

**Sunplus Technology Company Limited  
and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2021 and 2020 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Sunplus Technology Company Limited

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$3,639,758 thousand and NT\$4,591,366 thousand, respectively, representing 24% and 38%, respectively, of the total assets, and combined total liabilities of these non-significant subsidiaries were NT\$136,715 thousand and NT\$618,494 thousand, respectively, representing 4% and 25%, respectively, of the total liabilities. For the three months ended September 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were NT\$206,750 thousand and NT\$167,619 thousand, respectively, representing 43% and 53%, respectively, of the consolidated total comprehensive income (loss). For the nine months ended September 30, 2021 and 2020, the amounts of combined comprehensive income were NT\$475,551 thousand and NT\$306,026 thousand, respectively, representing 39% and 113%, respectively, of the consolidated total comprehensive income. As disclosed in Note 12 to the

consolidated financial statements, as of September 30, 2021 and 2020, the investments accounted for using the equity method amounted to NT\$942,275 thousand and NT\$712,170 thousand, respectively. For the three months ended September 30, 2021 and 2020, the share of profit of associates accounted for using the equity method amounted to NT\$17,371 thousand and NT\$19,037 thousand, respectively. For the nine months ended September 30, 2021 and 2020, the share of profit of associates accounted for using the equity method amounted to NT\$38,979 thousand and NT\$19,885 thousand, respectively. These investment amounts disclosed in the consolidated financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020, 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 12, 2021

### Notice to Readers

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

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

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

ASSETS	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 32)	\$ 4,112,802	28	\$ 3,400,482	27	\$ 3,284,620	27
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 32)	1,473,464	10	901,857	7	582,232	5
Notes receivable and trade receivables, net (Notes 9, 23, 32 and 33)	1,329,528	9	1,204,798	10	1,219,582	10
Other receivables (Notes 32 and 33)	54,229	-	57,982	-	23,956	-
Inventories (Note 10)	1,291,431	9	861,050	7	935,227	8
Other financial assets - current (Notes 17, 32 and 34)	50,373	-	240,334	2	116,400	1
Other current assets (Notes 17 and 33)	110,603	1	111,438	1	121,301	1
Total current assets	8,422,430	57	6,777,941	54	6,283,318	52
<b>NON-CURRENT ASSETS</b>						
Financial assets at FVTPL - non-current (Notes 7 and 32)	1,520,697	10	1,064,261	8	1,077,619	9
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 32)	256,966	2	192,528	1	183,124	2
Investments accounted for using the equity method (Note 12)	942,275	6	719,696	6	712,170	6
Property, plant and equipment (Notes 13 and 34)	1,910,959	13	1,971,252	16	1,972,524	16
Right-of-use assets (Note 14)	216,712	2	229,277	2	231,797	2
Investment properties (Note 15)	957,187	6	1,015,544	8	1,008,415	8
Intangible assets (Note 16)	343,520	2	328,591	3	321,675	3
Deferred tax assets (Notes 4 and 25)	29,951	-	33,037	-	30,084	-
Net defined benefit assets - non-current (Notes 4 and 21)	4,440	-	4,440	-	1,163	-
Other financial assets - non-current (Notes 17, 32 and 34)	232,576	2	272,167	2	266,372	2
Other non-current assets (Note 17)	39,041	-	11,855	-	13,503	-
Total non-current assets	6,454,324	43	5,842,648	46	5,818,446	48
<b>TOTAL</b>	<b>\$ 14,876,754</b>	<b>100</b>	<b>\$ 12,620,589</b>	<b>100</b>	<b>\$ 12,101,764</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18, 32 and 34)	\$ 188,364	2	\$ 314,209	3	\$ 307,485	3
Contract liabilities - current (Note 23)	22,747	-	26,181	-	29,591	-
Accounts payable (Notes 19 and 32)	611,427	4	450,216	4	502,294	4
Current tax liabilities (Notes 4 and 25)	179,643	1	155,138	1	98,730	1
Lease liabilities - current (Note 14)	12,353	-	12,506	-	11,753	-
Deferred revenue - current (Notes 20 and 28)	1,643	-	46,098	1	1,850	-
Current portion of long-term borrowings (Notes 18, 32 and 34)	100,000	1	25,000	-	-	-
Other current liabilities (Note 20)	1,061,589	7	795,324	6	718,761	6
Total current liabilities	2,177,766	15	1,824,672	15	1,670,464	14
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 18, 32 and 34)	330,000	2	205,000	2	200,000	2
Lease liabilities - non-current (Note 14)	210,647	2	219,510	2	222,178	2
Deferred revenue - non-current (Notes 20 and 28)	56,165	-	58,300	-	57,324	-
Net defined benefit liabilities - non-current (Notes 4, 21 and 32)	33,414	-	60,319	-	64,222	-
Guarantee deposits (Note 32)	249,972	2	219,942	2	219,413	2
Other liabilities (Note 20)	22,938	-	13,845	-	15,492	-
Total non-current liabilities	903,136	6	776,916	6	778,629	6
Total liabilities	3,080,902	21	2,601,588	21	2,449,093	20
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22 and 30)</b>						
Share capital						
Ordinary shares	5,919,949	40	5,919,949	47	5,919,949	49
Capital surplus	1,119,365	7	500,820	4	496,874	4
Retained earnings						
Legal reserve	1,745,279	12	1,712,390	13	1,712,390	14
Special reserve	261,078	2	276,189	2	276,189	3
Unappropriated earnings	804,808	5	328,894	3	131,141	1
Total retained earnings	2,811,165	19	2,317,473	18	2,119,720	18
Other equity	(272,100)	(2)	(261,078)	(2)	(310,584)	(3)
Treasury shares	(63,401)	-	(63,401)	(1)	(63,401)	-
Total equity attributable to owners of the Company	9,514,978	64	8,413,763	66	8,162,558	68
<b>NON-CONTROLLING INTERESTS (Notes 11, 22 and 30)</b>	<b>2,280,874</b>	<b>15</b>	<b>1,605,238</b>	<b>13</b>	<b>1,490,113</b>	<b>12</b>
Total equity	11,795,852	79	10,019,001	79	9,652,671	80
<b>TOTAL</b>	<b>\$ 14,876,754</b>	<b>100</b>	<b>\$ 12,620,589</b>	<b>100</b>	<b>\$ 12,101,764</b>	<b>100</b>

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

(With Deloitte & Touche review report dated November 12, 2021)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING								
REVENUE (Notes 23 and 33)	\$ 2,132,253	100	\$ 1,992,324	100	\$ 5,932,491	100	\$ 4,536,563	100
OPERATING COSTS (Notes 10 and 24)	<u>981,690</u>	<u>46</u>	<u>1,090,975</u>	<u>55</u>	<u>2,859,842</u>	<u>48</u>	<u>2,489,269</u>	<u>55</u>
GROSS PROFIT	<u>1,150,563</u>	<u>54</u>	<u>901,349</u>	<u>45</u>	<u>3,072,649</u>	<u>52</u>	<u>2,047,294</u>	<u>45</u>
OPERATING EXPENSES (Notes 24 and 33)								
Selling and marketing expenses	97,196	5	81,358	4	272,669	4	206,352	4
General and administrative expenses	172,269	8	127,649	6	464,829	8	352,728	8
Research and development expenses	571,586	27	431,517	22	1,587,259	27	1,174,949	26
Expected credit (gain) loss	<u>-</u>	<u>-</u>	<u>(69)</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>(51)</u>	<u>-</u>
Total operating expenses	<u>841,051</u>	<u>40</u>	<u>640,455</u>	<u>32</u>	<u>2,324,830</u>	<u>39</u>	<u>1,733,978</u>	<u>38</u>
OTHER OPERATING INCOME AND EXPENSES	<u>90</u>	<u>-</u>	<u>220</u>	<u>-</u>	<u>(167)</u>	<u>-</u>	<u>116</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>309,602</u>	<u>14</u>	<u>261,114</u>	<u>13</u>	<u>747,652</u>	<u>13</u>	<u>313,432</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 24, 27 and 33)								
Interest income	5,802	-	5,757	-	18,470	-	17,686	-
Other income	59,961	3	53,121	3	155,845	2	96,344	2
Other gains and losses	175,788	8	31,329	2	524,363	9	4,059	-
Finance costs	(3,476)	-	(3,321)	-	(10,788)	-	(11,039)	-
Share of profit of associates	<u>17,371</u>	<u>1</u>	<u>19,037</u>	<u>1</u>	<u>38,979</u>	<u>1</u>	<u>19,885</u>	<u>1</u>
Total non-operating income and expenses	<u>255,446</u>	<u>12</u>	<u>105,923</u>	<u>6</u>	<u>726,869</u>	<u>12</u>	<u>126,935</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	565,048	26	367,037	19	1,474,521	25	440,367	10
INCOME TAX EXPENSE (Notes 4 and 25)	<u>91,437</u>	<u>4</u>	<u>54,408</u>	<u>3</u>	<u>243,491</u>	<u>4</u>	<u>112,439</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>473,611</u>	<u>22</u>	<u>312,629</u>	<u>16</u>	<u>1,231,030</u>	<u>21</u>	<u>327,928</u>	<u>7</u>

(Continued)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI	\$ 6,632	1	\$ (25,496)	(1)	\$ 6,547	-	\$ (13,041)	-
Share of the other comprehensive income of associates accounted for using the equity method	5,424	-	2,063	-	24,304	-	248	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(1,731)	-	23,580	1	(47,448)	(1)	(43,346)	(1)
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(404)	-	2,466	-	(1,342)	-	(220)	-
Other comprehensive income (loss) for the period, net of income tax	9,921	1	2,613	-	(17,939)	(1)	(56,359)	(1)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 483,532</u>	<u>23</u>	<u>\$ 315,242</u>	<u>16</u>	<u>\$ 1,213,091</u>	<u>20</u>	<u>\$ 271,569</u>	<u>6</u>
<b>NET PROFIT</b>								
<b>ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 301,815	14	\$ 211,422	11	\$ 804,786	14	\$ 132,496	3
Non-controlling interests	171,796	8	101,207	5	426,244	7	195,432	4
	<u>\$ 473,611</u>	<u>22</u>	<u>\$ 312,629</u>	<u>16</u>	<u>\$ 1,231,030</u>	<u>21</u>	<u>\$ 327,928</u>	<u>7</u>
<b>TOTAL COMPREHENSIVE INCOME</b>								
<b>ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 312,250	15	\$ 210,990	11	\$ 792,742	13	\$ 79,654	2
Non-controlling interests	171,282	8	104,252	5	420,349	7	191,915	4
	<u>\$ 483,532</u>	<u>23</u>	<u>\$ 315,242</u>	<u>16</u>	<u>\$ 1,213,091</u>	<u>20</u>	<u>\$ 271,569</u>	<u>6</u>
<b>EARNINGS PER SHARE</b> (Note 26)								
Basic	<u>\$ 0.51</u>		<u>\$ 0.36</u>		<u>\$ 1.37</u>		<u>\$ 0.23</u>	
Diluted	<u>\$ 0.51</u>		<u>\$ 0.36</u>		<u>\$ 1.37</u>		<u>\$ 0.23</u>	

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

(With Deloitte & Touche review report dated November 12, 2021)

(Concluded)

**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES**

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

	Equity Attributable to Owners of the Company											Noncontrolling Interests	Total Equity
	Equity Attributable to Owners of the Company						Other Equity						
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain from Investments in Equity Instruments Measured at FVTOCI	Treasury Shares	Total			
Share (In Thousands)	Amount	Legal Reserve		Special Reserve	(Accumulated Deficit) Unappropriated Earnings								
BALANCE AT JANUARY 1, 2020	591,995	\$ 5,919,949	\$ 594,432	\$ 1,942,388	\$ 308,452	\$ (262,261)	\$ (218,780)	\$ (42,246)	\$ (63,401)	\$ 8,178,533	\$ 1,394,158	\$ 9,572,691	
Appropriation of the 2019 earnings													
Legal reserve	-	-	-	(229,998)	-	229,998	-	-	-	-	-	-	
Special reserve	-	-	-	-	(32,263)	32,263	-	-	-	-	-	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	11,840	-	-	-	-	-	-	11,840	-	11,840	
Issuance of cash dividends from capital surplus	-	-	(177,598)	-	-	-	-	-	-	(177,598)	-	(177,598)	
Difference between consideration and carrying amount of the subsidiaries during actual disposal or acquisition	-	-	67,132	-	-	-	-	2,112	-	69,244	-	69,244	
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(183)	-	-	-	(183)	-	(183)	
Net profit for the nine months ended September 30, 2020	-	-	-	-	-	132,496	-	-	-	132,496	195,432	327,928	
Other comprehensive loss for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	(41,471)	(11,371)	-	(52,842)	(3,517)	(56,359)	
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	132,496	(41,471)	(11,371)	-	79,654	191,915	271,569	
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	-	1,068	-	-	-	-	-	-	1,068	-	1,068	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(95,960)	(95,960)	
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	(1,172)	-	1,172	-	-	-	-	
<b>BALANCE AT SEPTEMBER 30, 2020</b>	<u>591,995</u>	<u>\$ 5,919,949</u>	<u>\$ 496,874</u>	<u>\$ 1,712,390</u>	<u>\$ 276,189</u>	<u>\$ 131,141</u>	<u>\$ (260,251)</u>	<u>\$ (50,333)</u>	<u>\$ (63,401)</u>	<u>\$ 8,162,558</u>	<u>\$ 1,490,113</u>	<u>\$ 9,652,671</u>	
BALANCE AT JANUARY 1, 2021	591,995	\$ 5,919,949	\$ 500,820	\$ 1,712,390	\$ 276,189	\$ 328,894	\$ (228,023)	\$ (33,055)	\$ (63,401)	\$ 8,413,763	\$ 1,605,238	\$ 10,019,001	
Appropriation of the 2020 earnings													
Legal reserve	-	-	-	32,889	-	(32,889)	-	-	-	-	-	-	
Special reserve	-	-	-	-	(15,111)	15,111	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(311,094)	-	-	-	(311,094)	-	(311,094)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	36,652	-	-	-	-	-	-	36,652	-	36,652	
Difference between consideration and carrying amount of the subsidiaries during actual disposal or acquisition	-	-	91,451	-	-	-	-	1,022	-	92,473	-	92,473	
Changes in percentage of ownership interest in subsidiaries	-	-	488,571	-	-	-	-	-	-	488,571	(488,571)	-	
Net profit for the nine months ended September 30, 2021	-	-	-	-	-	804,786	-	-	-	804,786	426,244	1,231,030	
Other comprehensive loss for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	(44,440)	32,396	-	(12,044)	(5,895)	(17,939)	
Total comprehensive (loss) income for the nine months ended September 30, 2021	-	-	-	-	-	804,786	(44,440)	32,396	-	792,742	420,349	1,213,091	
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	-	1,871	-	-	-	-	-	-	1,871	-	1,871	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	743,858	743,858	
<b>BALANCE AT SEPTEMBER 30, 2021</b>	<u>591,995</u>	<u>\$ 5,919,949</u>	<u>\$ 1,119,365</u>	<u>\$ 1,745,279</u>	<u>\$ 261,078</u>	<u>\$ 804,808</u>	<u>\$ (272,463)</u>	<u>\$ 363</u>	<u>\$ (63,401)</u>	<u>\$ 9,514,978</u>	<u>\$ 2,280,874</u>	<u>\$ 11,795,852</u>	

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

(With Deloitte & Touche review report dated November 12, 2021)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,474,521	\$ 440,367
Adjustments for:		
Depreciation expense	209,531	223,730
Amortization expense	97,366	64,262
Expected credit loss recognized (reversed) on trade receivables	73	(51)
Net gain on the fair value change of financial assets at FVTPL	(520,899)	(563)
Financial costs	10,788	11,039
Interest income	(18,470)	(17,686)
Dividend income	(36,633)	(25,553)
Compensation costs of share - based payments	53,736	-
Share of profit of associates	(38,979)	(19,885)
Loss (gain) on disposal of property, plant and equipment	171	(108)
Gain on disposal of subsidiaries	-	(7,795)
Net loss (gain) on foreign currency exchange	1,978	(9,810)
Unrealized loss on transactions with associates	1,541	2,541
Gain on lease modification	(4)	(8)
Changes in operating assets and liabilities:		
Increase in notes receivable and trade receivables	(127,728)	(386,895)
(Increase) decrease in other receivables	(28,659)	6,641
Increase in inventories	(430,381)	(176,016)
Increase in prepayments for purchases	(22,837)	-
Increase in other current assets	(2,207)	(17,992)
(Decrease) increase in contract liabilities	(3,434)	4,679
Increase in accounts payable	161,439	152,218
(Decrease) increase in deferred revenue	(45,866)	94
Increase in other current liabilities	235,956	85,765
Decrease in defined benefit liabilities	(26,905)	(36)
Cash generated from operations	944,098	328,938
Interest received	21,378	15,397
Dividends received	84,038	37,897
Interest paid	(11,676)	(12,186)
Income tax paid	(215,900)	(67,209)
Net cash generated from operating activities	<u>821,938</u>	<u>302,837</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at FVTOCI	(58,583)	(10,004)
Proceeds from sale of financial assets at FVTOCI	-	2,628
Purchase of financial assets at FVTPL	(2,063,602)	(1,039,171)
Proceeds from the sale of financial assets at FVTPL	1,580,039	1,493,073
Acquisition of associates	(174,000)	(2,500)
Disposal of subsidiaries	-	(866)
Payments for property, plant and equipment	(87,327)	(168,863)
Proceeds from the disposal of property, plant and equipment	182	540
Increase in refundable deposits	(5,307)	(408)
Decrease in refundable deposits	975	904
Payments for intangible assets	(96,435)	(164,552)

(Continued)



# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Payments for investment properties	\$ -	\$ (4,391)
Decrease (increase) in other financial assets	<u>237,264</u>	<u>(127,664)</u>
Net cash used in investing activities	<u>(666,794)</u>	<u>(21,274)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	(126,830)	(11,436)
Proceeds from long-term borrowings	200,000	200,000
Proceeds from guarantee deposits received	29,721	24,470
Refund of guarantee deposits received	(7,731)	(12,213)
Repayment of principal portion of lease liabilities	(9,956)	(9,809)
Increase in other liabilities	2,156	2,066
Dividends paid to owners of the Company	(309,223)	(176,530)
Dividends for non-controlling interests	(283,972)	(139,531)
Partial disposal of interests in subsidiaries without a loss of control	108,953	101,014
Increase in non-controlling interests	<u>957,614</u>	<u>12,000</u>
Net cash generated from (used in) financing activities	<u>560,732</u>	<u>(9,969)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>(3,556)</u>	<u>(7,602)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	712,320	263,992
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>3,400,482</u>	<u>3,020,628</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 4,112,802</u>	<u>\$ 3,284,620</u>

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

(With Deloitte & Touche review report dated November 12, 2021)

(Concluded)

# SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

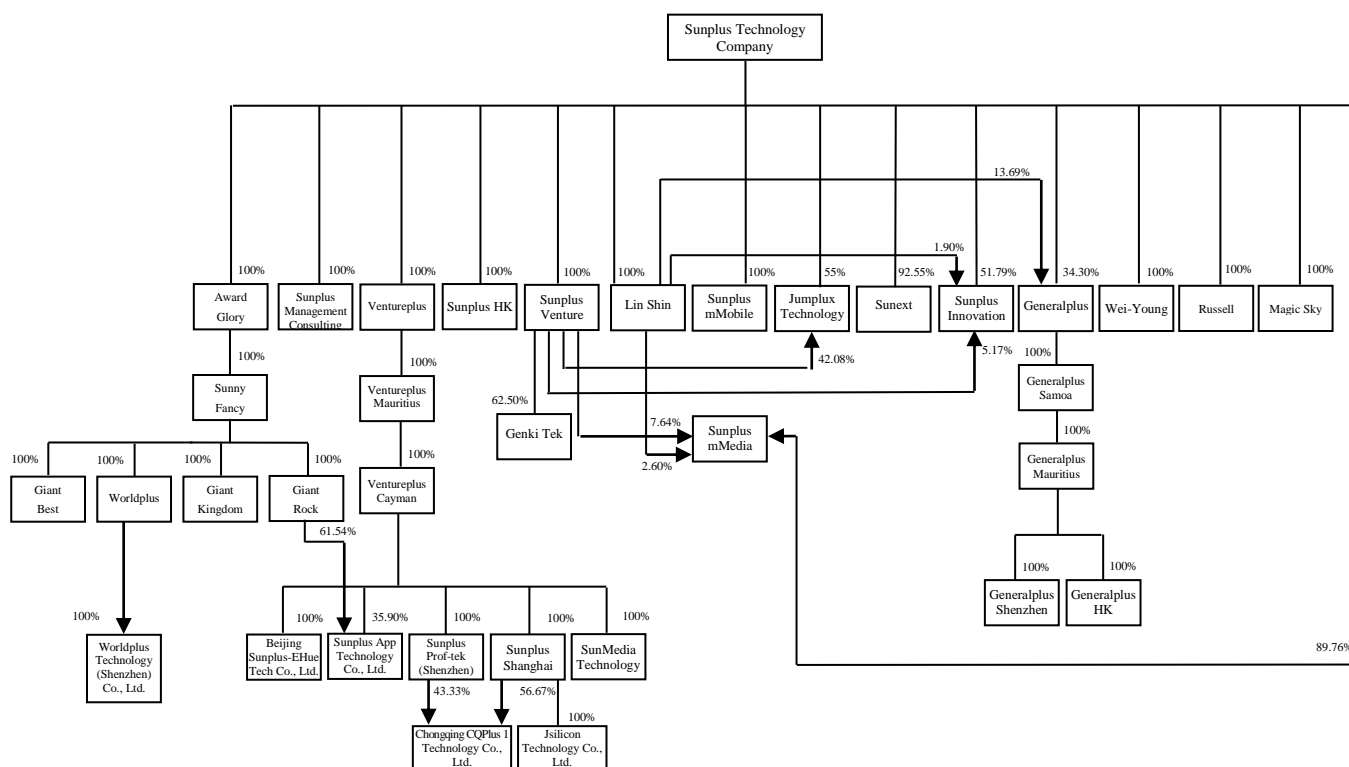
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

### 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 and high value-added consumer integrated circuits (ICs). Its products are based on core technologies in areas such as multimedia audio/video, single-chip microcontrollers and digital signal processors. These technologies are used to develop hundreds of products including various ICs of liquid crystal display, microcontroller, multimedia, voice/music, and application-specific products. 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 depository receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 22).

The following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the “Group”) as of September 30, 2021.



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 Group’s board of directors and authorized for issue on November 12, 2021.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2022

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRS Standards 2018–2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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.

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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.

### 3) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- the Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) the Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) the Group chose the accounting policy from options permitted by the standards;
- c) the accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;
- d) the accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) the accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

### 4) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

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

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

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

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

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

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

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

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

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

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

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are

adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

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

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

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

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

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

2) Taxation

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

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

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 Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. 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. Refer to the consolidated financial statements with critical accounting judgments and key sources of estimation uncertainty for the year ended December 31, 2020.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 5,151	\$ 5,781	\$ 5,997
Checking accounts and demand deposits	1,061,872	1,168,558	1,241,468
Cash equivalents			
Time deposits in banks	<u>3,045,779</u>	<u>2,226,143</u>	<u>2,037,155</u>
	<u>\$ 4,112,802</u>	<u>\$ 3,400,482</u>	<u>\$ 3,284,620</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Bank balances	0.001%-2.250%	0.001%-2.025%	0.01%-2.770%

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

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign investments			
Mutual funds	\$ 1,106,356	\$ 641,575	\$ 385,546
Unlisted shares	126,208	204,719	60,127
Listed shares	240,900	52,743	127,984
Hybrid financial assets			
Domestic and foreign investments			
- Listed convertible bonds	<u>-</u>	<u>2,820</u>	<u>8,575</u>
	<u>\$ 1,473,464</u>	<u>\$ 901,857</u>	<u>\$ 582,232</u>

### Financial liabilities at FVTPL - non-current

Financial assets classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign investments			
Unlisted shares	\$ 901,260	\$ 686,366	\$ 679,941
Limited partnership	421,991	327,856	291,162
Listed shares	43,650	35,190	33,840
Mutual funds	14,546	14,849	72,676
Hybrid financial assets			
Domestic and foreign investments			
- Unlisted convertible bonds	<u>139,250</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,520,697</u>	<u>\$ 1,064,261</u>	<u>\$ 1,077,619</u>



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

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Non-current</u>			
Domestic and foreign investments			
Unlisted shares	\$ 160,112	\$ 99,767	\$ 110,312
Listed shares	<u>96,854</u>	<u>92,761</u>	<u>72,812</u>
	<u>\$ 256,966</u>	<u>\$ 192,528</u>	<u>\$ 183,124</u>

## 9. NOTES RECEIVABLE AND TRADE RECEIVABLES, NET

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	1,329,538	1,204,901	1,219,784
Less: Allowance for impairment loss	<u>(39)</u>	<u>(103)</u>	<u>(202)</u>
	<u>1,329,499</u>	<u>1,204,798</u>	<u>1,219,582</u>
	<u>\$ 1,329,528</u>	<u>\$ 1,204,798</u>	<u>\$ 1,219,582</u>

### Trade receivables

The average credit period on sales of goods is 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 applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, the forecast 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:

September 30, 2021

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 1,329,499	\$ -	\$ -	\$ -	\$ 39	\$ 1,329,538
Loss allowance (Lifetime ECLs)	-	-	-	-	(39)	(39)
Amortized cost	<u>\$ 1,329,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,329,499</u>

December 31, 2020

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 1,204,689	\$ -	\$ -	\$ -	\$ 212	\$ 1,204,901
Loss allowance (Lifetime ECLs)	-	-	-	-	(103)	(103)
Amortized cost	<u>\$ 1,204,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109</u>	<u>\$ 1,204,798</u>

September 30, 2020

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 1,219,394	\$ 47	\$ 133	\$ -	\$ 210	\$ 1,219,784
Loss allowance (Lifetime ECLs)	-	-	-	-	(202)	(202)
Amortized cost	<u>\$ 1,219,394</u>	<u>\$ 47</u>	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 1,219,582</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 103	\$ 329
Add: Net remeasurement of loss allowance	73	(51)
Less: Amounts written off	(136)	(73)
Foreign exchange gains and losses	<u>(1)</u>	<u>(3)</u>
Balance at September 30	<u>\$ 39</u>	<u>\$ 202</u>

**10. INVENTORIES**

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Finished goods	\$ 386,749	\$ 272,677	\$ 271,010
Work in progress	504,426	378,943	431,290
Raw materials	<u>400,256</u>	<u>209,430</u>	<u>232,927</u>
	<u>\$ 1,291,431</u>	<u>\$ 861,050</u>	<u>\$ 935,227</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020 were \$959,952 thousand, \$1,069,663 thousand, \$2,795,818 thousand and \$2,425,489 thousand, respectively.

The cost of inventories recognized as costs of goods sold for the three months ended and nine months ended September 30, 2021 and 2020 are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Inventory write-downs	\$ (4,438)	\$ (4,041)	\$ (642)	\$ (10,053)
Income from scrap sales	<u>22</u>	<u>11</u>	<u>58</u>	<u>37</u>
	<u>\$ (4,416)</u>	<u>\$ (4,030)</u>	<u>\$ (584)</u>	<u>\$ (10,016)</u>

## 11. SUBSIDIARIES

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

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

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership (%)			Note	
			September 30, 2021	December 31, 2020	September 30, 2020		
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	-	
	Ventureplus Group Inc.	Investment	100.00	100.00	100.00	-	
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	-	
	Sunplus Venture	Investment	100.00	100.00	100.00	-	
	Lin Shin Investment	Investment	100.00	100.00	100.00	-	
	Sunplus mMobile Inc.	Design of ICs	100.00	100.00	100.00	-	
	Sunext Technology Co., Ltd.	Design of ICs	92.55	92.55	92.55	-	
	Sunplus Innovation Technology	Design of ICs	51.79	58.21	58.21	-	
	Generalplus Technology ("Generalplus")	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had a 47.99% stake in Generalplus 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	100.00	-
		Russell Holdings Limited	Investment	100.00	100.00	100.00	-
		Magic Sky Limited	Investment	100.00	100.00	100.00	-
		Sunplus mMedia Inc.	Design of ICs	89.76	89.76	89.76	-
		Award Glory	Investment	100.00	100.00	100.00	-
Ventureplus Group Inc.	Jumplux Technology	Design of ICs	55.00	55.00	55.00	-	
	Ventureplus Mauritius Inc.	Investment	100.00	100.00	100.00	-	
Ventureplus Cayman Inc.	Ventureplus Cayman Inc.	Investment	100.00	100.00	100.00	-	
	Sunplus App Technology	Sale of electronic components and information management and education	35.90	51.47	51.47	Sunplus and its subsidiaries had a 97.44% stake in Sunplus App Technology.	
	Sunplus Prof-tek Technology (Shenzhen)	Software development, consumer technological services and rental building and property management.	100.00	100.00	100.00	-	
	Sunplus Technology (Shanghai)	Software development, consumer technological services and rental building	100.00	100.00	100.00	-	
	SunMedia Technology	Software development, consumer technological services and rental building	100.00	100.00	100.00	-	
	Beijing Sunplus-EHue Tech Co., Ltd.	Software development, consumer technological services and rental building	100.00	100.00	100.00	-	
Sunplus Technology (Shanghai)	Jsilicon Technology	Software development and IC design	100.00	100.00	100.00	-	
	Chongqing CQPlus1 Technology	Software development and IC design	56.67	56.67	56.67	-	
Sunplus Prof-tek (Shenzhen)	Chongqing CQPlus1 Technology	Software development and IC design	43.33	43.33	43.33	Sunplus and its subsidiaries held 100% equity in Chongqing CQPlus 1 Technology.	
Sunplus Venture	Jumplux Technology	Design of ICs	42.08	42.08	42.08	Sunplus and its subsidiaries owned 97.08% of the equity in Jumplux Technology.	
	Sunplus mMedia	Design of ICs	7.64	7.64	7.64	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.	
	Sunplus Innovation Technology	Design of ICs	5.17	5.64	5.64	Sunplus and its subsidiaries had 58.86% equity in Sunplus Innovation Technology	
	Genki Tek Technology	Software development	62.50	62.50	62.50	-	

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Lin Shin	Generalplus	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had a 47.99% stake in Generalplus Technology, Inc. and the Group had controlling interest over Generalplus Technology, Inc.; the investee is included in the consolidated financial statements.
	Sunplus mMedia	Design of ICs	2.60	2.60	2.60	
	Sunplus Innovation	Design of ICs	1.90	2.09	2.09	
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	Design of ICs, after sales service and marketing research	100.00	100.00	100.00	-
Award Glory	Generalplus HK	Sales	100.00	100.00	100.00	-
	Sunny Fancy	Investment	100.00	100.00	100.00	-
Sunny Fancy	Giant Kingdom	Investment	100.00	100.00	100.00	-
	Giant Rock	Investment	100.00	100.00	100.00	-
	Worldplus Holdings L.L.C. (Worldplus)	Investment	100.00	100.00	100.00	-
	Giant Best Ltd. (Giant Best)	Investment	-	-	-	At the end of September 2021, the establishment registration was completed, but capital was not invested yet.
Giank Rock	Sunplus App Technology	Sale of electronic components and information management and education	61.54	44.85	44.85	Sunplus and its subsidiaries had a 97.44% stake in Sunplus App.
Worldplus	Worldplus Technology (Shenzhen) Co., Ltd.	Software development, rental building and property management.	100.00	100.00	100.00	-

(Concluded)

The financial statements as of and for the nine months ended September 30, 2021 of the above subsidiaries, except those of Generalplus, Sunplus Innovation Technology, Sunplus mMobile Inc., Ventureplus Group Inc., Ventureplus Mauritius Inc., and Ventureplus Cayman Inc., and non-significant subsidiaries Sunplus Technology (Shanghai) and Sunplus Prof-tek Technology (Shenzhen), were not reviewed.

The financial statements as of and for the nine months ended September 30, 2020 of the above subsidiaries, except those of Generalplus, Sunplus mMobile Inc., Ventureplus Group Inc., Ventureplus Mauritius Inc., and Ventureplus Cayman Inc., and non-significant subsidiaries Sunplus Technology (Shanghai) and Sunplus Prof-tek Technology (Shenzhen), were not reviewed.

b. Subsidiaries excluded from the consolidated financial statements

Company name	The Voting Ratio of Non-controlling Equity		
	September 30, 2021	December 31, 2020	September 30, 2020
Generalplus	52.01%	52.01%	52.01%
Sunplus Innovation Technology	41.14%	34.06%	34.06%

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

Company name	Profit Attributed to Non-controlling Interests				Non-controlling Interests		
	For the Three Months Ended		For the Nine Months Ended		September 30, 2021	December 31, 2020	September 30, 2020
	September 30		September 30				
	2021	2020	2021	2020			
Generalplus	\$ 114,804	\$ 51,489	\$ 256,364	\$ 103,114	\$ 1,239,220	\$ 1,123,045	\$ 1,074,307
Sunplus Innovation Technology	60,218	49,937	172,720	93,305	1,023,301	462,772	394,952

The summarized financial information below represents amounts before intragroup eliminations.

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	
Current assets	\$ 5,473,007	\$ 3,920,778	\$ 3,587,810	
Non-current assets	796,246	825,984	827,359	
Current liabilities	1,353,970	1,128,870	1,067,557	
Non-current liabilities	<u>195,990</u>	<u>198,684</u>	<u>203,407</u>	
Equity	<u>\$ 4,719,293</u>	<u>\$ 3,419,208</u>	<u>\$ 3,144,205</u>	
Equity attributable to:				
Owners of the Company	\$ 2,456,772	\$ 1,833,391	\$ 1,674,946	
Non-controlling interests	<u>2,262,521</u>	<u>1,585,817</u>	<u>1,469,259</u>	
	<u>\$ 4,719,293</u>	<u>\$ 3,419,208</u>	<u>\$ 3,144,205</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Operating revenue	<u>\$ 1,566,237</u>	<u>\$ 1,443,560</u>	<u>\$ 4,455,150</u>	<u>\$ 3,312,224</u>
Net income	\$ 375,935	\$ 257,339	\$ 978,415	\$ 495,856
Other comprehensive (loss) gain	<u>(485)</u>	<u>4,015</u>	<u>(12,122)</u>	<u>(8,590)</u>
Total other comprehensive income	<u>\$ 375,450</u>	<u>\$ 261,354</u>	<u>\$ 966,293</u>	<u>\$ 487,266</u>
Equity attributable to:				
Owners of the Company	\$ 200,913	\$ 155,913	\$ 549,331	\$ 299,437
Non-controlling interests	<u>175,022</u>	<u>101,426</u>	<u>429,084</u>	<u>196,419</u>
	<u>\$ 375,935</u>	<u>\$ 257,339</u>	<u>\$ 978,415</u>	<u>\$ 495,856</u>
Total other comprehensive income attributable to:				
Owners of the Company	\$ 200,945	\$ 156,887	\$ 543,105	\$ 294,362
Non-controlling interests	<u>174,505</u>	<u>104,467</u>	<u>423,188</u>	<u>192,904</u>
	<u>\$ 375,450</u>	<u>\$ 261,354</u>	<u>\$ 966,293</u>	<u>\$ 487,266</u>

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Cash flows		
Operating activities	\$ 924,828	\$ 341,680
Investing activities	(557,710)	(86,887)
Financing activities	288,956	(291,066)
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>(986)</u>	<u>(4,178)</u>
Net cash inflow (outflow)	<u>\$ 655,088</u>	<u>\$ (40,451)</u>
Dividends paid to non-controlling interests	<u>\$ (283,972)</u>	<u>\$ (139,531)</u>

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Investments in associates	<u>\$ 942,275</u>	<u>\$ 719,696</u>	<u>\$ 712,170</u>
Associates			
iCatch Technology	\$ 336,634	\$ 300,118	\$ 304,264
Global View Co., Ltd.	336,622	346,011	332,024
AkiraNET Co., Ltd.	199,004	-	-
Autosys Co., Ltd.	68,291	71,439	73,648
GlintMed Innovation Co., Ltd.	<u>1,724</u>	<u>2,128</u>	<u>2,234</u>
	<u>\$ 942,275</u>	<u>\$ 719,696</u>	<u>\$ 712,170</u>

<b>Name of associate</b>	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
iCatch Technology	34%	35%	35%
Global View Co., Ltd.	13%	13%	13%
AkiraNET Co., Ltd.	35%	-	-
Autosys Co., Ltd.	16%	16%	16%
GlintMed Innovation Co., Ltd.	25%	25%	25%

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

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

<b>Name of Associate</b>	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Global View Co., Ltd.	<u>\$ 323,006</u>	<u>\$ 317,657</u>	<u>\$ 268,692</u>
iCatch Technology	<u>\$ 1,634,504</u>	<u>\$ 471,089</u>	<u>\$ 415,520</u>

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

For the nine months ended September 30, 2021 and 2020, the equity method of investment and the company's share of profit and loss and other comprehensive profit and loss are calculated based on financial statements that have not been reviewed by accountants.

### 13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
<b>Cost</b>										
Balance at January 1, 2021	\$ 2,365,248	\$ 184,498	\$ 21,489	\$ 639,111	\$ 4,607	\$ 268,761	\$ 3,123	\$ 24,146	\$ 17,156	\$ 3,528,139
Additions	-	808	8,440	62,989	-	34,391	74	1,362	1,800	109,864
Disposals	-	(420)	(3,850)	(22,796)	-	(5,060)	-	(356)	-	(32,482)
Reclassified	(39,852)	12,686	-	-	-	1,053	-	(985)	(68)	(27,166)
Effect of exchange rate changes	(18,760)	858	(8,159)	6,076	(63)	(2,126)	(1,747)	(654)	-	(24,575)
Balance at September 30, 2021	<u>\$ 2,306,636</u>	<u>\$ 198,430</u>	<u>\$ 17,920</u>	<u>\$ 685,380</u>	<u>\$ 4,544</u>	<u>\$ 297,019</u>	<u>\$ 1,450</u>	<u>\$ 23,513</u>	<u>\$ 18,888</u>	<u>\$ 3,553,780</u>
<b>Accumulated depreciation</b>										
Balance at January 1, 2021	\$ 616,336	\$ 150,142	\$ 12,612	\$ 547,664	\$ 3,394	\$ 202,794	\$ 1,685	\$ 22,260	\$ -	\$ 1,556,887
Additions	39,252	13,910	2,397	66,561	339	22,463	315	468	-	145,705
Disposals	-	(403)	(3,850)	(22,520)	-	(5,000)	-	(356)	-	(32,129)
Reclassified	(27,072)	7,690	-	-	-	-	-	-	-	(19,382)
Effect of exchange rate changes	(3,095)	(532)	(4,182)	2,952	(56)	(1,924)	(587)	(836)	-	(8,260)
Balance at September 30, 2021	<u>\$ 625,421</u>	<u>\$ 170,807</u>	<u>\$ 6,977</u>	<u>\$ 594,657</u>	<u>\$ 3,677</u>	<u>\$ 218,333</u>	<u>\$ 1,413</u>	<u>\$ 21,536</u>	<u>\$ -</u>	<u>\$ 1,642,821</u>
Carrying amount at September 30, 2021	<u>\$ 1,681,215</u>	<u>\$ 27,623</u>	<u>\$ 10,943</u>	<u>\$ 90,723</u>	<u>\$ 867</u>	<u>\$ 78,686</u>	<u>\$ 37</u>	<u>\$ 1,977</u>	<u>\$ 18,888</u>	<u>\$ 1,910,959</u>
Balance at December 31, 2020 and January 1, 2021	<u>\$ 1,748,912</u>	<u>\$ 34,356</u>	<u>\$ 8,877</u>	<u>\$ 91,447</u>	<u>\$ 1,213</u>	<u>\$ 65,967</u>	<u>\$ 1,438</u>	<u>\$ 1,886</u>	<u>\$ 17,156</u>	<u>\$ 1,971,252</u>
<b>Cost</b>										
Balance at January 1, 2020	\$ 2,388,519	\$ 187,290	\$ 10,428	\$ 517,417	\$ 5,873	\$ 250,019	\$ 1,480	\$ 23,847	\$ 19,202	\$ 3,354,075
Additions	440	3,340	2,900	124,845	341	33,644	490	-	4,304	170,304
Disposals	-	-	-	(345)	(1,661)	(16,751)	-	(13)	-	(18,770)
Reclassified	-	-	-	-	-	4,073	-	-	(4,073)	-
Consolidated change	-	-	-	-	-	(3,031)	-	-	-	(3,031)
Effect of exchange rate changes	(1,854)	(4,057)	(43)	(616)	(41)	(4,983)	1,121	(111)	(1,144)	(11,728)
Balance at September 30, 2020	<u>\$ 2,337,105</u>	<u>\$ 186,573</u>	<u>\$ 13,285</u>	<u>\$ 641,301</u>	<u>\$ 4,512</u>	<u>\$ 262,971</u>	<u>\$ 3,091</u>	<u>\$ 23,723</u>	<u>\$ 18,289</u>	<u>\$ 3,490,850</u>
<b>Accumulated depreciation</b>										
Balance at January 1, 2020	\$ 555,243	\$ 143,222	\$ 7,229	\$ 448,652	\$ 4,018	\$ 205,424	\$ 1,239	\$ 20,245	\$ -	\$ 1,385,272
Additions	39,115	13,259	1,173	86,293	584	15,921	334	890	-	157,569
Disposals	-	-	-	(333)	(1,383)	(16,609)	-	(13)	-	(18,338)
Consolidated change	-	-	-	-	-	(3,016)	-	-	-	(3,016)
Effect of exchange rate changes	4,506	(6,168)	(42)	(486)	(32)	(840)	(7)	(92)	-	(3,161)
Balance at September 30, 2020	<u>\$ 598,864</u>	<u>\$ 150,313</u>	<u>\$ 8,360</u>	<u>\$ 534,126</u>	<u>\$ 3,187</u>	<u>\$ 200,880</u>	<u>\$ 1,566</u>	<u>\$ 21,030</u>	<u>\$ -</u>	<u>\$ 1,518,326</u>
Carrying amount at September 30, 2020	<u>\$ 1,738,241</u>	<u>\$ 36,260</u>	<u>\$ 4,925</u>	<u>\$ 107,175</u>	<u>\$ 1,325</u>	<u>\$ 62,091</u>	<u>\$ 1,525</u>	<u>\$ 2,693</u>	<u>\$ 18,289</u>	<u>\$ 1,972,524</u>

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

Buildings	10-56 years
Auxiliary equipment	3-11 years
Machinery and equipment	3-10 years
Testing equipment	1-6 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 have been pledged by the Group to secure borrowings.

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020	
<u>Carrying amounts</u>				
Land	\$ 199,480	\$ 209,100	\$ 210,762	
Buildings	16,083	19,730	20,477	
Transportation equipment	<u>1,149</u>	<u>447</u>	<u>558</u>	
	<u>\$ 216,712</u>	<u>\$ 229,277</u>	<u>\$ 231,797</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2021	2020	2021	2020
Additions to right-of-use assets			<u>\$ 2,549</u>	<u>\$ 1,846</u>
Depreciation charge for right-of-use assets				
Land	\$ 1,671	\$ 1,715	\$ 5,074	\$ 5,142
Buildings	2,008	2,151	6,082	6,611
Transportation equipment	<u>108</u>	<u>112</u>	<u>330</u>	<u>336</u>
	<u>\$ 3,787</u>	<u>\$ 3,978</u>	<u>\$ 11,486</u>	<u>\$ 12,089</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ -</u>	<u>\$ 293</u>	<u>\$ -</u>	<u>\$ 878</u>

Except for the depreciation expense above, the Group's right-of-use assets did not experience significant sublease and impairment from January 1 to September 30, 2021 and 2020.

The other part of the land use right in China is because the above-ground buildings are subleased by business lease, the related right-of-use assets are presented as investment properties. As set out in Note 15.

### b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Carrying amounts</u>			
Current	<u>\$ 12,353</u>	<u>\$ 12,506</u>	<u>\$ 11,753</u>
Non-current	<u>\$ 210,647</u>	<u>\$ 219,510</u>	<u>\$ 222,178</u>



Range of discount rates for lease liabilities was as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Land	2.390%	2.390%	2.39%
Buildings	1.575%-5.000%	1.575%-5.000%	1.575%-4.750%
Transportation equipment	1.175%	1.575%	1.575%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants, offices and dormitory, also leases transportation equipment for the use of business travel with lease terms of 2 to 50 years. The lease contract for land located in the ROC and the lease terms is 20 years. The lease agreement specifies that lease payments will be adjusted on the basis of changes in announced land value prices. Lease terms of land in China is 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.

The Group has no significant new lease contracts from January 1 to September 30, 2021 and 2020. In 2020, due to the severe impact of the COVID-19 on the market economy, The Company negotiated a land lease with the Hsinchu Science Park Administration. The Hsinchu Science Park Administration agreed to unconditionally reduce 20% from January 1 to September 30, 2020. From January 1 to September 30, 2020, the company recognized the impact of the aforementioned rent reductions as \$832 thousand (presented in a deduction of expenses of variable lease payments).

d. Subleases

Sublease of right-of-use assets

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

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

	<b>September 30, 2020</b>
Year 1	\$ 1,169
Year 2	<u>292</u>
	<u>\$ 1,461</u>

e. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Expenses relating to short-term leases	<u>\$ 2,824</u>	<u>\$ 1,098</u>	<u>\$ 7,899</u>	<u>\$ 5,741</u>
Expenses relating to low-value asset leases	<u>\$ 106</u>	<u>\$ 216</u>	<u>\$ 321</u>	<u>\$ 432</u>
Total cash outflow for leases			<u>\$ 21,302</u>	<u>\$ 18,598</u>

## 15. INVESTMENT PROPERTIES

	<b>Completed Investment Properties</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2021	\$ 1,429,106	\$ 100,521	\$ 1,529,627
Reclassified	27,164	3,043	30,207
Effects of exchange rate changes	<u>(42,320)</u>	<u>(2,714)</u>	<u>(45,034)</u>
Balance at September 30, 2021	<u>\$ 1,413,950</u>	<u>\$ 100,850</u>	<u>\$ 1,514,800</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 509,133	\$ 4,950	\$ 514,083
Depreciation expense	50,527	1,813	52,340
Reclassified	19,381	1,060	20,441
Effects of exchange rate differences	<u>(28,096)</u>	<u>(1,155)</u>	<u>(29,251)</u>
Balance at September 30, 2021	<u>\$ 550,945</u>	<u>\$ 6,668</u>	<u>\$ 557,613</u>
Net Balance at September 30, 2021	<u>\$ 863,005</u>	<u>\$ 94,182</u>	<u>\$ 957,187</u>
Net Balance at December 31, 2020 and January 1, 2021	<u>\$ 919,973</u>	<u>\$ 95,571</u>	<u>\$ 1,015,544</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 1,401,007	\$ 98,867	\$ 1,499,874
Additions	4,391	-	4,391
Effects of exchange rate changes	<u>(11,372)</u>	<u>(826)</u>	<u>(12,198)</u>
Balance at September 30, 2020	<u>\$ 1,394,026</u>	<u>\$ 98,041</u>	<u>\$ 1,492,067</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ 430,601	\$ 2,476	\$ 433,077
Depreciation expense	52,298	1,774	54,072
Effects of exchange rate differences	<u>(3,482)</u>	<u>(15)</u>	<u>(3,497)</u>
Balance at September 30, 2020	<u>\$ 479,417</u>	<u>\$ 4,235</u>	<u>\$ 483,652</u>
Net Balance at September 30, 2020	<u>\$ 914,609</u>	<u>\$ 93,806</u>	<u>\$ 1,008,415</u>

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

The maturity analysis of lease payments receivable under operating leases of investment properties as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Year 1	\$ 211,940	\$ 197,870	\$ 123,950
Year 2	136,606	164,577	88,690
Year 3	<u>94,418</u>	<u>96,344</u>	<u>30,732</u>
	<u>\$ 442,964</u>	<u>\$ 458,791</u>	<u>\$ 243,372</u>

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

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

The fair value of the investment properties of Worldplus Technology (Shenzhen) Co., Ltd. assessed in 2020 and 2019 has been determined on the basis of valuations carried out on December 31, 2020 and 2019 by Suzhou Fengzheng Renhe Estate Land Assets Appraisal Co., Ltd. and Guanhong Real Estate Appraisers Office, respectively. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Fair value	\$ 45,471	\$ 45,471	\$ 37,900

The fair value of investment properties were valued by independent valutors; the Group assessed and determined that the fair values as of December 31, 2020 and 2019 were still valid as of September 30, 2021 and 2020, respectively.

The fair value of the investment properties of SunMedia Technology assessed in 2020 and 2019 has been determined on the basis of valuations carried out on December 31, 2020 and 2019 by Sichuan Zongli Real Estate Land Assets Evaluation Co., Ltd. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Fair value	\$ 1,192,093	\$ 1,192,093	\$ 1,182,963

The fair value of investment properties were valued by independent valutors; the Group assessed and determined that the fair values reported as of December 31, 2020 and 2019 were still valid as of September 30, 2021 and 2020, respectively.

The fair value of the investment properties of Sunplus Technology (Shanghai) Co., Ltd. assessed in 2020 and 2019 has been determined on the basis of valuations carried out on December 31, 2020 and 2019 by Suzhou Feng-Zheng Valuation Firm. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Fair value	\$ 2,374,398	\$ 2,374,398	\$ 2,295,816

The fair value of investment properties were valued by independent valutors; the Group assessed and determined that the fair values reported as of December 31, 2020 and 2019 were still valid as of September 30, 2021 and 2020, respectively.

## 16. INTANGIBLE ASSETS

	Technology License Fees	Software	Patents	Goodwill	Total
<u>Cost</u>					
Balance at January 1, 2021	\$ 986,612	\$ 325,261	\$ 116,498	\$ 30,596	\$ 1,458,967
Additions	88,997	23,595	-	-	112,592
Disposals	-	(388)	-	-	(388)
Effects of exchange rate changes	(499)	(502)	(4)	-	(1,005)
Balance at September 30, 2021	<u>\$ 1,075,110</u>	<u>\$ 347,966</u>	<u>\$ 116,494</u>	<u>\$ 30,596</u>	<u>\$ 1,570,166</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2021	\$ 607,530	\$ 304,045	\$ 86,088	\$ -	\$ 997,663
Amortization expense	78,618	17,415	1,333	-	97,366
Disposal	-	(388)	-	-	(388)
Effects of exchange rate changes	(349)	(355)	(4)	-	(708)
Balance at September 30, 2021	<u>\$ 685,799</u>	<u>\$ 320,717</u>	<u>\$ 87,417</u>	<u>\$ -</u>	<u>\$ 1,093,933</u>
<u>Accumulated amortization</u>					
Balance at January 1 and September 30, 2021	<u>\$ 111,136</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 132,713</u>
Net balance at September 30, 2021	<u>\$ 278,175</u>	<u>\$ 27,249</u>	<u>\$ 7,500</u>	<u>\$ 30,596</u>	<u>\$ 343,520</u>
Net balance at December 31, 2020 and January 1, 2021	<u>\$ 267,946</u>	<u>\$ 21,216</u>	<u>\$ 8,833</u>	<u>\$ 30,596</u>	<u>\$ 328,591</u>
<u>Cost</u>					
Balance at January 1, 2020	\$ 809,249	\$ 312,600	\$ 114,494	\$ 30,596	\$ 1,266,939
Additions	191,999	17,766	2,000	-	211,765
Disposals	(150)	(410)	-	-	(560)
Consolidated change	-	(5,232)	-	-	(5,232)
Effects of exchange rate changes	(231)	(296)	(2)	-	(529)
Balance at September 30, 2020	<u>\$ 1,000,867</u>	<u>\$ 324,428</u>	<u>\$ 116,492</u>	<u>\$ 30,596</u>	<u>\$ 1,472,383</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2020	\$ 583,858	\$ 289,553	\$ 84,582	\$ -	\$ 957,993
Amortization expense	45,487	17,715	1,060	-	64,262
Disposal	(150)	(410)	-	-	(560)
Consolidated change	-	(3,418)	-	-	(3,418)
Effects of exchange rate changes	(101)	(180)	(1)	-	(282)
Balance at September 30, 2020	<u>\$ 629,094</u>	<u>\$ 303,260</u>	<u>\$ 85,641</u>	<u>\$ -</u>	<u>\$ 1,017,995</u>
<u>Accumulated amortization</u>					
Balance at January 1 and September 30, 2020	<u>\$ 111,136</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 132,713</u>
Net balance at September 30, 2020	<u>\$ 260,637</u>	<u>\$ 21,168</u>	<u>\$ 9,274</u>	<u>\$ 30,596</u>	<u>\$ 321,675</u>

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

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

An analysis of amortization by function

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating costs	\$ 1	\$ -	\$ 1	\$ -
Selling and marketing expenses	52	26	93	79
General and administrative expenses	945	851	2,848	2,993
Research and development expenses	<u>32,869</u>	<u>25,288</u>	<u>94,424</u>	<u>61,190</u>
	<u>\$ 33,867</u>	<u>\$ 26,165</u>	<u>\$ 97,366</u>	<u>\$ 64,262</u>

**17. OTHER ASSETS**

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Other financial assets			
Time deposits (a)	\$ 50,369	\$ 82,213	\$ -
Pledged time deposits (b)	-	113,920	116,400
Restricted assets (d)	<u>4</u>	<u>44,201</u>	<u>-</u>
	<u>\$ 50,373</u>	<u>\$ 240,334</u>	<u>\$ 116,400</u>
Other assets			
Prepayments for EDA tools	\$ 37,762	\$ 21,141	\$ 24,330
Prepaid technical licensing fee	14,947	18,032	23,390
Others	<u>57,894</u>	<u>72,265</u>	<u>73,581</u>
	<u>\$ 110,603</u>	<u>\$ 111,438</u>	<u>\$ 121,301</u>
<u>Non-current</u>			
Other financial assets			
Time deposits (c)	\$ 219,555	\$ 236,358	\$ 230,526
Pledged time deposits (b)	<u>13,021</u>	<u>35,809</u>	<u>35,846</u>
	<u>\$ 232,576</u>	<u>\$ 272,167</u>	<u>\$ 266,372</u>

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Other assets			
Prepayments for purchases(e)	\$ 22,837	\$ -	\$ -
Refundable deposits	8,404	4,055	5,703
Other	<u>7,800</u>	<u>7,800</u>	<u>7,800</u>
	<u>\$ 39,041</u>	<u>\$ 11,855</u>	<u>\$ 13,503</u>

(Concluded)

- a. Generalplus Shenzhen Company, Worldplus Technology (Shenzhen) Company and Beijing Sunplus-EHue Tech Co., Ltd. made certificates deposit of RMB\$11,700 thousand at banks on September 30, 2021; Worldplus Technology (Shenzhen) Company, Beijing Sunplus-EHue Tech Co., Ltd., Sunplus Technology (Shanghai) Company and Sunplus Prof-tek (Shenzhen) Company made certificates deposit of RMB\$18,783 thousand at banks on December 31, 2020; Generalplus Shenzhen Company made certificates deposit of RMB\$8,000 thousand at banks on June 30, 2020. The deposit period of time deposit is 6 months to 1 year, and interest can be charged at a certain interest rate during the deposit period.
- b. Refer to Note 34 for information on pledged time deposits.
- c. Sunplus Technology (Shanghai) Company, Worldplus Technology (Shenzhen) Company and Generalplus Shenzhen Company made certificates of deposit of RMB\$51,000 thousand, RMB\$54,000 thousand and RMB\$54,000 thousand at the bank on September 30, 2021, December 31, 2020 and September 30, 2020 respectively. The deposit period of the certificates of deposit is 2 to 3 years and interest can be charged at a certain interest rate during the deposit period.
- d. Refer to Note 28 for information on restricted assets.
- e. The amount of prepayments is Generalplus signed a production capacity cooperation agreement with the supplier, and the prepayment paid in accordance with the contract will be offset in 5 years when the production capacity conditions in the contract are met.

## 18. LOANS

### Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ 97,102	\$ 99,065
<u>Unsecured borrowings</u>			
Bank loans	<u>188,364</u>	<u>217,017</u>	<u>208,420</u>
	<u>\$ 188,364</u>	<u>\$ 314,209</u>	<u>\$ 307,485</u>

The effective interest rate intervals for bank loans as of September 30, 2021, December 31, 2020 and September 30, 2020 were 0.650%-1.745%, 0.716%-2.800% and 0.900%-2.800% per annum, respectively.

## Long-term borrowings

The borrowings of the Group are as follows:

	<b>Maturity Date</b>	<b>Significant Covenant</b>	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
<u>Floating rate borrowings</u>					
Unsecured bank borrowings	2025.08.21	Repayable quarterly from November 2021 in 16 installments	\$ 400,000	\$ 200,000	\$ 200,000
Unsecured bank borrowings	2023.10.13	Repayable semiannually from October 2022 in 3 installments	30,000	30,000	-
Less: Matured within 1 year			<u>(100,000)</u>	<u>(25,000)</u>	<u>-</u>
Long-term borrowings			<u>\$ 330,000</u>	<u>\$ 205,000</u>	<u>\$ 200,000</u>

The intervals of effective borrowing rates as of September 30, 2021, December 31, 2020 and September 30, 2020 were 1.220%-1.320%, 1.250%-1.320% and 1.250%, respectively.

## 19. TRADE PAYABLES

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
<u>Accounts payable</u>			
Payables - operating	<u>\$ 611,427</u>	<u>\$ 450,216</u>	<u>\$ 502,294</u>

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

## 20. OTHER LIABILITIES

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
<u>Current</u>			
Other payables			
Payables for salaries or bonuses	\$ 564,178	\$ 464,201	\$ 339,673
Payables for compensation of employees and remuneration of directors	163,704	73,815	69,917
Refund liabilities (Note 23)	88,905	75,313	97,096
Payable for royalties	77,544	68,250	61,368
Labor/health insurance	31,455	27,106	24,235
Payables for purchases of equipment	30,542	8,005	2,123
Payables for purchase of intangible assets	9,074	2,883	62,715
Commission payable	7,153	6,591	6,717
Payables for labor costs	6,789	7,195	5,642
Others	<u>82,245</u>	<u>61,965</u>	<u>49,275</u>
	<u>\$ 1,061,589</u>	<u>\$ 795,324</u>	<u>\$ 718,761</u>

(Continued)

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
<u>Deferred revenue</u>			
Government grants (Note 28)	<u>\$ 1,643</u>	<u>\$ 46,098</u>	<u>\$ 1,850</u>
<u>Non-current</u>			
Other payable			
Long-term payable	\$ 8,640	\$ 6,484	\$ 6,535
Payable for purchase of intangible assets	8,469	1,532	-
Payable for purchases of equipment	4,940	4,940	8,068
Decommissioning liabilities	<u>889</u>	<u>889</u>	<u>889</u>
	<u>\$ 22,938</u>	<u>\$ 13,845</u>	<u>\$ 15,492</u>
Deferred revenue			
Government grants (Note 28)	<u>\$ 56,165</u>	<u>\$ 58,300</u>	<u>\$ 57,324</u>
			(Concluded)

## 21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans were \$256 thousand, \$377 thousand, \$883 thousand and \$1,166 thousand as of the three months ended September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020, respectively, and were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2020 and 2019.

## 22. EQUITY

### a. Share capital

#### 1) Ordinary shares:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Shares authorized (in thousands of shares)	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Value of authorized shares	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>591,995</u>	<u>591,995</u>	<u>591,995</u>
Value of issued shares	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>

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 have been reserved for the issuance of subscription warrants, corporate bonds with warrants, or preferred shares with warrants.



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 consist of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of September 30, 2021, the outstanding 175 thousand units of GDRs represented 350 thousand ordinary shares.

b. Capital surplus

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
Issuance of ordinary shares	\$ 18,497	\$ 18,497	\$ 18,497
From business combinations	157,423	157,423	157,423
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	298,767	207,316	207,316
<u>May only be used to effect a deficit</u>			
Treasury share transactions	48,178	46,307	46,307
Changes in percentage of ownership interests in subsidiaries (b)	488,571	-	-
Changes in net equity of associates or joint ventures accounted for using the equity method	<u>107,929</u>	<u>71,277</u>	<u>67,331</u>
	<u>\$ 1,119,365</u>	<u>\$ 500,820</u>	<u>\$ 496,874</u>

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

b) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, Sunplus shall appropriate from annual net income less any accumulated deficit: (a) 10% as legal reserve; and (b) special reserve equivalent to the debit balance of any accounts shown in the shareholders' equity section of the balance sheet, other than deficit.

Under the approved shareholders' resolution, the current year's net income less all the foregoing appropriations and distributions, plus the prior years' unappropriated earnings may be distributed as additional dividends. Sunplus' policy is that cash dividends should be at least 10% of total dividends distributed. However, cash dividends will not be distributed if these dividends are less than NT\$0.5 per share.

Under the regulations promulgated, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet (for example, unrealized loss on financial assets and cumulative translation adjustments) should be allocated from unappropriated retained earnings. For the policies on the distribution of compensation of employees and remuneration to directors and supervisors before and after amendment, refer to Note 24 (8).

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

The appropriations of earnings for 2020 and 2019 proposed in the shareholders' meeting on July 20, 2021 and June 12, 2020, respectively, are as follows:

	<b>For Year 2020</b>	<b>For Year 2019</b>
Legal reserve	\$ <u>32,889</u>	\$ <u>-</u>
Legal reserve deficits compensated	\$ <u>-</u>	\$ <u>229,998</u>
Special reserve reversed	\$ <u>15,111</u>	\$ <u>32,263</u>
Cash dividend	\$ <u>311,094</u>	\$ <u>-</u>
Cash dividend per share (NT\$)	\$ 0.5255	\$ -

The Company's shareholders resolved in the shareholders' meetings on June 12, 2020 to issue and cash dividends of \$177,598 thousand from the capital surplus.

d. Special reserves

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 276,189	\$ 308,452
Reversed from special reserve	<u>(15,111)</u>	<u>(32,263)</u>
Balance at September 30	<u>\$ 261,078</u>	<u>\$ 276,189</u>

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ (228,023)	\$ (218,780)
Recognized for the period		
Exchange differences on translation for the financial statements of foreign operations	(43,098)	(30,968)
Share from associates accounted for using the equity method	(1,342)	(220)
Reclassification adjustments		
Disposal of foreign operations	<u>-</u>	<u>(10,283)</u>
Balance at September 30	<u>\$ (272,463)</u>	<u>\$ (260,251)</u>

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ (33,055)	\$ (42,246)
Recognized for the period		
Unrealized (losses) gains	8,092	(11,619)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	-	1,172
Share from associates accounted for using equity method	24,304	248
Disposal of partial interests in subsidiaries	<u>1,022</u>	<u>2,112</u>
Balance at September 30	<u>\$ 363</u>	<u>\$ (50,333)</u>

f. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 1,605,238	\$ 1,394,158
Attributable to non-controlling interests:		
Share in profit for the period	426,244	195,432
Exchange differences on translation of the financial statements of foreign operations	(4,350)	(2,095)
Unrealized losses on financial assets at FVTOCI	(1,545)	(1,422)
Cash dividends from subsidiaries	(283,972)	(139,531)
Equity instruments held by the employees of subsidiaries	53,736	-
Non-controlling interests arising from acquisition of subsidiaries	469,043	12,000
Disposal of partial interests in subsidiaries	16,480	31,770
Others	<u>-</u>	<u>(199)</u>
Balance at September 30	<u>\$ 2,280,874</u>	<u>\$ 1,490,113</u>

g. Treasury shares

<b>Purpose of Buyback</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>	<b>Shares Held by Its Subsidiaries (In Thousands of Shares)</b>	<b>Total (In Thousands of Shares)</b>
Number of shares as of January 1, 2020	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares as September 30, 2020	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares as of January 1, 2021	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares as September 30, 2021	<u>-</u>	<u>3,560</u>	<u>3,560</u>

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

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
<u>September 30, 2021</u>			
Lin Shin Investment Co., Ltd.	3,560	\$ <u>63,401</u>	\$ <u>128,338</u>
<u>December 31, 2020</u>			
Lin Shin Investment Co., Ltd.	3,560	\$ <u>63,401</u>	\$ <u>65,148</u>
<u>September 30, 2020</u>			
Lin Shin Investment Co., Ltd.	3,560	\$ <u>63,401</u>	\$ <u>48,060</u>

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

## 23. REVENUE

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2021	2020	2021	2020
Revenue from the sale of goods	\$ 2,048,655	\$ 1,912,536	\$ 5,685,040	\$ 4,293,666
Rental income from property	59,891	57,876	178,476	170,865
Others	<u>23,707</u>	<u>21,912</u>	<u>68,975</u>	<u>72,032</u>
	<u>\$ 2,132,253</u>	<u>\$ 1,992,324</u>	<u>\$ 5,932,491</u>	<u>\$ 4,536,563</u>

### a. Contract information

#### Revenue from the sale of goods

IC products are sold to agents and customers. The Group 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 Group recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

#### Other

Other mainly come from software development and royalties.

b. Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Notes receivable and trade receivables (Note 9)	\$ <u>1,329,528</u>	\$ <u>1,204,798</u>	\$ <u>1,219,582</u>	\$ <u>832,633</u>
Contract liabilities - current	\$ <u>22,747</u>	\$ <u>26,181</u>	\$ <u>29,591</u>	\$ <u>24,912</u>

c. Disaggregation of revenue

	<u>Reportable Segments</u>	
	<u>Direct Sales</u>	
	<u>For the Nine Months Ended</u>	
	<u>September 30</u>	
	<u>2021</u>	<u>2020</u>
<u>Primary geographical markets</u>		
Asia	\$ 3,509,960	\$ 2,739,757
Taiwan	2,395,083	1,747,729
Others	<u>27,448</u>	<u>49,077</u>
	<u>\$ 5,932,491</u>	<u>\$ 4,536,563</u>
<u>Timing of revenue recognition</u>		
Satisfied at a point in time	\$ 5,747,421	\$ 4,360,476
Satisfied over time	<u>185,070</u>	<u>176,087</u>
	<u>\$ 5,932,491</u>	<u>\$ 4,536,563</u>

## 24. NET PROFIT

Net profit includes the following items:

a. Interest income

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank deposits	\$ <u>5,802</u>	\$ <u>5,757</u>	\$ <u>18,470</u>	\$ <u>17,686</u>

b. Other income

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Subsidy (Note 28)	\$ 15,916	\$ 16,905	\$ 65,295	\$ 35,475
Dividends	16,799	20,073	36,633	25,553
Others	<u>27,246</u>	<u>16,143</u>	<u>53,917</u>	<u>35,316</u>
	<u>\$ 59,961</u>	<u>\$ 53,121</u>	<u>\$ 155,845</u>	<u>\$ 96,344</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Net gains (losses) on financial assets and liabilities				
Net gain on financial assets designated as at FVTPL	\$ 168,107	\$ 23,580	\$ 520,899	\$ 563
Net foreign exchange gain (loss)	3,764	6,068	(7,343)	(9,056)
Gain on disposal of subsidiaries	-	35	-	7,795
Others	<u>3,917</u>	<u>1,646</u>	<u>10,807</u>	<u>4,757</u>
	<u>\$ 175,788</u>	<u>\$ 31,329</u>	<u>\$ 524,363</u>	<u>\$ 4,059</u>

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Interest on bank loans	\$ 2,069	\$ 1,596	\$ 6,510	\$ 5,846
Interest on lease liabilities	1,314	1,382	4,003	4,189
Other finance costs	<u>93</u>	<u>343</u>	<u>275</u>	<u>1,004</u>
	<u>\$ 3,476</u>	<u>\$ 3,321</u>	<u>\$ 10,788</u>	<u>\$ 11,039</u>

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
An analysis of depreciation by function				
Operating costs	\$ 19,677	\$ 19,687	\$ 58,525	\$ 59,519
Operating expenses	<u>44,752</u>	<u>55,751</u>	<u>151,006</u>	<u>164,211</u>
	<u>\$ 64,429</u>	<u>\$ 75,438</u>	<u>\$ 209,531</u>	<u>\$ 223,730</u>
An analysis of amortization by function				
Operating costs	\$ 1	\$ -	\$ 1	\$ -
Operating expenses	<u>33,866</u>	<u>26,165</u>	<u>97,365</u>	<u>64,262</u>
	<u>\$ 33,867</u>	<u>\$ 26,165</u>	<u>\$ 97,366</u>	<u>\$ 64,262</u>

f. Operating expenses directly related to investment properties

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Direct operating expenses from investment properties that generate rental income	<u>\$ 21,548</u>	<u>\$ 21,312</u>	<u>\$ 63,834</u>	<u>\$ 63,779</u>

g. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Short-term benefits	\$ 585,327	\$ 442,196	\$ 1,550,651	\$ 1,207,029
Post-employment benefits				
Defined contribution plans	11,859	11,575	35,494	34,387
Defined benefit plans (Note 21)	256	377	883	1,166
Share - based payments				
Equity - settled (Note 27)	25,890	-	53,736	-
Other employee benefits	<u>9,104</u>	<u>9,443</u>	<u>26,401</u>	<u>24,592</u>
Total employee benefits expense	<u>\$ 632,436</u>	<u>\$ 463,591</u>	<u>\$ 1,667,165</u>	<u>\$ 1,267,174</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 24,973	\$ 25,493	\$ 77,349	\$ 75,296
Operating expenses	<u>607,463</u>	<u>438,098</u>	<u>1,589,816</u>	<u>1,191,878</u>
	<u>\$ 632,436</u>	<u>\$ 463,591</u>	<u>\$ 1,667,165</u>	<u>\$ 1,267,174</u>

h. Compensation of employees and remuneration of directors

The Company resolved amendments to its Articles of Incorporation to distribute compensation of employees and remuneration to directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration to directors. The Company had loss before tax from January 1 to September 30, 2020, therefore the compensation for employees and remuneration of directors and supervisors was not provided. The compensation of employees and remuneration of directors and supervisors for the three months ended September 30, 2021 and for the nine months ended September 30, 2021 are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Compensation of employees	1.00%	1.00%
Remuneration of directors	1.50%	1.50%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Compensation of employees	\$ 3,096	\$ 1,358	\$ 8,258	\$ 1,358
Remuneration of directors	\$ 4,645	\$ 2,037	\$ 12,387	\$ 2,037

If there is a change in the proposed amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate and will be adjusted in next fiscal year.

The remuneration of employees and directors of the year 2020 was approved by the board of directors on March 29, 2021 as follows:

	<b>For the Year Ended December 31, 2020</b>	
	<b>Cash Dividends</b>	<b>Share Dividends</b>
Compensation of employees	\$ 3,317	\$ -
Remuneration of directors	4,975	-

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020.

The Company convened a board of directors on April 22, 2020, and decided that the actual allotment amount for compensation of employees and director compensation is different from the recognized amount in the annual consolidated financial report. The difference is adjusted to the profit and loss for 2020.

	<b>For the Year Ended December 31, 2019</b>	
	<b>Compensation of employees</b>	<b>Remuneration of Directors and Supervisors</b>
The actual amount resolved by the board of directors	\$ -	\$ -
Recognized amount in annual financial statements	\$ 206	\$ 309

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

i. Gains or losses on foreign currency exchange

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Foreign exchange gains	\$ 15,836	\$ 33,961	\$ 59,857	\$ 60,599
Foreign exchange losses	(12,072)	(27,893)	(67,200)	(69,655)
Net gain (loss)	\$ 3,764	\$ 6,068	\$ (7,343)	\$ (9,056)



## 25. INCOME TAXES

- a. Income tax recognized in profit or loss

The major components of tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Current tax				
In respect of the current year	\$ 87,990	\$ 68,092	\$ 243,682	\$ 123,399
Adjustments for prior periods	<u>-</u>	<u>(13,561)</u>	<u>(3,277)</u>	<u>(9,630)</u>
	87,990	54,531	240,405	113,769
Deferred tax				
In respect of the current year	<u>3,447</u>	<u>(123)</u>	<u>3,086</u>	<u>(1,330)</u>
Income tax expense recognized in profit or loss	<u>\$ 91,437</u>	<u>\$ 54,408</u>	<u>\$ 243,491</u>	<u>\$ 112,439</u>

- b. Income tax assessments

The income tax returns of Generalplus through 2018; Sunplus, Sunplus mMobile, Sunplus Innovation Technology, Sunext Technology Co., Ltd., Jumplux Technology, Lin Shin Investment, Sunplus Venture, Sunplus mMedia, Wei-Young Investment Inc. and Sunplus Management Consulting through 2019 have been assessed by the tax authorities.

## 26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Basic earnings per share	<u>\$ 0.51</u>	<u>\$ 0.36</u>	<u>\$ 1.37</u>	<u>\$ 0.23</u>
Diluted earnings per share	<u>\$ 0.51</u>	<u>\$ 0.36</u>	<u>\$ 1.37</u>	<u>\$ 0.23</u>

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

Net profit for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Profit for the period attributable to owners of the Company	\$ 301,815	\$ 211,422	\$ 804,786	\$ 132,496
Effects of potentially dilutive ordinary shares				
Bonuses to employee	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted EPS from continuing operations	<u>\$ 301,815</u>	<u>\$ 211,422</u>	<u>\$ 804,786</u>	<u>\$ 132,496</u>

Weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	588,435	588,435	588,435	588,435
Effects of potentially dilutive potential ordinary shares:				
Bonuses issued to employees	229	101	307	101
Weighted average number of ordinary shares used in the computation of diluted earnings per share	588,664	588,536	588,742	588,536

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 27. SHARE-BASED PAYMENT ARRANGEMENTS

### a. Restricted shares for employees

In the shareholders' meeting of Sunplus Innovation Technology on June 22, 2020, the shareholders approved a restricted share plan for employees with a total amount of NT\$20,000 thousand, consisting of 2,000 thousand shares. The aforementioned resolution was declared effectively by the FSC on October 12, 2020.

The first and second restricted share plans were approved by the board of directors on October 28, 2020 and September 6, 2021. The total amounts both of the two shares was NT\$10,000 thousand, consisting of 1,000 thousand shares and the issuing price of each share was NT\$0. Sunplus Innovation Technology has set October 28, 2020 and September 6, 2021 as the grant dates, and November 5, 2020 and September 7, 2021 as the record dates of capital increase. The amounts of the fair value of the granted shares were NT\$75.26 and NT\$163.50 per share.

After the restricted shares are allocated to employees in accordance with the Sunplus Innovation Technology's regulations, and they are still working after the expiration of the following vested terms while they meet the performance conditions, the proportions of vested shares are as follows:

- 1) Those who served in the Sunplus Innovation Technology for a year after the grant date with recent personal performance rating before the expiration date reaches the top 35% (included) of the Company, will receive 50% of the number of allocated shares.
- 2) Those who served in the Sunplus Innovation Technology for two year after the grant date with recent personal performance rating before the expiration date reaches the top 35% (included) of the Company, will receive 50% of the number of allocated shares.

When the employee fails to meet the vesting conditions:

- 1) Resignation (voluntary resignation/retirement/layoff/dismissal): The employee that has not fulfilled the vesting conditions will be deemed to have not met the vesting conditions from the day of resignation. The Company will buy back and cancel the employee's restricted shares at the original issuing price according to the laws.
- 2) Unpaid leave: The employee that has not fulfilled the vesting conditions will be restored to the rights and interests from the date of reinstatement, but the vesting period shall be deferred according to the period of unpaid leave.
- 3) Death: The employee that has not fulfilled the vesting conditions will be deemed to have not met the vesting conditions from the day of death. The Sunplus Innovation Technology will buy back and cancel the employee's restricted shares at the original issuing price according to the laws.
- 4) Occupational injury:
  - a) Those who are unable to continue their employment due to occupational injury and have not fulfilled the vesting conditions shall still fulfill the vesting conditions according to regulation 3) Death.
  - b) Death due to occupational injury may cause the employee not fulfilling the vesting conditions which shall be fulfilled by the heirs from the day of the death of the inherited employee according to regulation 3) Death.
- 5) Transfer employment: If an employee is requested to transfer to an affiliate company or other company (except transferring to a subsidiary), the restricted shares shall be proceed according to the regulation of "Resignation". However, due to Sunplus Innovation Technology's operation need, employees for those who were assigned by Sunplus Innovation Technology to be transferred to the Sunplus Innovation Technology's affiliates or other companies will not be affected.
- 6) Employees or their heirs shall receive the transferred shares according to the trust agreement.
- 7) Share dividends and cash dividends that have been allocated to employees who have not fulfilled the vesting conditions during the vesting period shall not be returned.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

- 1) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.
- 2) The employees holding these shares are not entitled to receive cash dividends and share dividends.
- 3) Employees should immediately place the restricted shares under the trust or custody after the issuance of restricted shares. They shall not request the trustee or custodian to return the restricted shares for any reason before the vesting conditions are fulfilled.

Other agreements were as follows:

Sunplus Innovation Technology shall act on behalf of employees to negotiate with trust institutions or custodian institutions. It may include but not limited to negotiate, sign, revise, extend, cancel and terminate the trust contracts or custody contracts and instructions for the delivery, use and disposal of trust or custody property during the period of trust or custody.

Information on employee restricted share was as follows:

	<b>For the Nine Months Ended September 30, 2021</b>
	<b>Number of Options (In Thousands of Units)</b>
Outstanding shares at January 1	1,000
Shares granted	1,000
Shares forfeited	<u>(10)</u>
Outstanding shares at September 30	<u>1,990</u>

Compensation costs recognized were NT\$24,189 thousand and NT\$52,035 thousand for the year for the three months and nine months ended September 30, 2021.

b. Capital Increase by Cash Reserved for Employees

The board of directors of Sunplus Innovation Technology resolved on June 2, 2021 to process the initial cash capital increase before the OTC to reserve 506 thousand shares for employees to subscribe. The grant date was July 15, 2021, and the total number of subscribed shares was 486 thousand shares. The above ordinary share issuance reserved for employee option's fair value was priced using the Black-Scholes evaluation model, and the inputs to the model are as follows:

	<b>July, 2021</b>
Grant-date share price(NT\$)	\$ 156.90
Exercise price(NT\$)	\$ 160.00
Expected volatility	52.57%
Expected life(in days)	8
Risk-free interest rate	0.35%
Fair value of option(NT\$)	\$ 3.50

Capital increase by cash reserved for compensation of employees costs recognized was NT\$1,701 thousand for the year for the three months and nine months ended September 30, 2021.

## 28. GOVERNMENT GRANTS

In August 2013, Sun Media Technology Co., Ltd. received a government grant amounting to RMB16,390 thousand (\$79,213 thousand) for the purchase of land on which to build a plant. This amount, which was recognized as deferred revenue, will be recognized in profit or loss over the useful life of the land. The total revenue recognized as profit amounted to \$392 thousand, \$388 thousand, \$1,185 thousand and \$1,163 thousand for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, respectively.

The Company applied for subsidy under the "Salary and Working Capital Subsidies for Difficult Businesses Affected by Serious Special Infectious Pneumonia" program of the Ministry of Economic Affairs in June 2020. The subsidy period is from April 2020 to June 2020, and the Company has received a subsidy of \$21,034 thousand. The total revenue recognized as profit amounted to \$21,034 thousand for the period of June 30, 2020 as other income.

Jumplux Technology Co., Ltd. applied for subsidy under the "Salary and Working Capital Subsidies for Difficult Businesses Affected by Serious Special Infectious Pneumonia" program of the Ministry of Economic Affairs in June 2020. The subsidy period is from April 2020 to June 2020, and the Group has received a subsidy of \$2,057 thousand. The total revenue recognized as profit amounted to \$2,057 thousand for the period of June 30, 2020 as other income.

The Company applied for the AI on Chip R&D subsidy program of the Ministry of Economic Affairs, and the "Shared Intelligent Computing Chiplet Architecture R&D Program" was reviewed and approved on November 20, 2020. The approved total subsidy amounted to NT\$115,356 thousand. As of September 30, 2021, the accumulated subsidy received is NT\$44,201 thousand, and the income from the recognized subsidy is NT\$58,673 for the nine months ended September 30, 2021. In addition, the Company has a special account for subsidies in accordance with regulations, and the monthly withdrawal amount should be withdrawn according to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount.

## 29. DISPOSAL OF SUBSIDIARIES

### 2020

The Group completed the liquidation of its subsidiary, Ytrip Technology Co., Ltd. and its subsidiary 1culture Communication Co., Ltd. on June 23 and May 29, 2020, respectively.

#### a. Analysis of assets and liabilities from liquidation

	<b>Ytrip Technology Co., Ltd. and Its Subsidiaries</b>
Current assets	
Cash and cash equivalents	\$ 2,106
Other receivables	281
Non-current assets	
Property, plant and equipment	15
Intangible assets	1,814
Current liabilities	
Others	<u>(106)</u>
Net assets disposed of	<u>\$ 4,110</u>

#### b. Gain on liquidation of subsidiaries

	<b>Ytrip Technology Co., Ltd. and Its Subsidiaries</b>
Collection price of investments accounted	\$ 1,240
Disposed of net assets	(4,110)
The reclassification of other comprehensive income in respect of the subsidiary	10,283
Non-controlling interests	<u>382</u>
Gain on disposal	<u>\$ 7,795</u>

c. Net cash outflow on liquidation of subsidiaries

**Hanyang  
Technology Co.,  
Ltd.**

Consideration received in cash and cash equivalents	\$ 1,240
Less: Disposed of cash and cash equivalent balances	<u>(2,106)</u>
	<u>\$ (866)</u>

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

In June 2020, Giant Rock subscribed for the cash capital increase of Sunplus APP Technology, increasing its controlling interest from 96.16% to 96.32%.

The Company disposed of its 2.92% shareholding in Sunplus Innovation Technology in September 2020, resulting in a decrease in the overall shareholding ratio from 68.86% to 65.94%.

In August 2021, Giant Rock subscribed for the cash capital increase of Sunplus APP Technology, increasing its controlling interest from 96.32% to 97.44%.

In July 2021, the Company disposed of its 2.28% shareholding in Sunplus Innovation Technology. The Company at a percentage different from its existing ownership percentage for the cash capital increase equity, resulting in a decrease in the overall shareholding ratio from 65.94% to 58.86%.

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

For the nine months ended September 30, 2021

	<b>Sunplus Innovation Technology</b>	<b>Sunplus APP Technology</b>
Cash consideration paid	\$ 1,066,567	\$ -
The proportionate share of the carrying amount of net assets of the subsidiary transferred to non-controlling interests	(483,752)	(1,771)
Reattribution of other equity to (from) non-controlling interests		
Unrealized loss on financial assets at FVTOCI	<u>(1,022)</u>	<u>-</u>
Differences recognized from equity transactions	<u>\$ 581,793</u>	<u>\$ (1,771)</u>

	<b>Sunplus Innovation Technology</b>	<b>Sunplus APP Technology</b>	<b>Total</b>
<u>Line items adjusted for equity transactions</u>			
Capital surplus - changes in percentage of ownership interests in subsidiaries	\$ 490,342	\$ (1,771)	\$ 488,571
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>91,451</u>	<u>-</u>	<u>91,451</u>
	<u>\$ 581,793</u>	<u>\$ (1,771)</u>	<u>\$ 580,022</u>

For the nine months ended September 30, 2020

	<b>Sunplus Innovation Technology</b>	<b>Sunplus APP Technology</b>
Cash consideration paid	\$ 101,014	\$ -
The proportionate share of the carrying amount of net assets of the subsidiary transferred to non-controlling interests	(31,770)	(183)
Reattribution of other equity to (from) non-controlling interests		
Unrealized loss on financial assets at FVTOCI	<u>(2,112)</u>	<u>-</u>
Differences recognized from equity transactions	<u>\$ 67,132</u>	<u>\$ (183)</u>

	<b>Sunplus Innovation Technology</b>	<b>Sunplus APP Technology</b>	<b>Total</b>
<u>Line items adjusted for equity transactions</u>			
Retained earnings	\$ -	\$ (183)	\$ (183)
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>67,132</u>	<u>-</u>	<u>67,132</u>
	<u>\$ 67,132</u>	<u>\$ (183)</u>	<u>\$ 66,949</u>

### 31. CAPITAL MANAGEMENT

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

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

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

### 32. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

September 30, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at FVTPL</b>				
Mutual funds	\$ 1,120,902	\$ -	\$ -	\$ 1,120,902
Domestic/foreign unlisted shares	119,228	-	908,240	1,027,468
Domestic/foreign listed shares	284,550	-	-	284,550
Securities unlisted in the ROC and other countries - convertible bonds	-	-	139,250	139,250
Limited partnership	<u>-</u>	<u>-</u>	<u>421,991</u>	<u>421,991</u>
	<u>\$ 1,524,680</u>	<u>\$ -</u>	<u>\$ 1,469,481</u>	<u>\$ 2,994,161</u>
<b>Financial assets at FVTOCI</b>				
Domestic listed shares	\$ 87,212	\$ -	\$ -	\$ 87,212
Domestic/foreign unlisted shares	60,730	-	99,382	160,112
Domestic private listed shares	<u>-</u>	<u>-</u>	<u>9,642</u>	<u>9,642</u>
	<u>\$ 147,942</u>	<u>\$ -</u>	<u>\$ 109,024</u>	<u>\$ 256,966</u>

December 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at FVTPL</b>				
Mutual funds	\$ 656,424	\$ -	\$ -	\$ 656,424
Domestic/foreign unlisted shares	144,984	-	746,101	891,085
Domestic/foreign listed shares	87,933	-	-	87,933
Securities listed in the ROC and other countries - convertible bonds	2,820	-	-	2,820
Limited partnership	<u>-</u>	<u>-</u>	<u>327,856</u>	<u>327,856</u>
	<u>\$ 892,161</u>	<u>\$ -</u>	<u>\$ 1,073,957</u>	<u>\$ 1,966,118</u>
<b>Financial assets at FVTOCI</b>				
Domestic/foreign listed shares	\$ 81,506	\$ -	\$ -	\$ 81,506
Domestic private listed shares	-	-	11,255	11,255
Domestic/foreign unlisted shares	<u>32,323</u>	<u>-</u>	<u>67,444</u>	<u>99,767</u>
	<u>\$ 113,829</u>	<u>\$ -</u>	<u>\$ 78,699</u>	<u>\$ 192,528</u>



September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 458,222	\$ -	\$ -	\$ 458,222
Domestic listed shares	161,824	-	-	161,824
Securities listed in the ROC - convertible bonds	8,575	-	-	8,575
Domestic/foreign unlisted shares	114,275	-	625,793	740,068
Limited partnership	<u>-</u>	<u>-</u>	<u>291,162</u>	<u>291,162</u>
	<u>\$ 742,896</u>	<u>\$ -</u>	<u>\$ 916,955</u>	<u>\$ 1,659,851</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 72,812	\$ -	\$ -	\$ 72,812
Domestic/foreign unlisted shares	<u>28,257</u>	<u>-</u>	<u>82,055</u>	<u>110,312</u>
	<u>\$ 101,069</u>	<u>\$ -</u>	<u>\$ 82,055</u>	<u>\$ 183,124</u>

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

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

For the nine months ended September 30, 2021

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2021	\$ 1,073,957	\$ 78,699	\$ 1,152,656
Recognized in profit or loss	269,523	-	269,523
Recognized in other comprehensive income	-	(27,565)	(27,565)
Purchases	178,373	58,583	236,956
Disposals	(500)	-	(500)
Transfers out of Level 3	(48,600)	-	(48,600)
Effect of exchange rate changes	<u>(3,272)</u>	<u>(693)</u>	<u>(3,965)</u>
Balance at September 30, 2021	<u>\$ 1,469,481</u>	<u>\$ 109,024</u>	<u>\$ 1,578,505</u>

For the nine months ended September 30, 2020

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>	<b>Total</b>
Balance at January 1, 2020	\$ 956,611	\$ 80,235	\$ 1,036,846
Recognized in profit or loss	(21,446)	-	(21,446)
Recognized in other comprehensive income	-	(4,958)	(4,958)
Purchases	74,228	10,004	84,232
Disposal	(2,149)	(2,628)	(4,777)
Transfers out of Level 3	(87,500)	-	(87,500)
Effect of exchange rate changes	<u>(2,789)</u>	<u>(598)</u>	<u>(3,387)</u>
Balance at September 30, 2020	<u>\$ 916,955</u>	<u>\$ 82,055</u>	<u>\$ 999,010</u>

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

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

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Price-to-book ratio	2.15-8.11	2.41-5.78	1.39-7.42
Price-to-sales ratio	1.45-11.28	1.86-13.46	0.77-11.86
Discount for lack of marketability	20%	10%-20%	10%-20%

- b) The fair values of unlisted shares and emerging market shares and private funds were determined using the asset-based approach. The Group assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Group assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.
- c) The fair values of unlisted shares and emerging market shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.
- d) Domestic listed private equity investment refers to the transaction price of the listed company's stock in the active market, and uses the unobservable input value as discount for lack of marketability to determine the value of the evaluation target.

	<b>September 30, 2021</b>
Discount for lack of marketability	22.6%

c. Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)	\$ 2,994,161	\$ 1,966,118	\$ 1,659,851
Financial assets at amortized cost (i)	5,787,912	5,179,818	4,916,633
Financial assets at fair value through other comprehensive income			
Equity instruments	256,966	192,528	183,124

Financial liabilities

Measured at amortized cost (ii)	1,479,763	1,214,367	1,229,192
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- i) The balances include financial assets, which comprise cash and cash equivalents, notes receivable and trade receivables, other trade receivables, other financial assets and refundable deposits.
- ii) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, long-term liabilities - current portion, long term loans and guarantee deposits.

d. Financial risk management objectives and policies

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

The corporate treasury function reports quarterly to the Group's risk management committee.

1) Market risk

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

a) Foreign currency risk

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

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

For the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period, refer to Note 35.

### Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

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

	<b>USD Impact</b>	
	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Profit or loss	\$ (16,770)	\$ (16,986)

	<b>RMB Impact</b>	
	<b>For the Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
Profit or loss	\$ 446	\$ (5,153)

#### b) Interest rate risk

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

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

	<b>September 30, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Fair value interest rate risk			
Financial assets	\$ 2,527,028	\$ 2,585,743	\$ 2,406,266
Financial liabilities	223,000	518,255	513,416
Cash flow interest rate risk			
Financial assets	1,863,568	1,321,455	1,255,125
Financial liabilities	618,364	258,000	228,000

### Sensitivity analysis

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

Had interest rates increased/decreased by 0.125% and all other variables been held constant, the Group's post-tax profit would have increased/decreased by \$1,167 thousand, respectively, for the nine months ended September 30, 2021 and increased/decreased by \$997 thousand, respectively, for the nine months ended September 30, 2020.

#### 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 nine months ended September 30, 2021 and 2020 would have increased/decreased by \$29,942 thousand and \$16,599 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the nine months ended September 30, 2021 and 2020 would have increased/decreased by \$2,570 thousand and \$1,831 thousand, respectively.

#### 2) Credit risk

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

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

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Group's concentration of credit risk of 61%, 65% and 65% in total trade receivables as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively, was related to the five largest customers within the property construction business segment.

### 3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2021, December 31, 2020 and September 30, 2020, the Group had available unutilized overdraft and financing facilities set out below.

#### a) Liquidity and interest rate risk tables

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

#### September 30, 2021

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 399,240	\$ 278,656	\$ 5,912	\$ 41,255	\$ 1
Lease liabilities	1,486	3,366	12,926	47,302	247,238
Variable interest rate liabilities	140,636	-	148,000	330,000	-
Fixed interest rate liabilities	-	-	52,840	4,494	169,641
	<u>\$ 541,362</u>	<u>\$ 282,022</u>	<u>\$ 219,678</u>	<u>\$ 423,051</u>	<u>\$ 416,880</u>

#### Additional information about the maturity analysis for lease liabilities

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 17,778</u>	<u>\$ 47,302</u>	<u>\$ 48,109</u>	<u>\$ 48,109</u>	<u>\$ 39,863</u>	<u>\$ 111,157</u>

#### December 31, 2020

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 337,374	\$ 196,200	\$ 308	\$ 36,114	\$ -
Lease liabilities	1,506	3,413	13,651	53,085	256,641
Variable interest rate liabilities	160,732	-	25,000	205,000	-
Fixed interest rate liabilities	28,481	-	125,102	5,041	140,367
	<u>\$ 528,093</u>	<u>\$ 199,613</u>	<u>\$ 164,061</u>	<u>\$ 299,240</u>	<u>\$ 397,008</u>

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	\$ <u>18,570</u>	\$ <u>53,085</u>	\$ <u>49,046</u>	\$ <u>49,046</u>	\$ <u>41,689</u>	\$ <u>116,860</u>

September 30, 2020

	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
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 327,475	\$ 214,737	\$ 2,176	\$ 33,279	\$ -
Lease liabilities	1,549	3,497	13,182	54,662	259,093
Variable interest rate liabilities	180,489	-	-	200,000	-
Fixed interest rate liabilities	-	-	127,065	5,362	142,268
	\$ <u>509,513</u>	\$ <u>218,234</u>	\$ <u>142,423</u>	\$ <u>293,303</u>	\$ <u>401,361</u>

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	\$ <u>18,228</u>	\$ <u>54,662</u>	\$ <u>49,046</u>	\$ <u>49,046</u>	\$ <u>42,241</u>	\$ <u>118,760</u>

b) Financing facilities

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank overdraft facilities			
Amount used	\$ 662,565	\$ 588,140	\$ 507,485
Amount unused	<u>3,815,754</u>	<u>4,361,912</u>	<u>4,581,929</u>
	\$ <u>4,478,319</u>	\$ <u>4,950,052</u>	\$ <u>5,089,414</u>

**33. TRANSACTIONS WITH RELATED PARTIES**

Balances and transactions between the Company and its subsidiaries have 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

<u>Name</u>	<u>Relationship with the Group</u>
Global View Co., Ltd.	Associate
Beijing Golden Global View Co., Ltd.	Associate (Note)
iCatch Technology Co., Ltd.	Associate

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

b. Sales of goods

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Sales	Associates	<u>\$ 10,772</u>	<u>\$ 13,488</u>	<u>\$ 39,146</u>	<u>\$ 44,269</u>

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

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

Line Item	Related Party Category	September 30, 2021	December 31, 2020	September 30, 2020
Trade receivables	Associates	<u>\$ 10,514</u>	<u>\$ 9,740</u>	<u>\$ 12,935</u>
Other trade receivables	Associates	<u>\$ 231</u>	<u>\$ 243</u>	<u>\$ 224</u>

There were no guarantees on outstanding receivables from related parties. For the nine months ended September 30, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

d. Prepayments(excluding loans to related parties)

Line Item	Related Party Category	September 30, 2021	December 31, 2020	September 30, 2020
Other current assets	Associates	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 175</u>

e. Other transactions with related parties

Account Item	Related Party Type	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Operating expenses	Associates	<u>\$ 48</u>	<u>\$ 75</u>	<u>\$ 247</u>	<u>\$ 125</u>
Non-operating revenue	Associates	<u>\$ 1,733</u>	<u>\$ 1,924</u>	<u>\$ 7,062</u>	<u>\$ 4,623</u>

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

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



f. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 31,056	\$ 15,098	\$ 72,791	\$ 38,091
Post-employment benefits	<u>358</u>	<u>270</u>	<u>1,107</u>	<u>838</u>
	<u>\$ 31,414</u>	<u>\$ 15,368</u>	<u>\$ 73,898</u>	<u>\$ 38,929</u>

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

### 34. PLEDGED OR MORTGAGED ASSETS

The following assets of the Group have been pledged or mortgaged as endorsement guarantees, loans, purchase quotas and leased land for customs clearance:

	September 30, 2021	December 31, 2020	September 30, 2020
Buildings, net	\$ 561,782	\$ 576,333	\$ 581,183
Pledged time deposits (classified as other financial assets, including current and non-current)	<u>13,021</u>	<u>149,729</u>	<u>152,246</u>
	<u>\$ 574,803</u>	<u>\$ 726,062</u>	<u>\$ 733,429</u>

### 35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 46,548	27.8500	\$ 1,296,362
CNY	1,273	4.3050	5,480
JPY	5,556	0.2490	1,383
HKD	150	3.5760	536
GBP	3	37.4600	112
EUR	1	32.3200	32
Non-monetary items			
CHF	481	29.8150	14,332

(Continued)

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 29,778	27.8500	\$ 829,317
CNY	1,719	4.3050	7,400
JPY	1,857	0.2490	462
			(Concluded)

December 31, 2020

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 40,747	28.4800	\$ 1,160,475
CNY	1,519	4.3770	6,649
JPY	371	0.2763	103
HKD	152	3.6730	558
GBP	3	38.9000	117
EUR	1	35.0200	35
Nonmonetary items			
CHF	560	32.3050	18,809

Financial liabilities

Monetary items			
USD	27,028	28.4800	769,757
CNY	5,839	4.3770	26,083

September 30, 2020

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 48,308	29.1000	\$ 1,405,763
CNY	6,636	4.2690	28,329
JPY	371	0.2760	102
HKD	111	3.7540	417
GBP	3	37.3000	112
EUR	1	34.1500	34
Non-monetary items			
USD	27	29.6300	802
CHF	584	31.1150	18,186
			(Continued)

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 31,322	29.1000	\$ 911,470
CNY	1,483	4.2690	6,331
JPY	1,361	0.2760	376
			(Concluded)

The foreign currency exchange gains (losses) (realized and unrealized) amounted to \$3,764 thousand, \$6,068 thousand, \$(7,343) thousand and \$(9,056) thousand for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, respectively. Due to the diversity of the Group's assets and liabilities denominated in foreign currencies, it is impractical to disclose foreign currency exchange gains and losses by each significant foreign currency other than those with significant influence.

### 36. ADDITIONAL DISCLOSURES

- a. Information about significant transactions and investees and b. Information on investees:
- 1) Financings provided: Table 1 (attached)
  - 2) Endorsements/guarantees provided: Table 2 (attached)
  - 3) Marketable securities held: Table 3 (attached)
  - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: No.
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: No.
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: No.
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
  - 9) Trading in derivative instruments: No.
  - 10) Intercompany relationships and significant intercompany transactions: Table 4 (attached)
  - 11) Information on investees: Table 5 (attached)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 6)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

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

### 37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub-segment and operating results for the nine months ended September 30, 2021 and 2020 are shown in the accompanying consolidated statements of comprehensive income, and the assets by segment as of September 30, 2021 and 2020 are shown in the accompanying consolidated balance sheets.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
2	Sunplus Technology (Shanghai) Co., Ltd.	Sunplus APP Technology	Receivables from related parties	Yes	\$ 12,275	\$ -	\$ -	1.80%	Note 1	-	Note 2	\$ -	-	\$ -	\$ 53,911 (Note 8)	\$ 53,911 (Note 8)
3	Russell Holdings Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	242,548	167,100	167,100	-	Note 1	-	Note 3	-	-	-	442,278 (Note 9)	442,278 (Note 9)
4	Sunplus Venture Capital Co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	158,064	65,448	65,448	0.52%	Note 1	-	Note 4	-	-	-	348,080 (Note 10)	348,080 (Note 10)
5	Sunplus Prof-tek Technology (Shenzhen)	Sunplus APP Technology	Receivables from related parties	Yes	37,045	-	-	1.80%	Note 1	-	Note 5	-	-	-	73,184 (Note 11)	73,184 (Note 11)
6	Lin Shin Investments co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	153,780	153,175	153,175	0.52%	Note 1	-	Note 6	-	-	-	334,800 (Note 12)	334,800 (Note 12)
7	Sunplus Technology (Shanghai) Co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	130,011	130,011	130,011	1.80%	Note 1	-	Note 7	-	-	-	323,468 (Note 13)	323,468 (Note 13)

Note 1: Short-term financing.

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

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

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

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

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

Note 7: Sunplus Technology (Shanghai) Co., Ltd. Provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 8: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 10% Sunplus Technology (Shanghai) Co., Ltd.'s net equity as of its latest financial statement.

Note 9: Russell Holdings Ltd. and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 80%, and its period should not exceed more than 2 years.

Note 10: 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 11: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 10% of net equity of Sunplus Prof-tek Technology (Shenzhen) as of its latest financial statement.

Note 12: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shih Investments Co., Ltd.'s net equity as of its latest financial statements.

Note 13: Sunplus Technology (Shanghai) Co., Ltd. and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 60%, and its period should not exceed more than 2 years.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity as of the Latest Financial Statements	Maximum Collateral/Gua rantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
1 (Note 1)	Russell Holdings Ltd.	Sun Media Technology Co., Ltd.	3 (Note 3)	\$ 331,708 (Note 4)	\$ 167,160	\$ 55,700	\$ -	\$ -	10.08	\$ 331,708 (Note 4)	No	No	Yes
2 (Note 2)	Sunplus Technology	Sun APP Technology	3 (Note 3)	951,498 (Note 5)	61,512	-	-	-	-	1,902,996 (Note 6)	Yes	No	Yes
3 (Note 3)	Sunplus Technology (Shanghai) Co., Ltd.	Sun APP Technology	3 (Note 3)	53,911 (Note 7)	43,290	-	-	-	-	107,823 (Note 8)	No	No	Yes

Note 1: Investee.

Note 2: Issuer.

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

Note 4: 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.

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: Sunplus Technology (Shanghai) Co., Ltd 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 8: Sunplus Technology (Shanghai) Co., Ltd. guarantee amount should not exceed 20% of the endorsement/guarantee provider's net equity based on the provider's latest financial statements.

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

(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	September 30, 2021				Note	
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value		
Sunplus Technology Company Limited	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	1,467	\$ 20,052	-	\$ 20,052	Note 3	
	Taishin ESG Emerging Markets Bond Fund	-	Financial assets at FVTPL - current	972	9,318	-	9,318	Note 3	
	Yuanta USD Money Market Fund	-	Financial assets at FVTPL - current	99	29,327	-	29,327	Note 3	
	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at FVTPL - current	2,894	29,625	-	29,625	Note 3	
	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	1,200	60,240	-	60,240	Note 2	
	Triknight Capital Corporation	-	Financial assets at FVTPL - non-current	29,825	363,239	5	363,239	Note 1	
	Marvest Series 1 Fund	-	Financial assets at FVTPL - non-current	2	-	-	-	Note 1	
	Yuanta Emerging Indonesia and India 4 years Bond Fund	-	Financial assets at FVTPL - non-current	1,500	14,546	-	14,546	Note 3	
	Lin Shin Investment Co., Ltd.	Taiwan Mask Corp.	-	Financial assets at FVTPL - current	101	7,929	-	7,929	Note 2
		UPI Semiconductor Corp.	-	Financial assets at FVTPL - current	200	115,300	-	115,300	Note 4
A-Spine Asia Co., Ltd.		-	Financial assets at FVTPL - current	197	6,980	-	6,980	Note 1	
Enterex International Limited - Convertible Bonds		-	Financial assets at FVTPL - current	30	-	-	-	Note 2	
Yong Feng Yu Inc.		-	Financial assets at FVTPL - current	493	31,123	-	31,123	Note 2	
Minton Optic Industry Co., Ltd.		-	Financial assets at FVTPL - non-current	4,272	-	7	-	Note 1	
Genius Vision Digital Co., Ltd.		-	Financial assets at FVTPL - non-current	300	-	4	-	Note 1	
Sanjet Technology Corporation		-	Financial assets at FVTPL - non-current	8	-	-	-	Note 1	
Lead Sun Corporation		-	Financial assets at FVTPL - non-current	1,000	31,869	12	31,869	Note 1	
Chain Sea Information Integration Co., Ltd.		-	Financial assets at FVTPL - non-current	48	474	-	474	Note 1	
AIII CO., Ltd.		-	Financial assets at FVTPL - non-current	26	431	-	431	Note 1	
GEMFOR Leading Financial Solution Provider Fund		-	Financial assets at FVTPL - non-current	13	216	-	216	Note 1	
Ability Enterprise Co., Ltd.		-	Financial assets at FVTOCI - non-current	5,434	87,212	2	87,212	Note 2	
Sunplus Technology Co., Ltd.		Parent Company	Financial assets at FVTOCI - non-current	3,560	128,338	1	128,338	Note 2	
Prine Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	33	2,500	-	2,500	Note 1		

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Russell Holdings Limited	Synerchip Inc.	-	Financial assets at FVTPL - non-current	6,452	\$ -	12	\$ -	Note 1
	OZ Optics Limited	-	Financial assets at FVTPL - non-current	1,000	-	8	-	Note 1
	Ortega InfoSystem, Inc.	-	Financial assets at FVTPL - non-current	2,557	-	-	-	Note 1
	Innobrige International Inc.	-	Financial assets at FVTPL - non-current	4,000	-	15	-	Note 1
	Ether Precision Inc.	-	Financial assets at FVTPL - non-current	1,250	-	1	-	Note 1
	Asia Tech Taiwan Venture, L.P.	-	Financial assets at FVTPL - non-current	-	-	5	-	Note 1
	Asia B2B on Line Inc.	-	Financial assets at FVTPL - non-current	1,000	-	3	-	Note 1
	AMED Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	13,626	2	13,626	Note 1
	Intudo Ventures II, L.P.	-	Financial assets at FVTPL - non-current	-	100,574	6	100,574	Note 1
	Gigajot Technology, Inc - Convertible Bonds	-	Financial assets at FVTPL - non-current	-	139,250	-	139,250	Note 1
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,710	4,499	13	4,499	Note 1
	Eys3d Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190	13,925	2	13,925	Note 1
	Sunplus Venture Capital Co., Ltd.	Charles Schwab - Money Fund	-	Financial assets at FVTPL - current	-	1,892	-	1,892
Taiwan Mask Corp.		-	Financial assets at FVTPL - current	108	8,478	-	8,478	Note 2
eWave System, Inc.		-	Financial assets at FVTPL - non-current	1,833	-	22	-	Note 1
VenGlobal International Fund		-	Financial assets at FVTPL - non-current	1	-	-	-	Note 1
Book4u Company Limited		-	Financial assets at FVTPL - non-current	9	-	-	-	Note 1
Sanjet Technology Corp.		-	Financial assets at FVTPL - non-current	49	-	-	-	Note 1
Simple Act Inc.		-	Financial assets at FVTPL - non-current	1,900	-	10	-	Note 1
Minton Optic Industry Co., Ltd.		-	Financial assets at FVTPL - non-current	5,000	-	8	-	Note 1
Genius Vision Digital Co., Ltd.		-	Financial assets at FVTPL - non-current	375	-	5	-	Note 1
CYBERON Corporation		-	Financial assets at FVTPL - non-current	865	29,590	8	29,590	Note 1
Grand Fortune Venture Capital Co., Ltd.	-	Financial assets at FVTPL - non-current	5,000	72,668	7	72,668	Note 1	
Huijia Health Life Technology	-	Financial assets at FVTPL - non-current	1,049	12,570	5	12,570	Note 1	

(Continued)



Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	San Neng Group Holding Co., Ltd.	-	Financial assets at FVTPL - non-current	900	\$ 43,650	1	\$ 43,650	Note 2
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	5,691	82,968	15	82,968	Note 1
	Fuyou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	3,500	36,508	10	36,508	Note 1
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	94,943	2	94,943	Note 1
	TIEF Fund I, L.P.	-	Financial assets at FVTPL - non-current	-	39,946	7	39,946	Note 1
	Intudo Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	63,679	8	63,679	Note 1
	Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	962	9,642	-	9,642	Note 1
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	1,247	60,730	4	60,730	Note 4
	Qun-Kin Venture Capital	-	Financial assets at FVTOCI - non-current	3,000	21,436	6	21,436	Note 1
	Neuchips Corporation	-	Financial assets at FVTOCI - non-current	2,100	42,000	4	42,000	Note 1
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	1,564	690	4	690	Note 1
Wei-Young Investment Inc.	Asia Electronic Material Co., Ltd.	-	Financial assets at FVTPL - current	800	16,120	-	16,120	Note 2
	Shenmao Technology Inc.	-	Financial assets at FVTPL - current	500	26,600	-	26,600	Note 2
	Excel Cell Electronic Co., Ltd.	-	Financial assets at FVTPL - current	400	10,100	-	10,100	Note 2
	Everlight Electronic Co., Ltd.	-	Financial assets at FVTPL - current	500	23,850	-	23,850	Note 2
	Nova Technology Corp.	-	Financial assets at FVTPL - current	20	2,850	-	2,850	Note 2
	Topoint Technology Co., Ltd.	-	Financial assets at FVTPL - current	400	15,960	-	15,960	Note 2
	Subtron Technology Co., Ltd.	-	Financial assets at FVTPL - current	124	3,928	-	3,928	Note 4
Sunplus Technology (Shanghai) Co., Ltd.	GF Live Treasury Currency B	-	Financial assets at FVTPL - current	5,800	25,122	-	25,122	Note 3
	GF Every Day The Red Haired Type Money Market Fund B	-	Financial assets at FVTPL - current	2,717	11,802	-	11,802	Note 3
	Chongqing CYIT Communication Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	-	3	-	Note 1
	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	40,846	16	40,846	Note 1
	Xiamen Xm-plus Technology Ltd.	-	Financial assets at FVTPL - non-current	-	66,862	3	66,862	Note 1
Generalplus Technology Inc.	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	6,688	110,102	-	110,102	Note 3
Sunplus Innovation Technology Inc.	Mega Diamond Money Market Fund	-	Financial assets at FVTPL - current	8,702	110,272	-	110,272	Note 3
	Yuanta De-Bao Money Market Fund	-	Financial assets at FVTPL - current	23,108	280,168	-	280,168	Note 3
	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL - current	3,933	60,069	-	60,069	Note 3
	Fuh Hwa You Li Money Market Fund	-	Financial assets at FVTPL - current	6,658	90,501	-	90,501	Note 3
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	9,765	140,065	-	140,065	Note 3
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	5,877	80,339	-	80,339	Note 3
	Fuh Hwa Money Market Fund	-	Financial assets at FVTPL - current	6,869	100,016	-	100,016	Note 3
	Advanced Silicon SA	-	Financial assets at FVTOCI - non-current	1,000	14,332	10	14,332	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				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 FVTOCI - non-current	2,000	\$ -	8	\$ -	Note 1
	PointGrab Ltd.	-	Financial assets at FVTOCI - non-current	182	-	1	-	Note 1
Sunext Technology Co., Ltd.	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	750	37,650	-	37,650	Note 2
Jsilicon Technology Co., Ltd. (Ru Dong)	GF Live Treasury Currency A	-	Financial assets at FVTPL - current	580	2,549	-	2,549	Note 3
	GF Every Day The Red Haired Type Money Market Fund B	-	Financial assets at FVTPL - current	580	2,552	-	2,552	Note 3
	GF Purse Money Market Fund A	-	Financial assets at FVTPL - current	599	2,585	-	2,585	Note 3
Magic Sky Limited	GTA Co., Ltd.	-	Financial assets at FVTPL - non-current	1,413	-	-	-	Note 1
Giant Rock Inc.	Xiamen Xm-plus Technology Ltd.	-	Financial assets at FVTPL - non-current	-	272,242	12	272,242	Note 1

Note 1: The market value was based on the carrying amount as of September 30, 2021.

Note 2: The market value was based on the closing price as of September 30, 2021.

Note 3: The market value was based on the net asset value of the fund as of September 30, 2021.

Note 4: The market value was based on the average quoted price as of September 30, 2021.

(Conclude)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

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

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
			Financial Statement Account Item	Amount	Terms	
Sunplus Technology Co., Ltd.	Generalplus Technology Inc.	1	Sales	\$ 5,092	Note 1	0.09%
			Notes and accounts receivable	1,270	Note 1	0.01%
			Non-operating income	2	Note 2	-
	Sunext Technology Co., Ltd.	1	Sales	100	Note 1	-
			Non-operating income	2,316	Note 2	0.04%
			Notes and accounts receivable	18	Note 1	-
			Other receivable	154	Note 3	-
Sunplus Innovation Technology Inc.	1	Sales	300	Note 1	0.01%	
		Non-operating income	2,691	Note 2	0.05%	
		Notes and accounts receivable	74	Note 1	-	
		Other receivables	237	Note 3	-	
Jumplux Technology Co., Ltd.	1	Sales	2,502	Note 1	0.04%	
		Non-operating income	10,234	Notes 2 and 4	0.17%	
		Notes and accounts receivable	298	Note 1	-	
		Other receivables	887	Note 3	0.01%	
GenkiTek Technology Co., Ltd.	1	Other receivables	109	Note 3	-	
		Non-operating income	916	Note 2	0.02%	
Chongqing CQPlus1 Technology Co., Ltd.	1	Cost of goods sold	17,715	Note 2	0.30%	
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Other accrued expenses	1,235	Note 3	0.01%
			Selling and marketing expenses	3,707	Note 2	0.06%
	Worldplus Technology (Shenzhen)	2	Selling and marketing expenses	19,942	Note 2	0.34%
		2	Other accrued expenses	6,098	Note 3	0.04%
Generalplus Technology Inc.	Generalplus Technology (H.K.) Inc.	2	Selling and marketing expenses	13,073	Note 2	0.22%
			Other accrued expenses	5,678	Note 3	0.04%
	Generalplus Technology (Shenzhen) Inc.	2	Sales	10,903	Note 2	0.18%
			Research and development expenses	36,219	Note 2	0.61%
			Accounts receivable	4,638	Note 3	0.03%
			Other accrued expenses	5,475	Note 3	0.04%
Sunplus Innovation Technology Inc,		2	Sales	858	Note 1	0.01%
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Other accrued expenses	76	Note 3	-
			Other receivables	130,011	Note 3	0.87%
			Interest revenue	538	Note 2	0.01%
			Research and development expenses	77	Note 2	-
Jumplux Technology Co., Ltd.	2	Sales	341	Note 1	0.01%	
		Accounts receivable	167	Note 1	-	

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Lin Shin Investment Co., Ltd.	Sun Media Technology Co., Ltd.	2	Other receivables	\$ 153,206	Note 3	1.03%
			Interest revenue	512	Note 2	1.01%
Sunplus Venture Capital Co., Ltd.	Sun Media Technology Co., Ltd.	2	Other receivables	65,457	Note 3	0.44%
			Interest revenue	544	Note 2	0.01%
Russell Holdings Limited	Sun Media Technology Co., Ltd.	2	Other receivables	167,100	Note 3	1.21%
Sunplus App Technology	Sunplus Technology (Beijing)	2	Management expenses	285	Note 2	-
			Refundable deposits	33	Note 2	-
			Other accrued expenses	138	Note 2	-
Sunplus Prof-tek Technology (Shenzhen)	Worldplus Technology (Shenzhen)	2	Non-operating income	5,541	Note 2	0.09%
	Sunplus APP Technology	2	Interest revenue	1,166	Note 2	0.02%
Sun Media Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Research and development expense	4,358	Note 2	0.07%
			Accounts payable	1,424	Note 3	0.01%

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

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

Note 3: The transaction payment terms were similar to normal commercial terms.

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

Note 5: 1 - From parent company to subsidiary.

2 - Between subsidiaries.

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
 SEPTEMBER 30, 2021  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise, U.S. Dollars and Renminbi in Thousands)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	\$ 2,240,909 (US\$ 74,605 RMB\$ 37,900)	\$ 2,240,909 (US\$ 74,605 RMB\$ 37,900)	-	100	\$ 1,514,123	\$ 65,367	\$ 65,367	Subsidiary
	Award Glory Ltd.	Belize	Investment	269,703 (US\$ 7,072 RMB\$ 16,900)	217,830 (US\$ 5,642 RMB\$ 14,100)	-	100	376,297	83,183	83,183	Subsidiary
	Global View Co., Ltd.	Hsinchu, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229	13	336,622	112,970	14,757	Investee
	Lin Shin Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	924,326	200,017	198,147	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	790,158	492,878	169,060	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	829,982	829,982	83,000	100	1,029,553	97,546	97,546	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	366,414	382,894	29,266	52	1,198,588	485,537	275,945	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies	Investment	837,171 (US\$ 30,060)	699,314 (US\$ 25,110)	30,060	100	693,657	29,655	29,655	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	29	275,162	110,403	29,013	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	983,237	983,237	58,778	93	249,854	41,201	38,132	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,441	90	23,277	(56)	(50)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	3,418	(160)	(160)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	39,604 (HK\$ 11,075)	39,604 (HK\$ 11,075)	11,075	100	26	(4)	(4)	Subsidiary
	Magic Sky Limited	Samoa	Investment	287,969 (US\$ 10,240)	285,184 (US\$ 10,240)	-	100	1,301	(3,866)	(3,866)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	29,342	(64)	(64)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	70,157	70,157	5,400	100	97,527	42,986	42,986	Subsidiary
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200	55	(17,870)	(14,234)	(7,829)	Subsidiary
AkiraNET Co., Ltd.	Taipei, Taiwan	Information software service	174,000	-	17,400	35	199,004	(26,131)	(9,039)	Investee	
Lin Shin Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	316,551	492,878	67,454	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	41,794	485,537	9,951	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	1	13,802	110,403	1,470	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	3	5,338	(56)	(1)	Subsidiary
	GlintMed Innovation Co., Ltd.	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125	13	862	(1,616)	(202)	Investee
Sunplus Venture Capital Co., Ltd.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100	42	(13,672)	(14,234)	(5,990)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	60,588	57,388	2,924	6	120,726	485,537	26,921	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,332	4	47,670	110,403	5,077	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	8	427	(56)	(4)	Subsidiary
	GenkiTek Technology Co., Ltd.	Taipei, Taiwan	Software development	20,000	20,000	2,000	63	8,945	(9,717)	(6,073)	Subsidiary
	GlintMed Innovation Co., Ltd.	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125	13	862	(1,616)	(202)	Investee
Russell Holdings Limited	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	69,625 (US\$ 2,500)	69,625 (US\$ 2,500)	5,000	16	68,291	(11,650)	(1,895)	Investee
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,240,909 (US\$ 74,605 RMB\$ 37,900)	2,240,909 (US\$ 74,605 RMB\$ 37,900)	-	100	1,526,688	65,367	65,367	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,240,909 (US\$ 74,605 RMB\$ 37,900)	2,240,909 (US\$ 74,605 RMB\$ 37,900)	-	100	1,526,668	65,367	65,367	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	531,657 (US\$ 19,090)	531,657 (US\$ 19,090)	19,090	100	501,881	13,757	13,757	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	531,657 (US\$ 19,090)	531,657 (US\$ 19,090)	19,090	100	504,684	13,757	13,757	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	10,862 (US\$ 390)	10,862 (US\$ 390)	-	100	11,028	5,201	5,201	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	\$ 269,703 (US\$ 7,072 RMB\$ 16,900)	\$ 217,830 (US\$ 5,642 RMB\$ 14,100)	-	100	\$ 376,297	\$ 83,183	\$ 83,183	Subsidiary
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	21,498 (US\$ 772)	21,498 (US\$ 772)	-	100	294	(7)	(7)	Subsidiary
	Giant Rock Inc.	Anguilla	Investment	147,950 (US\$ 2,700 RMB\$ 16,900)	96,066 (US\$ 1,270 RMB\$ 14,100)	-	100	275,662	86,550	86,550	Subsidiary
	Worldplus Holdings L.L.C.	America	Investment	100,260 (US\$ 3,600)	100,296 (US\$ 3,600)	-	100	100,341	(3,360)	(3,360)	Subsidiary
	Giant Best Ltd.	Seychelles	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of September 30, 2021

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

Note 3: The establishment registration has been completed at the end of September 2021, but the actual remittance has not been completed yet.

(Concluded)

## SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

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

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Software development, consumer technological services and rental building	\$ 479,020 (US\$ 17,200)	Note 1	\$ 491,692 (US\$ 17,655)	\$ -	\$ -	\$ 491,692 (US\$ 17,655)	100%	\$ 90,392	\$ 90,392 (Note 2)	\$ 539,113	\$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Software development, consumer technological services and rental building and property management.	898,163 (US\$ 32,250)	Note 1	898,163 (US\$ 32,250)	-	-	898,163 (US\$ 32,250)	100%	(6,589)	(6,589) (Note 2)	731,840	-
SunMedia Technology Co., Ltd.	Software development, consumer technological services and rental building	557,000 (US\$ 20,000)	Note 1	557,000 (US\$ 20,000)	-	-	557,000 (US\$ 20,000)	100%	8,195	8,195 (Note 3)	199,616	-
Sunplus App Technology Co., Ltd.	Sale of electronic components and information management and education	107,895 (RMB 39,000)	Note 1	111,891 (US\$ 586 RMB 22,200)	50,799 (RMB 11,800)	-	162,690 (US\$ 586 RMB 34,000)	97%	(51,700)	(49,850) (Note 3)	3,739	-
Beijing Sunplus EHue Tech Co., Ltd.	Software development, consumer technological services and rental building	116,235 (RMB 27,000)	Note 1	116,235 (RMB 27,000)	-	-	116,235 (RMB 27,000)	100%	(605)	(605) (Note 3)	50,379	-
JSilicon Technology Co., Ltd. (Ru Dong)	Software development and IC design	86,100 (RMB 20,000)	Note 4	-	-	-	-	100%	290	290 (Note 3)	27,162	-
Worldplus Technology (Shenzhen) Co., Ltd.	Software development, consumer technological services and rental building and property management.	81,963 (RMB 19,039)	Note 6	100,260 (US\$ 3,600)	-	-	100,260 (US\$ 3,600)	100%	(2,361)	(3,360) (Note 3)	100,341	-
Chongqing CQPlus1 Technology Co., Ltd.	Software development and IC design	129,150 (RMB 30,000)	Note 5	-	-	-	-	100%	(17,318)	(17,318) (Note 3)	62,680	-

Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 2,495,220 (US\$ 79,872 RMB 62,900)	\$ 2,496,358 (US\$ 80,052 RMB 62,000)	\$ 5,708,987

## Sunplus Venture Capital Co., Ltd.

Accumulated Investment in Mainland China as of September 30, 2021 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 8)	Limit on Investment
\$ 55,895 (US\$ 2,007)	\$ 55,895 (US\$ 2,007)	\$ 522,119

(Continued)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Generalplus Shenzhen	Design of ICs, after sales service and marketing research	\$ 520,795 (US\$ 18,700)	(Note 1)	\$ 520,795 (US\$ 18,700)	\$ -	\$ -	\$ 520,795 (US\$ 18,700)	100%	\$ 8,556	\$ 8,556	\$ 493,636	\$ -

Accumulated Investment in Mainland China as of September 30, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 520,795 (US\$ 18,700)	\$ 520,795 (US\$ 18,700)	\$ 1,399,601

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

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

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

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

Note 5: Shanghai Sunplus Technology Co., Ltd. and Sunplus Prof-tek (Shenzhen) Co., Ltd. reinvested 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 September 30, 2021.

(Concluded)



**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Technology (Shenzhen) Corp.	Development and processing services	\$ 36,219	8.67	Based on contract	Based on contract	Not comparable with market transactions	\$ 5,475	48.93	\$ -	NA
	Sales	10,903	0.42	Based on contract	Based on contract	Not comparable with market transactions	4,638	100.00	2,660	NA

**SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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

Note 1: The information of major shareholder in this table is calculated by TDCC on the last business day at the end of the quarter, and the total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company which is not physical registration (including treasury shares) is more than 5% . The share capital recorded in the company's consolidated financial report and the actual number of shares delivered without physical registration may be different or different due to the basis of preparation and calculation.

Note 2: If the above information is a shareholder's shareholding trust, the trustee will open a trust account to set up a separate account. As for shareholders who deal with the distribution of insider shares with a shareholding ratio of more than 10% in accordance with the Securities Exchange Act, their shareholdings include their shareholdings, including their delivery of trusts and shares that have the right to make decisions on trust property, etc. Refer to Market Observation Post System website.