Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2016 and 2015 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2016 and 2015 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

As disclosed in Note 14, the financial statements of some immaterial subsidiaries included in the consolidated financial statements were based on the investees' unreviewed financial statements. The total assets of these subsidiaries as of March 31, 2016 and 2015 were 38% (NT$5,688,182 thousand) and 43% (NT$6,752,550 thousand), respectively, of the total consolidated assets, and the total liabilities were 41% (NT$1,621,901 thousand) and 38% (NT$1,549,623 thousand), respectively, of the total consolidated liabilities. For the three months ended March 31, 2016 and 2015, the total comprehensive gain was 6% (NT$7,838 thousand) and loss was 15% (NT$82,755 thousand), respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 15 to the consolidated financial statements, the carrying values of some associates as of March 31, 2016 and 2015 were NT$653,236 thousand and NT$413,096 thousand, respectively. For the three months ended March 31, 2016 and 2015, the related investment results were net gain of NT$14,192 thousand and net loss of NT$289 thousand, respectively. These investment amounts and other associates' information disclosed in Note 39 to the financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the effects of adjustments that might have been determined to be necessary had the equity-method investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements as of and for the three months ended March 31, 2016 and 2015 of Sunplus Technology Company Limited and its subsidiaries referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

May 11, 2016

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2016 (Reviewed) Amount	%	December 31, 2015 (Audited) Amount	%	March 31, 2015 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 4,088,842	27	$ 4,442,810	29	$ 3,794,642	25
Financial assets at fair value through profit or loss - current (Note 7)	17,704	-	24,200	-	14,911	-
Available-for-sale financial assets - current (Note 8)	1,268,894	9	961,646	6	836,874	5
Debt investments with no active market - current (Note 9)	15,389	-	15,389	-	14,903	-
Notes and accounts receivables, net (Notes 11 and 36)	1,344,036	9	1,569,460	10	1,523,886	10
Other receivables (Note 36)	37,932	-	34,731	-	468,234	3
Inventories (Note 12)	1,153,838	8	1,225,022	8	1,292,726	8
Other current assets (Note 19)	437,614	3	431,971	3	218,257	2
Total current assets	8,364,249	56	8,705,229	56	8,164,433	53
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent net of current portion (Notes 8 and 15)	1,323,958	9	1,518,898	10	2,460,389	16
Financial assets carried at cost (Note 10)	527,823	4	528,590	3	260,905	2
Investments accounted for using the equity method (Note 15)	653,236	4	639,017	4	413,096	3
Property, plant and equipment (Notes 16 and 37)	3,527,767	23	3,563,095	23	3,453,733	22
Investment properties (Note 17)	251,691	2	257,070	2	274,651	2
Intangible assets (Note 18)	211,080	1	193,481	1	213,176	1
Deferred tax assets (Notes 4 and 28)	37,801	-	39,485	-	52,450	-
Other noncurrent assets (Notes 19, 33 and 37)	152,525	1	154,142	1	237,523	1
Total noncurrent assets	6,685,881	44	6,893,778	44	7,365,923	47
TOTAL	$ 15,050,130	100	$ 15,599,007	100	$ 15,530,356	100

LIABILITIES AND EQUITY	March 31, 2016 (Reviewed) Amount	%	December 31, 2015 (Audited) Amount	%	March 31, 2015 (Reviewed) Amount	%
CURRENT LIABILITIES						
Short-term bank borrowings (Note 20)	$ 594,321	4	$ 646,093	4	$ 557,144	4
Trade payables (Note 21)	664,736	4	665,304	4	881,572	6
Current tax liabilities (Notes 4 and 28)	65,703	1	54,096	1	41,920	-
Provisions - current (Note 22)	10,462	-	15,339	-	17,788	-
Current portion of long-term bank loans (Notes 20 and 37)	863,471	6	619,678	4	660,369	4
Deferred revenue - current (Notes 23 and 31)	1,811	-	1,819	-	2,758	-
Other current liabilities (Note 23)	504,442	3	738,529	5	795,007	5
Total current liabilities	2,704,946	18	2,740,858	18	2,956,558	19
NONCURRENT LIABILITIES						
Long-term borrowings net of current portion (Notes 20 and 37)	878,959	6	1,256,373	8	746,442	5
Net defined benefit liabilities - non-current (Notes 4 and 24)	97,899	1	98,425	1	94,407	1
Guarantee deposits (Note 33)	201,363	1	202,181	1	208,090	1
Deferred revenue - noncurrent (Notes 23 and 31)	73,795	-	74,591	-	79,618	-
Other noncurrent liabilities (Note 23)	1,339	-	1,339	-	2,319	-
Total noncurrent liabilities	1,253,355	8	1,632,909	10	1,130,876	7
Total liabilities	3,958,301	26	4,373,767	28	4,087,434	26
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital (Note 25)						
Ordinary shares	5,919,949	39	5,919,949	38	5,919,949	38
Capital surplus(Note 25)	897,317	6	897,317	6	894,446	6
Retained earnings (Note 25)						
Legal reserve	1,831,596	12	1,831,596	12	1,790,538	12
Special reserve	17,833	-	17,833	-	22,639	-
Accumulated deficit	597,534	4	595,226	4	968,265	6
Other equity (Note 25)	163,247	1	331,492	2	294,084	2
Treasury shares (Notes 25 and 37)	(63,401)	-	(63,401)	(1)	(63,401)	(1)
Total equity attributable to owners of the Company	9,364,075	62	9,530,012	61	9,826,520	63
NONCONTROLLING INTERESTS (Notes 14 and 25)	1,727,754	12	1,695,228	11	1,616,402	11
Total equity	11,091,829	74	11,225,240	72	11,442,922	74
TOTAL	$ 15,050,130	100	$ 15,599,007	100	$ 15,530,356	100

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

(With Deloitte & Touche review report dated May 11, 2016)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2016		2015	
	Amount	%	Amount	%
NET SALES (Notes 26 and 36)	$ 1,802,171	100	$ 1,863,803	100
COSTS OF SALES (Notes 12, 24 and 27)	1,024,800	57	1,100,106	59
GROSS PROFIT	777,371	43	763,697	41
OPERATING EXPENSES (Notes 24, 27 and 36)				
Selling and marketing	78,813	4	86,544	5
General and administrative	160,421	9	152,761	8
Research and development	461,980	26	624,164	33
Total operating expenses	701,214	39	863,469	46
OTHER REVENUE AND EXPENSES	(462)	-	1	-
PROFIT (LOSS) FROM OPERATIONS	75,695	4	(99,771)	(5)
NONOPERATING INCOME (Notes 27 and 36)				
Other income	12,210	1	15,353	1
Other gains and losses	(41,158)	(2)	707,049	38
Financial costs	(10,030)	(1)	(7,892)	(1)
Share of profit or loss of associates and joint ventures (Note 15)	14,192	1	(289)	-
Total nonoperating income	(24,786)	(1)	714,221	38
INCOME BEFORE INCOME TAX	50,909	3	614,450	33
INCOME TAX EXPENSE (Notes 4 and 28)	14,521	1	8,455	-
PROFIT FROM OPERATIONS	36,388	2	605,995	33
NON-OPERATING INCOME AND EXPENSE (Note 13)	-	-	(27,845)	(2)
NET PROFIT FOR THE PERIOD	36,388	2	578,150	31
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss:				

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2016		2015	
	Amount	%	Amount	%
Remeasurement of defined benefit plans	-	-	1,606	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 25)	(15,733)	(1)	(26,170)	(1)
Unrealized gain on available-for-sale financial assets (Note 25)	(154,118)	(8)	8,040	-
Share of other comprehensive loss of associates and joint venture	27	-	(597)	-
Other comprehensive income (loss) for the period, net of income tax	(169,824)	(9)	(17,121)	(1)
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	$ (133,436)	(7)	$ 561,029	30
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 2,331	-	$ 558,049	30
Noncontrolling interests	34,057	2	20,101	1
	$ 36,388	2	$ 578,150	31
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ (165,914)	(9)	$ 543,848	29
Noncontrolling interests	32,478	2	17,181	1
	$ (133,436)	(7)	$ 561,029	30
EARNINGS PER SHARE (New Taiwan dollars; Note 29)				
From continuing operations				
Basic	$ -		$ 1.00	
Diluted	$ -		$ 1.00	
From discontinued operations				
Basic	$ -		$ (0.05)	
Diluted	$ -		$ (0.05)	

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

(With Deloitte & Touche review report dated May 11, 2016) (Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
	Capital Stock Issued and Outstanding (Note 25)			Retained Earnings (Note 25)			Other Equity (Notes 25)					
	Share (Thousand)	Amount	Capital Surplus (Note 25)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Treasury Shares (Notes 25 and 37)	Total	Noncontrolling Interests (Notes 14 and 25)	Total Equity
Balance, January 1, 2015	591,995	$ 5,919,949	$ 936,044	$ 1,790,538	$ 22,639	$ 410,595	$ 128,258	$ 181,674	$ (63,401)	$ 9,326,296	$ 1,598,644	$ 10,924,940
Effect of retrospective application of IAS 19 and retrospective restatement of financial statements	-	-	7	-	-	(1,985)	-	-	-	(1,978)	(256)	(2,234)
Balance at January 1, 2015 as restated	591,995	5,919,949	936,051	1,790,538	22,639	408,610	128,258	181,674	(63,401)	9,324,318	1,598,388	10,922,706
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	(313)	-	-	-	-	-	-	(313)	-	(313)
Disposal of investments accounted for by using equity method	-	-	(41,292)	-	-	-	-	(41)	-	(41,333)	-	(41,333)
Net loss for the three months ended March 31, 2015	-	-	-	-	-	558,049	-	-	-	558,049	20,101	578,150
Other comprehensive gain (loss) for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	1,606	(25,474)	9,667	-	(14,201)	(2,920)	(17,121)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	559,655	(25,474)	9,667	-	543,848	17,181	561,029
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	833	833
BALANCE, MARCH 31, 2015	591,995	$ 5,919,949	$ 894,446	$ 1,790,538	$ 22,639	$ 968,265	$ 102,784	$ 191,300	$ (63,401)	$ 9,826,520	$ 1,616,402	$ 11,442,922
Balance, January 1, 2016	591,995	$ 5,919,949	$ 897,317	$ 1,831,596	$ 17,833	$ 595,226	$ 97,509	$ 233,983	$ (63,401)	$ 9,530,012	$ 1,695,228	$ 11,225,240
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(23)	-	-	-	(23)	-	(23)
Net gain for the three months ended March 31, 2016	-	-	-	-	-	2,331	-	-	-	2,331	34,057	36,388
Other comprehensive loss for the three months ended March 31, 2016, net of income tax	-	-	-	-	-	-	(16,563)	(151,682)	-	(168,245)	(1,579)	(169,824)
Total comprehensive income for the three months ended March 31, 2016	-	-	-	-	-	2,331	(16,563)	(151,682)	-	(165,914)	32,478	(133,436)
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	48	48
BALANCE, MARCH 31, 2016	591,995	$ 5,919,949	$ 897,317	$ 1,831,596	$ 17,833	$ 597,534	$ 80,946	$ 82,301	$ (63,401)	$ 9,364,075	$ 1,727,754	$ 11,091,829

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

(With Deloitte & Touche review report dated May 11, 2016)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from operations	$ 50,909	$ 614,450
Income before income tax from discontinued operations	-	(27,845)
Income before income tax	50,909	586,605
Adjustments for:		
Depreciation expenses	63,637	76,841
Amortization expenses	25,685	20,812
Net gain on fair value change of financial assets designated as at fair value through profit	(14)	(67)
Financial costs	10,030	7,892
Interest income	(6,924)	(8,291)
Dividend income	(12)	-
Share of (profit) loss of associates and joint ventures	(14,192)	289
Loss (gain) on disposal of property, plant and equipment	154	(7,267)
Loss (gain) on disposal of intangible assets	308	(279,900)
Gain on disposal of investments	(1,318)	(3,636)
Gain on disposal of subsidiaries	-	(906,358)
Impairment loss recognized on financial assets	30,382	188,249
Impairment loss recognized on non-financial assets	-	94,123
Net (gain) loss on foreign currency exchange	(14,563)	5,298
Amortization of prepaid lease payments	778	778
Changes in operating assets and liabilities:		
Increase in financial assets held for trading	6,791	88
Decrease in trade receivables	250,684	201,356
(Increase) decrease in other receivables	(3,768)	8,381
Decrease in inventories	71,184	55,016
Increase in other current assets	(8,684)	(15,539)
Increase in trade payables	(5,351)	153,347
Decrease in provisions	(4,877)	(4,061)
Decrease in deferred revenue	(460)	(460)
Decrease in other current liabilities	(205,286)	(43,259)
Decrease in defined benefit liabilities	(526)	(12,092)
Interest received	7,283	8,688
Dividends received	12	-
Interest paid	(10,049)	(7,617)
Income tax paid	(1,798)	(495)
Net cash generated from operating activities	240,015	118,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(448,991)	(229,601)
Proceeds of the sale of available-for-sale financial assets	147,816	392,073
Acquisition of financial asset carried at cost	-	(20,400)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31	
	2016	**2015**
Payments for property, plant and equipment	(64,317)	(46,281)
Proceeds of the disposal of property, plant and equipment	31	134
Decrease in refundable deposits	212	2,397
Payments for intangible assets	(43,657)	(76,721)
Decrease in other assets	2,701	785
Net cash (used in) generated from investing activities	(406,205)	22,386
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments) proceeds of short-term borrowings	(51,771)	253,059
Repayments of long-term borrowings	(129,157)	(152,682)
Cash received from deposits	7,559	1,416
Refundable deposits paid	(11,019)	(17,415)
Decrease in noncontrolling interests	25	833
Net cash (used in) generated from investing activities	(184,363)	85,211
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(3,415)	(8,408)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(353,968)	217,910
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,442,810	3,576,732
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 4,088,842	$ 3,794,642

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

(With Deloitte & Touche review report dated May 11, 2016) (Concluded)

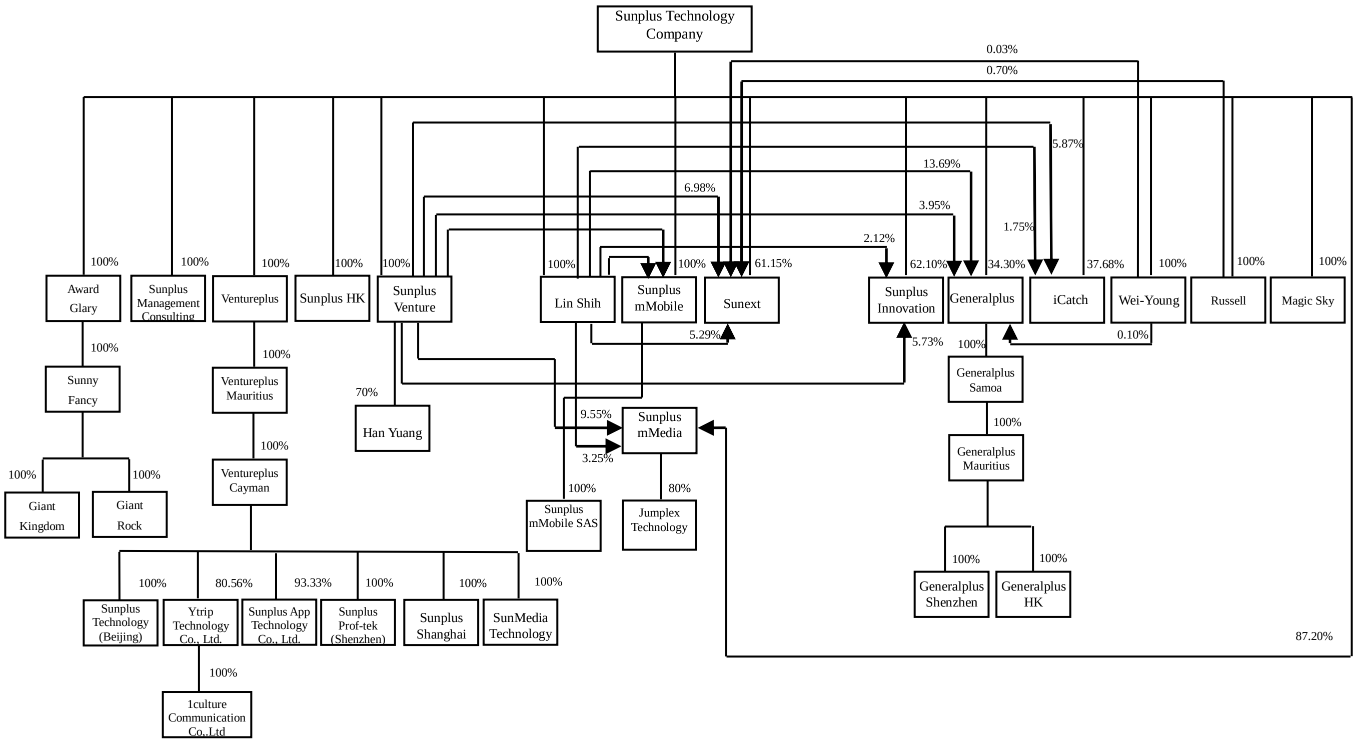
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

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

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the "Group") as of March 31, 2016:



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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's of directors and authorized for issue on May 11, 2016.

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

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

The Group has not applied the following IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC.

On March 10, 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Group should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

New, Amended or Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016

(Continued)

New, Amended or Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendment to IFRS 15 “Clarifications to IFRS 15”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

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

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

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

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

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

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

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

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

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

The impairment of financial assets

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

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

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

The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within [Level 2/Level 3], the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

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

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

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

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

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

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

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

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

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

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

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

7) IFRS 15 “Revenue from Contracts with Customers” and related amendment

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

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

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

In identifying performance obligations, IFRS 15 and related amendment require that a good or service is distinct if it is capable of being distinct and the promise to transfer it is distinct within the context of the contract.

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

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

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

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

9) Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

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

10) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

11) Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

Please refer to Note 14, Table 5 and Table 6 for details, shareholding percentage and transaction details of subsidiaries.

c. Other important accounting policies

Except for the following, the accounting policies described in the consolidated financial statements were consistent with those applied in the consolidated financial statements for the year ended December 31, 2015.

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 AND UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2015.

6. CASH AND CASH EQUIVALENTS

	March 31, 2016	December 31, 2015	March 31, 2015
Cash on hand	$ 4,242	$ 4,122	$ 4,953
Checking accounts and demand deposits	1,744,441	1,569,563	1,629,766
Cash equivalents			
Cash equivalent deposits in banks	2,279,692	2,807,612	2,101,718
Repurchase agreements collateralized by bonds	60,467	61,513	58,205
	$ 4,088,842	$ 4,442,810	$ 3,794,642

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

	March 31, 2016	December 31, 2015	March 31, 2015
Bank balance	0.01%-4.0%	0.01%-4.0%	0.01%-3.72%
Repurchase agreement collateralized by bonds	1.0%	1.0%	1.0%

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

	March 31, 2016	December 31, 2015	March 31, 2015
Financial assets held for trading			
Nonderivative financial assets			
Corporate bonds of domestic listed stocks	$ 17,704	$ 24,200	$ 14,911

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2016	December 31, 2015	March 31, 2015
Domestic investments			
- Mutual funds	$ 1,176,337	$ 874,799	$ 723,211
- Quoted shares	1,416,515	1,605,745	2,574,052
Available-for-sale financial assets	$ 2,592,852	$ 2,480,544	$ 3,297,263
Current	$ 1,268,894	$ 961,646	$ 836,874
Noncurrent	1,323,958	1,518,898	2,460,389
	$ 2,592,852	$ 2,480,544	$ 3,297,263

For the three months ended March 31, 2016 and 2015, the Group recognized impairment losses of 30,382 thousand and 125,203 thousand, respectively.

Please refer to Note 37 for the amount of pledges of collateral.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	March 31, 2016	December 31, 2015	March 31, 2015
Fixed income fund	$ 15,389	$ 15,389	$ 14,903

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

10. FINANCIAL ASSETS MEASURED AT COST

	March 31, 2016	December 31, 2015	March 31, 2015
Domestic unlisted common shares	$ 527,823	$ 528,590	$ 260,905
Classified as available for sale	$ 527,823	$ 528,590	$ 260,905

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

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2016	December 31, 2015	March 31, 2015
Notes receivable			
Notes receivable - operating	$ -	$ 67	$ 71
Notes receivable - non-operating	4,922	-	-
	4,922	67	71
Accounts receivable			
Accounts receivable	1,342,598	1,562,435	1,479,532
Accounts receivable from related parties	-	10,049	45,848
Less: Allowance for impairment loss	(3,484)	(3,091)	(1,565)
	1,339,114	1,569,393	1,523,815
	$ 1,344,036	$ 1,569,460	$ 1,523,886

Accounts receivable

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

Of the trade receivables balance (see the aging analysis below) that are past due at the end of the reporting period, the Group has not recognized allowance for impairment loss on notes and trade receivables that amounted to $122,088 thousand, $121,854 thousand and $90,842 thousand as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively, because there had been no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to make offsets against any amounts owed by the Group to the counterparty. As of May 11, 2016, of the above trade receivables that were past due but not impaired as of March 31, 2016, the Group had received $73,405 thousand.

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

	March 31, 2016	December 31, 2015	March 31, 2015
0-60 days	$ 1,094,254	$ 1,261,621	$ 1,122,699
61-90 days	206,736	247,213	330,515
91-120 days	39,340	61,927	72,166
121-360 days	2,268	1,723	-
Total	$ 1,342,598	$ 1,572,484	$ 1,525,380

The above was the aging analysis as of reporting period.

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

	March 31, 2016	December 31, 2015	March 31, 2015
0-60 days	$ 122,088	$ 121,854	$ 90,817
61-90 days	-	-	25
	$ 122,088	$ 121,854	$ 90,842

The above was the past due accounts receivable aging analysis.

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

	Individually Impaired	Collectively Impaired	Total
Balance at March 31, 2015	$ 1,565	$ -	$ 1,565
Balance at January 1, 2016	$ 3,091	$ -	$ 3,091
Add: Impairment losses recognized on receivable	406	-	406
Foreign exchange translation gain (losses)	(13)	-	(13)
	$ 3,484	$ -	$ 3,484

12. INVENTORIES

	March 31, 2016	December 31, 2015	March 31, 2015
Finished goods	$ 502,185	$ 476,212	$ 559,913
Work in progress	447,695	509,470	511,856
Raw materials	203,958	239,340	220,957
	$ 1,153,838	$ 1,225,022	$ 1,292,726

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2016 and 2015 were $1,018,340 thousand and $1,094,236 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the three months ended March 31, 2106 and 2015 were as follows:

	Three Months Ended March 31	
	2016	2015
(Gains) losses on inventory value recoveries	$ (4,045)	$ 6,659
Income from scrap sales	(124)	(35)
	$ (4,169)	$ 6,624

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

a. Discontinued operations

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

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

Loss from discontinued operations was as follows:

	January 1, 2015-March 31, 2015
Net loss for the period	$ (315,011)
Gains on disposal（see Note 32）	287,166
	$ (27,845)

Segment revenue and cash flow results:

	January 1, 2014-March 31, 2015
Operating revenue	$ 96,100
Operating costs	(230,623)
Gross profit (loss)	(134,523)
Selling and marketing expenses	(1,982)
General and administrative expenses	(4,302)
Research and development expenses	(80,081)
Loss from operations	(220,888)
Other loss	(94,123)
Loss before tax	(315,011)
Income tax expense	-
Net loss for the period	$ (315,011)
Loss from discontinued operations attributable to:	
Owners of the Company	$ (315,011)
Non-controlling interest	-
	$ (315,011)
Net cash used in operating activities	$ (48,216)
Net cash outflows	$ (48,216)

There was no tax expense/benefit related to the gain (loss) on discontinuance.

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

14. SUBSIDIARIES

a. Entities included in the consolidated financial statements

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

			Percentage of Ownership			
Investor	**Investee**	**Main Business and Product**	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**	**Note**
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	-
	Ventureplus	Investment	100.00	100.00	100.00	-
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	-
	Sunplus Venture	Investment	100.00	100.00	100.00	-
	Lin Shih Investment	Investment	100.00	100.00	100.00	-
	Sunplus mMobile .	Design of integrated circuits (ICs)	100.00	100.00	100.00	-
	Sunext Technology	Design and sale of ICs	61.15	61.15	61.15	-
	Sunplus Innovation Technology	Design of ICs	62.10	62.10	62.54	-
	Generalplus Technology (“Generalplus”)	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	iCatch	Design of ICs	37.68	37.69	37.70	Sunplus and its subsidiaries had 45.30% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
	Wei-Young Investment Inc.	Investment	100.00	100.00	100.00	-
	Russell Holdings Limited	Investment	100.00	100.00	100.00	-
	Magic Sky Limited	Investment	100.00	100.00	100.00	-
	Sunplus mMedia Inc.	Design of ICs	87.20	87.20	82.94	-
	Award Glory	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed, but capital was not invested yet.
Ventureplus	Ventureplus Mauritius	Investment	100.00	100.00	100.00	-
Ventureplus Mauritius	Ventureplus Cayman	Investment	100.00	100.00	100.00	-
Ventrueplus Cayman	Ytrip Technology	Web research and development	80.56	80.56	72.50	-
	Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education.	93.33	93.33	93.33	-
	Sunplus Prof-tek Technology (Shenzhen)	Development and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Technology Technology (Shanghai)	Manufacturing and sale of consumer and rental	100.00	100.00	100.00	-
	SunMedia Technology	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	-
	Sunplus Technology(Beijing)	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	-
Ytrip Technology	1culture Communication	Development and sale	100.00	100.00	100.00	-
Sunplus Venture	Han Young Technology	Design of ICs	70.00	70.00	70.00	-
	Sunext Technology Co., Ltd. (“Sunext”)	Design and sale of ICs	6.98	6.98	6.98	Sunplus and its subsidiaries had 74.15% equity in Sunext.
	Generalplus Technology Inc.	Design of ICs	3.95	3.95	3.95	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunplus mMedia	Design of ICs	9.55	9.55	12.73	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	5.73	5.73	5.77	Sunplus and its subsidiaries had 69.95% equity in Sunplus Innovation
	iCatch Technology, Inc.	Design of ICs	5.87	5.87	5.88	Sunplus and its subsidiaries had 45.30% equity in iCatch Technology, Inc.
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunext Technology	Design and sale of ICs	5.29	5.29	5.29	Sunplus and the subsidiaries had 74.15% equity in Sunext.
	Sunplus mMedia	Design of ICs	3.25	3.25	4.33	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	2.12	2.12	2.14	Sunplus and its subsidiaries had 69.95% equity in Sunplus Innovation

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership March 31, 2016	December 31, 2015	March 31, 2015	Note
Lin Shih	iCatch Technology,	Design of ICs	1.75	1.75	1.75	Sunplus and its subsidiaries had 45.30% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
Sunplus mMobile	Sunplus mMobile SAS	Design of ICs	100.00	100.00	100.00	-
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	After-sales service	100.00	100.00	100.00	-
	Generalplus HK	Sales	100.00	100.00	100.00	-
Wei-Young	Generalplus	Design of Ics	0.10	0.10	0.10	Sunplus and its subsidiaries had 52.04% equity in Generalplus
	Sunext Technology	Design and sale of Ics	0.03	0.03	0.03	Sunplus and its subsidiaries had 74.15% equity in Sunext
Russell	Sunext Technology	Design and sale of Ics	0.70	0.70	0.70	Sunplus and its subsidiaries had 74.15% equity in Sunext
Sunplus mMedia Inc.	Jumplux Technology	Design and sale of Ics	80.00	80.00	80.00	The investee was established in October 2014
Award Glory	Sunny Fancy	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed, but capital was not invested yet.
Sunny Fancy	Giant Kingdom	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed, but capital was not invested yet.
	Giant Rock	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed, but capital was not invested yet.

(Concluded)

The financial statements as of and for the three months ended March 31, 2016 of the above subsidiaries, except those of Generalplus, Sunplus mMobile, Ventureplus Group, Ventureplus Mauritius and Ventureplus Cayman had not been reviewed. The financial statements as of and for the three months ended March 31, 2015 of the above subsidiaries, except those of Generalplus, Sunplus mMobile had not been reviewed.

b. Subsidiary excluded from the consolidated financial statements

	Voting Ratio in Non-controlling Equity March 31, 2016	December 31, 2015	March 31, 2015
Company			
Generalplus Technology Inc.	47.96%	47.96%	47.96%

Please refer to attachment 4 for registered countries and company information

Company	Profit Attributed to Non-controlling Interests Three Months Ended March 31 2016	2015	Non-controlling Interests March 31, 2016	December 31, 2015	March 31, 2015
Generalplus Technology Inc.	$ 36,355	$ 21,911	$1,074,414	$1,039,112	$1,023,082

The summarized financial information below represents amounts before intragroup eliminations.

	March 31, 2016	December 31, 2015	March 31, 2015
Current assets	$ 2,085,966	$ 2,176,779	$ 1,818,583
Non-current assets	707,545	721,161	821,890
Current liabilities	499,227	677,744	441,692
Non-current liabilities	82,812	82,329	94,339
Equity	$ 2,211,472	$ 2,137,867	$ 2,104,442
Equity attributable to:			
Owners of the Company	$ 1,137,058	$ 1,098,755	$ 1,081,360
Non-controlling interests	1,074,414	1,039,112	1,023,082
	$ 2,211,472	$ 2,137,867	$ 2,104,442

	For the Three Months Ended March 31	
	2016	2015
Operating revenue	$ 684,290	$ 562,318
Net income	$ 75,802	$ 45,684
Other comprehensive income	(2,197)	(4,814)
Total other comprehensive income	$ 73,605	$ 40,870
Equity attributable to:		
Owners of the Company	$ 39,447	$ 23,773
Non-controlling interests	36,355	21,911
	$ 75,802	$ 45,684
Total other comprehensive attributable to:		
Owners of the Company	$ 38,304	$ 21,268
Non-controlling interests	35,301	19,602
	$ 73,605	$ 40,870
Cash flows		
Cash flows from operating activities	$ 81,232	$ 60,828
Cash flows used in investing activities	(218,240)	(55,200)
Cash flows used in financing activities	(117,467)	(14,122)
Effect of exchange rate changes on foreign currencies	(407)	(571)
Net cash outflow	$ (254,882)	$ (9,065)
Dividend paid to non-controlling interests		
Generalplus Technology Inc.	$ -	$ -

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2016	December 31, 2015	March 31, 2015
Investments in associates	$ 347,415	$ 339,023	$ 351,608
Investments in jointly controlled entities	305,821	299,994	61,488
	$ 653,236	$ 639,017	$ 413,096

a. Investments in associates

	March 31, 2016	December 31, 2015	March 31, 2015
Listed companies			
Global View Co., Ltd	$ 347,415	$ 339,023	$ 351,608

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

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

Company	March 31, 2016	December 31, 2015	March 31, 2015
Global View Co., Ltd.	13%	13%	13%

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

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

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

Company name	March 31, 2016	December 31, 2015	March 31, 2015
Global View Co., Ltd.	$ 258,405	$ 252,233	$ 365,388

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

b. Investments in jointly controlled entities

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

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

Due to the market price competition and the resignation of R&D personnel, S2-Tek Inc. could not develop new products. Thus, in their meeting on January 25, 2016, the shareholders approved a resolution to shut down the business of this investee.

Company	March 31, 2016	December 31, 2015	March 31, 2015
Jointly controlled entities			
S2-Tek Inc.	$ 305,821	$ 299,994	$ 61,488

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

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

The financial statements of above company as of and for the three months ended March 31, 2016 and 2015 were not reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Three Months Ended March 31, 2015									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of period	$ 2,516,262	$ 205,872	$ 20,988	$ 492,573	$ 11,306	$ 267,052	$ 5,623	$ 23,743	$ 957,782	$ 4,501,201
Additions	-	339	13	25,754	-	2,044	1,584	2,220	22,648	54,602
Disposals	-	-	-	(51,120)	-	(144)	-	-	-	(51,264)
Effect of exchange rate changes	(12,136)	893	8,656	(1,129)	151	(8,235)	(461)	(2,351)	(9,047)	(23,677)
Balance, end of period	2,504,126	207,104	29,657	466,078	11,457	260,699	6,746	23,612	971,383	4,480,862
Accumulated depreciation										
Balance, beginning of period	303,556	73,331	18,932	374,204	9,077	202,317	3,479	14,135	-	999,031
Additions	19,472	6,560	6,949	30,035	553	6,985	586	348	-	71,488
Disposals	-	-	-	(47,970)	-	(135)	-	-	-	(48,105)
Effect of exchange rate changes	(5,518)	(194)	807	5,592	(450)	(7,971)	813	138	-	(6,783)
Balance, end of period	317,510	79,697	26,688	361,861	9,180	201,196	4,878	14,621	-	1,015,631
Accumulated Impairment										
Balance, beginning and end of period	-	-	-	11,498	-	-	-	-	-	11,498
Net, beginning of period	$ 2,212,706	$ 132,541	$ 2,056	$ 106,871	$ 2,229	$ 64,735	$ 2,144	$ 9,608	$ 957,782	$ 3,490,672
Net, end of period	$ 2,186,616	$ 127,407	$ 2,969	$ 92,719	$ 2,277	$ 59,503	$ 1,868	$ 8,991	$ 971,383	$ 3,453,733

	Three Months Ended March 31, 2016									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of period	$ 2,519,326	$ 221,075	$ 18,459	$ 502,632	$ 6,589	$ 252,178	$ 3,549	$ 23,727	$ 1,089,521	$ 4,637,056
Additions	-	-	-	25,868	-	5,852	-	326	3,366	35,412
Disposals	-	-	(179)	(6,905)	(1,680)	(1,422)	-	-	-	(10,186)
Effect of exchange rate changes	(5,963)	(400)	(62)	(314)	(2)	(576)	(611)	(328)	(5,049)	(13,305)
Balance, end of period	2,513,363	220,675	18,218	521,281	4,907	256,032	2,938	23,725	1,087,838	4,648,977
Accumulated depreciation										
Balance, beginning of period	353,964	84,778	16,432	384,626	4,074	199,788	2,583	16,218	-	1,062,463
Additions	15,401	5,935	504	28,899	156	6,251	1,236	994	-	59,376
Disposals	-	-	(165)	(6,904)	(1,512)	(1,420)	-	-	-	(10,001)
Effect of exchange rate changes	(538)	1,145	(64)	(1,398)	4	946	(1,747)	(474)	-	(2,126)
Balance, end of period	368,827	91,858	16,707	405,223	2,722	205,565	2,072	16,738	-	1,109,712
Accumulated Impairment										
Balance, beginning and end of period	-	-	-	11,498	-	-	-	-	-	11,498
Net, beginning of period	$ 2,165,362	$ 136,297	$ 2,027	$ 106,508	$ 2,515	$ 52,390	$ 966	$ 7,509	$ 1,089,521	$ 3,563,095
Net, end of period	$ 2,144,536	$ 128,817	$ 1,511	$ 104,560	$ 2,185	$ 50,467	$ 866	$ 6,987	$ 1,087,838	$ 3,527,767

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

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

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

17. INVESTMENT PROPERTIES

	For the Three Months Ended March 31	
	2016	2015
Cost		
Balance at January 1	$ 450,839	$ 458,669
Effect of foreign currency exchange differences	(2,076)	(4,323)
Balance at March 31	$ 448,763	$ 454,346
Accumulated depreciation		
Balance at January 1	$ 193,769	$ 176,006
Depreciation expense	4,261	5,353
Effect of foreign currency exchange differences	(958)	(1,664)
Balance at March 31	197,072	179,695
	$ 251,691	$ 274,651

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

The fair value of the investment properties had been determined on the basis of a valuation carried out at the reporting date by the Suzhou Feng-Zheng PingGu Firm. The valuation was determined by the replacement cost method; the important assumptions in the valuation were as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Fair value	$ 389,809	$ 389,809	$ 406,078
Discount rate	83.33%	83.33%	85.33%

The investment properties were valued by independent valuators; the Group determined that the fair values reported as of December 31, 2015 and 2014 were still valid as of March 31, 2016 and 2015.

The rental income generated for the three months ended March 31, 2016 and 2015 was $42,421 thousand and $37,541 thousand, respectively.

18. INTANGIBLE ASSETS

	For the Three Months Ended March 31,2015					
	Technology License Fees	Software	Patents	Goodwill	Technological Know-how	Total
Cost						
Balance at January 1	$ 700,653	$ 346,096	$ 114,229	$ 30,596	$ 2,460	$ 1,194,034
Additions	62,194	7,837	-	-	-	70,031
Decrease	(66,118)	(813)	-	-	-	(66,931)
Effect of foreign currency exchange differences	-	(251)	-	-	-	(251)
Balance at March 31	696,729	352,869	114,229	30,596	2,460	1,196,883
Accumulated amortization						
Balance at January 1	524,354	306,403	65,616	-	2,460	898,833
Amortization expense	10,043	9,084	1,685	-	-	20,812
Decrease	(46,639)	(288)	-	-	-	(46,927)
Effect of foreign currency exchange differences	1	(148)	-	-	-	(147)
Balance at March 31	487,759	315,051	67,301	-	2,460	872,571
Accumulated amortization						
Balance at January 1	17,013	-	-	-	-	17,013
increase	94,123	-	-	-	-	94,123
Balance at March 31	111,136	-	-	-	-	111,136
Net, beginning of the period	$ 159,286	$ 39,693	$ 48,613	$ 30,596	$ -	$ 278,188
Net, end of the period	$ 97,834	$ 37,818	$ 46,928	$ 30,596	$ -	$ 213,176

	For the Three Months Ended March 31,2016					
	Technology License Fees	Software	Patents	Goodwill	Technological Know-how	Total
Cost						
Balance at January 1	$ 680,811	$ 373,349	$ 114,229	$ 30,596	$ 2,460	$ 1,201,445
Additions	31,042	12,615	-	-	-	43,657
Decrease	-	(7,913)	-	-	-	(7,913)
Effect of foreign currency exchange differences	(2)	(157)	-	-	-	(159)
Balance at March 31	711,851	377,894	114,229	30,596	2,460	1,237,030

(Continued)

	For the Three Months Ended March 31,2016					
	Technology License Fees	**Software**	**Patents**	**Goodwill**	**Technological Know-how**	**Total**
Accumulated amortization						
Balance at January 1	$ 484,734	$ 337,281	$ 72,353	$ -	$ 2,460	$ 896,828
Amortization expense	15,853	8,147	1,685	-	-	25,685
Decrease	-	(7,605)	-	-	-	(7,605)
Effect of foreign currency exchange differences	-	(94)	-	-	-	(94)
Balance at March 31	500,587	337,729	74,038	-	2,460	914,814
Accumulated amortization						
Balance at March 31	111,136	-	-	-	-	111,136
Net, beginning of the period	$ 84,941	$ 36,068	$ 41,876	$ 30,596	$ -	$ 193,481
Net, end of the period	$ 100,128	$ 40,165	$ 40,191	$ 30,596	$ -	$ 211,080

(Concluded)

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

The Group recognized impairment losses of $0 and $94,123 thousand on the intangible assets for the three months ended March 31, 2016 and 2015.

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

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

19. OTHER ASSETS

	March 31, 2016	**December 31, 2015**	**March 31, 2015**
Pledged time deposits (Note 37)	$ 257,105	$ 259,876	$ 93,077
Finance lease payables	125,090	126,438	130,010
Other financial asset	79,552	79,920	80,704
Refundable deposits	5,283	5,495	4,751
Others	123,109	114,384	147,238
	$ 590,139	$ 586,113	$ 455,780
Current	$ 437,614	$ 431,971	$ 218,257
Noncurrent	152,525	154,142	237,523
	$ 590,139	$ 586,113	$ 455,780

The amounts of the Group's finance lease payables for land grant in China as of March 31, 2016, December 31, 2015 and March 31, 2015 were $125,090 thousand, $126,438 thousand and $130,010 thousand.

20. BORROWINGS

Short-term borrowings

	March 31, 2016	December 31, 2015	March 31, 2015
Unsecured borrowings			
Bank loans	$ 594,321	$ 646,093	$ 557,144

The weighted average effective interest rates on the bank loans as of March 31, 2016, December 31, 2015 and March 31, 2015 were 1.0879%-2.33%, 1.14%-2.20% and 1.44%-2.5429%

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	March 31, 2016	December 31, 2015	March 31, 2015
Floating rate borrowings					
Unsecured bank borrowing	2018.2	Repayable quarterly from August 2015	$ 500,000	$ 500,000	$ -
Unsecured bank borrowing	2019.2.28	Repayable quarterly from February 2014	225,000	243,750	300,000
Unsecured bank borrowing	2018.1	Repayable quarterly from July 2015	200,000	200,000	-
Unsecured bank borrowing	2017.6.27	Repayable semiannually from June 2014	180,000	180,000	300,000
Unsecured bank borrowing	2016.7.14	Repayable on July 2016	160,625	162,178	154,907
Unsecured bank borrowing	2017.1.10	Repayable on January 2016	160,625	194,613	185,888
Unsecured bank borrowing	2017.12.18	Repayable on December 2017	160,625	162,178	154,906
Secured bank borrowing	2017.3.16	Repayable semiannually from March 2012	155,555	233,332	311,110
			$ 1,742,430	$ 1,876,051	$ 1,406,811
Current			$ 863,471	$ 619,678	$ 660,369
Noncurrent			878,959	1,256,373	746,442
			$ 1,742,430	$ 1,876,051	$ 1,406,811

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

The effective rates of borrowings as of March 31, 2016, December 31, 2015 and March 31, 2015 were 1.705%-2.79%, 1.705%-2.8562% and 1.865%-2.558%.

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

21. TRADE PAYABLES

	March 31, 2016	December 31, 2015	March 31, 2015
Notes payable			
Payable - operating	$ -	$ -	$ 100
Accounts payable			
Payable - operating	664,736	665,304	881,472
	$ 664,736	$ 665,304	$ 881,572

The average credit period on purchases of certain goods was 30-90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. PROVISIONS

	March 31, 2016	December 31, 2015	March 31, 2015
Customer returns and rebates	$ 10,462	$ 15,339	$ 17,788

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

23. OTHER LIABILITIES

	March 31, 2016	December 31, 2015	March 31, 2015
Other payables			
Salaries and bonus	$ 180,293	$ 371,315	$ 398,686
Employee bonuses and compensation payable to directors and supervisions	126,583	109,637	84,088
Payable for royalties	41,239	37,065	13,856
Labor/health insurance	25,048	27,961	25,604
Payable for purchase of equipment	20,904	94,809	58,552
Unearned revenue	16,101	22,891	45,655
Payable for commission	15,841	12,815	19,464
Professional service fees	4,837	5,293	5,778
Others	74,935	103,082	145,643
	$ 505,781	$ 739,868	$ 797,326

(Continued)

	March 31, 2016	December 31, 2015	March 31, 2015
Deferred revenue			
Arising from governments grants (Note 31)	$ 75,606	$ 76,410	$ 78,538
Others	-	-	3,838
	$ 75,606	$ 76,410	$ 82,376
Current			
- Other current liability	$ 504,442	$ 738,529	$ 795,007
- Deferred revenue	1,811	1,819	2,758
	$ 506,253	$ 740,348	$ 797,765
Noncurrent			
- Other liability	$ 1,339	$ 1,339	$ 2,319
- Deferred revenue	73,795	74,591	79,618
	$ 75,134	$ 75,930	$ 81,937

(Concluded)

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

	December 31	
	2016	2015
Present value of funded defined benefit obligation	$ 277,337	$ 279,700
Fair value of plan assets	(182,819)	(176,652)
Net liability arising from defined benefit obligation	$ 94,518	$ 103,048

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

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	$ 280,781	$ 166,865	$ 113,916
Service cost			
Current service cost	1,794	-	1,794
Net interest expense (income)	5,215	2,990	2,225
Recognized gain and loss	7,009	2,990	4,019
Remeasurement			
Return on plan assets	-	909	(909)
Actuarial (gain) loss-experience adjustment	(8,090)	88	(8,178)
Recognized in other comprehensive income	(8,090)	997	(9,087)
Contributions from employer	-	5,800	(5,800)
Balance at December 31, 2014	$ 279,700	$ 176,652	$ 103,048
Balance at January 1, 2015	$ 279,700	$ 176,652	$ 103,048
Service cost			
Current service cost	1,544	-	1,544
Disposal gain	(11,649)	-	(11,649)
Net interest expense (income)	5,579	3,585	1,994
Recognized gain and loss	(4,526)	3,585	(8,111)
Remeasurement			
Return on plan assets	-	1,133	(1,133)
Actuarial (gain) loss-experience adjustment	1,863	-	1,863
Actuarial (gain) loss-changes in demographic assumptions	158	-	158
Actuarial (gain) loss-changes in financial assumptions	3,782	-	3,782
Recognized in other comprehensive income	5,803	1,133	4,670
Contributions from employer	-	5,089	(5,089)
Benefit paid	(3,640)	(3,640)	-
Balance at December 31, 2014	$ 277,337	$ 182,819	$ 94,518

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

	Three Months Ended March 31	
	2016	2015
Cost of revenue	$ 68	$ 117
Marketing expenses	71	104
General and administrative expenses	127	191
Research and development expenses	289	(11,183)
	$ 555	$ (10,771)

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

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

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

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

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

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

	December 31	
	2015	**2014**
Discount rate(s)	1.60%-1.90%	1.90%-2.13%
Expected rate(s) of salary increase	3.50%-6.25%	3.50%-6.25%
Resignation rate	0%-29%	0%-29%

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

	December 31, 2015
Discount rate(s)	
0.25% increase	$ (10,215)
0.25% decrease	$ 10,705
Expected rate(s) of salary increase	
1% increase	$ 44,351
1% decrease	$ (37,661)

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

	December 31	
	2015	**2014**
The expected contributions to the plan for the next year	$ 5,037	$ 2,761
The average duration of the defined benefit obligation	14-22 years	15-22 years

25. EQUITY

Share capital

Common shares:

	March 31, 2016	December 31, 2015	March 31, 2015
Number of shares authorized (in thousands)	1,200,000	1,200,000	1,200,000
Shares authorized	$ 12,000,000	$ 12,000,000	$ 12,000,000
Number of shares issued and fully paid (in thousands)	591,995	591,995	591,995
Shares issued	$ 5,919,949	$ 5,919,949	$ 5,919,949

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

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

Capital surplus

	March 31, 2016	December 31, 2015	March 31, 2015
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
Arising from issuance of common shares	$ 703,376	$ 703,376	$ 703,376
Arising from treasury share transactions	36,518	36,518	34,382
Arising from consolidation excess	157,423	157,423	157,423
Depending on the source, may be used to offset a deficit only or may not be used for any purpose			
Other (b)	-	-	(735)
	$ 897,317	$ 897,317	$ 894,446

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

Retained earnings and dividend policy

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

a. up to 6% of paid-in capital as dividends; and

b. 1.5% as remuneration to directors and supervisors and at least 1% as bonus to employees. The employees may include, with the approval of Sunplus' board of directors, those of Sunplus' subsidiaries.

c. Under an approved shareholders' resolution, the current year's net income less all the foregoing appropriations and distributions plus the inappropriate prior years' earnings may be distributed as additional dividends.

d. 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.

In shareholders' equity, if there is debit balance (ex. unrealized loss on financial assets and cumulative translation adjustment) accumulated from previous years or due to after-tax loss in current year, the Company should appropriate the same amount of earnings to special reserve, and reverse the special reserve when the debit balance has reversed before distribution of earnings.

Under the May 2015 amendments to the Company Act, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Article of Incorporation had been proposed by the Company's board of directors on December 25, 2015 and are subject to the resolution of the shareholders in their meeting to be held on June 13, 2016. For information on the employee's accrued compensation and remuneration to directors and supervisors and the actual appropriations; please refer to Note 27-6.

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

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

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

The appropriations of earnings for 2015 and 2014 proposed by the board of directors on March 23, 2016 and approved in the shareholder's meeting on June 12, 2015, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2015	**2014**	**2015**	**2014**
Unappropriated earnings offset loss	$ -	$ 12,086	$ -	$ -
Appropriated legal reserve	58,935	41,058	-	-
Appropriated (reserve) special reserve	4,094	(4,806)	-	-
Cash dividend	526,875	355,198	0.89	0.6

Other equity items

a. Foreign currency translation reserve:

	For Three Months Ended March 31	
	2016	**2015**
Balance at January 1, 2016	$ 97,509	$ 128,258
Exchange differences arising on translating the foreign operations	(14,712)	(23,952)
Share of exchange differences of associates accounted for using equity method	(1,851)	(1,522)
Balance at March 31, 2016	$ 80,946	$ 102,784

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

	For Three Months Ended March 31	
	2016	**2015**
Balance at January 1, 2016	$ 233,983	$ 181,674
Changes in fair value of available-for-sale financial assets	(182,905)	(112,927)
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	30,382	125,203
Unrealized of gain and using equity method to recognize associates as available for sale	1,878	925
The proportionate share of other comprehensive income/losses reclassified to profit or loss upon partial disposal of associates	-	(41)
Cumulative gain/loss reclassified to profit or loss upon disposal of available-for-sale financial assets	(1,037)	(3,534)
Balance at March 31, 2016	$ 82,301	$ 191,300

Noncontrolling interests

	For Three Months Ended March 31	
	2016	2015
Balance at January 1, 2016	$ 1,695,228	$ 1,598,388
Attributable to noncontrolling interests:		
Share of profit for the year	34,057	20,101
Exchange difference arising on translation of foreign entities	(1,021)	(2,218)
Unrealized gains and losses on available-for-sale financial assets	(588)	(702)
Others	48	833
Balance at March 31, 2016	$ 1,727,754	$ 1,616,402

Treasury shares

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2015	-	3,560	3,560
Decrease	-	-	-
Number of shares at March 31, 2015	-	3,560	3,560
Number of shares at January 1, 2016	-	3,560	3,560
Decrease	-	-	-
Number of shares at March 31, 2016	-	3,560	3,560

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

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
March 31, 2016			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 46,636
December 31, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 41,474
March 31, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 48,238

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

Global depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand common shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US$9.57 per unit. As of March 31, 2016, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

26. REVENUE

	For Three Months Ended March 31	
	2016	2015
Revenue from IC	$ 1,692,364	$ 1,780,065
Rental income from property	42,421	37,541
Other	67,386	46,197
	$ 1,802,171	$ 1,863,803

27. NET PROFIT

Net profit (loss) included the following items:

Other income

	For the Three Months Ended March 31	
	2016	2015
Interest income		
Bank deposits	$ 6,924	$ 8,291
Others	5,286	7,062
	$ 12,210	$ 15,353

Other gains and losses

	For the Three Months Ended March 31	
	2016	2015
Gain on disposal of investment	$ 1,318	$ 909,994
Net gain arising on financial assets designated as at FVTPL	14	67
Net foreign exchange gains	(15,618)	(19,889)
Loss on reversal of impairment loss on financial assets	(30,382)	(188,249)
Others	3,510	5,126
	$ (41,158)	$ 707,049

Finance costs

	For the Three Months Ended March 31	
	2016	2015
Interest on bank loans	$ 10,030	$ 7,892

Information on capitalized interest is as below:

	For the Three Months Ended March 31	
	2016	2015
Capitalized interest	$ 2,027	$ 3,702
Capitalization rate	2.69%	2.39%

Depreciation and amortization

	For the Three Months Ended March 31	
	2016	2015
Property, plant and equipment	$ 59,376	$ 71,488
Investment property	4,261	5,353
Intangible assets	25,685	20,812
	$ 89,322	$ 97,653
An analysis of depreciation by function		
Operating costs	$ 7,574	$ 2,518
Operating expenses	56,063	74,323
	$ 63,637	$ 76,841
An analysis of amortization by function		
Operating costs	$ 225	$ 260
Selling and marketing expenses	16	57
General and administrative expenses	4,835	2,622
Research and development expenses	20,609	17,873
	$ 25,685	$ 20,812

Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2016	2015
Direct operating expenses from investment property that generated rental income	$ 6,460	$ 5,756
Direct operating expenses from investment property that did not generate rental income	21,032	22,070
	$ 27,492	$ 27,826

Employee benefit expense

	For the Three Months Ended March 31	
	2016	2015
Post-employment benefit		
Defined contribution plans (Note 24)	$ 13,872	$ 14,113
Defined benefit plans	555	(10,771)
Other employee benefit	486,495	731,944
Total employee benefit expense	$ 500,922	$ 735,286
An analysis of employee benefit expense by function		
Operating costs	$ 68,104	$ 40,469
Operating expenses	432,818	694,817
	$ 500,922	$ 735,286

Under the existing Articles of Incorporation of Company, the Company distributed bonus to employees $1,471 thousand and remuneration to directors and supervisors $2,206 thousand for the three months ended March 31, 2016; the amounts were calculated at a certain percentage of after-tax profit.

Under the Company Act as amended in May 2015, the Company proposed amendments to its Articles of Incorporation to distribute employees' compensation and remuneration to directors and supervisors at rates no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the three months ended March 31, 2016, the Company did not distribute bonus to employees' and remuneration of directors and supervisors because of small amount of before-tax profit.

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

The appropriations of employees' compensation and remuneration to directors and supervisors for 2015 having been resolved by the board of directors on March 23, 2016, and the appropriations of bonus to employees and remuneration to directors and supervisors for 2014 having been approved in the shareholders' meetings on June 12, 2015, respectively, were stated as below. The employees' compensation and remuneration to directors and supervisors for 2015 are subject to the resolution of the amendments to the Company's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 13, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

	For the Year Ended December 31			
	2015		2014	
	Cash	Share	Cash Dividends	Share Dividends
Employees' compensation /Bonus to employees	$ 6,089	$ -	$ 191	$ -
Remuneration of directors and supervisors	9,133	-	287	-

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

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

The differences were adjusted to profit and loss for the year ended December 31, 2015.

Information on the employees' compensation and remuneration to directors and supervisors resolved by the Company's board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2016	**2015**
Forgien exchange gains	$ 41,017	$ 10,776
Forgien exchange bosses	(56,635)	(30,665)
	$ (15,618)	$ (19,889)

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	Years Ended March 31	
	2016	**2015**
Current tax		
Current period	$ 12,865	$ 17,860
Others	(28)	919
	12,837	18,779
Deferred tax		
Current period	1,684	(10,324)
Income tax expense recognized in profit or loss	$ 14,521	$ 8,455

b. Imputation credits accounts

	March 31, 2016	December 31, 2015	March 31, 2015
Imputation credits accounts	$ 313,104	$ 313,104	$ 372,426

	Years Ended March 31	
	2015 (Expected)	2014
Creditable ratio for distribution of earnings	20.91%	20.48%

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

Project	Tax Exemption Period
Sunplus	
Thirteenth expansion	January 1, 2010 to December 31, 2017
Fourteenth expansion	January 1, 2015 to December 31, 2019
Fifteenth expansion	January 1, 2015 to December 31, 2019
Generalplus	
Fifth expansion	January 1, 2013 to December 31, 2017
Sunplus Innovation	
Second expansion	January 1, 2013 to December 31, 2017

Income tax assessments

The income tax returns of Sunplus, Sunplus mMobile and through 2012; the income tax returns of Generalplus, Sunplus Innovation and iCatch through 2013; the income tax returns of Sunnext, Sunplus mMedia, Lin Shih, Sunplus Venture, Sunplus management Consulting, Wei-Yough and Jumplex through 2014. Nevertheless, for conservatism purposes, Sunplus and its subsidiaries provided for the income tax assessed by the tax authorities.

29. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2016	2015
Basic loss per share	$ -	$ 1.00
From continuing operations	-	(0.05)
Total basic EPS	$ -	$ 0.95
Diluted loss per share	$ -	$ 1.00
From discontinued operations	-	(0.05)
Total diluted EPS	$ -	$ 0.95

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

Net profit for the Period

	For the Three Months Ended March 31	
	2016	2015
Profit for the period attributable to owners of the Group	$ 2,331	$ 558,049
Earnings used in the computation of basic EPS	2,331	558,049
Less: Profit for the period from discontinued operations used in the computation of basic EPS from discontinued operation	-	(27,845)
Earnings used in the computation of diluted earnings per share	2,331	585,894
Effect of potentially dilutive ordinary shares		
Bonus to employee	-	-
Earnings used in the computation of diluted EPS from continuing operation	$ 2,331	$ 585,894

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

	For the Three Months Ended March 31	
	2016	2015
Profit for the period attributable to owners of the Group	588,435	588,435
Effect of dilutive potential common shares:		
Employee share option	427	31
Earnings used in the computation of diluted earnings per share	588,862	588,466

30. SHARE-BASED PAYMENT ARRANGEMENTS

Sunplus Innovation Technology Inc.

Restricted stock plan

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

On August 7, 2013, under the board of directors' approval, SITI executed the restricted ESOP, through which employees received 1,000 thousand shares at a par value of $10.00 with no upfront cost. The stock with a fair value of NT$8.7699 per share was issued and granted on August 15, 2013.

In their meeting on April 18, 2014, the shareholders of Sunplus Innovation Technology Inc. (SITI) approved the second plan of the restricted employee stock ownership plan (ESOP), through which employees would receive 1,400 thousand shares amounting to $14,000 thousand, with no up-front cost and at a par value of $10.00. The stock is issued and granted on April 18, 2014, with the fair value of NT$6.0599.

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

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

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

The restrictions under the ESOP are as follows:

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

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

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

If the vesting conditions of restricted ESOP were not satisfied, SITI will retrieve and retire the restricted stock, but the employees are going to receive the cash and share dividends which were allocated during the vesting period.

Information about the Sunplus Innovation's restricted stock plan was as follows.

	Number of Restricted Stock (In Thousands)	
	For the Three Months Ended March 31	
	2016	2015
Balance at January 1	820	2,315
Retirement	(2)	(259)
Balance at March 31	818	2,056

iCatch Technology Inc.

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

Information about the iCatch's outstanding options for the three months ended March 31, 2016 was as follows:

	Year Ended March 31, 2015	
	Number of Options (In Thousands)	Weighted Average Exercise Price (NT$)
Share-Based Payment		
Balance at January 1	6,199	$ 10
Options exercised	(10)	10
Balance at March 31	6,189	10
Balance at January and March 31, 2015	7,500	$ 10

As of March 31, 2016, information about iCatch's outstanding and exercisable options was as follows:

2013 First time executed:

	Outstanding Options			Options Exercisable	
Range of Exercise Price (NT$)	Number Outstanding (Thousands)	Remaining Contractual Life (In Years)	Exercise Price (NT$/Per Share)	Number Exercisable (Thousand)	Exercise Price (NT$/Per Share)
$10	4,618	3.45	$10	2,295	$ -

2013 second time executed:

	Outstanding Options			Options Exercisable	
Exercise Price (NT$)	Number Outstanding (Thousands)	Remaining Contractual Life (In Years)	Exercise Price (NT$/Per Share)	Number Exercisable (Thousands)	Exercise Price (NT$/Per Share)
$10	1,571	4.35	$10	-	$ -

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

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

31. GOVERNMENT GRANTS

In August 2013, Sun Media Technology Co., Ltd. received a government grant amounting to RMB16,390 thousand ($79,213 thousand) for the purchase of land on which to build a plant. This amount, which was recognized as deferred revenue, will be recognized in profit or loss over the useful life of the land. The total revenue recognized as profit for the three months ended March 31, 2016 and 2015 was 460 thousand.

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

In July 2015, the Hsinchu Science Park Bureau (HSPB), which is under the Ministry of Science and Technology, and its counterparties - the Company, H.P.B Optoelectronics Co., Ltd., and the National Yunlin University's Science and Technology Department of Electronic Engineering - signed a contract on the counterparties' development for the Hsinchu Science Park of a high-definition, panoramic imaging system with real-time correction, which can be set up in cars for trips throughout Taiwan. The government grant will be received by the Company for distribution among the counterparties on the basis of the percentage of completion of the system development. The program started on July 1, 2015 and will be completed on June 30, 2016.

32. DISPOSAL OF SUBSIDIARIES

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

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

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

33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

Sunplus

Sunplus leases lands from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in July 2015, December 2020 and December 2021. The SBIPA has the right to adjust the annual lease amount of $8,264 thousand. Sunplus had pledged $6,100 thousand time deposits (classified as other non-current assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Up to 1 year	$ 8,264	$ 7,815	$ 5,844
Over 1 year to 5 years	35,528	31,262	18,992
Over 5 years	44,490	45,692	6,315
	$ 85,282	$ 84,769	$ 31,151

Sunplus Innovation

Sunplus Innovation leases office from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in December 2016 and December 2018. The SBIPA has the right to adjust the annual lease amount of $5,459 thousand.

The future lease payables are as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Up to 1 year	$ 5,459	$ 5,459	$ 9,961
Over 1 year to 5 years	9,554	10,919	18,390
	$ 15,013	$ 16,378	$ 28,351
Refundable deposits	$ 910	$ 1,660	$ 1,660

Generalplus

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

Future annual minimum rentals under the leases are as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Up to 1 year	$ 1,474	$ 1,474	$ 1,474
Over 1 year to 5 years	5,528	5,896	5,896
Over 5 years	-	-	1,106
	$ 7,002	$ 7,370	$ 8,476

iCatch Technology, Inc. ("iCatch")

iCatch leases office from Sliming Inc. and Siha Inc. under renewable agreements expiring in February 2018; the lease payments were $2,093 thousand and $1,390, respectively.

The future lease payments are as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Up to 1 year	$ 3,483	$ 538	$ 2,715
Over 1 year to 5 years	3,192	-	-
	$ 6,675	$ 538	$ 2,715
Refundable deposits	$ 521	$ 521	$ 521

The Group as lessor

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

As of March 31, 2016, December 31, 2015, March 31, 2015 deposits received under operating leases amounted to $36,171 thousand, $35,410 thousand and $24,475 thousand, respectively.

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

	March 31, 2016	December 31, 2015	March 31, 2015
Up to 1 year	$ 130,024	$ 117,457	$ 100,317
Over 1 to 5 years	130,949	109,985	58,948
	$ 260,973	$ 227,442	$ 159,265

34. CAPITAL MANAGEMENT

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

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

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

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

	March 31, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 527,823	$ -	$ 528,590	$ -
Debt investment with no active market	15,389	-	15,389	-

	March 31, 2015	
	Carrying Amount	Fair Value
Financial assets		
Financial assets carried at cost	$ 260,905	$ -
Debt investment with no active market	14,903	-

b. Fair value level

1)

March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 17,704	$ -	$ -	$ 17,704
Available-for-sale financial assets				
Mutual funds	$ 1,176,337	$ -	$ -	$ 1,176,337
Securities listed in ROC	1,416,515	-	-	1,416,515
	$ 2,592,852	$ -	$ -	$ 2,592,852

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 24,200	$ -	$ -	$ 24,200
Available-for-sale financial assets				
Mutual funds	$ 874,799	$ -	$ -	$ 874,799
Securities listed in ROC	1,605,745	-	-	1,605,745
	$ 2,480,544	$ -	$ -	$ 2,480,544

March 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 14,911	$ -	$ -	$ 14,911
Available-for-sale financial assets				
Mutual funds	$ 723,211	$ -	$ -	$ 723,211
Securities listed in ROC	2,574,052	-	-	2,574,052
	$ 3,297,263	$ -	$ -	$ 3,297,263

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

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

The fair value of financial instruments which has standard clause and will been transacted in active market is according to market value including public convertible bond, equity investment and Mutual funds.

c. Categories of financial instruments

	March 31, 2016	December 31, 2015	March 31, 2015
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 17,704	$ 24,200	$ 14,911
Loans and receivables (i)	5,571,034	6,147,805	5,887,120
Available-for-sale financial assets(ii)	3,120,675	3,009,134	3,558,168
Financial liabilities			
measured at amortized cost(iii)	3,202,850	3,389,629	3,053,617

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

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

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

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

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

	USD impact For the Three Months Ended March 31	
	2016	**2015**
Profit or loss	$ (15,299)	$ (33,685)

	RMB impact For the Three Months Ended March 31	
	2016	**2015**
Profit or loss	$ (13,535)	$ (89,988)

b) Interest rate risk

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

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

	March 31, 2016	**December 31, 2015**	**March 31, 2015**
Fair value interest rate risk			
Financial assets	$ 2,505,878	$ 3,110,718	$ 2,046,000
Financial liabilities	257,071	170,588	355,766
Cash flow interest rate risk			
Financial assets	1,835,593	1,587,426	1,836,512
Financial liabilities	2,079,680	2,351,556	1,608,189

Sensitivity analysis

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

If interest rates had been 0.125% basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the three months ended March 31, 2016 and 2015 would decrease/increase by $305 thousand and $285 thousand.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, post-tax profit for the three months ended March 31, 2016 and 2015 would have increased/decreased by $25,929 thousand and $32,973 thousand.

2) Credit risk

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

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

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

The Group's concentration of credit risk of 52%, 54% and 46% in total trade receivables as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

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

March 31, 2016

Non-derivative financial liabilities	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	-	$ 209,184	$ 530,010	$ 608,780	$ 51,365	$ -
Variable interest rate liabilities	1.705-2.79	994	78,750	463,473	878,959	-
Fixed interest rate liabilities	0.8-2.33	3	311,272	273,063	-	139,719
		$ 210,181	$ 920,032	$ 1,345,313	$ 930,324	$ 139,719

December 31, 2015

Non-derivative financial liabilities	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	-	$ 311,829	$ 539,694	$ 597,928	$ 34,621	$ -
Variable interest rate liabilities	1.705-2.8562	117,232	96,528	750,198	917,294	-
Fixed interest rate liabilities	0.8-2.2	-	440	85,548	108,806	142,694
		$ 429,061	$ 636,662	$ 1,433,674	$ 1,060,721	$ 142,694

March 31, 2015

Non-derivative financial liabilities	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	-	$ 303,710	$ 732,877	$ 32,261	$ 33,347	$ -
Variable interest rate liabilities	1.44-2.558	546	78,750	271,806	1,056,254	-
Fixed interest rate liabilities	0.8-2.5429	88	293	356,645	201,378	143,816
		$ 304,344	$ 811,920	$ 660,712	$ 1,290,979	$ 143,816

b) Financing facilities

	March 31, 2016	December 31, 2015	March 31, 2015
Unsecured bank overdraft facility			
Amount used	$ 2,084,717	$ 2,582,603	$ 2,215,840
Amount unused	3,920,215	3,770,817	2,346,908
	$ 6,004,932	$ 6,353,420	$ 4,562,748

36. TRANSACTIONS WITH RELATED PARTIES

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

a. Operating revenue

Account Items	Related Parties Types	For the Three Months Ended March 31 2016	For the Three Months Ended March 31 2015
Sales of goods	Joint ventures	$ 219	$ 47,124

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

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

Account Items	Related Parties Types	March 31, 2016	December 31, 2015	March 31, 2015
Accounts receivable	Joint ventures	$ -	$ 10,049	$ 45,848
Other receivable	Joint ventures	$ 236	$ 1,262	$ 1,299

There were no guarantees on outstanding receivables from related parties. For the three months ended March 31, 2016 and 2015, the allowances for doubtful accounts were zero.

c. Other transactions with related parties

Account Items	Related Parties Types	Three Months Ended March 31 2016	Three Months Ended March 31 2015
Operating expenses	Joint ventures	$ -	$ 195
Nonoperating Income and Expense	Joint ventures	$ 1,808	$ 4,164

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

Administrative support service price between the Group and its related parties were negotiated and were thus not comparable with those in the market.

d. Compensation of directors, supervisors and management personnel:

	Three Months Ended March 31 2016	Three Months Ended March 31 2015
Salaries and Incentives	$ 14,553	$ 15,375
Special compensation	908	902

	$ 15,461	$ 16,277

Compensation of directors and other supervisors are decided by a remuneration committee based on individual performance and market trend.

37. PLEDGED OR MORTGAGED ASSETS

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

	March 31, 2016	December 31, 2015	March 31, 2015
Buildings, net	$ 668,701	$ 673,342	$ 688,101
Focaltech stock	-	-	432,000
Pledged time deposits (classified other assets, including current and noncurrent)	257,105	259,876	93,077
Subsidiary's holding of Sunplus' stock	44,336	39,429	45,859
	$ 970,142	$ 972,647	$ 1,259,037

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

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

March 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 61,455	32.185	$ 1,977,929
CNY	17,977	4.972	89,382
JPY	444	0.286	127
HKD	174	4.150	722
GBP	3	46.170	139
EUR	2	36.510	73
Nonmonetary items			
USD	1,131	32.185	36,401
EUR	510	36.510	18,620
Financial liabilities			
Monetary items			
USD	46,156	32.185	1,485,531
CNY	4,442	4.972	22,086
HKD	5	4.150	21

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 57,606	4.995	$ 287,742
USD	57,883	32.825	1,900,009
JPY	359	0.273	98
HKD	93	4.235	394
GBP	3	48.670	146
EUR	2	35.880	72
Nonmonetary items			
USD	997	32.825	32,727
EUR	510	35.880	18,299
Financial liabilities			
Monetary items			
USD	55,684	32.825	1,827,827
CNY	2,120	4.995	10,589
JPY	277	0.273	76

March 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 91,292	5.044	$ 460,477
USD	86,051	31.300	2,693,396
JPY	459	0.260	119
HKD	127	4.036	513
GBP	3	46.240	139
EUR	2	33.650	67
Nonmonetary items			
USD	1,629	31.300	50,988
EUR	510	33.650	17,162
Financial liabilities			
Monetary items			
USD	52,366	31.300	1,639,056
CNY	1,304	5.044	6,577

The foreign currency exchange losses (realized and unrealized) amounted to $15,618 thousand and $19,889 thousand for the three months ended March 31, 2016 and 2015, respectively. Due to the diversity of the functional currencies of the Group, it is unable to disclose foreign currency with significant influence.

39. ADDITIONAL DISCLOSURES

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

   1) Financing provided: Table 1 (attached)

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

   3) Marketable securities held: Table 3 (attached)

   4) Intercompany relationships and significant intercompany transactions: Table 4 (attached)

   5) Information on investee: Table 5 (attached)

b. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

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

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

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

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

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

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

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

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub-segment and operating results for the three months ended March 31, 2016 and 2015 are shown in the accompanying consolidated income statements, and the assets by segment as of March 31, 2016 and 2015 are shown in the accompanying consolidated balance sheets.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	VENTUREPLUS CAYMAN INC.	Sun Media Technology Co., Ltd.	Other receivables	Yes	$ 113,558	$ 113,558	$ 64,890	2.27%-2.28%	Note 1	$ -	Note 2	$ -	-	$ -	$ 169,994 (Note 9)	$ 339,987 (Note 9)
1	VENTUREPLUS CAYMAN INC.	Sunplus Prof-tek Technology (Shenzhen)	Other receivables	Yes	45,403	45,403	45,403	2.37%	Note 1	-	Note 3	-	-	-	169,994 (Note 9)	339,987 (Note 9)
1	VENTUREPLUS CAYMAN INC.	Ytrip Technology Co., Ltd.	Other receivables	Yes	36,317	36,317	33,072	2.27%-2.60%	Note 1	-	Note 4	-	-	-	84,997 (Note 10)	169,994 (Note 10)
2	Sunplus Technology (Shanghai) Co., Ltd.	1culture Communication Co,.Ltd	Receivables from related parties	Yes	1,164	1,164	1,164	1.8%-2.05%	Note 1	-	Note 5	-	-	-	25,671 (Note 11)	51,343 (Note 11)
2	Sunplus Technology (Shanghai) Co., Ltd	Ytrip Technology Co., Ltd.	Receivables from related parties	Yes	3,497	3,497	3,497	1.8%	Note 1	-	Note 6	-	-	-	25,671 (Note 11)	51,343 (Note 11)
2	Sunplus Technology (Shanghai) Co., Ltd	Sunplus APP Technology	Receivables from related parties	Yes	15,276	15,276	15,276	1.8%	Note 1	-	Note 7	-	-	-	25,671 (Note 11)	51,343 (Note 11)
2	Sunplus Technology (Shanghai) Co., Ltd	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	106,932	106,932	106,932	1.6%-2.35%	Note 1	-	Note 8	-	-	-	308,057 (Note 12)	308,057 (Note 12)

Note 1: Short-term financing.

Note 2: VENTUREPLUS CAYMAN INC. provided funds for Sun Media Technology Co., Ltd. to its need of operation.

Note 3: VENTUREPLUS CAYMAN INC. provided funds for Sunplus Prof-tek Technology (Shenzhen) to its need of operation.

Note 4: VENTUREPLUS CAYMAN INC. provided funds for Ytrip Technology Co., Ltd. to its need of operation.

Note 5: Sunplus Technology (Shanghai) Co., Ltd. provided funds for the operating needs of 1culture Communication Co, .Ltd.

Note 6: Sunplus Technology (Shanghai) Co., Ltd. provided funds for the operating needs of Ytrip Technology Co., Ltd.

Note 7: Sunplus Technology (Shanghai) Co., Ltd. provided funds for the operating needs of Sunplus APP Technology.

Note 8: Sunplus Technology (Shanghai) Co., Ltd. provided funds for the operating needs of Sun Media Technology Co., Ltd.

Note 9: The foreign company has voting shares that are directly and indirectly wholly owned by the Group's parent company. The total amounts of all guarantees issued should not exceed 20% of VENTUREPLUS CAYMAN INC. net equity based on the latest financial statements , and the individual amounts of the guarantee should not exceed 10% of VENTUREPLUS CAYMAN INC. net equity based on the latest financial statements; in addition, the guarantee period should not exceed two years.

Note 10: The amount should not exceed 10% of VENTUREPLUS CAYMAN INC. net equity based on the latest financial statements, and the individual amounts of the guarantee should not exceed 5% of VENTUREPLUS CAYMAN INC. net equity based on the latest financial statements.

Note 11: The aggregate amount should not exceed 10% of the net equity of Sunplus Technology (Shanghai) Co., Ltd. ("Sunplus Shanghai") , and the individual amounts of the guarantee should not exceed 5% of Sunplus Shanghai's net equity, with net equity based on this lender's latest financial statements.

Note 12: The foreign company has voting shares that are directly and indirectly wholly owned by the Group's parent company. The total amounts of all guarantees issued and the individual amounts of the guarantee should not exceed 60% of Sunplus Technology (Shanghai) Co., Ltd.'s net equity as of the latest financial statements; in addition, the guarantee period should not exceed two years.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/Guarantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
0 (Note 1)	Sunplus Technology Company Limited ("Sunplus")	Ventureplus Cayman Inc.	3 (Note 4)	$ 936,408 (Note 5)	$ 288,490	$ 210,315	$ 210,315	$ -	2.25	$ 1,872,815 (Note 6)	Yes	No	No
		Sun Media Technology Co., Ltd.	3 (Note 4)	936,408 (Note 5)	943,470	744,055	744,055	-	7.95	1,872,815 (Note 6)	Yes	No	Yes
		Ytrip Technology Co., Ltd.	3 (Note 4)	936,408 (Note 5)	62,370	62,370	62,370	-	0.67	1,872,815 (Note 6)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 3)	936,408 (Note 5)	20,000	20,000	20,000	-	0.21	1,872,815 (Note 6)	Yes	No	No
1 (Note 2)	RUSSELL HOLDINGS LTD.	Sun Media Technology Co., Ltd.	3 (Note 4)	174,861 (Note 7)	158,250	158,250	158,250	158,250	54.3	174,861 (Note 7)	No	No	Yes

Note 1: Issuer.

Note 2: Investee.

Note 3: Directly holds more than 50% of the common shares of a subsidiary.

Note 4: Common shares held by the Sunplus and its subsidiaries jointly own more than 50% of the investee company.

Note 5: For each transaction entity, the amount should not exceed 10% of the endorsement/guarantee provider's net equity as shown in the provider's latest financial statements.

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

Note 7: The amount should not exceed 60% of the endorsement/guarantee provider's net equity based on the latest financial statements.

TABLE 3

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2016				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the "Company")	Stock							
	Tatung Company	-	Available-for-sale financial assets	46,094	$ 247,527	2	$ 247,527	Note 2
	RITEK Corp.	-	Available-for-sale financial assets	5,000	13,649	-	13,649	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	26,169	-	26,169	Note 2
	FolcalTech Inc.		Available-for-sale financial assets	29,141	814,479	10	814,479	Note 2
	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	163,501	-	163,501	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	577	7,083	-	7,083	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	51,140	-	51,140	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,587	-	30,587	Note 3
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,585	-	30,585	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,303	-	5,303	Note 3
	Franklin Global Fduntl Start Fund	-	Available-for-sale financial assets	13	4,957	-	4,957	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	4,960	-	4,960	Note 3
	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,010	30,116	-	30,116	Note 3
	Prudential Financial Money Market Fund	-	Available-for-sale financial assets	1,925	30,084	-	30,084	Note 3
	Yuanta Emerging Indonesia Opp Bd	-	Available-for-sale financial assets	500	5,549	-	5,549	Note 3
	Jih Sun Money Market	-	Available-for-sale financial assets	3,420	50,053	-	50,053	Note 3
	Yuanta Global USD Corporate Bond TWD A	-	Available-for-sale financial assets	2,000	19,803	-	19,803	Note 3
	Yuanta USD Money Market USD	-	Available-for-sale financial assets	100	32,189	-	32,189	Note 3
	Availin Inc.	-	Financial assets carried at cost	9,039	212,218	17	212,218	Note 1
	Network Capital Global Fund	-	Financial assets carried at cost	380	3,800	7	3,800	Note 1
	Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	356	3,556	11	3,556	Note 1
Lin Shih Investment Co., Ltd.	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,164	63,591	1	63,591	Note 2
	Radiant Innovation Inc.	-	Available-for-sale financial assets	3,043	79,724	7	79,724	Note 2
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	46,636	1	46,636	Notes 2 and 4
	RITEK Technology Co., Ltd.	-	Available-for-sale financial assets	833	2,275	-	2,275	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	60	129	-	129	Note 2
	Asolid Technology Co., Ltd.	-	Available-for-sale financial assets	105	6,482	-	6,482	Note 2
	China Airlines Ltd.	-	Available-for-sale financial assets	1,000	11,500	-	11,500	Note 2
	Pegatron Corporation	-	Available-for-sale financial assets	237	17,799	-	17,799	Note 2
	Ruentex Material Co., Ltd	-	Available-for-sale financial assets	20	427	-	427	Note 2
	Compeq Manufacturing Co., Ltd.	-	Available-for-sale financial assets	1,000	20,600	-	20,600	Note 2
	Yuanta Global Equity Income Fund	-	Available-for-sale financial assets	2,000	19,160	-	19,160	Note 3
	Yuanta China Balance Fund	-	Available-for-sale financial assets	213	2,855	-	2,855	Note 3
	Yuanta Great China TMT TWD Acc	-	Available-for-sale financial assets	2,139	20,487	-	20,487	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2016				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,036	$ 11,152	10	$ 11,152	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	3,676	5	3,676	Note 1
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 1
	Chain Sea Information Integration Co., Ltd.	-	Financial assets carried at cost	69	1,121	-	1,121	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	-	7	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	103	-	1	-	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	8	-	-	-	Note 1
	AWEA MECHANTRONIC CO., LTD. -CB	-	Financial assets at fair value through profit or loss - current	20	2,000	-	2,000	Note 2
	Everlight Electronics Co., Ltd.-CB	-	Financial assets at fair value through profit or loss - current	80	7,856	-	7,856	Note 2
	CHILISIN ELECTRONICS CORP.-CB	-	Financial assets at fair value through profit or loss - current	80	7,848	-	7,848	Note 2
Russell Holdings Limited	<u>Stock</u>							
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	36,928 (US$ 1,147)	-	36,928 (US$ 1,147)	Notes 1 and 6
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	1,643 (US$ 51)	5	1,643 (US$ 51)	Notes 1 and 6
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	-	15	-	Note 1
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	-	-	-	Note 1
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	-	1	-	Note 1
	OZ Optics Limited.	-	Financial assets carried at cost	1,000	-	8	-	Note 1
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	-	3	-	Note 1
	Synerchip Inc.	-	Financial assets carried at cost	6,452	-	12	-	Note 1
Sunplus Venture Capital Co., Ltd.	<u>Stock</u>							
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	2,270	45,626	1	45,626	Note 2
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	69,805	-	69,805	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	351	758	-	758	Note 2
	FolcalTech Inc.	-	Available-for-sale financial assets	607	16,955	-	16,955	Note 2
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	1,250	35,750	-	35,750	Note 2
	Bond	-	Non-active market bond investment	1	15,389	-	15,389	Note 5
	Feature Integration Technology Inc.	-	Financial assets carried at cost	1,386	16,215	4	16,215	Note 1
	Genius Vision Digital	-	Financial assets carried at cost	750	15,000	6	15,000	Note 1
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,042	11,220	10	11,220	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2016				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Cyberon Corporation	-	Financial assets carried at cost	1,521	$ 13,691	18	$ 13,691	Note 1
	Touch Screen Glass Technology Co., Ltd.	-	Financial assets carried at cost	4,500	45,000	18	45,000	Note 1
	Taiwan Environmental Scientific Co., Ltd.	-	Financial assets carried at cost	900	27,900	3	27,900	Note 1
	Dawning Leading Technology Inc.		Financial assets carried at cost	3,039	42,000	1	42,000	Note 1
	Qun-Xin Venture Capital		Financial assets carried at cost	3,000	30,000	6	30,000	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	49	-	-	-	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	-	8	-	Note 1
	Simple Act Inc.	-	Financial assets carried at cost	1,900	-	10	-	Note 1
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	68	-	1	-	Note 1
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 1
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 1
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 1
Sunplus Technology (Shanghai) Co., Ltd.	GF MONEY MARKET FUND	-	Available-for-sale financial assets	15,700	78,905 (RMB$ 15,870)	-	78,905 (RMB$ 15,870)	Notes 3 and 6
	GF EVERY DAY THE RED HAIRED TYPE MONEY MARKET FUND		Available-for-sale financial assets	4,400	22,082 (RMB$ 4,441)	-	22,082 (RMB$ 4,441)	Notes 3 and 6
	CHONGQING CHONG YOU INFORMATION TECHNOLOGY CO., LTD.	-	Financial assets carried at cost	-	-	3	-	Note 1
Wei-Young Investment Inc.	Elitergroup Computer Systems	-	Available-for-sale financial assets	238	4,784	-	4,784	Note 2
Generalplus Technology Inc.	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	6,775	101,497	-	101,497	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,955	30,172	-	30,172	Note 3
	Jih Sun Money Market	-	Available-for-sale financial assets	6,832	100,001	-	100,001	Note 3
	Union Money Market	-	Available-for-sale financial assets	3,831	50,021	-	50,021	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	3,100	50,000	-	50,000	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,301	34,209	-	34,209	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,942	30,000	-	30,000	Note 3
Sunplus Innovation Technology Inc.	<u>Stock</u>							
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	2,000	4,121	9	4,121	Note 1
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	15,392	10	15,392	Note 1
	Point Grab Ltd.	-	Financial assets carried at cost	182	30,150	4	30,150	Note 1
	<u>Fund</u>							
	Yuanta USD Money Market TWD	-	Available-for-sale financial assets	7,018	68,763	-	68,763	Note 3
	Yuanta RMB Money Market TWD	-	Available-for-sale financial assets	916	9,969	-	9,969	Note 3
	Yuanta USD Money Market USD	-	Available-for-sale financial assets	100	32,186	-	32,186	Note 3
	Fubon Chi-Hsiang Money Market	-	Available-for-sale financial assets	1,292	20,034	-	20,034	Note 3
	Fuh Hwa You Li Money Market		Available-for-sale financial assets	2,253	30,049	-	30,049	Note 3
	Mega Diamond Money Market	-	Available-for-sale financial assets	810	10,036	-	10,036	Note 3

(Continued)

Note 1: The market value was based on carrying value as of March 31, 2016.

Note 2: The Market value was based on the closing price as of March 31, 2016.

Note 3: The market value was based on the net asset value of fund as of March 31, 2016.

Note 4: As of March 31, 2016, the above marketable securities, except the holdings of Lin Shih Investment Co., Ltd. of the shares of Sunplus Technology Company Limited with a market value $44,336 thousand had not been pledged or mortgaged.

Note 5: The market value was based on amortized cost as of March 31, 2016.

Note 6: The exchange rate was based on the exchange rate as of March 31, 2016.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
THREE MONTH ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. For the three months ended March 31, 2016

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Technology Co., Ltd. (“parent company”)	Generalplus Technology Corp.	1	Sales	$ 1,025	Note 1	0.06%
			Nonoperating income and gains	4	Note 2	-
			Notes and accounts receivable	659	Note 1	-
	Sunext Technology Co., Ltd.	1	Sales	118	Note 1	-
			Nonoperating income and gains	2,705	Notes 2 and 4	0.15%
			Notes and accounts receivable	100	Note 1	-
			Other receivables	902	Note 3	0.01%
	Sunplus Innovation Technology Inc.	1	Sales	106	Note 1	0.01%
			Nonoperating income and gains	917	Note 2	0.05%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	947	Note 3	0.01%
	iCatch Technology, Inc.	1	Sales	1,118	Note 1	0.06%
			Nonoperating income and gains	3,601	Notes 2 and 4	0.20%
			Notes and accounts receivable	579	Note 1	-
			Other receivables	1,199	Note 3	0.01%
	Sunplus Technology (H.K.) Co., Ltd.	1	Marketing expense	272	Note 2	0.02%
			Other accrued expense	81	Note 3	-
			Other prepaid expense	654	Note 3	-
	Jumplux Technology Co., Ltd.	1	Other receivables	602	Note 3	-
			Nonoperating income and gain	879	Note 2	0.05%
	Sunplus mMedia Inc.	1	Other accrued expense	321	Note 3	-
			Sales	1,939	Note 1	0.11%
			Nonoperating income and gains	1,410	Notes 2 and 4	0.08%
			Other receivables	969	Note 3	0.01%
			Notes and accounts receivable	1,901	Note 1	0.01%
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Marketing expense	756	Note 2	0.04%
			Other accrued expense	746	Note 3	-
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other accrued expense	6,317	Note 3	0.04%
			Marketing expense	6,400	Note 2	0.36%

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Generalplus Technology Corp.	Generalplus Technology (H.K.) Corp.	2	Marketing expense	$ 2,756	Note 2	0.15%
			Other prepaid expense	1,176	Note 3	0.01%
	Generalplus Technology (Shenzhen) corp.	2	Research and development expense	22,050	Note 2	1.22%
			Other accrued expense	21,535	Note 3	0.14%
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expense	6,254	Note 2	0.35%
			Accrued expenses	6,254	Note 3	0.04%
	SunMedia Technology Co., Ltd.	2	Marketing expense	8,409	Note 2	0.47%
			Accrued expenses	8,409	Note 3	0.06%
	Sunplus Technology (Beijing)	2	Research and development expense	184	Note 2	0.01%
			Accrued expenses	242	Note 3	-
Sunext Technology Co., Ltd.	Sunplus App Technology	2	Research and development expense	13	Note 2	-
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Other receivables	104,412	Note 3	0.69%
			Nonoperating income and gains	428	Note 2	0.01%
	1culture Communication Co., Ltd	2	Other receivables	1,144	Note 3	-
	Sunplus App Technology	2	Other receivables	14,916	Note 3	0.10%
			Nonoperating income and gains	61	Note 2	-
	Ytrip Technology Co., Ltd.	2	Other receivables	3,480	Note 3	0.02%
Sunplus mMedia Inc.	Sunplus Technology (Beijing)	2	Other accrued expense	748	Note 3	-
			Research and development expense	472	Note 2	0.03%
VENTUREPLUS CAYMAN INC.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other receivables	46,240	Note 3	0.31%
	Ytrip Technology Co., Ltd.	2	Other receivables	34,116	Note 3	0.23%
	SunMedia Technology Co., Ltd.	2	Other receivables	64,370	Note 3	0.43%
Sunplus Technology (Beijing)	Sunplus App Technology	2	Research and development expense	194	Note 2	0.01%

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

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

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

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

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2016	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	$ 2,579,945	$ 2,579,945	-	100	$ 1,687,338	$ (5,630)	$ (5,630)	Subsidiary
				(US$ 74,305	(US$ 74,305						(Note 2)
				RMB$ 37,900)	RMB$ 37,900)						
	Award Glory Ltd.	Belize	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary (Note 3)
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	315,658	315,658	8,229	13	347,415	64,038	8,365	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	901,963	8,164	8,164	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	747,866	75,802	26,001	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	834,095	5,230	5,230	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	62	517,593	5,510	3,422	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	475,051	475,051	14,760	100	288,011	2,302	2,302	Subsidiary
				(US$ 14,760)	(US$ 14,760)						(Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	246,270	724	723	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	107,451	(768)	(469)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	357,565	357,565	17,441	87	37,504	(13,161)	(11,477)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,030	(31)	(31)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	45,961	45,961	11,075	100	(343)	(211)	(211)	Subsidiary
				(HK$ 11,075)	(HK$ 11,075)						(Note 2)
	Magic Sky Limited	Samoa	Investment	214,352	211,134	-	100	1,856	(1,658)	(1,658)	Subsidiary
				(US$ 6,660)	(US$ 6,560)						(Notes 1 and 2)
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	13,553	11,369	258	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	32,307	(66)	(66)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	14,821	77	77	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	299,964	75,802	10,374	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	9,335	(768)	(41)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,482	5,510	117	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	11,579	724	13	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	3	5,912	(13,161)	(428)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,788	132,788	9,591	24	143,181	11,369	2,726	Investee
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	99,676	75,802	2,996	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	48,811	5,510	316	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	38,808	724	43	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	12,253	(768)	(54)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	10	2,110	(13,161)	(1,256)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,781	-	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	133,846	133,846	10,001	25	149,087	11,369	2,843	Investee
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	68,200	68,200	442	1	1,223	(768)	(5)	Subsidiary
				(US$ 2,119)	(US$ 2,119)			(US$ 38)		(US$ -)	(Note 2)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2016	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	$ 1,800	$ 1,800	108	-	$ 2,090	$ 75,802	$ 76	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	49	(768)	-	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,579,945 (USD 74,305 RMB 37,900)	2,579,945 (US$ 74,305 RMB$ 37,900)	-	100	1,687,317	(5,629)	(5,629)	Subsidiary (Note 2)
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,579,945 (USD 74,305 RMB 37,900)	2,579,945 (US$ 74,305 RMB$ 37,900)	-	100	1,687,294	(5,629)	(5,629)	Subsidiary (Note 2)
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	614,412 (US$ 19,090)	614,412 (US$ 19,090)	19,090	100	498,716	(282)	(282)	Subsidiary (Note 2)
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	614,412 (US$ 19,090)	614,412 (US$ 19,090)	19,090	100	498,714	(282)	(282)	Subsidiary (Note 2)
Generalplus (Mauritius) Inc.	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	12,552 (US$ 390)	12,552 (US$ 390)	390	100	2,166	(1,533)	(1,533)	Subsidiary (Note 2)
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	8,653 (EUR 237)	8,653 (EUR 237)	237	100	2,300	-	-	Subsidiary (Note 2)
Sunplus mMedia Inc.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	32,000	32,000	32,000	80	5,513	(5,407)	(4,326)	Subsidiary
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary (Note 3)
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary (Note 3)
	Giant Rock Inc.	Anguilla	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary (Note 3)

Note 1: Current capital registration has not been completed.

Note 2: The initial exchange rate was based on the exchange rate as of March 31, 2016.

Note 3: As of March 31, 2016, the establishment registration was completed, but capital was not invested yet.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2016	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of March 31, 2016	Accumulated Inward Remittance of Earnings as of March 31, 2016
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	$ 553,582 (US$ 17,200)	Note 1	$ 568,226 (US$ 17,655)	$ -	$ -	$ 568,226 (US$ 17,655)	100%	$ 14,067	$ 14,067	$ 525,636	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	1,037,966 (US$ 32,250)	Note 1	1,037,966 (US$ 32,250)	-	-	1,037,966 (US$ 32,250)	100%	(2,808)	(2,808)	883,355	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	643,700 (US$ 20,000)	Note 1	643,700 (US$ 20,000)	-	-	643,700 (US$ 20,000)	100%	2,631	2,631	250,522	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	74,580 (RMB$ 15,000)	Note 1	68,580 (US$ 586 RMB$ 10,000)	-	-	68,580 (US$ 586 RMB$ 10,000)	93%	(4,229)	(3,947)	20,278	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	145,431 (RMB$ 29,250)	Note 1	120,694 (US$ 3,750)	-	-	120,694 (US$ 3,750)	81%	(15,940)	(11,557)	(69,143)	-
Sunplus Technology (Beijing)	Design of software	134,244 (RMB$ 27,000)	Note 1	134,244 (RMB$ 27,000)	-	-	134,244 (RMB$ 27,000)	100%	(4,826)	(4,826)	77,782	-

Accumulated Investment in Mainland China as of March 31, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 2,573,410 (US$ 74,241 RMB$ 37,000)	$ 2,664,695 (US$ 74,760 RMB$ 52,000)	$ 5,618,445

(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, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2016	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 3)	Carrying Value as of March 31, 2016	Accumulated Inward Remittance of Earnings as of March 31, 2016
					Outflow	Inflow						
Generalplus Shenzhen	Data processing service	$ 601,860 (US$ 18,700)	Note 1	$ 601,860 (US$ 18,700)	$ -	$ -	$ 601,860 (US$ 18,700)	100%	$ 1,251	$ 1,251	$ 496,528	$ -

Accumulated Investment in Mainland China as of March 31, 2016	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
$ 601,860 (US$ 18,700)	$ 601,860 (US$ 18,700)	$1,326,883

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

Note 2: Based on the reviewed financial statement of investee in the same period.

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

Note 4: Exchange rate was based on the exchange rate as of March 31, 2016.

(Concluded)

TABLE 7

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Term	Comparison with Market Transactions	Ending Balance	%		
Generalplus Technology (Shenzhen) Corp.	Development and processing services	$ 22,050	18%	Based on contract	Based on contract	Not comparable with market transactions	$ 21,535	96%	$ -	NA