Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 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 June 30, 2016 and 2015 and the related consolidated statements of comprehensive income for the three months ended June 30, 2016 and 2015 and for the six months ended June 30, 2016 and 2015, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2016 and 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As disclosed in Note 14, the financial statements of some immaterial subsidiaries included in the consolidated financial statements were based on the subsidiaries' unreviewed financial statements. The total assets of these subsidiaries as of June 30, 2016 and 2015 were 37% (NT$5,748,237 thousand) and 45% (NT$7,030,066 thousand), respectively, of the total consolidated assets, and the total liabilities were 38% (NT$1,939,905 thousand) and 38% (NT$1,815,206 thousand), respectively, of the total consolidated liabilities. For the three months ended June 30, 2016 and 2015, the total comprehensive loss of NT$77,672 thousand and total comprehensive loss of NT$42,031 thousand, respectively, were 134% and 46,188%, respectively, of the total consolidated comprehensive income. For the six months ended June 30, 2016 and 2015, the total comprehensive loss of NT$69,834 thousand and total comprehensive loss of NT$125,008 thousand, respectively, were 36% and 22%, respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 15 to the consolidated financial statements, the carrying values of two equity-method investments as of June 30, 2016 and 2015 were NT$320,550 thousand and NT$385,556 thousand, respectively. For the three months ended June 30, 2016 and 2015, there were net investment gain of NT$12,145 thousand and net investment loss NT$6,036 thousand, respectively. For the six months ended June 30, 2016 and 2015, there were net investment gain of NT$26,337 thousand and net investment loss NT$6,325 thousand, respectively. These investment amounts and other associates' information disclosed in Note 39 to the financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the equity-method investees' and subsidiaries' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements as of and for the six months ended June 30, 2016 and 2015 of Sunplus Technology Company Limited and its subsidiaries referred to the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

August 10, 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	June 30, 2016 (Reviewed) Amount	%	December 31, 2015 (Audited) Amount	%	June 30, 2015 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 4,390,350	29	$ 4,442,810	29	$ 3,613,048	23
Financial assets at fair value through profit or loss - current (Note 7)	17,712	-	24,200	-	22,942	-
Available-for-sale financial assets - current (Note 8)	1,381,841	9	961,646	6	985,194	7
Debt investments with no active market - current (Note 9)	15,389	-	15,389	-	15,313	-
Notes and accounts receivables, net (Notes 11 and 36)	1,579,761	10	1,569,460	10	1,747,820	11
Other receivables (Note 36)	96,148	1	34,731	-	457,772	3
Inventories (Note 12)	1,213,839	8	1,225,022	8	1,426,940	9
Other current assets (Note 19)	541,868	3	431,971	3	196,738	1
Total current assets	9,236,908	60	8,705,229	56	8,465,767	54
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent net of current portion (Notes 8 and 15)	1,131,184	7	1,518,898	10	2,277,796	15
Financial assets carried at cost (Note 10)	570,431	4	528,590	3	331,076	2
Investments accounted for using the equity method (Note 15)	320,550	2	639,017	4	385,556	2
Property, plant and equipment (Notes 16 and 37)	2,358,070	15	3,563,095	23	3,501,095	22
Investment properties (Note 17)	1,319,531	9	257,070	2	265,530	2
Intangible assets (Note 18)	237,490	2	193,481	1	220,685	1
Deferred tax assets (Notes 4 and 28)	38,922	-	39,485	-	46,520	-
Other noncurrent assets (Notes 19, 33 and 37)	149,554	1	154,142	1	233,885	2
Total noncurrent assets	6,125,732	40	6,893,778	44	7,262,143	46
TOTAL	$ 15,362,640	100	$ 15,599,007	100	$ 15,727,910	100

LIABILITIES AND EQUITY	June 30, 2016 (Reviewed) Amount	%	December 31, 2015 (Audited) Amount	%	June 30, 2015 (Reviewed) Amount	%
CURRENT LIABILITIES						
Short-term bank borrowings (Note 20)	$ 880,555	6	$ 646,093	4	$ 742,701	5
Trade payables (Note 21)	805,920	5	665,304	4	1,000,627	7
Current tax liabilities (Notes 4 and 28)	58,013	-	54,096	1	39,954	-
Provisions - current (Note 22)	9,506	-	15,339	-	15,467	-
Current portion of long-term bank loans (Notes 20 and 37)	888,224	6	619,678	4	684,988	4
Deferred revenue - current (Notes 23 and 31)	1,765	-	1,819	-	2,732	-
Other current liabilities (Note 23)	1,407,610	9	738,529	5	1,286,276	8
Total current liabilities	4,051,593	26	2,740,858	18	3,772,745	24
NONCURRENT LIABILITIES						
Long-term borrowings net of current portion (Notes 20 and 37)	603,003	4	1,256,373	8	633,819	4
Net defined benefit liabilities - non-current (Notes 4 and 24)	90,871	1	98,425	1	94,060	1
Guarantee deposits (Note 33)	224,461	1	202,181	1	204,649	1
Deferred revenue - noncurrent (Notes 23 and 31)	71,469	1	74,591	-	78,086	-
Other noncurrent liabilities (Note 23)	889	-	1,339	-	2,319	-
Total noncurrent liabilities	990,693	7	1,632,909	10	1,012,933	6
Total liabilities	5,042,286	33	4,373,767	28	4,785,678	30
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital (Note 25)						
Ordinary shares	5,919,949	38	5,919,949	38	5,919,949	38
Capital surplus(Note 25)	899,779	6	897,317	6	894,476	6
Retained earnings (Note 25)						
Legal reserve	1,890,531	13	1,831,596	12	1,831,596	12
Special reserve	21,927	-	17,833	-	17,833	-
Accumulated deficit	16,294	-	595,226	4	670,345	4
Other equity (Note 25)	20,430	-	331,492	2	135,541	1
Treasury shares (Notes 25 and 37)	(63,401)	-	(63,401)	(1)	(63,401)	(1)
Total equity attributable to owners of the Company	8,705,509	57	9,530,012	61	9,406,339	60
NONCONTROLLING INTERESTS (Notes 14 and 25)	1,614,845	10	1,695,228	11	1,535,893	10
Total equity	10,320,354	67	11,225,240	72	10,942,232	70
TOTAL	$ 15,362,640	100	$ 15,599,007	100	$ 15,727,910	100

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

(With Deloitte & Touche review report dated August 10, 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)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 26 and 36)	$ 2,083,739	100	$ 2,312,432	100	$ 3,885,910	100	$ 4,176,235	100
OPERATING COSTS (Notes 12, 24 and 27)	1,178,291	57	1,385,479	60	2,203,091	57	2,485,585	60
GROSS PROFIT	905,448	43	926,953	40	1,682,819	43	1,690,650	40
OPERATING EXPENSES (Notes 24, 27 and 36)								
Selling and marketing	105,093	5	99,819	4	183,906	5	186,363	4
General and administrative	203,623	10	163,710	7	364,044	9	316,471	8
Research and development	507,901	24	461,381	20	969,881	25	1,085,545	26
Total operating expenses	816,617	39	724,910	31	1,517,831	39	1,588,379	38
OTHER REVENUE AND EXPENSES	(19)	-	(860)	-	(481)	-	(859)	-
INCOME FROM OPERATIONS	88,812	4	201,183	9	164,507	4	101,412	2
NONOPERATING INCOME (Notes 27 and 36)								
Other income	25,382	1	19,429	1	37,592	1	34,782	1
Other gains and losses	9,187	-	(19,237)	(1)	(31,971)	(1)	687,812	16
Finance costs	(8,246)	-	(8,298)	(1)	(18,276)	(1)	(16,190)	-
Share of profit of associates and joint ventures (Note 15)	12,145	1	(6,036)	-	26,337	1	(6,325)	-
Total nonoperating income	38,468	2	(14,142)	(1)	13,682	-	700,079	17
PROFIT BEFORE INCOME TAX	127,280	6	187,041	8	178,189	4	801,491	19
INCOME TAX EXPENSE (Notes 4 and 28)	36,861	2	25,613	1	51,382	1	34,068	1
NET PROFIT FROM CONTINUING OPERATIONS	90,419	4	161,428	7	126,807	3	767,423	18
NET PROFIT FROM DISCOUNTINUED OPERATIONS (Note 13)	-	-	-	-	-	-	(27,845)	(1)
NET PROFIT OF THE PERIOD	90,419	4	161,428	7	126,807	3	739,578	17
OTHER COMPREHENSIVE INCOME								
Item that will not be reclassified subsequently to profit or loss:								

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Remeasurement of defined benefit plans	-	-	-	-	-	-	1,606	-
Item that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations (Note 25)	(53,682)	(3)	(37,093)	(2)	(69,415)	(2)	(63,263)	(1)
Unrealized gain on available-for-sale financial assets (Note 25)	(90,611)	(4)	(127,620)	(5)	(244,729)	(6)	(119,580)	(3)
Share of other comprehensive loss of associates and joint venture	(4,300)	-	3,194	-	(4,273)	-	2,597	-
Other comprehensive income(loss) for the period, net of income tax	(148,593)	(7)	(161,519)	(7)	(318,417)	(8)	(178,640)	(4)
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	$ (58,174)	(3)	$ (91)	-	$ (191,610)	(5)	$ 560,938	13
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 23,345	1	$ 93,530	4	$ 25,676	1	$ 651,579	16
Noncontrolling interests	67,074	3	67,898	3	101,131	2	87,999	2
	$ 90,419	4	$ 161,428	7	$ 126,807	3	$ 739,578	18
TOTAL COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ (119,472)	(6)	$ (65,013)	(3)	$ (285,386)	(7)	$ 478,835	11
Noncontrolling interests	61,298	3	64,922	3	93,776	2	82,103	2
	$ (58,174)	(3)	$ (91)	-	$ (191,610)	(5)	$ 560,938	13
EARNINGS PER SHARE (New Taiwan dollars; Note 29)								
From continuing and discontinued operations								
Basic	$ 0.04		$ 0.16		$ 0.04		$ 1.11	
Diluted	$ 0.04		$ 0.16		$ 0.04		$ 1.11	
From continuing operations								
Basic	$ 0.04		$ 0.16		$ 0.04		$ 1.15	
Diluted	$ 0.04		$ 0.16		$ 0.04		$ 1.15	

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

(With Deloitte & Touche review report dated August 10, 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	Exchange Differences on Translating Foreign Operations	Unrealized (Loss) Gain on Available-for-sale Financial Assets	Treasury Shares (Notes 25 and 37)	Total	Noncontrolling Interests (Note 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
Appropriation of 2014 earnings												
Legal reserve	-	-	-	41,058	-	(41,058)	-	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	-	(355,198)	-	-	-	(355,198)	-	(355,198)
Special reserve	-	-	-	-	(4,806)	4,806	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	(324)	-	-	-	-	-	-	(324)	-	(324)
Changes of equity of subsidiaries	-	-	41	-	-	-	-	-	-	41	-	41
Disposal of investments accounted for by using equity method	-	-	(41,292)	-	-	-	-	(41)	-	(41,333)	-	(41,333)
Net loss for the six months ended June 30, 2015	-	-	-	-	-	651,579	-	-	-	651,579	87,999	739,578
Other comprehensive gain (loss) for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	1,606	(60,375)	(113,975)	-	(172,744)	(5,896)	(178,640)
Total comprehensive income for the six months ended June 30, 2015	-	-	-	-	-	653,185	(60,375)	(113,975)	-	478,835	82,103	560,938
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(144,598)	(144,598)
BALANCE, JUNE 30, 2015	591,995	$ 5,919,949	$ 894,476	$ 1,831,596	$ 17,833	$ 670,345	$ 67,883	$ 67,658	$ (63,401)	$ 9,406,339	$ 1,535,893	$ 10,942,232
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
Appropriation of 2015 earnings												
Legal reserve	-	-	-	58,935	-	(58,935)	-	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	-	(526,875)	-	-	-	(526,875)	-	(526,875)
Special reserve	-	-	-	-	4,094	(4,094)	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	2,462	-	-	-	-	-	-	2,462	-	2,462
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(14,704)	-	-	-	(14,704)	-	(14,704)
Net gain for the six months ended June 30, 2016	-	-	-	-	-	25,676	-	-	-	25,676	101,131	126,807
Other comprehensive loss for the six months ended June 30, 2016, net of income tax	-	-	-	-	-	-	(67,221)	(243,841)	-	(311,062)	(7,355)	(318,417)
Total comprehensive income for the six months ended June 30, 2016	-	-	-	-	-	25,676	(67,221)	(243,841)	-	(285,386)	93,776	(191,610)
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(174,159)	(174,159)
BALANCE, JUNE 30, 2016	591,995	$ 5,919,949	$ 899,779	$ 1,890,531	$ 21,927	$ 16,294	$ 30,288	$ (9,858)	$ (63,401)	$ 8,705,509	$ 1,614,845	$ 10,320,354

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

(With Deloitte & Touche review report dated August 10, 2016)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax		
Income before income tax from continuing operations	$ 178,189	$ 801,491
Income before income tax from discontinued operations	-	(27,845)
	178,189	773,646
Adjustments for:		
Depreciation expenses	121,111	146,500
Amortization expenses	55,836	48,916
Net gain on fair value change of financial assets designated as at fair value through profit or loss	(22)	(57)
Financial costs	18,276	16,190
Interest income	(13,254)	(18,519)
Dividend income	(872)	(2,997)
Share of profit of associates and joint ventures	(26,337)	6,325
Loss (gain) on disposal of property, plant and equipment	173	(6,407)
Loss (gain) on disposal of intangible assets	308	(279,900)
Gain on disposal of investment	(85,486)	(53,519)
Loss (gain) on disposal of subsidiaries	9,434	(906,358)
Impairment loss recognized on financial assets	80,420	233,997
Impairment loss recognized on non-financial assets	-	94,123
Loss (gain) on foreign currency exchange	12,992	(790)
Amortization of prepaid lease prepayments	1,541	1,544
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets held for trading	7,063	(7,642)
Increase in trade receivables	(5,031)	(23,084)
(Increase) decrease in other receivables	(25,819)	46,019
Decrease (increase) in inventories	11,183	(79,198)
(Increase) decrease in other current assets	(50,501)	8,326
Increase in accounts payable	139,044	274,294
Decrease in provisions	(5,833)	(6,382)
Decrease in deferred revenue	(911)	(911)
Decrease in other current liabilities	(33,797)	(35,822)
Decrease in accrued pension liabilities	(7,554)	(12,439)
Cash generated from operations	380,153	215,855
Interest received	12,364	15,349
Dividend received	872	2,997
Interest paid	(20,328)	(15,221)
Income tax paid	(46,490)	(21,532)
Net cash generated from operating activities	326,571	197,448
CASH FLOWS FROM INVESTING ACTIVITIES		

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2016	2015
Purchase of available-for-sale financial assets	(840,288)	(664,567)
Proceeds of the sale of available-for-sale financial assets	568,040	736,137
Purchase of debt investments with no active market	-	(15,313)
Proceeds of the sale of debt investment with no active market	-	16,256
Purchase of financial assets measured at cost	(50,000)	(92,400)
Capital return to Company-liquidation of joint ventures	296,181	-
Proceeds from disposal of subsidiaries	4,541	-
Payments for property, plant and equipment	(77,457)	(216,176)
Proceeds of the disposal of property, plant and equipment	78	163
(Decrease) increase in refundable deposits	(169)	2,299
Payments for intangible assets	(97,746)	(111,874)
Increase in other financial assets	(65,260)	(579)
Capital return to Company-financial assets carried at cost	-	1,200
Net cash used in investing activities	(262,080)	(344,854)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	234,895	436,885
Repayments of long-term borrowings	(381,249)	(231,432)
Proceeds of guarantee deposits received	21,534	10,707
Refund of guarantee deposits received	(1,908)	(26,609)
Increase in noncontrolling interests	470	1,577
Net cash (used in) generated from financing activities	(126,258)	191,128
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	9,307	(7,406)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(52,460)	36,316
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	$ 4,390,350	$ 3,613,048

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

(With Deloitte & Touche review report dated August 10, 2016)

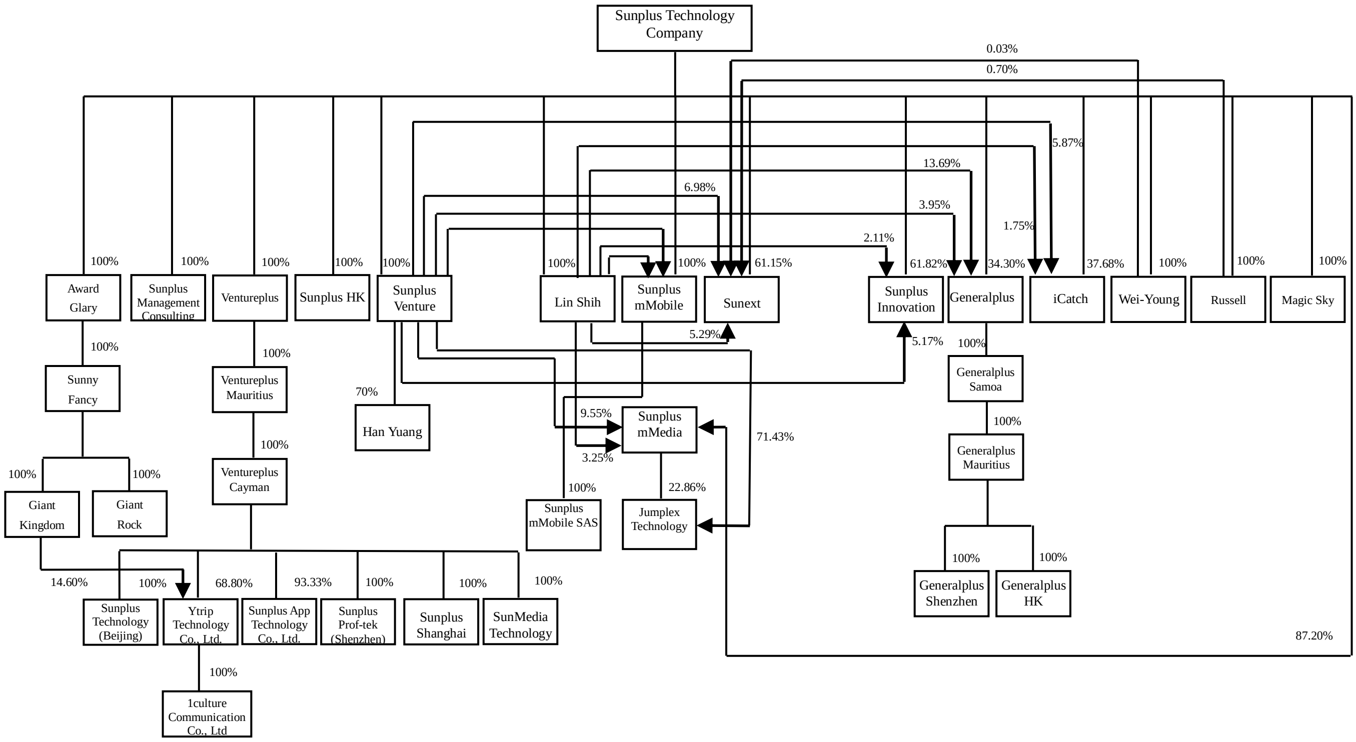
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 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 June 30, 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 board of directors and authorized for issue on August 10, 2016.

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

a. International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC for application starting from 2017.

Rule No. 1050026834 issued by the FSC endorsed the following IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") for application starting January 1, 2017.

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)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New or amended 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.

Except for the following, the initial application of the above New or amended IFRSs in 2017 would not have any material impact on the Group's accounting policies:

1) 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. The amendment will be applied retrospectively.

2) 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. The share-based payment arrangements with market conditions, non-market conditions or non-vesting conditions will be accounted for differently, and the aforementioned amendment will be applied prospectively to those share-based payments granted on or after January 1, 2017.

   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 amendment will be applied prospectively to business combination with acquisition date on or after January 1, 2017.

   The amended IFRS 8 requires the Group 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. The judgements made in applying aggregation criteria should be disclosed retrospectively upon initial application of the amendment in 2017.

   When the amended IFRS 13 becomes effective in 2017, the short-term receivables and payables with no stated interest rate will be measured 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.

3) 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 amendment will be applied prospectively starting from January 1, 2017.

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 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.

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

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

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

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

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

The above amendments will be applied to interest in joint operations acquired on or after January 1, 2017. Amounts of interests in joint operations acquired in prior periods are not adjusted.

5) 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.

6) Annual Improvements to IFRSs: 2012-2014 Cycle

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

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) “held for sale” and non-current assets “held for distribution to owners” does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for “held for distribution to owners” and do not meet the criteria for “held for sale” should be treated in the same way as assets that cease to be classified as held for sale. The amendment will be applied prospectively to transactions that occur on or after January 1, 2017.

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). The amendment will be applied from January 1, 2016, and any adjustment arising from the initial application of the amendment will be recognized in net defined benefit liabilities, deferred tax asset and retained earnings.

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

The Group has not applied the following IFRSs issued by the IASB but not yet endorsed by the FSC.

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 IFRSs.

New, Amended or Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendment to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	January 1, 2018
IFRS 9 “Financial Instruments”	January 1, 2018(Note 2)
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018

(Continued)

New, Amended or Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)

Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 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 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017

(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: On the Company’s early partial adoption of IFRS 9, for financial liabilities designated as at fair value through profit or loss, the accounting treatments differ for the amounts of changes in fair value that are attributable to changes in the credit risk of that liability and for those amounts that are not attributable to the credit risk changes.

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) 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.

3) 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.

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.

4) 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.

5) 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 as 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 the higher amount, 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 consolidation

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 UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015	June 30, 2015
Cash on hand	$ 4,160	$ 4,122	$ 5,049
Checking accounts and demand deposits	1,798,428	1,569,563	1,518,201
Cash equivalents			
Cash equivalent deposits in banks	2,526,972	2,807,612	2,032,260
Repurchase agreements collateralized by bonds	60,790	61,513	57,538
	$ 4,390,350	$ 4,442,810	$ 3,613,048

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

	June 30, 2016	December 31, 2015	June 30, 2015
Bank balance	0.01%-2.4%	0.01%-4.0%	0.01%-4.1%
Repurchase agreement collateralized by bonds	1.0%	1.0%	1.0%

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

	June 30, 2016	December 31, 2015	June 30, 2015
Financial assets held for trading			
Nonderivative financial assets			
Corporate bonds of domestic listed stocks	$ 17,712	$ 24,200	$ 22,942

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Domestic investments			
- Mutual funds	$ 1,333,278	$ 874,799	$ 933,283
- Quoted shares	1,179,747	1,605,745	2,329,707
Available-for-sale financial assets	$ 2,513,025	$ 2,480,544	$ 3,262,990
Current	$ 1,381,841	$ 961,646	$ 985,194
Noncurrent	1,131,184	1,518,898	2,277,796
	$ 2,513,025	$ 2,480,544	$ 3,262,990

The Group recognized impairment losses for the six months ended June 30, 2016 and 2015 were $72,920 thousand and $170,951 thousand, respectively, and $42,538 thousand and $45,748 thousand for the three months ended June 30, 2016 and 2015, respectively.

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

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	June 30, 2016	December 31, 2015	June 30, 2015
Fixed income fund	$ 15,389	$ 15,389	$ 15,313

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

	June 30, 2016	December 31, 2015	June 30, 2015
Domestic unlisted common shares	$ 570,431	$ 528,590	$ 331,076
Classified as available for sale	$ 570,431	$ 528,590	$ 331,076

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.

The impairment loss of the financial assets measured at cost was both 7,500 thousand for the three months ended June 30, 2016 and for the six months ended June 30, 2016.

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2016	December 31, 2015	June 30, 2015
Notes receivable			
Notes receivable - operating	$ -	$ 67	$ -
Accounts receivable			
Accounts receivable	1,643,288	1,562,435	1,692,107
Accounts receivable from related parties	152	10,049	57,278
Less: Allowance for impairment loss	(63,679)	(3,091)	(1,565)
	1,579,761	1,569,393	1,747,820
	$ 1,579,761	$ 1,569,460	$ 1,747,820

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 $69,622 thousand, $121,854 thousand and $148,068 thousand as of June 30, 2016, December 31, 2015 and June 30, 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 August 10, 2016, of the above trade receivables that were past due but not impaired as of June 30, 2016, the Group had received $49,158 thousand.

The aging of the receivables was as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
0-60 days	$ 1,241,260	$ 1,261,621	$ 1,332,289
61-90 days	211,373	247,213	323,428
91-120 days	145,715	61,927	21,268
121-360 days	43,398	1,723	72,400
Above 360 days	1,694	-	-
Total	$ 1,643,440	$ 1,572,484	$ 1,749,385

The above aging schedule was based on the invoice date.

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

	June 30, 2016	December 31, 2015	June 30, 2015
0-60 days	$ 69,622	$ 121,854	$ 148,068
61-90 days	-	-	-
	$ 69,622	$ 121,854	$ 148,068

The above aging schedule was based on the past due date from end of credit term.

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

	Individually Impaired	Collectively Impaired	Total
Balance at June 30, 2015	$ 1,565	$ -	$ 1,565
Balance at January 1, 2016	$ 3,091	$ -	$ 3,091
Add: Impairment losses recognized on receivable	60,677	-	60,677
Foreign exchange translation gain (losses)	(89)	-	(89)
	$ 63,679	$ -	$ 63,679

12. INVENTORIES

	June 30, 2016	December 31, 2015	June 30, 2015
Finished goods	$ 524,670	$ 476,212	$ 606,913
Work in progress	410,617	509,470	556,847
Raw materials	278,552	239,340	263,180
	$ 1,213,839	$ 1,225,022	$ 1,426,940

The costs of inventories recognized as cost of goods sold for the six months ended June 30, 2016 and 2015 were $2,183,704 thousand and $2,473,700 thousand, respectively, and $1,165,364 thousand and $1,379,464 thousand for the three months ended June 30, 2016 and 2015, respectively.

The costs of inventories recognized as costs of goods sold for the six months ended June 30, 2106 and 2015 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
(Gains) losses on inventory value recoveries	$ (17,760)	$ 589	$ (21,805)	$ 7,248
Income from scrap sales	(68)	(97)	(192)	(132)
	$ (17,828)	$ 492	$ (21,997)	$ 7,116

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-June 30, 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, 2015-June 30, 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)

(Continued)

	January 1, 2015-June 30, 2015
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)

(Concluded)

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	June 30, 2016	December 31, 2015	June 30, 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	61.82	62.10	62.54	-
	Generalplus Technology (“Generalplus”)	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had 51.94% 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	87.20	-
	Award Glory	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed.
Ventureplus	Ventureplus Mauritius	Investment	100.00	100.00	100.00	-
Ventureplus Mauritius	Ventureplus Cayman	Investment	100.00	100.00	100.00	-
Ventureplus Cayman	Ytrip Technology	Web research and development	68.80	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 (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	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership June 30, 2016	December 31, 2015	June 30, 2015	Note
Sunplus Venture	Jumplux Technology	Design and sale of ICs	71.43	-	-	-
	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 51.94% equity in Generalplus.
	Sunplus mMedia	Design of ICs	9.55	9.55	9.55	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	5.71	5.73	5.77	Sunplus and its subsidiaries had 69.64% 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 51.94% 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	3.25	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	2.11	2.12	2.14	Sunplus and its subsidiaries had 69.64% equity in Sunplus Innovation
	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	-
	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	22.86	80.00	80.00	Sunplus and its subsidiaries had 94.29% equity in Jumplux Technology.
Award Glory	Sunny Fancy	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed.
Sunny Fancy	Giant Kingdom	Investment	100.00	-	-	At the end of March 2016, the establishment registration was completed.
	Giant Rock	Investment	100.00	-	-	At the end of June 2016, the establishment registration was completed, but capital was not invested yet.
Giant Kingdom	Ytrip Technology	Web research and development	14.60	-	-	Sunplus and its subsidiaries had 83.40% equity in Ytrip Technology.

(Concluded)

The financial statements as of and for the six months ended June 30, 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 six months ended June 30, 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 June 30, 2016	December 31, 2015	June 30, 2015
Company			
Generalplus Technology Inc.	48.06%	47.96%	47.96%

Please refer to attachment 4 for registered countries and company information

Company name	Profits Attributed to Non-controlling Interests: Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	Non-controlling Interests: June 30, 2016	December 31, 2015	June 30, 2015
Generalplus Technology Inc.	$ 81,526	$ 62,750	$ 117,881	$ 84,661	$ 984,676	$1,039,112	$ 936,458

The summarized financial information below represents amounts before intragroup eliminations.

	June 30, 2016	December 31, 2015	June 30, 2015
Current assets	$ 2,643,440	$ 2,176,779	$ 2,360,481
Non-current assets	694,794	721,161	800,389
Current liabilities	1,230,287	677,744	1,144,594
Non-current liabilities	87,545	82,329	92,444
Equity	$ 2,020,402	$ 2,137,867	$ 1,923,832
Equity attributable to:			
Owners of the Company	$ 1,035,726	$ 1,098,755	$ 987,374
Non-controlling interests	984,676	1,039,112	936,458
	$ 2,020,402	$ 2,137,867	$ 1,923,832

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Operating revenue	$ 1,073,113	$ 945,451	$ 1,757,403	$ 1,507,769
Net income	$ 169,626	$ 130,832	$ 245,428	$ 176,516
Other comprehensive income	(12,485)	(6,758)	(14,682)	(11,572)
Total other comprehensive income	$ 157,141	$ 124,074	$ 230,746	$ 164,944
Equity attributable to:				
Owners of the Company	$ 88,100	$ 68,082	$ 127,547	$ 91,855
Non-controlling interests	81,526	62,750	117,881	84,661
	$ 169,626	$ 130,832	$ 245,428	$ 176,516
Total other comprehensive income attributable to:				
Owners of the Company	$ 81,615	$ 64,565	$ 119,919	$ 85,833
Non-controlling interests	75,526	59,509	110,827	79,111
	$ 157,141	$ 124,074	$ 230,746	$ 164,944
Cash flows				
Cash flows from operating activities			$ 144,527	$ 69,258
Cash flows used in investing activities			(315,184)	(394,819)

(Continued)

	For the Six Months Ended June 30	
	2016	2015
Cash flows from financing activities	$ 25,981	$ 210,710
Effect of exchange rate changes on the balance of cash held in foreign currencies	(2,325)	(963)
Net cash outflow	$ (147,001)	$ (115,814)
Dividend paid to non-controlling interests		
Generalplus Technology Inc.	$ -	$ -

(Concluded)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2016	December 31, 2015	June 30, 2015
Investments in associates	$ 320,550	$ 339,023	$ 337,242
Investments in jointly controlled entities	-	299,994	48,314
	$ 320,550	$ 639,017	$ 385,556

a. Investments in associates

	June 30, 2016	December 31, 2015	June 30, 2015
Listed companies			
Global View Co., Ltd	$ 320,550	$ 339,023	$ 337,242

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	June 30, 2016	December 31, 2015	June 30, 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	June 30, 2016	December 31, 2015	June 30, 2015
Global View Co., Ltd.	$ 248,941	$ 252,233	$ 345,637

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. The process of liquidation of S2-Tek Inc. was completed on May 3, 2016. According to distribution of the remaining assets of S2-Tek Inc., the estimated recoverable amount of the investment was less than the book value of the investment at equity. Therefore, the recognized loss on disposal of investment for the six months ended June 30, 2016 was $9,434 thousand.

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	June 30, 2016	December 31, 2015	June 30, 2015
Jointly controlled entities			
S2-Tek Inc.	$ -	$ 299,994	$ 48,314

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 six months ended June 30, 2016 and 2015 were not reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Six months Ended June 30, 2015									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of period	$ 2,516,262	$ 205,872	$ 20,988	$ 492,573	$ 11,306	$ 267,052	$ 5,623	$ 23,743	$ 957,782	$ 4,501,201
Additions	-	339	345	72,135	960	3,773	1,584	6,194	120,211	205,541
Disposals	-	-	-	(54,720)	-	(3,363)	-	-	-	(58,083)
Effect of exchange rate changes	(30,088)	1,754	8,427	(2,685)	-	(8,531)	(1,767)	(6,460)	(22,573)	(61,923)
Balance, end of period	2,486,174	207,965	29,760	507,303	12,266	258,931	5,440	23,477	1,055,420	4,586,736
Accumulated depreciation										
Balance, beginning of period	303,556	73,331	18,932	374,204	9,077	202,317	3,479	14,135	-	999,031
Additions	28,046	13,068	13,929	64,477	188	14,116	1,162	912	-	135,898
Disposals	-	-	-	(50,827)	-	(3,208)	-	-	-	(54,035)
Effect of exchange rate changes	(409)	(487)	(5,713)	10,409	(113)	(9,651)	(789)	2	-	(6,751)
Balance, end of period	331,193	85,912	27,148	398,263	9,152	203,574	3,852	15,049	-	1,074,143
Accumulated Impairment										
Balance, beginning 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	$ 2,154,981	$ 122,053	$ 2,612	$ 97,542	$ 3,114	$ 55,357	$ 1,588	$ 8,428	$ 1,055,420	$ 3,501,095

	Six months Ended June 30, 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	138	3,690	22	40,354	-	8,577	-	326	6,533	59,640
Disposals	-	-	(179)	(6,971)	(1,680)	(1,633)	-	-	-	(10,463)
Effect of exchange rate changes	(39,030)	(21,668)	(409)	(2,047)	(147)	(4,905)	18,635	(410)	(32,817)	(82,798)
Reclassification	-	-	-	(16,205)	1,606	14,458	(19,197)	1,747	(1,060,820)	(1,078,411)
Balance, end of period	2,480,434	203,097	17,893	517,763	6,368	268,675	2,987	25,390	2,417	3,525,024
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	30,634	11,846	880	51,623	427	13,317	2,433	1,511	-	112,671
Disposals	-	-	(165)	(6,931)	(1,512)	(1,604)	-	-	-	(10,212)
Effect of exchange rate changes	(2,299)	1,803	(405)	(2,573)	(55)	(3,249)	(2,794)	106	-	(9,466)
Reclassification	-	-	-	(8,307)	-	7,981	-	326	-	-
Balance, end of period	382,299	98,427	16,742	418,438	2,934	216,233	2,222	18,161	-	1,155,456
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	$ 2,098,135	$ 104,670	$ 1,151	$ 87,827	$ 3,434	$ 52,442	$ 765	$ 7,229	$ 2,417	$ 2,358,070

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 Six months Ended June 30	
	2016	**2015**
Cost		
Balance at January 1	$ 450,839	$ 458,669
Reclassification	1,078,357	-
Effect of foreign currency exchange differences	(13,539)	(10,719)
Balance at June 30	$ 1,515,657	$ 447,950
Accumulated depreciation		
Balance at January 1	$ 193,769	$ 176,006
Depreciation expense	8,440	10,602
Effect of foreign currency exchange differences	(6,083)	(4,188)
Balance at June 30	196,126	182,420
	$ 1,319,531	$ 265,530

The investment properties held by the Group are depreciated over their useful lives of 5 to 20 years, using the straight-line method.

The reclassification of the investment property in current period mainly consisted of the factory buildings constructed by SunMedia Technology at Chengdu in China. The construction was completed and officially operated in June 2016. The fair value of the investment properties had been determined on the basis of a valuation carried out at the reporting date June 30, 2016 by Sichuan Wuyue joint property assessment limited liability company. The valuation was determined by the replacement cost method; the important assumptions in the valuation were as follows:

	June 30, 2015
Fair value	$ 1,081,139
Discount rate	100%

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:

	June 30, 2016	December 31, 2015	June 30, 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 June 30, 2016 and 2015.

The rental income generated for the six months ended June 30, 2016 and 2015 were $86,941 thousand and $75,017 thousand, respectively.

The rental income generated for the three months ended June 30, 2016 and 2015 were $44,520 thousand and $37,476 thousand, respectively.

18. INTANGIBLE ASSETS

	For the Six months Ended June 30,2015					
	Technology License Fees	Software	Patents	Goodwill	Technological Know-how	Total
Cost						
Balance at January 1	$ 700,653	$ 346,096	$ 114,229	$ 30,596	$ 2,460	$ 1,194,034
Additions	92,378	13,499	-	-	-	105,877
Decrease	(66,118)	(889)	-	-	-	(67,007)
Effect of foreign currency exchange differences	(2)	(643)	-	-	-	(645)
Balance at June 30	726,911	358,063	114,229	30,596	2,460	1,232,259
Accumulated amortization						
Balance at January 1	524,354	306,403	65,616	-	2,460	898,833
Amortization expense	27,287	18,260	3,369	-	-	48,916
Decrease	(46,639)	(296)	-	-	-	(46,935)
Effect of foreign currency exchange differences	1	(377)	-	-	-	(376)
Balance at June 30	505,003	323,990	68,985	-	2,460	900,438
Accumulated amortization						
Balance at January 1	17,013	-	-	-	-	17,013
increase	94,123	-	-	-	-	94,123
Balance at June 30	111,136	-	-	-	-	111,136
Net, beginning of the period	$ 159,286	$ 39,693	$ 48,613	$ 30,596	$ -	$ 278,188
Net, end of the period	$ 110,772	$ 34,073	$ 45,244	$ 30,596	$ -	$ 220,685

	For the Six months Ended June 30,2016					
	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	64,887	35,835	-	-	-	100,722
Decrease	-	(7,913)	-	-	-	(7,913)
Effect of foreign currency exchange differences	(12)	(1,145)	-	-		(1,157)
Balance at June 30	745,686	400,126	114,229	30,596	2,460	1,293,097
Accumulated amortization						
Balance at January 1	484,734	337,281	72,353	-	2,460	896,828
Amortization expense	35,021	17,447	3,368	-	-	55,836
Decrease	-	(7,605)	-	-	-	(7,605)
Effect of foreign currency exchange differences	(1)	(587)	-	-	-	(588)
Balance at June 30	519,754	346,536	75,721	-	2,460	944,471
Accumulated amortization						
Balance at June 30	111,136	-	-	-	-	111,136
Net, beginning of the period	$ 84,941	$ 36,068	$ 41,876	$ 30,596	$ -	$ 193,481
Net, end of the period	$ 114,796	$ 53,590	$ 38,508	$ 30,596	$ -	$ 237,490

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 for the six months ended June 30, 2016 and 2015 were $0 and $94,123 thousand, respectively, and $0 and $0 for the three months ended June 30, 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

	June 30, 2016	December 31, 2015	June 30, 2015
Pledged time deposits (Note 37)	$ 322,116	$ 259,876	$ 95,529
Finance lease payables	121,149	126,438	127,414
Other financial asset	77,520	79,920	79,568
Refundable deposits	5,664	5,495	4,849
Others	164,973	114,384	123,263
	$ 691,422	$ 586,113	$ 430,623
Current	$ 541,868	$ 431,971	$ 196,738
Noncurrent	149,554	154,142	233,885
	$ 691,422	$ 586,113	$ 430,623

The amounts of the Group's finance lease payables for land grant in China as of June 30, 2016, December 31, 2015 and June 30, 2015 were $121,149 thousand, $126,438 thousand and $127,414 thousand.

20. BORROWINGS

Short-term borrowings

	June 30, 2016	December 31, 2015	June 30, 2015
Unsecured borrowings			
Bank loans	$ 880,555	$ 646,093	$ 742,701

The weighted average effective interest rates on the bank loans as of June 30, 2016, December 31, 2015 and June 30, 2015 were 0.9302%-2.33%, 1.14%-2.20% and 0.96%-2.5429%

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	June 30, 2016	December 31, 2015	June 30, 2015
Floating rate borrowings					
Unsecured bank borrowing	2018.2	Repayable quarterly from August 2015	$ 500,000	$ 500,000	$ -
Unsecured bank borrowing	2018.1	Repayable quarterly from July 2015	200,000	200,000	-
Unsecured bank borrowing	2016.7.14	Repayable on July 2016	160,641	162,178	152,015
Unsecured bank borrowing	2017.1.10	Repayable on January 2017	160,641	194,613	182,417
Unsecured bank borrowing	2017.12.18	Repayable on December 2017	160,641	162,178	-
Secured bank borrowing	2017.3.16	Repayable semiannually from March 2012	155,554	233,332	311,110
Unsecured bank borrowing	2019.2.28	Repayable quarterly from February 2014	93,750	243,750	281,250
Unsecured bank borrowing	2017.6.27	Repayable semiannually from June 2014	60,000	180,000	240,000
Unsecured bank borrowing	2015.12.18	Repayable on December 2015	-	-	152,015
			$ 1,491,227	$ 1,876,051	$ 1,318,807
Current			$ 888,224	$ 619,678	$ 684,988
Noncurrent			603,003	1,256,373	633,819
			$ 1,491,227	$ 1,876,051	$ 1,318,807

Under the loan contracts, the Group provided buildings as collaterals for the above loans (Note 37).

The effective rates of borrowings as of June 30, 2016, December 31, 2015 and June 30, 2015 were 1.625%-2.5429%, 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 the ratio requirement would not be deemed to be a violation of the contracts. As of June 30, 2016, December 31, 2015 and June 30, 2015, the Group was in compliance with these financial ratio requirements.

21. TRADE PAYABLES

	June 30, 2016	December 31, 2015	June 30, 2015
Accounts payable			
Payable - operating	$ 805,920	$ 665,304	$ 1,000,627

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

	June 30, 2016	December 31, 2015	June 30, 2015
Customer returns and rebates	$ 9,506	$ 15,339	$ 15,467

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

	June 30, 2016	December 31, 2015	June 30, 2015
Other payables			
Payable for dividend	$ 718,300	$ -	$ 501,331
Salaries and bonus	273,823	371,315	373,446
Employee bonuses and compensation payable to directors and supervisions	122,223	109,637	125,999
Unearned revenue	64,856	22,891	38,147
Payable for royalties	46,884	37,065	10,201
Payable for purchase of equipment	31,992	50,259	39,596
Labor/health insurance	26,169	27,961	26,280
Payable for commission	16,208	12,815	21,141
Professional service fees	4,482	5,293	6,380
Others	103,562	102,632	146,074
	$ 1,408,499	$ 739,868	$ 1,288,595
Deferred revenue			
Arising from governments grants (Note 31)	$ 73,234	$ 76,410	$ 76,980
Others	-	-	3,838
	$ 73,234	$ 76,410	$ 80,818
Current			
- Other current liability	$ 1,407,610	$ 738,529	$ 1,286,276
- Deferred revenue	1,765	1,819	2,732
	$ 1,409,375	$ 740,348	$ 1,289,008
Noncurrent			
- Other liability	$ 889	$ 1,339	$ 2,319
- Deferred revenue	71,469	74,591	78,086
	$ 72,358	$ 75,930	$ 80,405

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	
	2015	2014
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

(Continued)

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability (Asset)
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

(Concluded)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Cost of revenue	$ 67	$ 129	$ 135	$ 246
Marketing expenses	71	115	142	219
General and administrative expenses	126	218	253	409
Research and development expenses	445	368	734	(10,815)
	$ 709	$ 830	$ 1,264	$ (9,941)

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:

	June 30, 2016	**December 31, 2015**	**June 30, 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

	June 30, 2016	December 31, 2015	June 30, 2015
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Isuance of common shares	$ 703,376	$ 703,376	$ 703,376
Treasury share transactions	36,518	36,518	34,382
Consolidation excess	157,423	157,423	157,423
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,462	-	-
May be used to offset a deficit only			
From changes in percentage of ownership interest in subsidiaries (2)	-	-	48
May not be used for any purpose			
From share of changes in capital surplus of associates or joint venture	-	-	(753)
	$ 899,779	$ 897,317	$ 894,476

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 13, 2016 and, in that meeting, had resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

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

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

Under the regulations promulgated, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet (for example, unrealized loss on financial assets and cumulative translation adjustments) should be allocated from unappropriated retained earnings. For the policies on distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, 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 approved in the shareholder's meeting on June 13, 2016 and 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 Six months Ended June 30	
	2016	**2015**
Balance at January 1	$ 97,509	$ 128,258
Exchange differences arising on translating the foreign operations	(62,476)	(57,759)
Share of exchange differences of associates accounted for using equity method	(4,745)	(2,616)
Balance at June 30	$ 30,288	$ 67,883

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

	For Six months Ended June 30	
	2016	2015
Balance at January 1, 2016	$ 233,983	$ 181,674
Changes in fair value of available-for-sale financial assets	(232,300)	(237,033)
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	72,920	170,951
Unrealized of gain and using equity method to recognize associates as available for sale	472	5,213
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	(84,933)	(53,106)
Balance at June 30, 2016	$ (9,858)	$ 67,658

Noncontrolling interests

	For Six months Ended June 30	
	2016	2015
Balance at January 1	$ 1,695,228	$ 1,598,388
Attributable to noncontrolling interests:		
Share of profit for the year	101,131	87,999
Exchange difference arising on translation of foreign entities	(6,939)	(5,504)
Unrealized gains and losses on available-for-sale financial assets	(416)	(392)
Associate's distribution of dividends	(191,426)	(146,133)
Partial disposal of subsidiaries	2,093	-
Noncontrolling interests - restricted shares options held by subsidiaries' employees	100	-
Noncontrolling interests - restructured shares options held by subsidiaries' employees	370	1,577
Others	14,704	(42)
Balance at June 30	$ 1,614,845	$ 1,535,893

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 June 30, 2015	-	3,560	3,560

(Continued)

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, 2016	-	3,560	3,560
Decrease	-	-	-
Number of shares at June 30, 2016	-	3,560	3,560

(Concluded)

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

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
June 30, 2016			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 42,898
December 31, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 41,474
June 30, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 60,342

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 June 30, 2016, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

26. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Revenue from IC	$ 1,969,368	$ 2,169,831	$ 3,661,732	$ 3,949,896
Rental income from property	44,520	37,476	86,941	75,017
Other	69,851	105,125	137,237	151,322
	$ 2,083,739	$ 2,312,432	$ 3,885,910	$ 4,176,235

27. NET PROFIT

Net profit (loss) included the following items:

Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Interest income				
Bank deposits	$ 6,479	$ 10,228	$ 13,254	$ 18,519
Dividend income	872	2,997	872	2,997
Others	18,031	6,204	23,466	13,266
	$ 25,382	$ 19,429	$ 37,592	$ 34,782

Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Gain on disposal of investment	$ 74,734	$ 49,883	$ 76,052	$ 959,877
Net (loss) gain on financial assets designated as at FVTPL	8	(10)	22	57
Net foreign exchange losses	(17,648)	(26,937)	(33,266)	(46,826)
Impairment loss on financial assets carried at cost	(50,038)	(45,748)	(80,420)	(233,997)
Other	2,131	3,575	5,641	8,701
	$ 9,187	$ (19,237)	$ (31,971)	$ 687,812

Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Interest on bank loans	$ 8,246	$ 8,298	$ 18,276	$ 16,190

Information on capitalized interest is as below:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Capitalized interest	$ 2,100	$ 3,576	$ 4,127	$ 7,278
Capitalization rate	2.69%	2.69%	2.69%	2.69%

Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Property, plant and equipment	$ 53,295	$ 64,410	$ 112,671	$ 135,898
Investment property	4,179	5,249	8,440	10,602
Intangible assets	30,151	28,104	55,836	48,916
	$ 87,625	$ 97,763	$ 176,947	$ 195,416
An analysis of depreciation by function				
Operating costs	$ 5,212	$ 2,535	$ 12,786	$ 5,053
Operating expenses	52,262	67,124	108,325	141,447
	$ 57,474	$ 69,659	$ 121,111	$ 146,500
An analysis of amortization by function				
Operating costs	$ 237	$ 279	$ 462	$ 539
Selling and marketing expenses	25	60	41	117
General and administrative expenses	1,874	3,842	6,709	6,464
Research and development expenses	28,015	23,923	48,624	41,796
	$ 30,151	$ 28,104	$ 55,836	$ 48,916

Operating expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Direct operating expenses from investment property that generated rental income	$ 7,454	$ 5,752	$ 13,914	$ 11,508
Direct operating expenses from investment property that did not generate rental income	14,985	21,303	36,017	43,373
	$ 22,439	$ 27,055	$ 49,931	$ 54,881

Employee benefit expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Post-employment benefit				
Defined contribution plans	$ 13,786	$ 13,052	$ 27,658	$ 27,165
Defined benefit plans (Note 24)	709	830	1,264	(9,941)
Other employee benefit	590,325	423,794	1,076,820	1,155,738
Total employee benefit expense	$ 604,820	$ 437,676	$ 1,105,742	$ 1,172,962
An analysis of employee benefit expense by function				
Operating costs	$ 62,537	$ 41,288	$ 130,641	$ 81,757
Operating expenses	542,283	396,388	975,101	1,091,205
	$ 604,820	$ 437,676	$ 1,105,742	$ 1,172,962

Under the Company Act as amended in May 2015, the Company resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration to directors 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. For the six months ended June 30, 2016, the employees' and remuneration and the remuneration to directors were representing 1% and 1.5%, respectively, of the base net profit.

For both of the three months and six months ended June 30, 2015, the rates of the bonus to employees and the remuneration to directors and supervisors were 1% and 1.5%, respectively, of net income after taxes (net of the bonus and remuneration) under the Articles of Incorporation before amendments. Estimated employees' compensation and remuneration to directors and supervisors were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	2016	2015
Employees' compensation /Bonus to employees	$ 272	$ 841	$ 272	$ 2,312
Remuneration of directors and supervisors	407	1,262	407	3,468

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 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 to 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.

There was no difference between the amounts of the employees' compensation and the remuneration to directors approved in the shareholders' meetings, and the respective amounts recognized in the financial statements for the years ended December 31, 2015 and 2014.

Information on the employees' compensation and remuneration to directors resolved by the Company's board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 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 June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Foreign exchange gains	$ 14,691	$ 28,935	$ 55,708	$ 39,711
Foreign exchange losses	(32,339)	(55,872)	(88,974)	(86,537)
	$ (17,648)	$ (26,937)	$ (33,266)	$ (46,826)

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	**2015**	**2016**	**2015**
Current tax				
Current period	$ 31,695	$ 19,718	$ 44,560	$ 37,578
Prior periods	5,137	(480)	5,137	(480)
Others	1,150	543	1,122	1,462
	37,982	19,781	50,819	38,560
Deferred tax				
Current period	(1,121)	5,930	563	(4,394)
Others	-	(98)	-	(98)
	(1,121)	5,832	563	(4,492)
Income tax expense (benefit) recognized in profit or loss	$ 36,861	$ 25,613	$ 51,382	$ 34,068

b. Imputation credits accounts

	June 30, 2016	December 31, 2015	June 30, 2015
Imputation credits accounts	$ 313,125	$ 313,104	$ 373,946

	Years Ended June 30	
	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, 2013 to December 31, 2017
Fourteenth expansion	January 1, 2015 to December 31, 2019
Fifteenth expansion	January 1, 2015 to December 31, 2019
Generalplus	
Fifth expansion	January 1, 2013 to December 31, 2017
Sunplus Innovation	
Second expansion	January 1, 2013 to December 31, 2017

Income tax assessments

The income tax returns of Sunplus, Sunplus mMobile and 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 June 30		For the Six Months Ended June 30	
	2016	**2015**	**2016**	**2015**
Basic earnings per share				
From continuing operations	$ 0.04	$ 0.16	$ 0.04	$ 1.15
From discontinued operations	-	-	-	(0.04)
Total basic earnings per share	$ 0.04	$ 0.16	$ 0.04	$ 1.11
Diluted loss per share				
From continuing operations	$ 0.04	$ 0.16	$ 0.04	$ 1.15
From discontinued operations	-	-	-	(0.04)
Total diluted earnings per share	$ 0.04	$ 0.16	$ 0.04	$ 1.11

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 June 30		For the Six Months Ended June 30	
	2016	**2015**	**2016**	**2015**
Profit for the period attributable to owners of the Group	$ 23,345	$ 93,520	$ 25,676	$ 651,579
Earnings used in the computation of basic EPS	23,345	93,520	25,676	651,579
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	23,345	93,520	25,676	679,424

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Effect of potentially dilutive ordinary shares				
Bonus to employee	$ -	$ -	$ -	$ -
Earnings used in the computation of diluted EPS from continuing operation	-	-	-	-
	$ 23,345	$ 93,520	$ 25,676	$ 679,424

(Concluded)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Profit for the period attributable to owners of the Group	$ 588,435	$ 588,435	$ 588,435	$ 588,435
Effect of dilutive potential common shares:				
Employee share option or employee remuneration	23	197	235	197
Earnings used in the computation of diluted earnings per share	$ 588,458	$ 588,632	$ 588,670	$ 588,632

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, 2013.

On August 7, 2013, under the board of directors' approval, SITI executed the restricted ESOP, through which employees received 1,000 thousand shares at a par value of $10.00 with no 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 19, 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 Six Months Ended June 30	
	2016	**2015**
Balance at January 1	844	2,315
Vest	(236)	-
Retirement	(27)	(259)
Balance at June 30	581	2,056

iCatch Technology Inc.

iCatch Technology Inc. had authorized 5,929 thousand units and 1,571 thousand units of employee stock options as at September, 2013 and August, 2014, respectively, 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 six months ended June 30, 2016 was as follows:

	Year Ended June 30, 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 June 30	6,189	10
Balance at January and June 30, 2015	7,500	$ 10

As of June 30, 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	3.20	$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	4.10	$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 six months ended June 30, 2016 and 2015 were $911 thousand and $912 thousand, respectively, and $451 thousand and $452 thousand for the three months ended June 30, 2016 and 2015, respectively.

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 18 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 December 2020, December 2021 and December 2034. 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:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 1 year	$ 8,264	$ 7,815	$ 7,833
Over 1 year to 5 years	32,002	31,262	31,262
Over 5 years	42,951	45,692	49,600
	$ 83,217	$ 84,769	$ 88,695

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 $5,489 thousand.

The future lease payables are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 1 year	$ 5,489	$ 5,459	$ 9,961
Over 1 year to 5 years	8,234	10,919	15,900
	$ 13,723	$ 16,378	$ 25,861
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:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 1 year	$ 1,474	$ 1,474	$ 1,474
Over 1 year to 5 years	5,159	5,896	5,896
Over 5 years	-	-	737
	$ 6,633	$ 7,370	$ 8,107

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:

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 1 year	$ 3,483	$ 538	$ 2,154
Over 1 year to 5 years	2,322	-	-
	$ 5,805	$ 538	$ 2,154
Refundable deposits	$ 521	$ 521	$ 521

The Group as lessor

Sunplus Technology (Shanghai)

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

As of June 30, 2016, December 31, 2015, June 30, 2015 deposits received under operating leases amounted to $35,845 thousand, $35,410 thousand and $24,443 thousand, respectively.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 1 year	$ 122,473	$ 117,457	$ 83,764
Over 1 to 5 years	104,099	109,985	45,932
	$ 226,572	$ 227,442	$ 129,696

SunMedia Technology

Operating leases relate to the investment property owned by the Group with lease terms 15 years. 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.

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

	June 30, 2016
Up to 1 year	$ 44,564
Over 1 to 5 years	361,398
Over 5 years	1,010,381
	$ 1,416,343

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

	June 30, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 570,431	$ -	$ 528,590	$ -
Debt investment with no active market	15,389	-	15,389	-

	June 30, 2015	
	Carrying Amount	Fair Value
Financial assets		
Financial assets carried at cost	$ 331,076	$ -
Debt investment with no active market	15,313	-

b. Fair value level

1)

June 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 17,712	$ -	$ -	$ 17,712
Available-for-sale financial assets				

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,333,278	$ -	$ -	$ 1,333,278
Securities listed in ROC	1,179,747	-	-	1,179,747
	$ 2,513,025	$ -	$ -	$ 2,513,025

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

June 30, 2015

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

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

	June 30, 2016	December 31, 2015	June 30, 2015
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 17,712	$ 24,200	$ 22,942
Loans and receivables (i)	6,164,832	6,147,805	5,918,370
Available-for-sale financial assets(ii)	3,083,456	3,009,134	3,594,066

Financial liabilities

measured at amortized cost(iii)	3,402,163	3,389,629	3,266,784

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

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

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

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

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

	USD impact For the Six Months Ended June 30	
	2016	**2015**
Profit or loss	$ (4,619)	$ (22,645)

	RMB impact For the Six Months Ended June 30	
	2016	**2015**
Profit or loss	$ (4,720)	$ (84,382)

b) Interest rate risk

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

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

	June 30, 2016	**December 31, 2015**	**June 30, 2015**
Fair value interest rate risk			
Financial assets	$ 2,900,934	$ 3,110,718	$ 2,063,615
Financial liabilities	543,380	170,588	481,240
Cash flow interest rate risk			
Financial assets	1,806,891	1,587,426	1,638,755
Financial liabilities	1,828,402	2,351,556	1,580,268

Sensitivity analysis

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

If interest rates had been 0.125% basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the six months ended June 30, 2016 and 2015 would decrease/increase by $27 thousand and increase/decrease by $73 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 six months ended June 30, 2016 and 2015 would have increased/decreased by $25,130 thousand and $32,630 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 56%, 54% and 49% in total trade receivables as of June 30, 2016, December 31, 2015 and June 30, 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 June 30, 2016, December 31, 2015 and June 30, 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.

June 30, 2016

	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-derivative financial liabilities						
Non-interest bearing	-	$ 369,200	$ 1,071,095	$ 19,248	$ 42,179	$ -
Variable interest rate liabilities	1.625-2.5429	738	164,086	391,942	678,003	-
Fixed interest rate liabilities	0.8-2.33	21	543,655	273,089	-	158,941
		$ 369,959	$ 1,778,836	$ 684,279	$ 720,182	$ 158,941

December 31, 2015

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
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

June 30, 2015

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

b) Financing facilities

	June 30, 2016	December 31, 2015	June 30, 2015
Unsecured bank overdraft facility			
Amount used	$ 2,053,915	$ 2,582,603	$ 2,270,680
Amount unused	3,950,540	3,770,817	4,812,200
	$ 6,004,455	$ 6,353,420	$ 7,082,880

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 June 30 2016	For the Three Months Ended June 30 2015	For the Six Months Ended June 30 2016	For the Six Months Ended June 30 2015
Sales of goods	Associates	$ 174	$ -	$ 174	$ -
	Joint ventures	-	11,654	219	58,779
		$ 174	$ 11,654	$ 393	$ 58,779

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	June 30, 2016	December 31, 2015	June 30, 2015
Accounts receivable	Associates	$ 152	$ -	$ -
	Joint ventures	-	10,049	57,278
		$ 152	$ 10,049	$ 57,278
Other receivable	Associates	$ 24,688	$ -	$ 24,688
	Joint ventures	-	1,262	4,559
		$ 24,688	$ 1,262	$ 29,247

There were no guarantees on outstanding receivables from related parties. For the six months ended June 30, 2016 and 2015, the allowances for doubtful accounts were zero.

c. Other transactions with related parties

Account Item	Related Parties Types	Three Months Ended June 30 2016	Three Months Ended June 30 2015	Six Months Ended June 30 2016	Six Months Ended June 30 2015
Operating expenses	Joint ventures	$ -	$ 13,734	$ -	$ 13,929
Nonoperating income and expenses	Joint ventures	$ -	$ 3,924	$ 1,808	$ 8,088

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 June 30		Six Months Ended June 30	
	2016	2015	2016	2015
Short-term benefits	$ 8,392	$ 8,915	$23,853	$25,192
Post-employment benefits	273	257	555	555
	$ 8,665	$ 9,172	$24,408	$25,747

Compensation of directors and management personnel are based on individual performance and market trend.

37. PLEDGED OR MORTGAGED ASSETS

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

	June 30, 2016	December 31, 2015	June 30, 2015
Buildings, net	$ 663,641	$ 673,342	$ 683,146
Pledged time deposits (classified other assets, including current and noncurrent)	322,116	259,876	95,529
Subsidiary's holding of Sunplus' stock	40,783	39,429	57,366
	$ 1,026,540	$ 972,647	$ 836,041

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

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

June 30, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 63,479	32.275	$ 2,048,785
CNY	6,315	4.845	30,596
JPY	386	0.3143	121
HKD	2,167	4.159	9,013
GBP	3	43.460	130
EUR	2	35.890	72

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Nonmonetary items			
USD	$ 1,000	32.750	$ 32,750
USD	881	30.388	26,772
CHF	510	30.179	15,391
Financial liabilities			
Monetary items			
USD	58,860	32.275	1,899,707
CNY	1,595	4.845	7,728

(Concluded)

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	1,133	32.825	37,191
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

June 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
CNY	$ 86,097	4.973	$ 428,160
USD	84,475	30.860	2,606,899
JPY	777	0.252	196
HKD	120	3.980	478
EUR	2	34.460	69
GBP	3	48.480	145

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Nonmonetary items			
USD	$ 1,629	30.860	$ 50,271
EUR	510	34.460	17,575
<u>Financial liabilities</u>			
Monetary items			
USD	61,830	30.860	1,908,074
CNY	1,715	4.973	8,529

(Concluded)

The foreign currency exchange losses (realized and unrealized) amounted to $17,648 thousand and $26,937 thousand for the three months ended June 30, 2016 and 2015, respectively. The foreign currency exchange losses (realized and unrealized) amounted to $33,266 thousand and $46,826 thousand for the six months ended June 30, 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 six months ended June 30, 2016 and 2015 are shown in the accompanying consolidated income statements, and the assets by segment as of June 30, 2016 and 2015 are shown in the accompanying consolidated balance sheets.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 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	$ 74,624	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	37,475	37,475	37,475	2.20%-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	1,150	200	200	1.8%	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	104,895	104,895	1.6%	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.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 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)	$ 870,551 (Note 5)	$ 288,490	$ 210,315	$ 210,315	$ -	2.42	$ 1,741,102 (Note 6)	Yes	No	No
		Sun Media Technology Co., Ltd.	3 (Note 4)	870,551 (Note 5)	943,470	905,405	744,055	-	8.55	1,741,102 (Note 6)	Yes	No	Yes
		Ytrip Technology Co., Ltd.	3 (Note 4)	870,551 (Note 5)	191,310	191,310	126,770	64,400	1.46	1,741,102 (Note 6)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 3)	870,551 (Note 5)	20,000	20,000	20,000	-	0.23	1,741,102 (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
JUNE 30, 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	June 30, 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	$ 235,542	2	$ 235,542	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	24,792	-	24,792	Note 2
	FolcalTech Inc.		Available-for-sale financial assets	28,493	766,450	10	766,450	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	9,345	-	9,345	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	51,183	-	51,183	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,609	-	30,609	Note 3
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,610	-	30,610	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,309	-	5,309	Note 3
	Franklin Global Fduntl Start Fund	-	Available-for-sale financial assets	13	4,935	-	4,935	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	5,600	-	5,600	Note 3
	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,010	30,138	-	30,138	Note 3
	Prudential Financial Money Market Fund	-	Available-for-sale financial assets	1,925	30,111	-	30,111	Note 3
	Yuanta Emerging Indonesia Opp Bd	-	Available-for-sale financial assets	500	5,529	-	5,529	Note 3
	Jih Sun Money Market	-	Available-for-sale financial assets	3,420	50,095	-	50,095	Note 3
	Yuanta Global USD Corporate Bond TWD A	-	Available-for-sale financial assets	2,000	20,243	-	20,243	Note 3
	Yuanta USD Money Market USD	-	Available-for-sale financial assets	100	32,305	-	32,305	Note 3
	Yuanta RMB Money Market CNY	-	Available-for-sale financial assets	470	24,228	-	24,228	Note 3
	Mega RMB Money Market	-	Available-for-sale financial assets	466	24,228	-	24,228	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	52,835	1	52,835	Note 2
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	42,898	1	42,898	Notes 2 and 4
	Aiptek International Inc.	-	Available-for-sale financial assets	60	232	-	232	Note 2
	Asolid Technology Co., Ltd.	-	Available-for-sale financial assets	25	1,538	-	1,538	Note 2
	China Airlines Ltd.	-	Available-for-sale financial assets	1,000	9,690	-	9,690	Note 2
	Pegatron Corporation	-	Available-for-sale financial assets	237	16,069	-	16,069	Note 2
	Ruentex Material Co., Ltd	-	Available-for-sale financial assets	20	360	-	360	Note 2
	Compeq Manufacturing Co., Ltd.	-	Available-for-sale financial assets	1,000	17,100	-	17,100	Note 2
	AP Memory Technology Co., Ltd.	-	Available-for-sale financial assets	40	3,808	-	3,808	Note 2
	Yuanta China Balance Fund	-	Available-for-sale financial assets	213	2,840	-	2,840	Note 3
	Yuanta Great China TMT TWD Acc	-	Available-for-sale financial assets	2,139	21,364	-	21,364	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	June 30, 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	7,952	-	7,952	Note 2
	CHILISIN ELECTRONICS CORP.-CB	-	Financial assets at fair value through profit or loss - current	80	7,760	-	7,760	Note 2
Russell Holdings Limited	Stock							
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	37,032 (US$ 1,147)	-	37,032 (US$ 1,147)	Notes 1 and 6
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	1,647 (US$ 51)	5	1,647 (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.	Stock							
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	2,270	37,908	1	37,908	Note 2
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	1,846	52,696	-	52,696	Note 2
	Aiptek International Inc.	-	Available-for-sale financial assets	351	1,365	-	1,365	Note 2
	FolcalTech Inc.	-	Available-for-sale financial assets	607	16,318	-	16,318	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
	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

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Qun-Xin Venture Capital	-	Financial assets carried at cost	3,000	$ 30,000	1	$ 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	5,000	50,000	7	50,000	Note 1
	Grand Fortune Venture Capital Co., Ltd.	-	Financial assets carried at cost	1	-	3	-	Note 1
Sunplus Technology (Shanghai) Co., Ltd.	GF MONEY MARKET FUND	-	Available-for-sale financial assets	10,500	51,075 (RMB$ 10,542)	-	51,075 (RMB$ 10,542)	Notes 3 and 6
	GF EVERY DAY THE RED HAIRED TYPE MONEY MARKET FUND	-	Available-for-sale financial assets	5,000	24,225 (RMB$ 5,000)	-	24,225 (RMB$ 5,000)	Notes 3 and 6
	GF Money Market Fund B	-	Available-for-sale financial assets	10,000	48,450 (RMB$ 10,000)	-	48,450 (RMB$ 10,000)	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	4,558	-	4,558	Note 2
Generalplus Technology Inc.	Yuanta De-Li Money Market Fund	-	Available-for-sale financial assets	4,963	80,038	-	80,038	Note 3
	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	5,441	81,566	-	81,566	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,955	30,198	-	30,198	Note 3
	Jih Sun Money Market	-	Available-for-sale financial assets	5,466	80,079	-	80,079	Note 3
	Union Money Market	-	Available-for-sale financial assets	6,128	80,069	-	80,069	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	3,720	60,042	-	60,042	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,301	34,489	-	34,489	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,942	30,059	-	30,059	Note 3
Sunplus Innovation Technology Inc.	<u>Stock</u>							
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	2,000	4,122	9	4,122	Note 1
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	15,391	10	15,391	Note 1
	Point Grab Ltd.	-	Financial assets carried at cost	182	22,650	4	22,650	Note 1
	<u>Fund</u>							
	Yuanta USD Money Market TWD	-	Available-for-sale financial assets	9,036	88,620	-	88,620	Note 3
	Yuanta RMB Money Market TWD	-	Available-for-sale financial assets	916	9,730	-	9,730	Note 3
	Yuanta USD Money Market USD	-	Available-for-sale financial assets	100	32,303	-	32,303	Note 3
	Fubon Chi-Hsiang Money Market	-	Available-for-sale financial assets	1,292	20,049	-	20,049	Note 3
	Fuh Hwa You Li Money Market	-	Available-for-sale financial assets	2,253	30,069	-	30,069	Note 3
	Mega Diamond Money Market	-	Available-for-sale financial assets	810	10,044	-	10,044	Note 3

(Continued)

Note 1: The market value was based on carrying value as of June 30, 2016.

Note 2: The Market value was based on the closing price as of June 30, 2016.

Note 3: The market value was based on the net asset value of fund as of June 30, 2016.

Note 4: As of June 30, 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 $40,783 thousand had not been pledged or mortgaged.

Note 5: The market value was based on amortized cost as of June 30, 2016.

Note 6: The exchange rate was based on the exchange rate as of June 30, 2016.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. For the three months ended June 30, 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	$ 2,495	Note 1	0.06%
			Nonoperating income and gains	7	Note 2	-
			Notes and accounts receivable	1,039	Note 1	0.01%
			Other receivables	119,438	Note 3	0.78%
	Sunext Technology Co., Ltd.	1	Sales	387	Note 1	0.01%
			Nonoperating income and gains	5,407	Notes 2 and 4	0.14%
			Notes and accounts receivable	123	Note 1	-
			Other receivables	903	Note 3	0.01%
	Sunplus Innovation Technology Inc.	1	Sales	212	Note 1	0.01%
			Nonoperating income and gains	1,900	Note 2	0.05%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	1,015	Note 3	0.01%
	iCatch Technology, Inc.	1	Sales	5,973	Note 1	0.15%
			Nonoperating income and gains	7,345	Notes 2 and 4	0.19%
			Notes and accounts receivable	3,628	Note 1	0.02%
			Other receivables	17,844	Note 3	0.12%
	Sunplus Technology (H.K.) Co., Ltd.	1	Marketing expense	566	Note 2	0.01%
			Other accrued expense	177	Note 3	-
			Other prepaid expense	654	Note 3	-
	Jumplux Technology Co., Ltd.	1	Sales	206	Note 1	0.01%
			Nonoperating income and gains	2,719	Note 2 and 4	0.07%
			Notes and accounts receivable	105	Note 1	-
			Other receivables	4,092	Note 3	0.03%
	Lin Shih Investment Co., Ltd.	1	Other receivables	157,500	Note 3	1.03%
	Sunplus mMedia Inc.	1	Sales	2,039	Note 1	0.05%
			Nonoperating income and gains	2,089	Notes 2 and 4	0.05%
			Other receivables	13	Note 3	-
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Marketing expense	1,470	Note 2	0.04%
			Other accrued expense	702	Note 3	-
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other accrued expense	5,562	Note 3	0.04%
			Marketing expense	12,062	Note 2	0.31%

(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	$ 8,966	Note 2	0.23%
			Other accrued expense	163	Note 3	-
	Generalplus Technology (Shenzhen) corp.	2	Research and development expense	44,478	Note 2	1.14%
			Other accrued expense	43,947	Note 3	0.29%
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expense	12,864	Note 2	0.33%
			Accrued expenses	6,610	Note 3	0.04%
	SunMedia Technology Co., Ltd.	2	Marketing expense	15,625	Note 2	0.40%
			Accrued expenses	2,279	Note 3	0.01%
	Sunplus Technology (Beijing)	2	Research and development expense	230	Note 2	0.01%
			Accrued expenses	288	Note 3	-
Sunext Technology Co., Ltd.	Sunplus App Technology	2	Research and development expense	13	Note 2	-
	Sunplus Technology (Beijing)	2	Accrued expenses	145	Note 3	-
			Research and development expense	145	Note 2	-
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Other receivables	101,745	Note 3	0.66%
			Nonoperating income and gains	846	Note 2	0.02%
	1culture Communication Co., Ltd	2	Other receivables	194	Note 3	-
			Nonoperating income and gains	7	Note 2	-
	Sunplus App Technology	2	Other receivables	14,535	Note 3	0.09%
			Nonoperating income and gains	126	Note 2	-
	Ytrip Technology Co., Ltd.	2	Other receivables	3,392	Note 3	0.02%
			Nonoperating income and gains	16	Note 2	-
Sunplus mMedia Inc.	Sunplus Technology (Beijing)	2	Accrued expenses	84	Note 3	-
			Research and development expense	547	Note 2	0.01%
Jumplux Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Other accrued expense	1,234	Note 3	0.01%
			Research and development expense	1,250	Note 2	0.03%
VENTUREPLUS CAYMAN INC.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other receivables	45,059	Note 3	0.29%
			Nonoperating income and gains	1,156	Note 2	0.03%
	Ytrip Technology Co., Ltd.	2	Other receivables	37,439	Note 3	0.24%
			Nonoperating income and gains	165	Note 2	-
	SunMedia Technology Co., Ltd.	2	Other receivables	74,233	Note 3	0.48%
			Nonoperating income and gains	232	Note 2	0.01%
Sunplus Technology (Beijing)	Sunplus App Technology	2	Sales	194	Note 1	-
Lin Shih Investment Co., Ltd.	Generalplus Technology Corp.	2	Other receivables	47,655	Note 3	0.31%
	iCatch Technology, Inc.		Other receivables	772	Note 3	0.01%
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Corp.	2	Other receivables	13,763	Note 3	0.09%
	iCatch Technology, Inc.		Other receivables	2,585	Note 3	0.02%

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

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

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

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

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

(Concluded)

TABLE 5

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2016	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	$ 2,581,819 (US$ 74,305 RMB$ 37,900)	$ 2,581,819 (US$ 74,305 RMB$ 37,900)	-	100	$ 1,601,458	$ (76,077)	$ (76,077)	Subsidiary (Note 2)
	Award Glory Ltd.	Belize	Investment	24,916 (US$ 772)	-	-	100	(9,094)	(130)	(130)	Subsidiary
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	315,658	315,658	8,229	13	320,550	80,292	10,488	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	766,705	102,176	102,176	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	682,361	245,428	84,183	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	798,910	15,425	15,425	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	62	522,161	14,377	8,908	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	476,379 (US$ 14,760)	476,379 (US$ 14,760)	14,760	100	289,061	2,549	2,549	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	217,902	(30,816)	(11,612)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	113,585	8,983	5,493	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	357,565	357,565	17,441	87	49,964	(17,567)	(15,319)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,023	(37)	(37)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	46,061 (HK$ 11,075)	46,061 (HK$ 11,075)	11,075	100	(518)	(386)	(386)	Subsidiary (Note 2)
	Magic Sky Limited	Samoa	Investment	218,179 (US$ 6,760)	211,724 (US$ 6,560)	-	100	3,474	(3,279)	(3,279)	Subsidiary (Notes 1 and 2)
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	-	362,285	-	-	-	30,925	702	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	32,247	(126)	(126)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	17,057	2,557	88	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	273,815	245,428	33,589	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	9,866	8,983	475	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,581	14,377	304	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	10,256	(30,816)	(540)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	3	6,376	(17,567)	(571)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	-	132,788	-	-	-	30,925	7,415	Investee
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	92,123	245,428	9,701	Subsidiary
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	100,000	-	10,000	71	67,607	(14,912)	(7,072)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	49,079	14,377	822	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	34,376	(30,816)	(1,810)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	12,953	8,983	627	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	10	3,474	(17,567)	(1,677)	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	-	-	-	30,925	7,732	Investee
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	68,391 (US$ 2,119)	68,391 (US$ 2,119)	442	1	1,292 (US$ 40)	8,983	63 (US$ 2)	Subsidiary (Note 2)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 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	-	-	$ -	$ 245,428	$ 75	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	52	8,983	3	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,581,819 (USD 74,305 RMB 37,900)	2,581,819 (US$ 74,305 RMB$ 37,900)	-	100	1,601,437	(76,077)	(76,077)	Subsidiary (Note 2)
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,581,819 (USD 74,305 RMB 37,900)	2,581,819 (US$ 74,305 RMB$ 37,900)	-	100	1,601,414	(76,076)	(76,076)	Subsidiary (Note 2)
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	616,130 (US$ 19,090)	616,130 (US$ 19,090)	19,090	100	489,444	3,159	3,159	Subsidiary (Note 2)
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	616,130 (US$ 19,090)	616,130 (US$ 19,090)	19,090	100	489,441	3,159	3,159	Subsidiary (Note 2)
Generalplus (Mauritius) Inc.	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	12,587 (US$ 390)	12,587 (US$ 390)	-	100	4,434	740	740	Subsidiary (Note 2)
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	17,120 (EUR 477)	17,120 (EUR 477)	237	100	2,300	-	-	Subsidiary (Notes 1 and 2)
Sunplus mMedia Inc.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	32,000	32,000	3,200	23	22,260	(14,912)	(6,272)	Subsidiary
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	24,916 (US$ 772)	-	-	100	(9,094)	(130)	(130)	Subsidiary
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	24,916 (US$ 772)	-	-	100	(9,094)	(130)	(130)	Subsidiary
	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 June 30, 2016.

Note 3: As of June 30, 2016, the establishment registration was completed, but capital was not invested yet.

(Concluded)

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2016	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss	Carrying Value as of June 30, 2016	Accumulated Inward Remittance of Earnings as of June 30, 2016
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	$ 555,130 (US$ 17,200)	Note 1	$ 569,815 (US$ 17,655)	$ -	$ -	$ 569,815 (US$ 17,655)	100%	$ 32,047	$ 32,047 (Note 2)	$ 528,976	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	1,040,869 (US$ 32,250)	Note 1	1,040,869 (US$ 32,250)	-	-	1,040,869 (US$ 32,250)	100%	(6,397)	(6,397) (Note 2)	857,280	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	645,500 (US$ 20,000)	Note 1	645,500 (US$ 20,000)	-	-	645,500 (US$ 20,000)	100%	(53,860)	(53,860) (Note 3)	188,864	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	72,675 (RMB$ 15,000)	Note 1	67,363 (US$ 586 RMB$ 10,000)	-	-	67,363 (US$ 586 RMB$ 10,000)	93%	(17,779)	(16,594) (Note 3)	7,390	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	165,941 (RMB$ 34,250)	Note 1	121,031 (US$ 3,750)	24,561 (US$ 761)	-	145,592 (US$ 4,511)	83%	(19,707)	(15,900) (Note 3)	(53,898)	-
Sunplus Technology (Beijing)	Design of software	130,815 (RMB$ 27,000)	Note 1	130,815 (RMB$ 27,000)	-	-	130,815 (RMB$ 27,000)	100%	(14,468)	(14,468) (Note 3)	66,364	-

Accumulated Investment in Mainland China as of June 30, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 2,599,955 (US$ 75,002 RMB$ 37,000)	$ 2,689,994 (US$ 75,540 RMB$ 52,000)	$ 5,223,305

(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 June 30, 2016	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of June 30, 2016	Accumulated Inward Remittance of Earnings as of June 30, 2016
					Outflow	Inflow						
Generalplus Shenzhen	Data processing service	$ 603,543 (US$ 18,700)	Note 1	$ 603,543 (US$ 18,700)	$ -	$ -	$ 603,543 (US$ 18,700)	100%	$ 2,419	$ 2,419	$ 484,988	$ -

Accumulated Investment in Mainland China as of June 30, 2016	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
$ 603,543 (US$ 18,700)	$ 603,543 (US$ 18,700)	$1,212,241

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 June 30, 2016.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 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	$ 44,478	16%	Based on contract	Based on contract	Not comparable with market transactions	$ 43,947	91%	$ -	NA