventureplus Mauritius Inc. | Ventureplus Cayman Inc. | Cayman Islands, British West Indies | Investment | 2,399,817<br>(US$ 74,605<br>RMB 37,900) | 2,399,817<br>(US$ 74,605<br>RMB 37,900) | - | 100 | 1,373,837 | 21,497 | 21,497 | Subsidiary |
| Generalplus Technology Inc. | Generalplus International (Samoa) Inc. | Samoa | Investment | 572,318<br>(US$ 19,090) | 572,318<br>(US$ 19,090) | 19,090 | 100 | 475,396 | 13,484 | 13,484 | Subsidiary |
| Generalplus International (Samoa) Inc. | Generalplus (Mauritius) Inc. | Mauritius | Investment | 572,318<br>(US$ 19,090) | 572,318<br>(US$ 19,090) | 19,090 | 100 | 475,394 | 13,484 | 13,484 | Subsidiary |

(Continued)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2019 | | | Net Income (Loss) of the Investee | Investment Gain (Loss) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2019 | December 31, 2018 | Shares (Thousands) | Percentage of Ownership (%) | Carrying Amount | | | |
| Generalplus (Mauritius) Inc. | Generalplus Technology (Hong Kong) Inc. | Hong Kong | Sales | $ 11,692 (US$ 390) | $ 11,692 (US$ 390) | - | 100 | $ 4,691 | $ (456) | $ (456) | Subsidiary |
| Award Glory Ltd. | Sunny Fancy Ltd. | Seychelles | Investment | 226,834 (US$ 5,642 RMB 13,400) | 61,212 (US$ 2,042) | - | 100 | 160,186 | 8,497 | 8,497 | Subsidiary |
| Sunny Fancy Ltd. | Giant Kingdom Ltd. | Seychelles | Investment | 23,145 (US$ 772) | 23,145 (US$ 772) | - | 100 | 558 | (240) | (240) | Subsidiary |
| | Giant Rock Inc. | Anguilla | Investment | 95,762 (US$ 1,270 RMB 13,400) | 38,075 (US$ 1,270) | - | 100 | 50,758 | 11,319 | 11,319 | Subsidiary |
| | WORLDPLUS HOLDINGS L.L.C. | America | Investment | 107,928 (US$ 3,600) | - | - | 100 | 108,870 | (2,138) | (2,582) | Subsidiary |

Note 1: The initial exchange rate was based on the exchange rate as of December 31, 2018.

Note 2: Han Young Technology Co., Ltd. was liquidated in November 2019.

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(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, 2019 | Investment Flows | | Accumulated Outflow of Investment from Taiwan as of December 31, 2019 | % Ownership of Direct or Indirect Investment | Net Income (Loss) of the investee | Investment Loss | Carrying Amount as of December 31, 2019 | Accumulated Inward Remittance of Earnings as of December 31, 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outflow | Inflow | | | | | | |
| Sunplus Technology (Shanghai) Co., Ltd. | Development of computer software, system integration services and building rental services | $ 515,656<br>(US$ 17,200) | Note 1 | $ 529,297<br>(US$ 17,655) | $ - | $ - | $ 529,297<br>(US$ 17,655) | 100 | $ 13,082 | $ 13,082 | $ 428,305 | $ - |
| Sunplus Prof-tek (Shenzhen) Co., Ltd. | Development of computer software, system integration services, building rental services and property management | 966,855<br>(US$ 32,250) | Note 1 | 966,855<br>(US$ 32,250) | - | - | 966,855<br>(US$ 32,250) | 100 | (29,577) | (29,577) | 757,026 | - |
| Sun Media Technology Co., Ltd. | Development of computer software, system integration services and building rental services | 599,600<br>(US$ 20,000) | Note 1 | 599,600<br>(US$ 20,000) | - | - | 599,600<br>(US$ 20,000) | 100 | 31,538 | 31,538 | 131,080 | - |
| Sunplus App Technology Co., Ltd. | Manufacturing and sale of computer software, system integration services and information management and education | 111,930<br>(RMB 26,000) | Note 1 | 60,618<br>(US$ 586<br>RMB 10,000) | 47,355<br>(RMB 11,000) | - | 107,973<br>(US$ 586<br>RMB 21,000) | 96 | (10,628) | (10,290) | 4,071 | - |
| Ytrip Technology Co., Ltd. | Computer system integration services, supply of general advertising and other information services | 263,681<br>(RMB 61,250) | Note 1 | 135,240<br>(US$ 4,511) | - | - | 135,240<br>(US$ 4,511) | 91 | (2,566) | (2,327) | 1,861 | - |
| Sunplus Technology (Beijing) | Development of computer software, system integration services and building rental services | 116,235<br>(RMB 27,000) | Note 1 | 116,235<br>(RMB 27,000) | - | - | 116,235<br>(RMB 27,000) | 100 | 3,096 | 3,096 | 49,237 | - |
| 1culture Communication Co., Ltd. | System development | 13,991<br>(RMB 3,250) | Note 3 | - | - | - | | 100 | (29) | (29) | 65 | - |
| JSilicon Technology Co., Ltd. (Ru Domg) | Development of computer software, system integration services | 43,050<br>(RMB 10,000) | Note 4 | - | - | - | - | 100 | (15,033) | (15,033) | 28,209 | - |
| Lingyao Technology Co., Ltd. (Shenzhen) | Development of computer software, system integration services and building rental | 81,963<br>(RMB 19,039) | Note 6 | - | 107,928<br>(US$ 3,600) | - | 107,928<br>(US$ 3,600) | 100 | (2,138) | (2,582) | 108,870 | - |
| Shuangxin Technology Co., Ltd. (Chongqing) | Development of computer software, system integration services | 8,610<br>(RMB 2,000) | Note 5 | - | - | - | - | 100 | (10,973) | (10,973) | 75,218 | - |

| Accumulated Investment in Mainland China as of December 31, 2019 | Investment Amounts Authorized by Investment Commission, MOEA | Limit on Investment |
|---|---|---|
| $ 2,597,759<br>(US$ 79,872 and<br>RMB 49,900 ) | $ 2,623,398<br>(US$ 78,602 and<br>RMB 62,000 ) | $ 4,907,120 |

Sunplus Venture Capital Co., Ltd.

| Accumulated Investment in Mainland China as of December 31, 2019 (Note 7) | Investment Amounts Authorized by Investment Commission, MOEA | Limit on Investment |
|---|---|---|
| $ 37,775<br>(US$ 1,260 ) | $ 37,775<br>(US$ 1,260 ) | $ 629,610 |

(Continued)

Generalplus Technology Inc. (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, 2019 | Investment Flows | | Accumulated Outflow of Investment from Taiwan as of December 31, 2019 | % Ownership of Direct or Indirect Investment | Net Loss of the investee | Investment Loss (Note 2) | Carrying Amount as of December 31, 2019 | Accumulated Inward Remittance of Earnings as of December 31, 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outflow | Inflow | | | | | | |
| Generalplus Shenzhen | IC product development, after sales service and market research | $ 560,626 (US$ 18,700) | Note 1 | $ 560,626 (US$ 18,700) | $ - | $ - | $ 560,626 (US$ 18,700) | 100% | $ 13,940 | $ 13,940 | $ 471,173 | $ - |

| Accumulated Investment in Mainland China as of December 31, 2019 | Investment Amount Authorized by Investment Commission, MOEA | Limit on Investment |
|---|---|---|
| $ 560,626 (US$ 18,700 ) | $ 560,626 (US$ 18,700 ) | $ 1,210,358 |

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 investee's reviewed financial statements for the same period.

Note 3: Ytrip Technology Co., Ltd. indirectly invested in a company located in mainland China.

Note 4: Sunplus Technology (Shanghai) Co., Ltd.'s indirect investment in a company located in mainland China.

Note 5: Sunplus Technology (Shanghai) Co., Ltd. and Sunplus Prof-tek (Shenzhen) Co., Ltd.'s indirect investments in a company located in mainland China.

Note 6: It is a company located in mainland China that acquired the investment of the third regional investment company on September 2, 2019.

Note 7: 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 fair value through profit or loss- non-current.

Note 8: The original foreign currency was derived from the exchange rate on December 31, 2019.

(Concluded)

TABLE 8

## 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 YEAR ENDED DECEMBER 31, 2019**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investee Company | Transaction Type | Research and Development Expense | | Price | Transaction Details | | Other Payable To Related Parties | | Unrealized (Gain) Loss | Note |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Amount | % | | Payment Term | Comparison with Market Transactions | Ending Balance | % | | |
| Generalplus Technology (Shenzhen) Corp. | Development and processing services | $ 84,656 | 18.06 | Based on contract | Based on contract | Not comparable with market transactions | $ 28,838 | 93.05 | $ - | NA |
| | Sales | 13,422 | 0.51 | Based on contract | Based on contract | Not comparable with market transactions | 1,752 | 100 | 490 | NA |