Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 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 September 30, 2016 and 2015 and the related consolidated statements of comprehensive income for the three months ended September 30, 2016 and 2015 and for the nine months ended September 30, 2016 and 2015, and the consolidated statements of changes in equity and cash flows for the six months ended September 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 September 30, 2016 and 2015 were 38% (NT$5,472,206 thousand) and 46% (NT$7,154,925 thousand), respectively, of the total consolidated assets, and the total liabilities were 46% (NT$1,723,874 thousand) and 40% (NT$1,884,925 thousand), respectively, of the total consolidated liabilities. For the three months ended September 30, 2016 and 2015, the total comprehensive loss of NT$52,397 thousand and the total comprehensive income of NT$40,076 thousand, respectively, were 18% and 18%, respectively, of the total consolidated comprehensive income. For the nine months ended September 30, 2016 and 2015, total comprehensive loss of NT$122,231 thousand and NT$84,932 thousand, respectively, were 123% and 25%, respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 15 to the consolidated financial statements, the carrying values of two associates as of September 30, 2016 and 2015 were NT$324,352 thousand and NT$400,576 thousand, respectively. For the three months ended September 30, 2016 and 2015, net investment gains were NT$8,571 thousand and NT$17,352 thousand, respectively. For the nine months ended September 30, 2016 and 2015, net investment gains were NT$34,908 thousand and NT$11,027 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 adjustments that might have been determined to be necessary had the subsidiaries' and associates' 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 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.

November 14, 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)

	September 30, 2016 (Reviewed)		December 31, 2015 (Audited)		September 30, 2015 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 4,207,576	29	$ 4,442,810	29	$ 3,960,051	26
Financial assets at fair value through profit or loss - current (Note 7)	105,434	1	24,200	-	25,595	-
Available-for-sale financial assets - current (Note 8)	1,177,069	8	961,646	6	859,509	6
Debt investments with no active market - current (Note 9)	-	-	15,389	-	15,389	-
Notes and accounts receivable, net (Notes 11 and 36)	1,495,126	10	1,569,460	10	1,905,769	12
Other receivables (Note 36)	61,386	1	34,731	-	57,613	-
Inventories (Note 12)	975,801	7	1,225,022	8	1,317,590	9
Other current assets (Note 19)	412,733	3	431,971	3	373,104	2
Total current assets	8,435,125	59	8,705,229	56	8,514,620	55
NONCURRENT ASSETS						
Available-for-sale financial assets -- noncurrent, net of current portion (Notes 8 and 15)	1,030,719	7	1,518,898	10	1,586,319	10
Financial assets carried at cost (Note 10)	567,912	4	528,590	3	626,503	4
Investments accounted for using the equity method (Note 15)	324,352	2	639,017	4	400,576	3
Property, plant and equipment (Notes 16 and 37)	2,291,079	16	3,563,095	23	3,572,802	23
Investment properties (Note 17)	1,260,575	9	257,070	2	270,909	2
Intangible assets (Note 18)	209,483	1	193,481	1	212,411	2
Deferred tax assets (Notes 4 and 28)	30,231	-	39,485	-	46,766	-
Other noncurrent assets (Notes 19, 33 and 37)	225,472	2	154,142	1	158,831	1
Total noncurrent assets	5,939,823	41	6,893,778	44	6,875,117	45
TOTAL	$ 14,374,948	100	$ 15,599,007	100	$ 15,389,737	100

	September 30, 2016 (Reviewed)		December 31, 2015 (Audited)		September 30, 2015 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term bank borrowings (Note 20)	$ 675,414	5	$ 646,093	4	$ 844,475	6
Accounts payable (Note 21)	511,907	4	665,304	4	765,285	5
Current tax liabilities (Notes 4 and 28)	29,150	-	54,096	1	40,377	-
Provisions - current (Note 22)	12,803	-	15,339	-	16,190	-
Current portion of long-term bank loans (Notes 20 and 37)	689,300	5	619,678	4	899,595	6
Deferred revenue - current (Notes 23 and 31)	1,709	-	1,819	-	2,806	-
Other current liabilities (Note 23)	751,779	5	738,529	5	651,027	4
Total current liabilities	2,672,062	19	2,740,858	18	3,219,755	21
NONCURRENT LIABILITIES						
Long-term bank loans (Notes 20 and 37)	689,159	5	1,256,373	8	1,063,054	7
Accrued pension liabilities (Notes 4 and 24)	90,337	1	98,425	1	93,676	1
Guarantee deposits (Note 33)	224,058	1	202,181	1	206,760	1
Deferred revenue - noncurrent, net of current portion (Notes 23 and 31)	68,799	-	74,591	-	80,683	-
Other noncurrent liabilities (Note 23)	889	-	1,339	-	1,909	-
Total noncurrent liabilities	1,073,242	7	1,632,909	10	1,446,082	9
Total liabilities	3,745,304	26	4,373,767	28	4,665,837	30
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital (Note 25)						
Common shares	5,919,949	41	5,919,949	38	5,919,949	38
Capital surplus (Notes 25 and 30)	910,295	6	897,317	6	896,627	6
Retained earnings (accumulated deficit) (Note 25)						
Legal reserve	1,890,531	13	1,831,596	12	1,831,596	12
Special reserve	21,927	-	17,833	-	17,833	-
Unappropriated earnings (accumulated deficit)	59,326	1	595,226	4	371,930	2
Other equity (Note 25)	253,661	2	331,492	2	117,903	1
Treasury shares (Notes 25 and 37)	(63,401)	-	(63,401)	(1)	(63,401)	-
Total equity attributable to owners of the Company	8,992,288	63	9,530,012	61	9,092,437	59
NONCONTROLLING INTERESTS (Notes 14 and 25)	1,637,356	11	1,695,228	11	1,631,463	11
Total equity	10,629,644	74	11,225,240	72	10,723,900	70
TOTAL	$ 14,374,948	100	$ 15,599,007	100	$ 15,389,737	100

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

(With Deloitte & Touche review report dated November 14, 2016)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 26 and 36)	$ 1,876,789	100	$ 2,236,883	100	$ 5,762,699	100	$ 6,413,118	100
OPERATING COSTS (Notes 12, 24 and 27)	1,117,960	60	1,331,619	60	3,321,051	58	3,817,204	59
GROSS PROFIT	758,829	40	905,264	40	2,441,648	42	2,595,914	41
OPERATING EXPENSES (Notes 24 ,27 and 36)								
Selling and marketing	95,421	5	91,810	4	279,327	5	278,173	5
General and administrative	156,711	8	152,193	7	520,755	9	468,664	7
Research and development	505,973	27	381,925	17	1,475,854	25	1,467,470	23
Total operating expenses	758,105	40	625,928	28	2,275,936	39	2,214,307	35
OTHER REVENUE AND EXPENSES	(8)	-	177	-	(489)	-	(682)	-
INCOME FROM OPERATIONS	716	-	279,513	12	165,223	3	380,925	6
NONOPERATING INCOME (LOSS)								
Other income (Notes 27 and 36)	42,845	2	39,690	2	80,437	1	74,472	1
Other gains and losses	38,187	2	(513,714)	(23)	6,216	-	174,098	3
Finance costs	(10,995)	(1)	(10,059)	(1)	(29,271)	(1)	(26,249)	-
Share of profit (loss) of associates and joint venture (Note 15)	8,571	1	17,352	1	34,908	1	11,027	-
Total nonoperating income	78,608	4	(466,731)	(21)	92,290	1	233,348	4
PROFIT (LOSS) BEFORE INCOME TAX	79,324	4	(187,218)	(9)	257,513	4	614,273	10
INCOME TAX EXPENSE (Notes 4 and 28)	22,060	1	24,827	1	73,442	1	58,895	1
NET PROFIT	57,264	3	(212,045)	(10)	184,071	3	555,378	9
NET PROFIT FROM DISCOUNTINUED OPERATIONS (Note 13)	-	-	-	-	-	-	(27,845)	(1)
NET PROFIT (LOSS) OF THE PERIOD	57,264	3	(212,045)	(10)	184,071	3	527,533	8
OTHER COMPREHENSIVE INCOME (LOSS)								
Item that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	-	-	-	-	-	-	1,606	-

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Item that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations (Note 25)	(72,727)	(4)	109,743	5	(142,142)	(2)	46,480	1
Unrealized gain (loss) on available-for-sale financial assets (Note 25)	311,314	17	(114,826)	(5)	66,585	1	(234,406)	(4)
Share of other comprehensive income (loss) of associates and joint venture	(4,769)	-	(2,331)	-	(9,042)	-	266	-
Other comprehensive income (loss) for the period, net of income tax	233,818	13	(7,414)	-	(84,599)	(1)	(186,054)	(3)
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	$ 291,082	16	$ (219,459)	(10)	$ 99,472	2	$ 341,479	5
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 41,122	2	$ (298,415)	(13)	$ 66,798	1	$ 353,164	5
Noncontrolling interests	16,142	1	86,370	4	117,273	2	174,369	3
	$ 57,264	3	$ (212,045)	(9)	$ 184,071	3	$ 527,533	8
TOTAL COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 274,353	15	$ (316,053)	(14)	$ (11,033)	-	$ 162,782	2
Noncontrolling interests	16,729	1	96,594	4	110,505	2	178,697	3
	$ 291,082	16	$ (219,459)	(10)	$ 99,472	2	$ 341,479	5
EARNINGS (LOSS) PER SHARE (New Taiwan dollars; Note 29)								
From continuing and discontinued operations								
Basic	$ 0.07		$ (0.51)		$ 0.11		$ 0.60	
Diluted	$ 0.07		$ (0.51)		$ 0.11		$ 0.60	
From continuing operations								
Basic	$ 0.07		$ (0.51)		$ 0.11		$ 0.65	
Diluted	$ 0.07		$ (0.51)		$ 0.11		$ 0.65	

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

(With Deloitte & Touche review report dated November 14, 2016) (Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
	Capital Stock Issued and Outstanding (Note 25)			Retained Earnings (Note 25)			Other Equity (Note 25)					
	Shares (Thousand)	Amount	Capital Surplus (Note 25)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Treasury Shares (Notes 25 and 37)	Total	Noncontrolling Interests (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 the 2014 earnings												
Legal reserve	-	-	-	41,058	-	(41,058)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(355,198)	-	-	-	(355,198)	-	(355,198)
Cash dividend for common stock	-	-	-	-	(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	-	-	56	-	-	-	-	-	-	56	-	56
Disposal of investments accounted for using the equity method	-	-	(41,292)	-	-	-	-	(41)	-	(41,333)	-	(41,333)
Net profit for the nine months ended September 30, 2015	-	-	-	-	-	353,164	-	-	-	353,164	174,369	527,533
Other comprehensive income for the nine months ended September 30, 2015, net of income tax	-	-	-	-	-	1,606	43,241	(235,229)	-	(190,382)	4,328	(186,054)
Total comprehensive income for the nine months ended September 30, 2015	-	-	-	-	-	354,770	43,241	(235,229)	-	162,782	178,697	341,479
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	-	2,136	-	-	-	-	-	-	2,136	-	2,136
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(145,622)	(145,622)
BALANCE, SEPTEMBER 30, 2015	591,995	$ 5,919,949	$ 896,627	$ 1,831,596	$ 17,833	$ 371,930	$ 171,499	$ (53,596)	$ (63,401)	$ 9,092,437	$ 1,631,463	$ 10,723,900
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 the 2014 earnings												
Legal reserve	-	-	-	58,935	-	(58,935)	-	-	-	-	-	-
Special reserve	-	-	-	-	4,094	(4,094)	-	-	-	-	-	-
Cash dividend for common stock	-	-	-	-	-	(526,875)	-	-	-	(526,875)	-	(526,875)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	9,810	-	-	-	-	-	-	9,810	-	9,810
Changes of equity subsidiaries	-	-	-	-	-	(12,794)	-	-	-	(12,794)	-	(12,794)
Net profit for the nine months ended September 30, 2016	-	-	-	-	-	66,798	-	-	-	66,798	117,273	184,071
Other comprehensive income for the nine months ended September 30, 2016, net of income tax	-	-	-	-	-	-	(146,312)	68,481	-	(77,831)	(6,768)	(84,599)
Total comprehensive income for the nine months ended September 30, 2016	-	-	-	-	-	66,798	(146,312)	68,481	-	(11,033)	110,505	99,472
Disposal of treasury shares	-	-	3,168	-	-	-	-	-	-	3,168	-	3,168
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(168,377)	(168,377)
BALANCE, SEPTEMBER 30, 2016	591,995	$ 5,919,949	$ 910,295	$ 1,890,531	$ 21,927	$ 59,326	$ (48,803)	$ 302,464	$ (63,401)	$ 8,992,288	$ 1,637,356	$ 10,629,644

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

(With Deloitte & Touche review report dated November 14, 2016)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax		
Income before income tax from continuing operations	$ 257,513	$ 614,273
Income before loss tax from discontinued operations	-	(27,845)
	257,513	586,428
Adjustments for:		
Depreciation expenses	193,736	205,906
Amortization expenses	86,599	75,369
(Gain) loss on fair value change of financial assets designated as at fair value through profit or loss	(906)	791
Financial costs	29,271	26,249
Interest income	(15,528)	(27,721)
Dividend income	(25,632)	(16,221)
Share of profit of associates and joint ventures accounted for by the equity method	(34,908)	(11,027)
Loss (gain) on disposal of property, plant and equipment	181	(6,584)
Loss (gain) on disposal of intangible assets	308	(279,900)
Gain on disposal of investments	(152,422)	(54,853)
Loss on disposal of associates	9,434	(906,358)
Impairment loss recognized on financial assets	80,420	817,392
Impairment loss recognized on non-financial assets	-	94,123
Net loss on foreign currency exchange	40,586	(15,557)
Amortization of prepaid lease prepayments	2,273	2,309
Changes in operating assets and liabilities:		
Increase in financial assets held for trading	(81,526)	(10,793)
Decrease (increase) in trade receivables	88,457	(146,599)
(Increase) decrease in other receivables	(9,496)	90,099
Decrease in inventories	249,221	30,152
Increase in other current assets	(5,298)	(20,524)
(Decrease) increase in accounts payable	(154,650)	41,356
Decrease in provisions	(2,536)	(5,659)
Decrease in deferred revenue	(911)	(1,370)
Increase (decrease) in other current liabilities	55,129	(170,637)
Decrease in accrued pension liabilities	(8,088)	(12,823)
Cash generated from operations	601,227	283,548
Interest received	14,638	25,680
Dividend received	50,320	40,909
Interest paid	(29,959)	(25,060)
Income tax paid	(89,561)	(44,927)
Net cash generated from operating activities	546,665	280,150
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(1,221,836)	(1,041,875)
Proceeds of the sale of available-for-sale financial assets	1,627,025	1,237,486
Purchase of debt investments with no active market	-	(15,389)
Proceeds of the sale of debt investments with no active market	15,950	16,256
Purchase of financial assets measured at cost	(50,000)	(387,400)

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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 Nine Months Ended September 30	
	2016	**2015**
Capital reutrn to the Company-liquidation of joint ventures	296,181	-
Proceeds from disposal of subsidiaries	18,859	-
Acquisition of property, plant and equipment	(129,744)	(257,157)
Proceeds of the disposal of property, plant and equipment	75	23,742
Increase in refundable deposits	(5,530)	-
Decrease in refundable deposits	-	2,284
Payments for intangible assets	(104,743)	(129,599)
Proceeds of the disposal of intangible assets	-	299,971
Increase in other assets	(63,429)	(2,616)
Prepayments for equipment	-	(44,928)
Capital return to the Company - financial assets carried at cost	1,423	3,645
Net cash used in investing activities	384,231	(295,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	30,189	542,817
Proceeds of long-term borrowings	-	700,000
Repayments of long-term borrowings	(512,100)	(327,960)
Proceeds of guarantee deposits received	45,254	13,293
Refund of guarantee deposits received	(20,578)	(33,802)
Dividends paid to owners of the Company	(526,875)	(355,198)
Dividends for noncontrolling interests	(191,451)	(143,997)
Increase in noncontrolling interests	1,237	568
Net cash (used in) generated from financing activities	(1,174,324)	395,721
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	8,194	3,028
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(235,234)	383,319
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	$ 4,207,576	$ 3,960,051

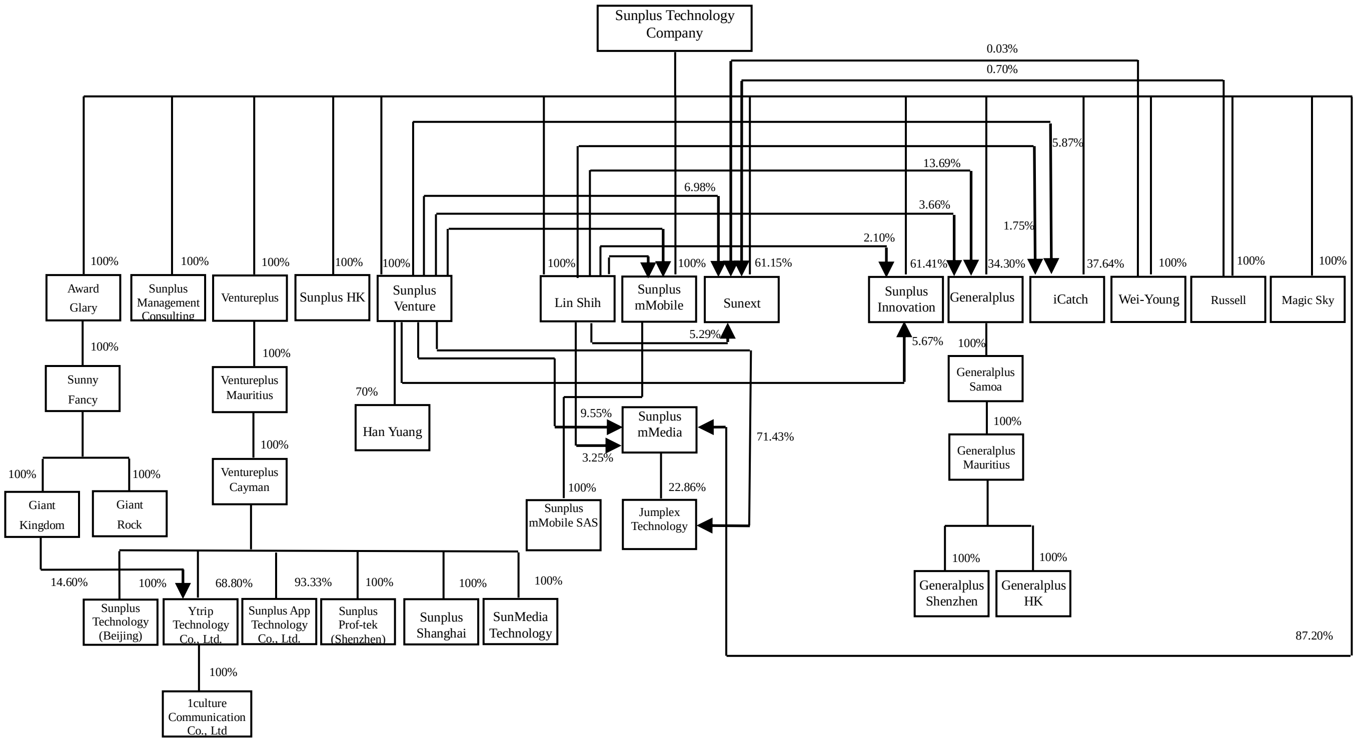
The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche review report dated November 14, 2016) (Concluded)

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 September 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 November 14, 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
Amendment to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018

(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.

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

	September 30, 2016	December 31, 2015	September 30, 2015
Cash on hand	$ 6,015	$ 4,122	$ 4,827
Checking accounts and demand deposits	1,983,886	1,569,563	1,457,764
Cash equivalents			
Cash equivalent deposits in banks	2,209,184	2,807,612	2,436,551
Repurchase agreements collateralized by bonds	8,491	61,513	60,909
	$ 4,207,576	$ 4,442,810	$ 3,960,051

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

	September 30, 2016	December 31, 2015	September 30, 2015
Bank balance	0.01%-2.9%	0.01%-4.0%	0.01%-4.1%
Repurchase agreement collateralized by bonds	1.0%	1.0%	1.00%

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

	September 30, 2016	December 31, 2015	September 30, 2015
Financial assets held for trading			
Nonderivative financial assets			
Corporate bonds of domestic listed stocks	$ 105,434	$ 24,200	$ 25,595

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2016	December 31, 2015	September 30, 2015
Domestic investments			
- Mutual funds	$ 1,155,427	$ 874,799	$ 784,419
- Quoted shares	1,052,361	1,605,745	1,661,409
Available-for-sale financial assets	$ 2,207,788	$ 2,480,544	$ 2,445,828
Current	$ 1,177,069	$ 961,646	$ 859,509
Noncurrent	1,030,719	1,518,898	1,586,319
	$ 2,207,788	$ 2,480,544	$ 2,445,828

The Group recognized impairment losses for the nine months ended September 30, 2016 and 2015 were $72,920 thousand and $754,346 thousand, respectively, and $0 and $583,395 thousand for the three months ended September 30, 2016 and 2015, respectively.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	September 30, 2016	December 31, 2015	September 30, 2015
Fixed income fund	$ -	$ 15,389	$ 15,389

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

	September 30, 2016	December 31, 2015	September 30, 2015
Domestic unlisted common shares	$ 567,912	$ 528,590	$ 626,503
Classified as available for sale	$ 567,912	$ 528,590	$ 626,503

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 for the three months ended September 30, 2016 and for the nine months ended September 30, 2016 were $0 and $7,500 thousand.

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2016	December 31, 2015	September 30, 2015
Notes receivable			
Notes receivable - operating	$ -	$ 67	$ -
Accounts receivable			
Accounts receivable	1,557,636	1,562,435	1,898,099
Accounts receivable from related parties	-	10,049	9,235
Less: Allowance for impairment loss	(62,510)	(3,091)	(1,565)
	1,495,126	1,569,393	1,905,769
	$ 1,495,126	$ 1,569,460	$ 1,905,769

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 $68,772 thousand, $121,854 thousand and $124,977 thousand as of September 30, 2016, December 31, 2015 and September 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 November 14, 2016, of the above trade receivables that were past due but not impaired as of September 30, 2016, the Group had received $26,503 thousand.

The aging of the receivables was as follows:

	September 30, 2016	December 31, 2015	September 30, 2015
0-60 days	$ 1,157,051	$ 1,261,621	$ 1,416,168
61-90 days	278,243	247,213	354,049
91-120 days	9,694	61,927	42,906
121-360 days	111,002	1,723	94,211
Above 360 days	1,646	-	-
Total	$ 1,557,636	$ 1,572,484	$ 1,907,334

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:

	September 30, 2016	December 31, 2015	September 30, 2015
0-60 days	$ 26,503	$ 121,854	$ 79,832
61-90 days	24,981	-	45,145
Above 91 days	17,288	-	-
	$ 68,772	$ 121,854	$ 124,977

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 September 30, 2015	$ 1,565	$ -	$ 1,565
Balance at January 1, 2016	$ 3,091	$ -	$ 3,091
Add: Impairment losses recognized on receivable	59,592	-	59,592
Foreign exchange translation gain (losses)	(173)	-	(173)
	$ 62,510	$ -	$ 62,510

12. INVENTORIES

	September 30, 2016	December 31, 2015	September 30, 2015
Finished goods	$ 371,261	$ 476,212	$ 427,104
Work in progress	409,531	509,470	668,332
Raw materials	195,009	239,340	222,154
	$ 975,801	$ 1,225,022	$ 1,317,590

The costs of inventories recognized as cost of goods sold for the nine months ended September 30, 2016 and 2015 were $3,274,975 thousand and $3,794,657 thousand, respectively, and $1,091,271 thousand and $1,320,957 thousand for the three months ended September 30, 2016 and 2015, respectively.

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
(Gains) losses on inventory value recoveries	$ (5,197)	$ 7,396	$ (27,002)	$ 14,644
Income from scrap sales	(56)	(57)	(248)	(189)
	$ (5,253)	$ 7,339	$ (27,250)	$ 14,455

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-September 30, 2015
Net loss for the period	$ (315,011)
Gains on disposal (Note 32)	278,166
	$ (27,845)

Segment revenue and cash flow results:

	January 1, 2015-September 30, 2015
Operating revenue	$ 96,100
Operating costs	(230,622)
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- September 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	September 30, 2016	December 31, 2015	September 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	62.41	62.10	62.54	-
	Generalplus Technology (“Generalplus”)	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had 51.65% equity in Generalplus.
	iCatch	Design of ICs	37.64	37.69	37.69	Sunplus and its subsidiaries had 45.26% 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 September 30, 2016	December 31, 2015	September 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	3.66	3.95	3.95	Sunplus and its subsidiaries had 51.65% 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	5.67	5.73	5.77	Sunplus and its subsidiaries had 69.18% equity in Sunplus Innovation
	iCatch Technology, Inc.	Design of ICs	5.87	5.87	5.87	Sunplus and its subsidiaries had 45.26% equity in iCatch Technology, Inc.
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had 51.65% 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	2.10	2.12	2.14	Sunplus and its subsidiaries had 69.18% equity in Sunplus Innovation
	iCatch Technology,	Design of ICs	1.75	1.75	1.75	Sunplus and its subsidiaries had 45.26% 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 September 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 nine months ended September 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 nine months ended September 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 September 30, 2016	December 31, 2015	September 30, 2015
Company			
Generalplus Technology Inc.	48.35%	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 September 30, 2016	2015	Nine Months Ended September 30, 2016	2015	Non-controlling Interests: September 30, 2016	December 31, 2015	September 30, 2015
Generalplus Technology Inc.	$ 48,702	$ 64,864	$ 166,583	$ 149,525	$ 1,032,680	$ 1,039,112	$ 1,011,036

The summarized financial information below represents amounts before intragroup eliminations.

	September 30, 2016	December 31, 2015	September 30, 2015
Current assets	$ 2,128,921	$ 2,176,779	$ 2,197,543
Non-current assets	739,159	721,161	732,267
Current liabilities	677,238	677,744	758,650
Non-current liabilities	85,102	82,329	91,832
Equity	$ 2,105,740	$ 2,137,867	$ 2,079,328
Equity attributable to:			
Owners of the Company	$ 1,073,060	$ 1,098,755	$ 1,068,292
Non-controlling interests	1,032,680	1,039,112	1,011,036
	$ 2,105,740	$ 2,137,867	$ 2,079,328

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Operating revenue	$ 836,930	$ 884,576	$ 2,594,333	$ 2,392,345
Net income	$ 101,065	$ 135,241	$ 346,493	$ 311,757
Other comprehensive income	(15,727)	20,255	30,409	8,683
Total other comprehensive income	$ 85,338	$ 155,496	$ 316,084	$ 320,440
Equity attributable to:				
Owners of the Company	$ 52,363	$ 70,377	$ 179,910	$ 162,232
Non-controlling interests	48,702	64,864	166,583	149,525
	$ 101,065	$ 135,241	$ 346,493	$ 311,757
Total other comprehensive income attributable to:				
Owners of the Company	$ 44,284	$ 80,923	$ 164,203	$ 166,751
Non-controlling interests	41,054	74,573	151,881	153,689
	$ 85,338	$ 155,496	$ 316,084	$ 320,440
Cash flows				
Cash flows from operating activities			$ 245,791	$ 251,167
Cash flows used in investing activities			(106,865)	(130,056)

(Continued)

	For the Nine Months Ended September 30	
	2016	2015
Cash flows from financing activities	$ (283,908)	$ (111,229)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(4,812)	898
Net cash outflow	$ (149,794)	$ 10,780
Dividend paid to non-controlling interests Generalplus Technology Inc.	$ (160,405)	$ (146,133)

(Concluded)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2016	December 31, 2015	September 30, 2015
Investments in associates	$ 324,352	$ 339,023	$ 341,997
Investments in jointly controlled entities	-	299,994	58,579
	$ 324,352	$ 639,017	$ 400,576

a. Investments in associates

	September 30, 2016	December 31, 2015	September 30, 2015
Listed companies			
Global View Co., Ltd	$ 324,352	$ 339,023	$ 341,997

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	September 30, 2016	December 31, 2015	September 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	September 30, 2016	December 31, 2015	September 30, 2015
Global View Co., Ltd.	$ 226,722	$ 252,233	$ 253,467

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 nine months ended September 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.

SZ-Tech Inc. had been liquidated on May 3, 2016. The Company recognized $9,434 thousand loss on disposal of investment according to the estimated amount of surplus properties distributed less than the book value of the investment.

Company	September 30, 2016	December 31, 2015	September 30, 2015
Jointly controlled entities			
S2-Tek Inc.	$ -	$ 299,994	$ 58,579

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 nine months ended September 30, 2016 and 2015 were not reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	Nine Months Ended September 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	-	12,671	639	85,955	960	5,196	-	6,483	134,883	246,787
Disposals	(11,684)	-	(2,389)	(99,894)	(3,435)	(6,545)	(2,302)	(6,530)	-	(132,779)
Effect of exchange rate changes	20,922	3,378	9,418	(90)	383	(8,481)	(190)	369	20,770	46,479
Balance, end of period	2,525,500	221,921	28,656	478,544	9,214	257,222	3,131	24,065	1,113,435	4,661,688
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	42,078	19,552	16,684	87,508	342	20,653	1,626	1,545	-	189,988
Disposals	(633)	-	(2,389)	(94,890)	(3,361)	(5,816)	(2,002)	(6,530)	-	(115,621)
Effect of exchange rate changes	1,057	192	(7,245)	14,800	150	(10,723)	(1,076)	6,835	-	3,990
Balance, end of period	346,058	93,075	25,982	381,622	6,208	206,431	2,027	15,985	-	1,077,388
Accumulated Impairment										
Balance, beginning of period	-	-	-	11,498	-	-	-	-	-	11,498
Additions	-	-	-	-	-	-	-	-	-	-
Balance, 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	$ 2,179,442	$ 128,846	$ 2,674	$ 85,424	$ 3,006	$ 50,791	$ 1,104	$ 8,080	$ 1,113,435	$ 3,572,802

	Nine Months Ended September 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	-	4,136	232	66,839	950	10,350	532	372	4,401	87,812
Disposals	-	-	(185)	(7,089)	(1,680)	(2,008)	(2,486)	(20)	-	(13,468)
Effect of exchange rate changes	(78,304)	(7,112)	(827)	(3,622)	(339)	(10,279)	1,879	(894)	(32,822)	(132,320)
Reclassification	-	(19,197)	-	(16,205)	1,606	14,458	-	1,747	(1,061,100)	(1,078,691)
Balance, end of period	2,441,022	198,902	17,679	542,555	7,126	264,699	3,474	24,932	-	3,500,389
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	45,514	17,575	1,170	77,714	660	19,654	2,516	2,439	-	167,242
Disposals	-	-	(171)	(7,043)	(1,512)	(1,980)	(2,486)	(20)	-	(13,212)
Effect of exchange rate changes	(4,507)	(1,284)	(814)	(3,805)	(132)	(7,421)	(251)	(467)	-	(18,681)
Reclassification	-	-	-	(8,307)	-	7,981	-	326	-	-
Balance, end of period	394,971	101,069	16,617	443,185	3,090	218,022	2,362	18,496	-	1,197,812
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	$ 2,046,051	$ 97,833	$ 1,062	$ 87,872	$ 4,036	$ 46,677	$ 1,112	$ 6,436	$ -	$ 2,291,079

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 Nine Months Ended September 30	
	2016	2015
Cost		
Balance at January 1	$ 450,839	$ 458,669
Reclassification	1,078,637	-
Effect of foreign currency exchange differences	(61,091)	7,566
Balance at September 30	$ 1,468,385	$ 466,235
Accumulated depreciation		
Balance at January 1	$ 193,769	$ 176,006
Depreciation expense	26,494	15,918
Effect of foreign currency exchange differences	(12,453)	3,402
Balance at September 30	$ 207,810	$ 195,326
	$ 1,260,575	$ 270,909

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:

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

The investment properties were valued by independent valuators; the Company determined that the fair values reported as of June 30, 2016 were still valid as of September 30, 2016.

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:

	September 30, 2016	December 31, 2015	September 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 Company determined that the fair values reported as of December 31, 2015 and 2014 were still valid as of September 30, 2016 and 2015.

The rental income generated for the nine months ended September 30, 2016 and 2015 were $ 143,867 thousand and $ 113,527 thousand, respectively.

The rental income generated for the three months ended September 30, 2016 and 2015 were $56,926 thousand and $38,510 thousand, respectively.

18. INTANGIBLE ASSETS

	For the Nine Months Ended September 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	97,330	26,272	-	-	-	123,602
Decrease	(66,118)	(889)	-	-	-	(67,007)
Effect of foreign currency exchange differences	3	506	-	-	-	509
Balance at September 30	$ 731,868	$ 371,985	$ 114,229	$ 30,596	$ 2,460	$ 1,251,138
Accumulated amortization						
Balance at January 1	$ 524,354	$ 306,403	$ 65,616	$ -	$ 2,460	$ 898,833
Amortization expense	44,238	26,076	5,055	-	-	75,369
Decrease	(46,639)	(297)	-	-	-	(46,936)
Effect of foreign currency exchange differences	1	324	-	-	-	325
Balance at September 30	$ 521,954	$ 332,506	$ 70,671	$ -	$ 2,460	$ 927,591
Accumulated impairment						
Balance at January 1	$ 17,013	$ -	$ -	$ -	$ -	$ 17,013
Effect of foreign currency exchange differences	94,123	-	-	-	-	94,123
Balance at September 30	$ 111,136	$ -	$ -	$ -	$ -	$ 111,136
Net, beginning of period	$ 159,286	$ 39,693	$ 48,613	$ 30,596	$ -	$ 278,188
Net, end of period	$ 98,778	$ 39,479	$ 43,558	$ 30,596	$ -	$ 212,411

	For the Nine Months Ended September 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	66,328	37,786	-	-	-	104,114
Decrease	-	(7,913)	-	-	-	(7,913)
Effect of foreign currency exchange differences	(25)	(2,378)	-	-	-	(2,403)
Balance at September 30	$ 747,114	$ 400,844	$ 114,229	$ 30,596	$ 2,460	$ 1,295,243
Accumulated amortization						
Balance at January 1	$ 484,734	$ 337,281	$ 72,353	$ -	$ 2,460	$ 896,828
Amortization expense	54,989	26,557	5,053	-	-	86,599
Decrease	-	(7,605)	-	-	-	(7,605)
Effect of foreign currency exchange differences	(3)	(1,195)	-	-	-	(1,198)
Balance at September 30	$ 539,720	$ 355,038	$ 77,406	$ -	$ 2,460	$ 974,624
Accumulated impairment						
Balance at September 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	$ 96,258	$ 45,806	$ 36,823	$ 30,596	$ -	$ 209,483

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

The Group recognized impairment losses of $0 and $94,123 thousand for the nine months ended September 30, 2016 and 2015, respectively, and $0 and $0 for the three months ended September 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

	September 30, 2016	December 31, 2015	September 30, 2015
Pledged time deposits (Note 37)	$ 315,610	$ 259,876	$ 95,750
Finance lease payables	116,625	126,438	131,818
Other financial asset	75,088	79,920	82,816
Refundable deposits	11,025	5,495	4,864
Prepaid equipment payables	-	-	44,928
Others	119,857	114,384	171,759
	$ 638,205	$ 586,113	$ 531,935
Current	$ 412,733	$ 431,971	$ 373,104
Noncurrent	225,472	154,142	158,831
	$ 638,205	$ 586,113	$ 531,935

The amounts of the Group’s finance lease payables for land grant in China as of September 30, 2016, December 31, 2015 and September 30, 2015 were $116,625 thousand, $126,438 thousand and $131,818 thousand.

20. BORROWINGS

Short-term borrowings

	September 30, 2016	December 31, 2015	September 30, 2015
Unsecured borrowings			
Bank loans	$ 675,414	$ 646,093	$ 844,475

The weighted average effective interest rates on the bank loans as of September 30, 2016, December 31, 2015 and September 30, 2015 were 1.30%-2.33%, 1.14%-2.20% and 1.02%-2.5429%

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	September 30, 2016	December 31, 2015	September 30, 2015
Floating rate borrowings					
Unsecured bank borrowing	2018.2	Repayable quarterly from August 2015	$ 500,000	$ 500,000	$ 500,000
Unsecured bank borrowing	2018.1	Repayable quarterly from July 2015	177,778	200,000	200,000
Unsecured bank borrowing	2016.7.14	Repayable on July 2016	156,385	162,178	164,630
Unsecured bank borrowing	2017.1.10	Repayable on January 2017	156,385	194,613	197,557
Unsecured bank borrowing	2017.12.18	Repayable on December 2017	156,385	162,178	-
Unsecured bank borrowing	2019.2.28	Repayable quarterly from February 2014	93,750	243,750	262,500
Secured bank borrowing	2017.3.16	Repayable semiannually from March 2012	77,776	233,332	233,332
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	-	-	164,630
			$ 1,378,459	$ 1,876,051	$ 1,962,649
Current			$ 689,300	$ 619,678	$ 899,595
Noncurrent			689,159	1,256,373	1,063,054
			$ 1,378,459	$ 1,876,051	$ 1,962,649

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

The effective rates of borrowings as of September 30, 2016, December 31, 2015 and September 30, 2015 were 1.545%-2.6%, 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 and December 31, 2015, the Group was in compliance with these financial ratio requirements.

21. TRADE PAYABLES

	September 30, 2016	December 31, 2015	September 30, 2015
Accounts payable			
Payable - operating	$ 511,907	$ 665,304	$ 765,285

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

	September 30, 2016	December 31, 2015	September 30, 2015
Customer returns and rebates	$ 12,803	$ 15,339	$ 16,190

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

	September 30, 2016	December 31, 2015	September 30, 2015
Other payables			
Salaries and bonus	$ 355,058	$ 371,315	$ 263,046
Unearned revenue	103,398	22,891	27,290
Employee bonuses and compensation payable to directors and supervisions	59,577	109,637	109,949
Payable for royalties	45,380	37,065	13,152
Labor/health insurance	26,903	27,961	25,103
Payable for commission	21,759	12,815	27,802
Payable for purchase of equipment	8,327	50,259	39,857
Professional service fees	5,360	5,293	7,994
Others	126,906	102,632	138,743
	$ 752,668	$ 739,868	$ 652,936
Deferred revenue			
Arising from governments grants (Note 31)	$ 70,508	$ 76,410	$ 79,651
Others	-	-	3,838
	$ 70,508	$ 76,410	$ 83,489
Current			
- Other current liability	$ 751,779	$ 738,529	$ 651,027
- Deferred revenue	1,709	1,819	2,806
	$ 753,488	$ 740,348	$ 653,833
Noncurrent			
- Other liability	$ 889	$ 1,339	$ 1,909
- Deferred revenue	68,799	74,591	80,683
	$ 69,688	$ 75,930	$ 82,592

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 September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Cost of revenue	$ 70	$ 132	$ 205	$ 378
Marketing expenses	96	99	238	318
General and administrative expenses	125	209	378	618
Research and development expenses	327	410	1,061	(10,405)
	$ 618	$ 850	$ 1,882	$ (9,091)

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:

	September 30, 2016	**December 31, 2015**	**September 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

	September 30, 2016	December 31, 2015	September 30, 2015
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of common shares	$ 703,376	$ 703,376	$ 703,376
Treasury share transactions	39,686	36,518	36,518
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	9,810	-	-
May be used to offset a deficit only			
From changes in percentage of ownership interest in subsidiaries (2)	-	-	63
May not be used for any purpose			
From share of changes in capital surplus of associates or joint venture	-	-	(753)
	$ 910,295	$ 897,317	$ 896,627

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		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**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 the Nine Months Ended September 30	
	2016	**2015**
Balance at January 1	$ 97,509	$ 128,258
Exchange differences arising on translating the foreign operations	(137,158)	42,804
Share of exchange differences of associates accounted for using equity method	(9,154)	437
Balance at September 30	$ (48,803)	$ 171,499

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

	For the Nine Months Ended September 30	
	2016	2015
Balance at January 1, 2016	$ 233,983	$ 181,674
Changes in fair value of available-for-sale financial assets	145,427	(935,314)
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	72,920	754,346
Unrealized of gain and using equity method to recognize associates as available for sale	112	(171)
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	(149,978)	(54,090)
Balance at September 30, 2016	$ 302,464	$ (53,596)

Noncontrolling interests

	For the Nine Months Ended September 30	
	2016	2015
Balance at January 1	$ 1,695,228	$ 1,598,388
Attributable to noncontrolling interests:		
Share of profit for the year	117,273	174,369
Exchange difference arising on translation of foreign entities	(4,984)	3,675
Unrealized gains and losses on available-for-sale financial assets	(1,784)	653
Associate's distribution of dividends	(191,451)	(146,133)
Partial disposal of subsidiaries	9,043	-
Noncontrolling interests - restricted shares options held by subsidiaries' employees	547	468
Noncontrolling interests relating to outstanding vested shares options held by the employees of subsidiaries	690	100
Others	12,794	(57)
Balance at September 30	$ 1,637,356	$ 1,631,463

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 September 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 September 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)
September 30, 2016			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 41,118
December 31, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 41,474
September 30, 2015			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 46,280

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

26. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Revenue from IC	$ 1,769,918	$ 2,076,401	$ 5,431,650	$ 6,026,297
Rental income from property	56,926	38,510	143,867	113,527
Other	49,945	121,972	187,182	273,294
	$ 1,876,789	$ 2,236,883	$ 5,762,699	$ 6,413,118

27. NET PROFIT

Net profit (loss) included the following items:

Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Interest income				
Bank deposits	$ 2,274	$ 9,202	$ 15,528	$ 27,721
Dividend income	24,760	13,224	25,631	16,221
Others	15,811	17,264	39,278	30,530
	$ 42,845	$ 39,690	$ 80,437	$ 74,472

Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Gain on disposal of investment	$ 66,936	$ 1,334	$ 142,988	$ 961,211
Net foreign exchange losses	884	(848)	906	(791)
Net (loss) gain on financial assets designated as at FVTPL	(31,443)	64,880	(64,709)	18,054
Impairment loss on financial assets carried at cost	-	(583,395)	(80,420)	(817,392)
Other	1,810	4,315	7,451	13,016
	$ 38,187	$ (513,714)	$ 6,216	$ 174,098

Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Interest on bank loans	$ 10,886	$ 10,045	$ 28,886	$ 26,235
Other interest expense	129	14	385	14
	$ 10,995	$ 10,059	$ 29,271	$ 26,249

Information on capitalized interest is as below:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Capitalized interest	$ -	$ 1,810	$ 4,127	$ 9,088
Capitalization rate	2.69%	2.69%	2.69%	2.69%

Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Property, plant and equipment	$ 54,571	$ 54,090	$ 167,242	$ 189,988
Investment property	18,054	5,316	26,494	15,918
Intangible assets	30,763	26,453	86,599	75,369
	$ 103,388	$ 85,859	$ 280,335	$ 281,275
An analysis of depreciation by function				
Operating costs	$ 20,078	$ 2,473	$ 32,864	$ 7,526
Operating expenses	54,547	56,933	160,872	198,380
	$ 74,625	$ 59,406	$ 193,736	$ 205,906
An analysis of amortization by function				
Operating costs	$ 225	$ 244	$ 687	$ 783
Selling and marketing expenses	28	58	69	175
General and administrative expenses	3,730	985	10,439	7,449
Research and development expenses	26,780	25,166	75,404	66,962
	$ 30,763	$ 26,453	$ 86,599	$ 75,369

Operating expenses directly related to investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Direct operating expenses from investment property that generated rental income	$ 19,977	$ 6,006	$ 33,891	$ 17,514
Direct operating expenses from investment property that did not generate rental income	158,478	28,112	194,495	71,485
	$ 178,455	$ 34,118	$ 228,386	$ 88,999

Employee benefit expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Post-employment benefit				
Defined contribution plans	$ 13,914	$ 13,653	$ 41,572	$ 40,818
Defined benefit plans (Note 24)	618	850	1,882	(9,091)
Other employee benefit	444,567	399,066	1,521,387	1,554,804
Total employee benefit expense	$ 459,099	$ 413,569	$ 1,564,841	$ 1,586,531
An analysis of employee benefit expense by function				
Operating costs	$ 39,211	$ 35,346	$ 169,852	$ 117,103
Operating expenses	419,888	378,223	1,394,989	1,469,428
	$ 459,099	$ 413,569	$ 1,564,841	$ 1,586,531

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 nine months ended September 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 September 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 September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
Employees' compensation /Bonus to employees	$ 422	$ (2,312)	$ 694	$ -
Remuneration of directors and supervisors	$ 635	$ (3,468)	$ 1,042	$ -

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 September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Foreign exchange gains	$ 43,608	$ 152,550	$ 99,316	$ 192,261
Foreign exchange losses	(75,051)	(87,670)	(164,025)	(174,207)
	$ (31,443)	$ 64,880	$ (64,709)	$ 18,054

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 September 30		For the Nine Months Ended September 30	
	2016	2015	2016	2015
Current tax				
Current period	$ 13,945	$ 22,513	$ 58,505	$ 60,091
Prior periods	(590)	-	4,547	(480)
Others	14	2,463	1,136	3,925
	13,369	24,976	64,188	63,536
Deferred tax				
Current period	8,691	(246)	9,254	(4,640)
Others	-	97	-	(1)
	8,691	(149)	9,254	(4,641)
Income tax expense (benefit) recognized in profit or loss	$ 22,060	$ 24,827	$ 71,442	$ 58,895

b. Imputation credits accounts

	September 30, 2016	December 31, 2015	September 30, 2015
Imputation credits accounts	$ 243,091	$ 313,104	$ 309,114

	Years Ended September 30	
	2015	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 September 30		For the Nine Months Ended September 30	
	2016	**2015**	**2016**	**2015**
Basic earnings per share				
From continuing operations	$ 0.07	$ (0.51)	$ 0.11	$ 0.65
From discontinued operations	-	-	-	(0.05)
Total basic earnings per share	$ 0.07	$ (0.51)	$ 0.11	$ 0.60
Diluted loss per share				
From continuing operations	$ 0.07	$ (0.51)	$ 0.11	$ 0.65
From discontinued operations	-	-	-	(0.05)
Total diluted earnings per share	$ 0.07	$ (0.51)	$ 0.11	$ 0.60

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 September 30		For the Nine Months Ended September 30	
	2016	**2015**	**2016**	**2015**
Profit for the period attributable to owners of the Group	$ 41,122	$ (298,415)	$ 66,798	$ 353,164
Earnings used in the computation of basic EPS	41,122	(298,415)	66,798	353,164
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	41,122	(298,415)	66,798	381,009

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 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	$ 41,122	$ (298,415)	$ 66,798	$ 381,069

(Concluded)

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

	For the Three Months Ended September 30		For the Nine Months Ended September 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	60	-	202	7
Earnings used in the computation of diluted earnings per share	$ 588,495	$ 588,435	$ 588,637	$ 588,442

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 Nine Months Ended September 30	
	2016	**2015**
Balance at January 1	844	2,315
Vest	(575)	(352)
Retirement	(27)	(1,143)
Balance at September 30	242	820

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 nine months ended September 30, 2016 was as follows:

	Year Ended September 30, 2015	
	Number of Options (In Thousands)	**Weighted Average Exercise Price (NT$)**
Share-Based Payment		
Balance at January 1, 2016	6,199	$ 10
Options exercised	(78)	10
Retirement	(99)	-
Balance at September 30, 2016	6,022	10
Balance at January 1, 2015	7,500	$ 10
Options exercised	(10)	10
Balance at September 30, 2015	7,490	10

As of September 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	4,451	2.95	$10	2,236	$ -

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	3.85	$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 nine months ended September 30, 2016 and 2015 were $1,344 thousand and $1,370 thousand, respectively, and $433 thousand and $458 thousand for the three months ended September 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 $8,080 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:

	September 30, 2016	December 31, 2015	September 30, 2015
Up to 1 year	$ 8,080	$ 7,815	$ 7,815
Over 1 year to 5 years	30,742	31,262	31,262
Over 5 years	43,748	45,692	47,646
	$ 82,570	$ 84,769	$ 86,723

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Up to 1 year	$ 5,489	$ 5,459	$ 5,459
Over 1 year to 5 years	6,862	10,919	12,284
	$ 12,351	$ 16,378	$ 17,743
Refundable deposits	$ 910	$ 1,660	$ 910

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Up to 1 year	$ 1,474	$ 1,474	$ 1,474
Over 1 year to 5 years	4,791	5,896	5,896
Over 5 years	-	-	369
	$ 6,265	$ 7,370	$ 7,739

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Up to 1 year	$ 3,484	$ 538	$ 1,346
Over 1 year to 5 years	1,451	-	-
	$ 4,934	$ 538	$ 1,346
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 September 30, 2016, December 31, 2015, September 30, 2015 deposits received under operating leases amounted to $34,957 thousand, $35,410 thousand and $30,349 thousand, respectively.

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

	September 30, 2016	December 31, 2015	September 30, 2015
Up to 1 year	$ 116,855	$ 117,457	$ 68,650
Over 1 to 5 years	86,927	109,985	38,033
	$ 203,782	$ 227,442	$ 106,683

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:

	September 30, 2016
Up to 1 year	$ 86,332
Over 1 to 5 years	351,834
Over 5 years	912,159
	$ 1,350,325

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

	September 30, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 567,912	$ -	$ 528,590	$ -
Debt investment with no active market	-	-	15,389	-

	September 30, 2015	
	Carrying Amount	Fair Value
Financial assets		
Financial assets carried at cost	$ 626,503	$ -
Debt investment with no active market	15,389	-

b. Fair value level

1)

September 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 105,434	$ -	$ -	$ 105,434
Available-for-sale financial assets				
Mutual funds	$ 1,155,427	$ -	$ -	$ 1,155,427
Securities listed in ROC	1,052,361	-	-	1,052,361
	$ 2,207,788	$ -	$ -	$ 2,207,788

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

September 30, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in the ROC	$ 25,595	$ -	$ -	$ 25,595
Available-for-sale financial assets				
Mutual funds	$ 784,419	$ -	$ -	$ 784,419
Securities listed in the ROC	1,661,409	-	-	1,661,409
	$ 2,445,828	$ -	$ -	$ 2,445,828

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

	September 30, 2016	December 31, 2015	September 30, 2015
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 105,434	$ 24,200	$ 25,595
Loans and receivables (i)	5,850,201	6,147,805	6,026,502
Available-for-sale financial assets(ii)	2,775,700	3,009,134	3,072,331
Financial liabilities			
measured at amortized cost(iii)	2,789,838	3,389,629	3,779,169

(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 Nine Months Ended September 30	
	2016	**2015**
Profit or loss	$ (20,954)	$ (22,706)

	RMB impact	
	For the Nine Months Ended September 30	
	2016	**2015**
Profit or loss	$ (3,787)	$ (43,471)

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.

	September 30, 2016	**December 31, 2015**	**September 30, 2015**
Fair value interest rate risk			
Financial assets	$ 2,559,734	$ 3,110,718	$ 2,460,666
Financial liabilities	347,022	170,588	521,761
Cash flow interest rate risk			
Financial assets	1,956,952	1,587,426	1,589,791
Financial liabilities	1,706,851	2,351,556	2,285,363

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 nine months ended September 30, 2016 and 2015 would increase/decrease by $313 thousand and decrease/increase by $869 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 nine months ended September 30, 2016 and 2015 would have increased/decreased by $22,078 thousand and $24,458 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 55%, 54% and 52% in total trade receivables as of September 30, 2016, December 31, 2015 and September 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 September 30, 2016, December 31, 2015 and September 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.

September 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	-	$ 285,782	$ 369,646	$ 16,461	$ 42,828	$ -
Variable interest rate liabilities	1.545-2.6	660	144,722	607,116	689,159	-
Fixed interest rate liabilities	0.9-2.33	20,000	421,208	172,023	-	156,172
		$ 306,442	$ 935,576	$ 795,600	$ 731,987	$ 156,172

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

September 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	-	$ 307,140	$ 712,720	$ 20,717	$ 26,370	$ -
Floating interest rate liabilities	1.865-2.558	1,052	123,750	294,028	1,846,695	-
Fixed interest rate liabilities	0.8-2.5429	215,983	200,441	83,699	119,828	152,596
		$ 524,175	$ 1,036,911	$ 398,444	$ 1,992,893	$ 152,596

b) Financing facilities

	September 30, 2016	December 31, 2015	September 30, 2015
Unsecured bank overdraft facility			
Amount used	$ 1,900,147	$ 2,582,603	$ 3,007,465
Amount unused	4,226,157	3,770,817	3,857,922
	$ 6,126,304	$ 6,353,420	$ 6,865,387

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

		For the Three Months Ended September 30		For the Nine Months Ended September 30	
Account Items	**Related Parties Types**	**2016**	**2015**	**2016**	**2015**
Sales of goods	Associates	$ -	$ -	$ 174	$ -
	Joint ventures	-	11,672	219	70,451
		$ -	$ 11,672	$ 393	$ 70,451

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	September 30, 2016	December 31, 2015	September 30, 2015
Accounts receivable	Joint ventures	$ -	$ 10,049	$ 9,235
Other receivable	Joint ventures	$ -	$ 1,262	$ 4,519

There were no guarantees on outstanding receivables from related parties. For the nine months ended September 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 September 30 2016	Three Months Ended September 30 2015	Nine Months Ended September 30 2016	Nine Months Ended September 30 2015
Operating expenses	Joint ventures	$ -	$ 2	$ -	$ 13,931
Nonoperating income and expenses	Joint ventures	$ -	$ 4,375	$ 1,808	$ 12,463

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 September 30 2016	Three Months Ended September 30 2015	Nine Months Ended September 30 2016	Nine Months Ended September 30 2015
Short-term benefits	$38,730	$18,093	$62,583	$43,286
Post-employment benefits	311	295	866	850
	$39,041	$18,388	$63,449	$44,136

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Buildings, net	$ 658,790	$ 673,342	$ 678,192
Pledged time deposits (classified other assets, including current and noncurrent)	315,610	259,876	95,750
Subsidiary's holding of Sunplus' stock	39,090	39,429	43,998
	$ 1,013,490	$ 972,647	$ 817,940

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:

September 30, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 68,385	31.360	$ 2,144,554
HKD	14,140	4.044	57,182
CNY	5,507	4.693	25,844
JPY	504	0.311	157
GBP	3	40.630	122
EUR	2	35.080	70
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	47,431	31.360	1,487,436
CNY	1,720	4.693	8,072

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

September 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 76,654	32.870	$ 2,519,617
CNY	49,269	5.176	255,016
JPY	529	0.274	145
HKD	118	4.241	500
EUR	2	36.920	74
GBP	3	49.830	149
Nonmonetary items			
USD	1,629	32.870	53,545
EUR	510	36.920	18,829
Financial liabilities			
Monetary items			
USD	53,948	32.870	1,773,271
CNY	5,798	5.176	30,010
JPY	209	0.274	57

The foreign currency exchange loss and gain (realized and unrealized) were amounted to $31,443 thousand and $64,880 thousand for the three months ended September 30, 2016 and 2015, respectively. The foreign currency exchange loss and gain (realized and unrealized) were amounted to $64,709 thousand and $18,054 thousand for the nine months ended September 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 nine months ended September 30, 2016 and 2015 are shown in the accompanying consolidated income statements, and the assets by segment as of September 30, 2016 and 2015 are shown in the accompanying consolidated balance sheets.

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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 10)	$ 339,987 (Note 10)
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 10)	339,987 (Note 10)
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 11)	169,994 (Note 11)
2	Sunplus Technology (Shanghai) Co., Ltd.	1culture Communication Co., Ltd	Receivables from related parties	Yes	1,150	-	-	1.80%	Note 1	-	Note 5	-	-	-	25,671 (Note 12)	51,343 (Note 12)
2	Sunplus Technology (Shanghai) Co., Ltd	Ytrip Technology Co., Ltd.	Receivables from related parties	Yes	3,497	-	-	1.80%	Note 1	-	Note 6	-	-	-	25,671 (Note 12)	51,343 (Note 12)
2	Sunplus Technology (Shanghai) Co., Ltd	Sunplus APP Technology	Receivables from related parties	Yes	25,266	14,985	14,985	1.80%	Note 1	-	Note 7	-	-	-	25,671 (Note 12)	51,343 (Note 12)
2	Sunplus Technology (Shanghai) Co., Ltd	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	154,845	104,895	104,895	1.60%	Note 1	-	Note 8	-	-	-	308,057 (Note 13)	308,057 (Note 13)
2	Sunplus Technology (Shanghai) Co., Ltd	Sunplus Technology (Beijing)	Receivables from related parties	Yes	14,985	14,985	-	1.80%	Note 1	-	Note 9	-	-	-	308,057 (Note 13)	308,057 (Note 13)

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

Note 10: 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 11: 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 12: 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 13: The foreign company has voting shares that are directly and indirectly wholly owned by the Company's parent company. The total amounts of all guarantees issued and the individual amounts of the guarantee should not exceed 60% of Sunplus Technology (Shanghai) Co., Ltd.'s net equity as of the latest financial statements; in addition, the guarantee period should not exceed two years.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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	Sunplus Technology Company Limited ("Sunplus")	Ventureplus Cayman Inc.	3 (Note 4)	$ 899,229 (Note 5)	$ 288,490	$ 210,315	$ 210,315	$ -	2.34	$ 1,792,458 (Note 6)	Yes	No	No
(Note 1)		Sun Media Technology Co., Ltd.	3 (Note 4)	899,229 (Note 5)	943,470	752,930	752,930	-	8.37	1,792,458 (Note 6)	Yes	No	Yes
		Ytrip Technology Co., Ltd.	3 (Note 4)	899,229 (Note 5)	191,310	128,940	128,940	64,400	1.43	1,792,458 (Note 6)	Yes	No	Yes
		Jumplux Technology Co., Ltd.	3 (Note 4)	899,229 (Note 5)	35,000	35,000	35,000	-	0.39	1,792,458 (Note 6)	Yes	No	No
		Sunext Technology Co., Ltd.	2 (Note 3)	899,229 (Note 5)	30,000	10,000	10,000	-	0.11	1,792,458 (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
SEPTEMBER 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	September 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	$ 357,692	2	$ 357,693	Note 2
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	22,726	-	22,726	Note 2
	FocalTech Inc.		Available-for-sale financial assets	13,839	521,714	5	521,714	Note 2
	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	163,768	-	163,768	Note 3
	Nomura Global High Dividend Act	-	Available-for-sale financial assets	577	9,420	-	9,420	Note 3
	FSITC Money Market	-	Available-for-sale financial assets	290	51,220	-	51,220	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,631	-	30,631	Note 3
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,632	-	30,632	Note 3
	BGF Global Allocation Fund	-	Available-for-sale financial assets	3	5,373	-	5,373	Note 3
	Franklin Global Fduntl Start Fund	-	Available-for-sale financial assets	13	4,989	-	4,989	Note 3
	KGI Economic Moat Fund	-	Available-for-sale financial assets	500	5,465	-	5,465	Note 3
	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,010	30,157	-	30,158	Note 3
	Prudential Financial Money Market Fund	-	Available-for-sale financial assets	1,925	30,132	-	30,132	Note 3
	Yuanta Emerging Indonesia Opp Bd	-	Available-for-sale financial assets	500	5,706	-	5,706	Note 3
	Jih Sun Money Market	-	Available-for-sale financial assets	3,420	50,132	-	50,132	Note 3
	Yuanta Global USD Corporate Bond TWD A	-	Available-for-sale financial assets	2,000	19,996	-	19,996	Note 3
	Yuanta USD Money Market USD	-	Available-for-sale financial assets	100	31,421	-	31,421	Note 3
	Yuanta RMB Money Market CNY	-	Available-for-sale financial assets	470	23,619	-	23,619	Note 3
	Mega RMB Money Market	-	Available-for-sale financial assets	466	23,616	-	23,616	Note 3
	Prudential Financial RMB Money Mkt TWD	-	Available-for-sale financial assets	2,593	25,000	-	25,000	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	213	2,133	11	2,133	Note 1
Lin Shih Investment Co., Ltd.	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,434	88,570	2	88,570	Note 2
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	41,118	1	41,118	Notes 2 and 4
	Asolid Technology Co., Ltd.	-	Available-for-sale financial assets	31	1,691	-	1,691	Note 2
	Ruentex Material Co., Ltd	-	Available-for-sale financial assets	20	355	-	355	Note 2
	Compeq Manufacturing Co., Ltd.	-	Available-for-sale financial assets	1,000	16,000	-	16,000	Note 2
	AP Memory Technology Co., Ltd.	-	Available-for-sale financial assets	40	3,596	-	3,596	Note 2
	Yuanta China Balance Fund	-	Available-for-sale financial assets	213	2,896	-	2,896	Note 3
	Yuanta Great China TMT TWD Acc	-	Available-for-sale financial assets	3,133	30,229	-	30,229	Note 3
	Yuanta New ASEAN Balanced TWD	-	Available-for-sale financial assets	2,000	19,860	-	19,860	Note 3
	CTBC Global Silver Age Income	-	Available-for-sale financial assets	1,000	10,000	-	10,000	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2016 Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
Lin Shih Investment Co., Ltd.	Yuanta KOSPI 200 ETF	-	Available-for-sale financial assets	100	$ 2,000	-	$ 2,000	Note 3
	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	4	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	2,030	-	2,030	Note 2
	Everlight Electronics Co., Ltd.-CB	-	Financial assets at fair value through profit or loss - current	80	7,944	-	7,944	Note 2
	King Yuan Electronics Co., Ltd.-OCB	-	Financial assets at fair value through profit or loss - current	1,000	31,486	-	31,485	Note 2
Russell Holdings Limited	Stock							
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	35,982 (US$ 1,147)	-	35,970 (US$ 1,147)	Notes 1 and 5
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	1,601 (US$ 51)	5	1,599 (US$ 51)	Notes 1 and 5
	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
	King Yuan Electronics Co., Ltd.-OCB	-	Financial assets at fair value through profit or loss - current	20	63,974 (US$ 2,040)	-	63,974 (US$ 2,040)	Note 1
Sunplus Venture Capital Co., Ltd.	Stock							
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	1,793	49,928	-	49,928	Note 2
	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	5	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	981	27,900	3	27,900	Note 1
	Dawning Leading Technology Inc.	-	Financial assets carried at cost	3,039	42,000	1	42,000	Note 1
	Qun-Xin Venture Capital	-	Financial assets carried at cost	3,000	30,000	6	30,000	Note 1
	Sanjet Technology Corp.	-	Financial assets carried at cost	49	-	-	-	Note 1
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	-	8	-	Note 1
	Simple Act Inc.	-	Financial assets carried at cost	1,900	-	10	-	Note 1
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets carried at cost	68	-	1	-	Note 1
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 1
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 1
	VenGlobal International Fund	-	Financial assets carried at cost	5,000	50,000	7	50,000	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2016				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	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	12,100	57,344 (RMB$ 12,219)	-	57,344 (RMB$ 12,219)	Notes 3 and 5
	Gf Every Day The Red Haired Type Money Market Fund	-	Available-for-sale financial assets	5,000	23,470 (RMB$ 5,001)	-	23,470 (RMB$ 5,001)	Notes 3 and 5
	GF Money Market Fund B	-	Available-for-sale financial assets	8,950	42,292 (RMB$ 9,012)	-	42,293 (RMB$ 9,012)	Notes 3 and 5
	Chongquing Chong You Information Technology Co., Ltd.	-	Financial assets carried at cost	-	-	3	-	Note 1
Wei-Young Investment Inc.	Elitegroup Computer Systems	-	Available-for-sale financial assets	238	3,118	-	3,118	Note 2
Generalplus Technology Inc.	Yuanta De-Li Money Market Fund	-	Available-for-sale financial assets	1,243	20,068	-	20,068	Note 3
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	3,023	50,027	-	50,027	Note 3
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	2,955	30,220	-	30,220	Note 3
	Jih Sun Money Market	-	Available-for-sale financial assets	3,011	44,143	-	44,143	Note 3
	Prudential Financial Return	-	Available-for-sale financial assets	3,228	50,003	-	50,003	Note 3
Sunext Technology	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,301	34,511	-	34,511	Note 3
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	986	10,081	-	10,081	Note 3
Sunplus Innovation Technology Inc.	<u>Stock</u>							
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	2,000	4,121	9	4,121	Note 1
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	15,392	10	15,391	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	11,091	105,942	-	105,844	Note 3
	Yuanta RMB Money Market TWD	-	Available-for-sale financial assets	916	9,506	-	9,506	Note 3
	Yuanta USD Money Market USD	-	Available-for-sale financial assets	100	31,420	-	31,420	Note 3
	Fuh Hwa You Li Money Market	-	Available-for-sale financial assets	2,253	30,086	-	30,086	Note 3
	Mega Diamond Money Market	-	Available-for-sale financial assets	810	10,052	-	10,052	Note 3

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

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

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

Note 4: As of September 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 $39,090 thousand had not been pledged or mortgaged.

Note 5: The exchange rate was based on the exchange rate as of September 30, 2016.

(Concluded)

TABLE 4

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

1. For the nine months ended September 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	$ 3,761	Note 1	0.07%
			Nonoperating income and gains	43	Note 2	-
			Notes and accounts receivable	700	Note 1	-
	Sunext Technology Co., Ltd.	1	Sales	754	Note 1	0.01%
			Nonoperating income and gains	8,138	Notes 2 and 4	0.14%
			Notes and accounts receivable	219	Note 1	-
			Other receivables	911	Note 3	0.01%
	Sunplus Innovation Technology Inc.	1	Sales	318	Note 1	0.01%
			Nonoperating income and gains	2,864	Note 2	0.05%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	995	Note 3	0.01%
	iCatch Technology, Inc.	1	Sales	10,613	Note 1	0.18%
			Nonoperating income and gains	11,999	Notes 2 and 4	0.21%
			Notes and accounts receivable	3,113	Note 1	0.02%
			Other receivables	1,252	Note 3	0.01%
	Sunplus Technology (H.K.) Co., Ltd.	1	General and administrative expense	1,104	Note 2	0.02%
			Other accrued expense	187	Note 3	-
			Other prepaid expense	627	Note 3	-
	Jumplux Technology Co., Ltd.	1	Sales	2,439	Note 1	0.04%
			Nonoperating income and gains	5,245	Note 2 and 4	0.09%
			Notes and accounts receivable	1,690	Note 1	0.01%
			Other receivables	836	Note 3	0.01%
			Marketing expense	47	Note 2	-
	Sunplus mMedia Inc.	1	Sales	2,039	Note 1	0.04%
			Nonoperating income and gains	2,089	Notes 2 and 4	0.04%
			Marketing expense	217	Note 2	-
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Marketing expense	2,087	Note 2	0.04%
			Other accrued expense	614	Note 3	-
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expense	18,681	Note 2	0.32%
			Other accrued expense	6,579	Note 3	0.05%
Generalplus Technology Corp.	Generalplus Technology (H.K.) Corp.	2	Marketing expense	14,827	Note 2	0.26%
			Other accrued expense	1,444	Note 3	0.01%
	Generalplus Technology (Shenzhen) corp.	2	Research and development expense	68,378	Note 2	1.22%
			Other accrued expense	32,093	Note 3	0.22%

(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
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expense	$ 19,242	Note 2	0.33%
			Accrued expenses	6,342	Note 3	0.04%
	SunMedia Technology Co., Ltd.	2	Marketing expense	22,504	Note 2	0.39%
			Accrued expenses	6,842	Note 3	0.05%
	Sunplus Technology (Beijing)	2	Research and development expense	309	Note 2	0.01%
			Accrued expenses	349	Note 3	-
Sunext Technology Co., Ltd.	Sunplus App Technology	2	Research and development expense	13	Note 2	-
	Sunplus Technology (Beijing)	2	Accrued expenses	274	Note 3	-
			Research and development expense	420	Note 2	0.01%
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Other receivables	98,553	Note 3	0.69%
			Nonoperating income and gains	1,235	Note 2	0.02%
	1culture Communication Co., Ltd	2	Nonoperating income and gains	8	Note 2	-
	Sunplus App Technology	2	Other receivables	14,079	Note 3	0.10%
			Nonoperating income and gains	178	Note 2	-
			Research and development expense	24	Note 2	-
	Ytrip Technology Co., Ltd.	2	Nonoperating income and gains	30	Note 2	-
	Sunplus Technology (Beijing)	2	Research and development expense	5,016	Note 2	0.09%
Sunplus mMedia Inc.	Sunplus Technology (Beijing)	2	Accrued expenses	80	Note 3	-
			Research and development expense	547	Note 2	0.01%
Jumplux Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Other accrued expense	3,274	Note 3	0.02%
			Research and development expense	3,340	Note 2	0.06%
VENTUREPLUS CAYMAN INC.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Other receivables	43,645	Note 3	0.30%
			Nonoperating income and gains	570	Note 2	0.01%
	Ytrip Technology Co., Ltd.	2	Other receivables	36,378	Note 3	0.25%
			Nonoperating income and gains	436	Note 2	0.01%
	SunMedia Technology Co., Ltd.	2	Other receivables	72,128	Note 3	0.50%
			Nonoperating income and gains	753	Note 2	0.01%
Sunplus Technology (Beijing)	Sunplus App Technology	2	Sales	194	Note 1	-
			Research and development expense	179	Note 2	-
Sunplus Venture Capital Co., Ltd	Lin Shih Investment Co., Ltd.	2	Other receivables	37,289	Note 3	0.26%

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

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

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

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

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2016	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	$ 2,508,070 (US$ 74,305 RMB$ 37,900)	$ 2,508,070 (US$ 74,305 RMB$ 37,900)	-	100	$ 1,509,306	$ (119,796)	$ (119,796)	Subsidiary
	Award Glory Ltd.	Belize	Investment	24,210 (US$ 772)	-	-	100	(10,391)	(847)	(847)	Subsidiary
	GLOBAL VIEW CO., LTD.	Hsinchu, Taiwan	Design and sale of ICs	315,658	315,658	8,229	13	324,352	145,904	19,059	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	779,859	113,864	110,696	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	711,665	346,493	118,849	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	850,278	27,852	20,504	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	61	522,025	26,058	16,110	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	462,874 (US$ 14,760)	462,874 (US$ 14,760)	14,760	100	282,095	3,754	3,754	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	195,385	(90,794)	(34,204)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	115,759	12,515	7,653	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	357,565	357,565	17,441	87	46,132	(25,493)	(22,231)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,014	(46)	(46)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	44,787 (HK$ 11,075)	44,787 (HK$ 11,075)	11,075	100	(400)	(281)	(281)	Subsidiary
	Magic Sky Limited	Samoa	Investment	211,994 (US$ 6,760)	211,994 (US$ 6,560)	-	100	1,783	(4,890)	(4,890)	Subsidiary (Note 1)
	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	32,159	(214)	(214)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	16,093	3,034	564	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	285,494	346,493	47,420	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	10,054	12,515	662	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,626	26,058	550	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,206	(90,794)	(1,591)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	3	6,233	(25,493)	(829)	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	49,099	56,050	3,983	4	88,506	346,493	13,567	Subsidiary
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	100,000	-	10,000	71	53,843	(33,308)	(15,796)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	49,201	26,058	1,487	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	32,319	32,319	3,232	6	30,859	(90,794)	(5,331)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	13,201	12,515	873	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	10	3,055	(25,493)	(2,433)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	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	66,452 (US$ 2,119)	66,452 (US$ 2,119)	442	1	1,317 (US$ 42)	12,515	94 (US$ 3)	Subsidiary
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	-	1,800	-	-	-	346,493	75	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	53	12,515	4	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,508,070 (USD 74,305 RMB 37,900)	2,508,070 (US$ 74,305 RMB$ 37,900)	-	100	1,509,286	(119,795)	(119,795)	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,508,070 (USD 74,305 RMB 37,900)	2,508,070 (US$ 74,305 RMB$ 37,900)	-	100	1,509,263	(119,794)	(119,794)	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	598,662 (US$ 19,090)	598,662 (US$ 19,090)	19,090	100	477,811	6,908	6,908	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2016	December 31, 2015	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	$ 598,662 (US$ 19,090)	$ 598,662 (US$ 19,090)	19,090	100	$ 477,809	$ 6,908	$ 6,908	Subsidiary
Generalplus (Mauritius) Inc.	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	12,230 (US$ 390)	12,230 (US$ 390)	-	100	6,278	2,728	2,728	Subsidiary
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	16,733 (EUR 477)	16,733 (EUR 477)	237	100	2,300	-	-	Subsidiary (Note 1)
Sunplus mMedia Inc.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design and sales of IC	32,000	32,000	3,200	23	18,055	(33,308)	(14,010)	Subsidiary
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	24,210 (US$ 772)	-	-	100	(10,391)	(847)	(847)	Subsidiary
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	24,210 (US$ 772)	-	-	100	(10,391)	(847)	(847)	Subsidiary
	Giant Rock Inc.	Anguilla	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary

Note 1: Current capital registration has not been completed.

Note 2: The initial exchange rate was based on the exchange rate as of September 30, 2016.

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2016	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss	Carrying Value as of September 30, 2016	Accumulated Inward Remittance of Earnings as of September 30, 2016
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	$ 539,392 (US$ 17,200)	Note 1	$ 553,661 (US$ 17,655)	$ -	$ -	$ 553,661 (US$ 17,655)	100%	$ 39,109	$ 39,109 (Note 2)	$ 520,016	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	1,011,360 (US$ 32,250)	Note 1	1,011,360 (US$ 32,250)	-	-	1,011,360 (US$ 32,250)	100%	(10,901)	(10,901) (Note 2)	825,936	-
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	627,200 (US$ 20,000)	Note 1	627,200 (US$ 20,000)	-	-	627,200 (US$ 20,000)	100%	(82,951)	(82,951) (Note 3)	154,199	-
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	70,395 (RMB$ 15,000)	Note 1	65,307 (US$ 586 RMB$ 10,000)	-	-	65,307 (US$ 586 RMB$ 10,000)	93%	(22,261)	(20,777) (Note 3)	3,025	-
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	160,735 (RMB$ 34,250)	Note 1	117,600 (US$ 3,750)	23,865 (US$ 761)	-	141,465 (US$ 4,511)	83%	(31,906)	(24,878) (Note 3)	(61,272)	-
Sunplus Technology (Beijing)	Design of software	126,711 (RMB$ 27,000)	Note 1	126,711 (RMB$ 27,000)	-	-	126,711 (RMB$ 27,000)	100%	(19,420)	(19,420) (Note 3)	59,390	-

Accumulated Investment in Mainland China as of September 30, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 2,525,704 (US$ 75,002 RMB$ 37,000)	$ 2,612,970 (US$ 75,540 RMB$ 52,000)	$ 5,395,373

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 September 30, 2016	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of September 30, 2016	Accumulated Inward Remittance of Earnings as of September 30, 2016
					Outflow	Inflow						
Generalplus Shenzhen	Data processing service	$ 586,432 (US$ 18,700)	Note 1	$ 586,432 (US$ 18,700)	$ -	$ -	$ 586,432 (US$ 18,700)	100%	$ 4,179	$ 4,179	$ 471,512	$ -

Accumulated Investment in Mainland China as of September 30, 2016	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
$ 586,432 (US$ 18,700)	$ 586,432 (US$ 18,700)	$1,263,444

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 September 30, 2016.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	$ 68,378	18%	Based on contract	Based on contract	Not comparable with market transactions	$ 32,093	89%	$ -	NA