

**Sunplus Technology Company Limited
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively, the "Group") as of March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were \$3,152,485 thousand and \$4,140,467 thousand, respectively, representing 24% and 37%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$90,127 thousand and \$351,452 thousand, respectively, representing 3% and 21%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were \$210,177 thousand and \$(31,842) thousand, respectively, representing 64% and 19%, respectively, of the consolidated total comprehensive income (loss). In addition, as disclosed in Note 12 to the consolidated financial statements, the cumulative carrying amounts of some associates as of March 31, 2021 and 2020 were \$904,030 thousand and \$690,537 thousand, respectively. For the three months ended March 31, 2021 and 2020, the share of total comprehensive income (loss) of some associates accounted for using the equity method were

\$(3,374) thousand and \$(5,712) thousand, respectively. These investment amounts disclosed in the consolidated financial statements were based on these associates' unreviewed financial statements for the same reporting periods as those of the Company.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 14, 2021

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,333,693	26	\$ 3,400,482	27	\$ 2,751,965	25
Financial assets at fair value through profit or loss - current (Note 7)	1,190,930	9	901,857	7	987,783	9
Notes receivable and trade receivables, net (Notes 9, 23 and 33)	1,034,845	8	1,204,798	10	752,414	7
Other receivables (Note 33)	50,579	-	57,982	-	38,280	-
Inventories (Note 10)	1,000,242	8	861,050	7	919,797	8
Other financial assets - current (Notes 17 and 34)	177,733	1	240,334	2	120,900	1
Other current assets (Notes 17 and 33)	99,245	1	111,438	1	89,750	1
Total current assets	<u>6,887,267</u>	<u>53</u>	<u>6,777,941</u>	<u>54</u>	<u>5,660,889</u>	<u>51</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	1,160,136	9	1,064,261	8	1,028,241	9
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	214,771	2	192,528	1	154,221	2
Investments accounted for using the equity method (Note 12)	904,030	7	719,696	6	690,537	6
Property, plant and equipment (Notes 13 and 34)	1,948,088	15	1,971,252	16	1,981,737	18
Right-of-use assets (Note 14)	225,802	2	229,277	2	238,284	2
Investment properties (Note 15)	990,693	7	1,015,544	8	1,036,809	9
Intangible assets (Note 16)	352,220	3	328,591	3	165,533	2
Deferred tax assets (Notes 4 and 25)	31,827	-	33,037	-	28,245	-
Net defined benefit assets - non-current (Notes 4 and 21)	4,440	-	4,440	-	1,163	-
Other financial assets non-current (Notes 17 and 34)	272,638	2	272,167	2	138,563	1
Other non-current assets (Note 17)	53,873	-	11,855	-	14,024	-
Total non-current assets	<u>6,158,518</u>	<u>47</u>	<u>5,842,648</u>	<u>46</u>	<u>5,477,357</u>	<u>49</u>
TOTAL	<u>\$ 13,045,785</u>	<u>100</u>	<u>\$ 12,620,589</u>	<u>100</u>	<u>\$ 11,138,246</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 34)	\$ 289,286	2	\$ 314,209	3	\$ 251,656	2
Contract liabilities - current (Note 23)	24,905	-	26,181	-	23,700	-
Accounts payable (Note 19)	510,220	4	450,216	4	388,413	3
Current tax liabilities (Notes 4 and 25)	213,675	2	155,138	1	62,325	1
Lease liabilities - current (Note 14)	12,396	-	12,506	-	11,676	-
Deferred revenue - current (Notes 20 and 28)	21,452	-	46,098	1	1,550	-
Current portion of long-term bank borrowings (Note 18)	50,000	-	25,000	-	-	-
Other current liabilities (Note 20)	601,599	5	795,324	6	400,715	4
Total current liabilities	<u>1,723,533</u>	<u>13</u>	<u>1,824,672</u>	<u>15</u>	<u>1,140,035</u>	<u>10</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	380,000	3	205,000	2	-	-
Lease liabilities - non-current (Note 14)	216,689	2	219,510	2	227,601	2
Deferred revenue - non-current (Notes 20 and 28)	57,390	-	58,300	-	56,954	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	60,335	1	60,319	-	64,091	1
Guarantee deposits	224,520	2	219,942	2	210,762	2
Other liabilities (Note 20)	23,098	-	13,845	-	13,841	-
Total non-current liabilities	<u>962,032</u>	<u>8</u>	<u>776,916</u>	<u>6</u>	<u>573,249</u>	<u>5</u>
Total liabilities	<u>2,685,565</u>	<u>21</u>	<u>2,601,588</u>	<u>21</u>	<u>1,713,284</u>	<u>15</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Share capital						
Ordinary shares	5,919,949	45	5,919,949	47	5,919,949	53
Capital surplus	501,727	4	500,820	4	599,862	5
Retained earnings						
Legal reserve	1,712,390	13	1,712,390	13	1,942,388	17
Special reserve	276,189	2	276,189	2	308,452	3
Unappropriated earnings (accumulated deficit)	546,469	4	328,894	3	(386,898)	(3)
Total retained earnings	<u>2,535,048</u>	<u>19</u>	<u>2,317,473</u>	<u>18</u>	<u>1,863,942</u>	<u>17</u>
Other equity	(249,598)	(2)	(261,078)	(2)	(317,591)	(3)
Treasury shares	(63,401)	-	(63,401)	(1)	(63,401)	-
Total equity attributable to owners of the Company	8,643,725	66	8,413,763	66	8,002,761	72
NON-CONTROLLING INTERESTS (Notes 11, 22 and 30)	<u>1,716,495</u>	<u>13</u>	<u>1,605,238</u>	<u>13</u>	<u>1,422,201</u>	<u>13</u>
Total equity	<u>10,360,220</u>	<u>79</u>	<u>10,019,001</u>	<u>79</u>	<u>9,424,962</u>	<u>85</u>
TOTAL	<u>\$ 13,045,785</u>	<u>100</u>	<u>\$ 12,620,589</u>	<u>100</u>	<u>\$ 11,138,246</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated May 14, 2021)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 23 and 33)	\$ 1,698,327	100	\$ 1,034,178	100
OPERATING COSTS (Notes 10 and 24)	<u>854,347</u>	<u>50</u>	<u>553,934</u>	<u>54</u>
GROSS PROFIT	<u>843,980</u>	<u>50</u>	<u>480,244</u>	<u>46</u>
OPERATING EXPENSES (Notes 24 and 33)				
Selling and marketing expenses	83,576	5	55,586	5
General and administrative expenses	134,500	8	109,604	11
Research and development expenses	504,019	30	363,100	35
Expected credit loss	<u>73</u>	<u>-</u>	<u>3</u>	<u>-</u>
Total operating expenses	<u>722,168</u>	<u>43</u>	<u>528,293</u>	<u>51</u>
OTHER EXPENSES	<u>(252)</u>	<u>-</u>	<u>(117)</u>	<u>-</u>
PROFIT (LOSS) FROM OPERATIONS	<u>121,560</u>	<u>7</u>	<u>(48,166)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 24, 28 and 33)				
Interest income	6,855	1	7,039	1
Other income	38,661	2	11,598	1
Other gains and losses	222,687	13	(52,254)	(5)
Finance costs	(3,473)	-	(4,304)	-
Share of loss of associates	<u>(3,374)</u>	<u>-</u>	<u>(5,712)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>261,356</u>	<u>16</u>	<u>(43,633)</u>	<u>(4)</u>
INCOME (LOSS) BEFORE INCOME TAX	382,916	23	(91,799)	(9)
INCOME TAX EXPENSE (Notes 4 and 25)	<u>65,437</u>	<u>4</u>	<u>13,955</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>317,479</u>	<u>19</u>	<u>(105,754)</u>	<u>(10)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Note 22):				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	7,938	-	(35,332)	(3)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	15,341	1	(6,478)	(1)

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss (Note 22):				
Exchange differences on translation of the financial statements of foreign operations	\$ (14,053)	(1)	\$ (16,736)	(2)
Share of other comprehensive loss of associates accounted for using the equity method	<u>(504)</u>	-	<u>(859)</u>	-
Other comprehensive income (loss) for the period, net of income tax	<u>8,722</u>	-	<u>(59,405)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 326,201</u>	<u>19</u>	<u>\$ (165,159)</u>	<u>(16)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 217,575	13	\$ (124,637)	(12)
Non-controlling interests	<u>99,904</u>	<u>6</u>	<u>18,883</u>	<u>2</u>
	<u>\$ 317,479</u>	<u>19</u>	<u>\$ (105,754)</u>	<u>(10)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 229,055	13	\$ (181,202)	(18)
Non-controlling interests	<u>97,146</u>	<u>6</u>	<u>16,043</u>	<u>2</u>
	<u>\$ 326,201</u>	<u>19</u>	<u>\$ (165,159)</u>	<u>(16)</u>
EARNINGS (LOSS) PER SHARE (Note 26)				
From continuing operations				
Basic	<u>\$ 0.37</u>		<u>\$ (0.21)</u>	
Diluted	<u>\$ 0.37</u>		<u>\$ (0.21)</u>	

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

(With Deloitte & Touche auditors' review report dated May 14, 2021)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Shares (In Thousand)	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Losses from Investments in Equity Instruments Measured at FVTOCI				
BALANCE AT JANUARY 1, 2020	591,995	\$ 5,919,949	\$ 594,432	\$ 1,942,388	\$ 308,452	\$ (262,261)	\$ (218,780)	\$ (42,246)	\$ (63,401)	\$ 8,178,533	\$ 1,394,158	\$ 9,572,691
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	5,430	-	-	-	-	-	-	5,430	-	5,430
Net profit (loss) for the three months ended March 31, 2020	-	-	-	-	-	(124,637)	-	-	-	(124,637)	18,883	(105,754)
Other comprehensive loss for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	(14,755)	(41,810)	-	(56,565)	(2,840)	(59,405)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	(124,637)	(14,755)	(41,810)	-	(181,202)	16,043	(165,159)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	12,000	12,000
BALANCE AT MARCH 31, 2020	<u>591,995</u>	<u>\$ 5,919,949</u>	<u>\$ 599,862</u>	<u>\$ 1,942,388</u>	<u>\$ 308,452</u>	<u>\$ (386,898)</u>	<u>\$ (233,535)</u>	<u>\$ (84,056)</u>	<u>\$ (63,401)</u>	<u>\$ 8,002,761</u>	<u>\$ 1,422,201</u>	<u>\$ 9,424,962</u>
BALANCE AT JANUARY 1, 2021	591,995	\$ 5,919,949	\$ 500,820	\$ 1,712,390	\$ 276,189	\$ 328,894	\$ (228,023)	\$ (33,055)	\$ (63,401)	\$ 8,413,763	\$ 1,605,238	\$ 10,019,001
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	907	-	-	-	-	-	-	907	-	907
Net profit for the three months ended March 31, 2021	-	-	-	-	-	217,575	-	-	-	217,575	99,904	317,479
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	(12,602)	24,082	-	11,480	(2,758)	8,722
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	217,575	(12,602)	24,082	-	229,055	97,146	326,201
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	14,111	14,111
BALANCE AT MARCH 31, 2021	<u>591,995</u>	<u>\$ 5,919,949</u>	<u>\$ 501,727</u>	<u>\$ 1,712,390</u>	<u>\$ 276,189</u>	<u>\$ 546,469</u>	<u>\$ (240,625)</u>	<u>\$ (8,973)</u>	<u>\$ (63,401)</u>	<u>\$ 8,643,725</u>	<u>\$ 1,716,495</u>	<u>\$ 10,360,220</u>

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

(With Deloitte & Touche auditors' review report dated May 14, 2021)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 382,916	\$ (91,799)
Adjustments for:		
Depreciation expense	74,556	75,510
Amortization expense	31,761	18,756
Expected credit loss	73	3
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(225,837)	48,660
Finance costs	3,473	4,304
Interest income	(6,855)	(7,039)
Dividend income	(150)	(11)
Compensation costs of share-based payments	14,111	-
Share of profit of associates	3,374	5,712
Loss on disposal of property, plant and equipment	252	117
Unrealized loss on transactions with associates	2,170	-
Net loss on foreign currency exchange	10,639	10,107
Changes in operating assets and liabilities:		
Decrease in trade receivables	162,038	80,220
Increase in other receivables	(3,583)	(9,064)
Increase in inventories	(139,192)	(160,586)
Decrease (increase) in other current assets	1,805	(885)
Decrease in contract liabilities	(1,276)	(1,212)
Increase in trade payables	62,114	35,395
Decrease in deferred revenue	(25,120)	(392)
Decrease in other current liabilities	(200,760)	(187,150)
Increase (decrease) in defined benefits liabilities - non current	16	(167)
Cash generated from (used in) operations	<u>146,525</u>	<u>(179,521)</u>
Interest received	6,245	6,518
Dividend received	647	-
Interest paid	(4,510)	(6,094)
Income tax paid	<u>(5,690)</u>	<u>(3,288)</u>
Net cash generated from (used in) operating activities	<u>143,217</u>	<u>(182,385)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(14,183)	-
Purchase of financial assets at FVTPL	(425,687)	(205,644)
Proceeds from sale of financial assets at FVTPL	276,185	257,042
Acquisition of associates	(174,000)	(2,500)
Prepayments for investments	(42,000)	-
Payments for property, plant and equipment	(29,819)	(60,525)
Proceeds from disposal of property, plant and equipment	-	30
Increase in refundable deposits	(96)	-

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>Three Months Ended March 31</u>	
	2021	2020
Decrease in refundable deposits	\$ 82	\$ 23
Payments for intangible assets	(36,768)	(8,668)
Decrease (increase) in other financial assets	<u>60,417</u>	<u>(3,779)</u>
Net cash used in investing activities	<u>(385,869)</u>	<u>(24,021)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(23,114)	(72,272)
Proceeds from long-term borrowings	200,000	-
Proceeds from guarantee deposits received	4,288	3,647
Refund of guarantee deposits received	(4,577)	(4,605)
Repayments of the principal portion of lease liabilities	(2,931)	(2,859)
Increase in other liabilities	1,180	1,084
Decrease in non-controlling interests	<u>-</u>	<u>12,000</u>
Net cash generated from (used in) financing activities	<u>174,846</u>	<u>(63,005)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,017</u>	<u>748</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,789)	(268,663)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,400,482</u>	<u>3,020,628</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,333,693</u>	<u>\$ 2,751,965</u>

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

(With Deloitte & Touche auditors' review report dated May 14, 2021)

(Concluded)

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018–2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 8)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

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

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 1 “Disclosure of Accounting Policies”

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

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

- not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

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

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

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

d. Other significant accounting policies

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

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods. Refer to the consolidated financial statements with critical accounting judgments and key sources of estimation uncertainty for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 5,630	\$ 5,781	\$ 6,266
Checking accounts and demand deposits	943,384	1,168,558	774,652
Cash equivalents			
Time deposits in banks	<u>2,384,679</u>	<u>2,226,143</u>	<u>1,971,047</u>
	<u>\$ 3,333,693</u>	<u>\$ 3,400,482</u>	<u>\$ 2,751,965</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Bank balances	0.001%-2.025%	0.001%-2.025%	0.01%-2.10%

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

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign investments			
- Mutual funds	\$ 763,507	\$ 641,575	\$ 848,468
- Unlisted shares	258,171	204,719	22,950
- Listed shares	168,277	52,743	97,291
Hybrid financial assets			
Domestic and foreign investments			
- Listed convertible bonds	<u>975</u>	<u>2,820</u>	<u>19,074</u>
	<u>\$ 1,190,930</u>	<u>\$ 901,857</u>	<u>\$ 987,783</u>
<u>Financial liabilities at FVTPL - non-current</u>			
Financial assets classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign investments			
- Unlisted shares	\$ 776,270	\$ 686,366	\$ 648,141
- Limited partnership	327,352	327,856	274,974
- Listed shares	41,850	35,190	30,960
- Mutual funds	<u>14,664</u>	<u>14,849</u>	<u>74,166</u>
	<u>\$ 1,160,136</u>	<u>\$ 1,064,261</u>	<u>\$ 1,028,241</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Non-current</u>			
Domestic and foreign investments			
Unlisted shares	\$ 121,255	\$ 99,767	\$ 97,710
Listed shares	<u>93,516</u>	<u>92,761</u>	<u>56,511</u>
	<u>\$ 214,771</u>	<u>\$ 192,528</u>	<u>\$ 154,221</u>

9. NOTES RECEIVABLE AND TRADE RECEIVABLES, NET

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,034,884	\$ 1,204,901	\$ 752,742
Less: Allowance for impairment loss	<u>(39)</u>	<u>(103)</u>	<u>(328)</u>
	<u>\$ 1,034,845</u>	<u>\$ 1,204,798</u>	<u>\$ 752,414</u>

Trade receivables

The average credit period on sales of goods was 30 to 60 days without interest. The Group's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Where recoveries are made, these are recognized in profit or loss.

The Group's current credit risk grading framework is shown in the following table:

March 31, 2021

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 1,034,845	\$ -	\$ -	\$ -	\$ 39	\$ 1,034,884
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39)</u>	<u>(39)</u>
Amortized cost	<u>\$ 1,034,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034,845</u>

December 31, 2020

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

March 31, 2020

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 121 days or More	Total
Gross carrying amount	\$ 750,947	\$ 1,444	\$ -	\$ 16	\$ 335	\$ 752,742
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328)</u>	<u>(328)</u>
Amortized cost	<u>\$ 750,947</u>	<u>\$ 1,444</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 7</u>	<u>\$ 752,414</u>

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 103	\$ 329
Add: Net remeasurement of loss allowance	73	3
Less: Amounts written off	(137)	-
Foreign exchange gains and losses	<u>-</u>	<u>(4)</u>
Balance at March 31	<u>\$ 39</u>	<u>\$ 328</u>

10. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Finished goods	\$ 259,362	\$ 272,677	\$ 371,439
Work in progress	481,964	378,943	299,872
Raw materials	<u>258,916</u>	<u>209,430</u>	<u>248,486</u>
	<u>\$ 1,000,242</u>	<u>\$ 861,050</u>	<u>\$ 919,797</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 were \$833,799 thousand and \$532,997 thousand, respectively.

The cost of inventories recognized as costs of goods sold for the three ended March 31, 2021 and 2020 are as follows:

	For the Three Months Ended March 31	
	2021	2020
Inventory reversed (write-downs)	\$ 3,595	\$ (869)
Income from scrap sales	<u>13</u>	<u>11</u>
	<u>\$ 3,608</u>	<u>\$ (858)</u>

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership (%)			Note	
			March 31, 2021	December 31, 2020	March 31, 2020		
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	-	
	Ventureplus Group Inc.	Investment	100.00	100.00	100.00	-	
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	-	
	Sunplus Venture	Investment	100.00	100.00	100.00	-	
	Lin Shih Investment	Investment	100.00	100.00	100.00	-	
	Sunplus mMobile Inc.	Design of ICs	100.00	100.00	100.00	-	
	Sunext Technology Co., Ltd.	Design of ICs	92.55	92.55	92.55	-	
	Sunplus Innovation Technology	Design of ICs	58.21	58.21	61.13	-	
	Generalplus Technology ("Generalplus")	Design of ICs	34.30	34.30	34.30	Sunplus and its subsidiaries had a 47.99% stake in Generalplus Technology, Inc. and the Group had controlling interest over Generalplus Technology, Inc.; the investee is included in the consolidated financial statements.	
		Wei-Young Investment Inc.	Investment	100.00	100.00	100.00	-
		Russell Holdings Limited	Investment	100.00	100.00	100.00	-
	Magic Sky Limited	Investment	100.00	100.00	100.00	-	
	Sunplus mMedia Inc.	Design of ICs	89.76	89.76	89.76	-	
	Award Glory	Investment	100.00	100.00	100.00	-	
	Jumplus Technology	Design of ICs	55.00	55.00	55.00	-	
Ventureplus	Ventureplus Mauritius Inc.	Investment	100.00	100.00	100.00	-	
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Investment	100.00	100.00	100.00	-	
Ventureplus Cayman Inc.	Ytrip Technology	Web research and development	-	-	38.47	Sunplus and its subsidiaries had a 90.71% stake in Ytrip on March 31, 2020. The liquidation of Ytrip Technology was completed on June 23, 2020. Please refer to Note 29.	
	Sunplus App Technology	Sale of electronic components and information management and education.	51.47	51.47	53.85	-	
	Sunplus Prof-tek Technology (Shenzhen)	Development of computer software, system integration services and building rental	100.00	100.00	100.00	-	
	Sunplus Technology (Shanghai)	Development of computer software, system integration services and building rental	100.00	100.00	100.00	-	
	SunMedia Technology	Development of computer software, system integration services and building rental	100.00	100.00	100.00	-	
	Sunplus Technology (Beijing)	Development of computer software, system integration services and building rental	100.00	100.00	100.00	-	
Sunplus Technology (Shanghai)	Ytrip Technology	Web research and development	-	-	44.08	Sunplus and its subsidiaries had a 90.71% stake in Ytrip on March 31, 2020. The liquidation of Ytrip Technology was completed on June 23, 2020. Please refer to Note 29.	
	Jsilicon Technology	Software Development and IC Design	100.00	100.00	100.00	-	
	Chongqing CQPlus1 Technology	Software Development and IC Design	56.67	56.67	55.00	-	
Sunplus Prof-tek (Shenzhen)	Chongqing CQPlus1 Technology	Software Development and IC Design	43.33	43.33	45.00	Sunplus and its subsidiaries held 100% equity in Chongqing CQPlus1 Technology Ltd.	
Ytrip Technology	1culture Communication	Web development and sale	-	-	100.00	The liquidation of 1Culture Communication was completed on May 29, 2020. Please refer to Note 29.	
Sunplus Venture	Jumplus Technology	Design of ICs	42.08	42.08	42.08	Sunplus and its subsidiaries owned 97.08% of the equity in Jumplus Technology.	
	Sunplus mMedia	Design of ICs	7.64	7.64	7.64	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.	
	Sunplus Innovation	Design of ICs	5.64	5.64	5.64	Sunplus and its subsidiaries had 65.94% equity in Sunplus Innovation	
	Genki Tek	Software development	62.50	62.50	62.50	-	

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	Sunplus and its subsidiaries had a 47.99% stake in Generalplus Technology, Inc. and the Group had controlling interest over Generalplus Technology, Inc.; the investee is included in the consolidated financial statements.
	Sunplus mMedia	Design of ICs	2.60	2.60	2.60	Sunplus and its subsidiaries had 100% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	2.09	2.09	2.09	Sunplus and its subsidiaries had 65.94% equity in Sunplus Innovation
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	Design of ICs, after sales service and marketing research	100.00	100.00	100.00	-
Award Glory Sunny Fancy	Generalplus HK	Sales	100.00	100.00	100.00	-
	Sunny Fancy	Investment	100.00	100.00	100.00	-
	Giant Kingdom	Investment	100.00	100.00	100.00	-
	Giant Rock	Investment	100.00	100.00	100.00	-
	WORLDPLUS HOLDING L.L.C. (Worldplus)	Investment	100.00	100.00	100.00	-
	Giant Best Ltd. (Giant Best)	Investment	100.00	100.00	100.00	At the end of March 2021, the establishment registration was completed, but capital was not invested yet.
Giant Kingdom	Ytrip Technology	Web research and development	-	-	8.16	Sunplus and its subsidiaries had a 90.71% stake in Ytrip on March 31 and December 31, 2020. The liquidation of Ytrip Technology was completed on June 23, 2020. Please refer to Note 29.
Giank Rock	Sunplus App Technology	Sale of electronic components and information management and education	44.85	44.85	42.31	Sunplus and its subsidiaries had a 96.32% stake in Sunplus App.
Worldplus	Lingyao Technology	Development of computer software, system integration services and building rental	100.00	100.00	100.00	-

(Concluded)

The financial statements as of and for the three months ended March 31, 2021 of the above subsidiaries, except those of Generalplus, Sunplus Innovation Technology, Sunplus mMobile Inc., Ventureplus Group Inc., Ventureplus Mauritius Inc., and Ventureplus Cayman Inc., and non-significant subsidiaries Sunplus Technology (Shanghai) and Sunplus Prof-tek Technology (Shenzhen), were not reviewed.

The financial statements as of and for the three months ended March 31, 2020 of the above subsidiaries, except those of Generalplus, Sunplus mMobile Inc., Ventureplus Group Inc., Ventureplus Mauritius Inc., and Ventureplus Cayman Inc., and non-significant subsidiaries Sunplus Technology (Shanghai) and Sunplus Prof-tek Technology (Shenzhen), were not reviewed.

b. Subsidiaries excluded from the consolidated financial statements

Company name	The Voting Ratio of Non-controlling Equity		
	March 31, 2021	December 31, 2020	March 31, 2020
Generalplus	52.01%	52.01%	52.01%
Sunplus Innovation Technology	34.06%	34.06%	31.14%

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

Company Name	Profit Attributed to Non-controlling Interests		Non-controlling Interests		
	Three Months Ended March 31		March 31,	December 31,	March 31,
	2021	2020	2021	2020	2020
Generalplus	\$ 50,344	\$ 10,015	\$ 1,171,435	\$ 1,123,045	\$ 1,082,345
Sunplus Innovation Technology	49,027	9,444	525,107	462,772	318,395

The summarized financial information below represents amounts before intragroup eliminations.

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 4,160,818	\$ 3,920,778	\$ 3,130,781
Non-current assets	808,344	825,984	787,141
Current liabilities	1,097,817	1,128,870	690,049
Non-current liabilities	<u>203,400</u>	<u>198,684</u>	<u>210,028</u>
Equity	<u>\$ 3,667,945</u>	<u>\$ 3,419,208</u>	<u>\$ 3,017,845</u>
Equity attributable to:			
Owners of the Company	\$ 1,971,403	\$ 1,833,391	\$ 1,617,105
Non-controlling interests	<u>1,696,542</u>	<u>1,585,817</u>	<u>1,400,740</u>
	<u>\$ 3,667,945</u>	<u>\$ 3,419,208</u>	<u>\$ 3,017,845</u>
		For the Three Months Ended March 31	
		2021	2020
Operating revenue		<u>\$ 1,289,981</u>	<u>\$ 676,741</u>
Net income		\$ 240,740	\$ 49,581
Other comprehensive loss		<u>(6,114)</u>	<u>(5,452)</u>
Total other comprehensive income		<u>\$ 234,626</u>	<u>\$ 44,129</u>
Equity attributable to:			
Owners of the Company		\$ 141,369	\$ 30,122
Non-controlling interests		<u>99,371</u>	<u>19,459</u>
		<u>\$ 240,740</u>	<u>\$ 49,581</u>
Total other comprehensive income attributable to:			
Owners of the Company		\$ 138,012	\$ 27,505
Non-controlling interests		<u>96,614</u>	<u>16,624</u>
		<u>\$ 234,626</u>	<u>\$ 44,129</u>

(Continued)

	For the Three Months Ended March 31	
	2021	2020
Cash flows		
Operating activities	\$ 285,933	\$ (69,705)
Investing activities	5,596	37,029
Financing activities	2,764	(48,405)
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>171</u>	<u>(129)</u>
Net cash inflow (outflow)	<u>\$ 294,464</u>	<u>\$ (81,210)</u>
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>\$ -</u> (Concluded)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2021	December 31, 2020	March 31, 2020
Investments in associates	<u>\$ 904,030</u>	<u>\$ 719,696</u>	<u>\$ 690,537</u>
Associates			
Global View Co., Ltd.	\$ 366,137	\$ 346,011	\$ 296,840
iCatch Technology	293,462	300,118	313,929
AkiraNET CO., Ltd.	171,489	-	-
Autosys Co., Ltd.	71,016	71,439	77,276
Yizhiliang Accelerator Co., Ltd.	<u>1,926</u>	<u>2,128</u>	<u>2,492</u>
	<u>\$ 904,030</u>	<u>\$ 719,696</u>	<u>\$ 690,537</u>

Name of associate	March 31, 2021	December 31, 2020	March 31, 2020
Global View Co., Ltd.	13%	13%	13%
iCatch Technology	35%	35%	36%
AkiraNET CO., Ltd.	35%	-	-
Autosys Co., Ltd.	16%	16%	16%
Yizhiliang Accelerator Co., Ltd.	25%	25%	25%

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

The fair values of publicly traded investments which is grouped into Levels 1 accounted for using the equity method were based on the closing prices of those investments at the balance sheet dates, as follows:

Name of Associate	March 31, 2021	December 31, 2020	March 31, 2020
Global View Co., Ltd.	<u>\$ 413,942</u>	<u>\$ 317,657</u>	<u>\$ 202,445</u>

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

For the three months ended March 31, 2021 and 2020, the equity method of investment and the company's share of profit and loss and other comprehensive profit and loss are calculated based on financial statements that have not been reviewed by accountants.

13. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

	For the Three Months Ended March 31, 2021									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance at beginning of period	\$ 2,365,248	\$ 184,498	\$ 21,489	\$ 639,111	\$ 4,607	\$ 268,761	\$ 3,123	\$ 24,146	\$ 17,156	\$ 3,528,139
Additions	-	151	-	11,970	-	25,266	74	236	-	37,697
Disposals	-	-	(58)	(2,881)	-	(1,155)	-	-	-	(4,094)
Reclassified	-	-	-	-	-	68	-	-	(68)	-
Effects of exchange rate changes	(8,599)	(582)	(8,114)	7,193	(29)	(967)	(13)	(104)	-	(11,215)
Balance at end of period	\$ 2,356,649	\$ 184,067	\$ 13,317	\$ 655,393	\$ 4,578	\$ 291,973	\$ 3,184	\$ 24,278	\$ 17,088	\$ 3,550,527
Accumulated depreciation										
Balance at beginning of period	\$ 616,336	\$ 150,142	\$ 12,612	\$ 547,664	\$ 3,394	\$ 202,794	\$ 1,685	\$ 22,260	\$ -	\$ 1,556,887
Additions	13,217	4,639	597	27,311	130	6,929	115	150	-	53,088
Disposals	-	-	(58)	(2,670)	-	(1,114)	-	-	-	(3,842)
Effects of exchange rate changes	(1,401)	(635)	(3,840)	3,696	(25)	(877)	(3)	(609)	-	(3,694)
Balance at end of period	\$ 628,152	\$ 154,146	\$ 9,311	\$ 576,001	\$ 3,499	\$ 207,732	\$ 1,797	\$ 21,801	\$ -	\$ 1,602,439
Net balance at end of period	\$ 1,728,497	\$ 29,921	\$ 4,006	\$ 79,392	\$ 1,079	\$ 84,241	\$ 1,387	\$ 2,477	\$ 17,088	\$ 1,948,088
Balance at December 31, 2020 and January 1, 2021	\$ 1,748,912	\$ 34,356	\$ 8,877	\$ 91,447	\$ 1,213	\$ 65,967	\$ 1,438	\$ 1,886	\$ 17,156	\$ 1,971,252
For the Three Months Ended March 31, 2020										
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Prepayments for Equipment	Total
Cost										
Balance at beginning of period	\$ 2,338,519	\$ 187,290	\$ 10,428	\$ 517,417	\$ 5,873	\$ 250,019	\$ 1,480	\$ 23,847	\$ 19,202	\$ 3,354,075
Additions	440	1,328	-	51,802	-	20,129	535	-	4,304	78,538
Disposals	-	-	-	(345)	(482)	(14,547)	-	-	-	(15,374)
Reclassified	-	-	-	-	-	4,073	-	-	(4,073)	-
Effects of exchange rate changes	(5,503)	(4,255)	(59)	(983)	(53)	(5,407)	1,087	(154)	(1,145)	(16,472)
Balance at end of period	\$ 2,333,456	\$ 184,363	\$ 10,369	\$ 567,891	\$ 5,338	\$ 254,267	\$ 3,102	\$ 23,693	\$ 18,288	\$ 3,400,767
Accumulated depreciation										
Balance at beginning of period	\$ 555,243	\$ 143,222	\$ 7,229	\$ 448,652	\$ 4,018	\$ 205,424	\$ 1,239	\$ 20,245	\$ -	\$ 1,385,272
Additions	13,115	3,170	446	30,283	240	4,920	1,239	300	-	53,713
Disposals	-	-	-	(333)	(433)	(14,461)	-	-	-	(15,227)
Effects of exchange rate changes	3,890	(5,238)	(207)	(627)	(44)	(1,229)	(1,142)	(131)	-	(4,728)
Balance at end of period	\$ 572,248	\$ 141,154	\$ 7,468	\$ 477,975	\$ 3,781	\$ 194,654	\$ 1,336	\$ 20,414	\$ -	\$ 1,419,030
Net balance at end of period	\$ 1,761,208	\$ 43,209	\$ 2,901	\$ 89,916	\$ 1,557	\$ 59,613	\$ 1,766	\$ 3,279	\$ 18,288	\$ 1,981,737

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

Buildings	10-56 years
Auxiliary equipment	3-11 years
Machinery and equipment	3-10 years
Testing equipment	1-6 years
Transportation equipment	4-10 years
Furniture and fixtures	1-6 years
Leasehold improvements	5 years
Other equipment	3-10 years

Refer to Note 34 for the carrying amounts of property, plant and equipment that had been pledged by the Group to secure borrowings.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Land	\$ 207,370	\$ 209,100	\$ 214,184
Buildings	18,097	19,730	23,318
Transportation equipment	<u>335</u>	<u>447</u>	<u>782</u>
	<u>\$ 225,802</u>	<u>\$ 229,277</u>	<u>\$ 238,284</u>
		For the Three Months Ended March 31	
		2021	2020
Additions to right-of-use assets		<u>\$ -</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land		\$ 1,714	\$ 1,713
Buildings		2,072	1,751
Transportation equipment		<u>112</u>	<u>112</u>
		<u>\$ 3,898</u>	<u>\$ 3,576</u>
Income from the subleasing of right-of-use assets (presented in other income)		<u>\$ -</u>	<u>\$ 288</u>

Except for the depreciation expense above, the company's right-of-use assets did not experience significant sublease and impairment from January 1 to March 31, 2021 and 2020.

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

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Current	\$ 12,396	\$ 12,506	\$ 11,676
Non-current	<u>\$ 216,689</u>	<u>\$ 219,510</u>	<u>\$ 227,601</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Land	2.390%	2.390%	2.390%
Buildings	1.575%-5.000%	1.575%-5.000%	1.575%-4.75%
Transportation equipment	1.575%	1.575%	1.575%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants, offices and dormitory, also leases transportation equipment for the use of business travel with lease terms of 2 to 50 years. The lease contract for land located in the ROC and the lease terms is 20 years. The lease agreement specifies that lease payments will be adjusted on the basis of changes in announced land value prices. Lease terms of land in China is 50 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings and transportation equipment at the end of the lease terms.

The Company has no significant new lease contracts from January 1 to March 31, 2021 and 2020. In 2020, due to the severe impact of the COVID-19 on the market economy, The Company negotiated a land lease with the Hsinchu Science Park Administration. The Hsinchu Science Park Administration agreed to unconditionally reduce 20% from January 1 to June 30, 2020. From January 1 to June 30, 2020, the company recognized the impact of the aforementioned rent reductions as \$832 thousand (presented in a deduction of expenses of variable lease payments).

d. Subleases

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

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

	March 31, 2020
Year 1	<u>\$ 865</u>

e. Other lease information

	For the Three Months Ended March 31	
	<u>2021</u>	<u>2020</u>
Expenses relating to short-term leases	<u>\$ 1,624</u>	<u>\$ 2,037</u>
Expenses relating to low-value asset leases	<u>\$ 108</u>	<u>\$ 632</u>
Total cash outflow for leases	<u>\$ 6,072</u>	<u>\$ 6,917</u>

15. INVESTMENT PROPERTIES

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 1,429,106	\$ 100,521	\$ 1,529,627
Effects of exchange rate changes	<u>(10,514)</u>	<u>(758)</u>	<u>(11,272)</u>
Balance at March 31, 2021	<u>\$ 1,418,592</u>	<u>\$ 99,763</u>	<u>\$ 1,518,355</u>

(Continued)

	Completed Investment Properties	Right-of-use Assets	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 509,133	\$ 4,950	\$ 514,083
Depreciation expense	16,961	609	17,570
Effects of exchange rate differences	<u>(3,948)</u>	<u>(43)</u>	<u>(3,991)</u>
Balance at March 31, 2021	<u>\$ 522,146</u>	<u>\$ 5,516</u>	<u>\$ 527,662</u>
Net Balance at March 31, 2021	<u>\$ 896,446</u>	<u>\$ 94,247</u>	<u>\$ 990,693</u>
Net Balance at December 31, 2020 and January 1, 2021	<u>\$ 919,973</u>	<u>\$ 95,571</u>	<u>\$ 1,015,544</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 1,401,007	\$ 98,867	\$ 1,499,874
Effects of exchange rate differences	<u>(30,347)</u>	<u>(1,148)</u>	<u>(31,495)</u>
Balance at March 31, 2020	<u>\$ 1,370,660</u>	<u>\$ 97,719</u>	<u>\$ 1,468,379</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ 430,601	\$ 2,476	\$ 433,077
Depreciation expense	17,622	599	18,221
Effects of exchange rate differences	<u>(19,692)</u>	<u>(36)</u>	<u>(19,728)</u>
Balance at March 31, 2020	<u>\$ 428,531</u>	<u>\$ 3,039</u>	<u>\$ 431,570</u>
Net Balance at March 31, 2020	<u>\$ 942,129</u>	<u>\$ 94,680</u>	<u>\$ 1,036,809</u>

(Concluded)

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Year 1	\$ 207,148	\$ 197,870	\$ 204,128
Year 2	163,963	164,577	160,912
Year 3	<u>99,717</u>	<u>96,344</u>	<u>125,377</u>
	<u>\$ 470,828</u>	<u>\$ 458,791</u>	<u>\$ 490,417</u>

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

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value	\$ 45,471	\$ 45,471	\$ 37,900

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value	\$ 1,192,093	\$ 1,192,093	\$ 1,182,963

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value	\$ 2,374,398	\$ 2,374,398	\$ 2,295,816

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

16. INTANGIBLE ASSETS

	For the Three Months Ended March 31, 2021				
	Technology License Fees	Software	Patents	Goodwill	Total
<u>Cost</u>					
Balance at January 1	\$ 986,612	\$ 325,261	\$ 116,498	\$ 30,596	\$ 1,458,967
Additions	50,869	4,665	-	-	55,534
Disposals	-	(388)	-	-	(388)
Effects of exchange rate differences	(228)	(229)	(2)	-	(459)
Balance at March 31	<u>\$ 1,037,253</u>	<u>\$ 329,309</u>	<u>\$ 116,496</u>	<u>\$ 30,596</u>	<u>\$ 1,513,654</u>
<u>Accumulated amortization</u>					
Balance at January 1	\$ 607,530	\$ 304,045	\$ 86,088	\$ -	\$ 997,663
Amortization expense	25,764	5,552	445	-	31,761
Disposal	-	(388)	-	-	(388)
Effects of exchange rate differences	(156)	(158)	(1)	-	(315)
Balance at March 31	<u>\$ 633,138</u>	<u>\$ 309,051</u>	<u>\$ 86,532</u>	<u>\$ -</u>	<u>\$ 1,028,721</u>
<u>Accumulated impairment</u>					
Balance at January 1 and March 31	<u>\$ 111,136</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 132,713</u>
Net balance at March 31	<u>\$ 292,979</u>	<u>\$ 20,258</u>	<u>\$ 8,387</u>	<u>\$ 30,596</u>	<u>\$ 352,220</u>
Net balance at December 31, 2020 and January 1, 2021	<u>\$ 267,946</u>	<u>\$ 21,216</u>	<u>\$ 8,833</u>	<u>\$ 30,596</u>	<u>\$ 328,591</u>
	For the Three Months Ended March 31, 2020				
	Technology License Fees	Software	Patents	Goodwill	Total
<u>Cost</u>					
Balance at January 1	\$ 809,249	\$ 312,600	\$ 114,494	\$ 30,596	\$ 1,266,939
Additions	3,832	4,522	-	-	8,354
Disposals	(150)	(410)	-	-	(560)
Effects of exchange rate differences	(327)	(2,077)	(3)	-	(2,407)
Balance at March 31	<u>\$ 812,604</u>	<u>\$ 314,635</u>	<u>\$ 114,491</u>	<u>\$ 30,596</u>	<u>\$ 1,272,326</u>
<u>Accumulated amortization</u>					
Balance at January 1	\$ 583,858	\$ 289,553	\$ 84,582	\$ -	\$ 957,993
Amortization expense	12,763	5,650	343	-	18,756
Disposal	(150)	(410)	-	-	(560)
Effects of exchange rate differences	(172)	(1,935)	(2)	-	(2,109)
Balance at March 31	<u>\$ 596,299</u>	<u>\$ 292,858</u>	<u>\$ 84,923</u>	<u>\$ -</u>	<u>\$ 974,080</u>
<u>Accumulated impairment</u>					
Balance at January 1 and March 31	<u>\$ 111,136</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 132,713</u>
Net balance at March 31	<u>\$ 105,169</u>	<u>\$ 21,777</u>	<u>\$ 7,991</u>	<u>\$ 30,596</u>	<u>\$ 165,533</u>

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

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

An analysis of amortization by function

	For the Three Months Ended March 31	
	2021	2020
Selling and marketing expenses	\$ 9	\$ 27
General and administrative expenses	939	1,180
Research and development expenses	<u>30,813</u>	<u>17,549</u>
	<u>\$ 31,761</u>	<u>\$ 18,756</u>

17. OTHER ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Other financial assets			
Pledged time deposits (a)	\$ 114,140	\$ 113,920	\$ 120,900
Time deposits (b)	19,392	82,213	-
Restricted assets (d)	<u>44,201</u>	<u>44,201</u>	<u>-</u>
	<u>\$ 177,733</u>	<u>\$ 240,334</u>	<u>\$ 120,900</u>
Other assets			
Prepayments for EDA tools	\$ 19,968	\$ 18,032	\$ 20,662
Prepaid technical licensing fee	7,601	21,141	-
Others	<u>71,676</u>	<u>72,265</u>	<u>69,088</u>
	<u>\$ 99,245</u>	<u>\$ 111,438</u>	<u>\$ 89,750</u>
<u>Non-current</u>			
Other financial assets			
Pledged time deposits (a)	\$ 38,062	\$ 35,809	\$ 10,913
Time deposits (c)	<u>234,576</u>	<u>236,358</u>	<u>127,650</u>
	<u>\$ 272,638</u>	<u>\$ 272,167</u>	<u>\$ 138,563</u>
Other assets			
Prepayment for investments	\$ 42,000	\$ -	\$ -
Refundable deposits	4,073	4,055	6,224
Other	<u>7,800</u>	<u>7,800</u>	<u>7,800</u>
	<u>\$ 53,873</u>	<u>\$ 11,855</u>	<u>\$ 14,024</u>

- a. Refer to Note 34 for information on pledged time deposits.
- b. Lingyao Company and Sunplus Technology (Beijing) Company made fixed deposit of RMB4,464 thousand at banks on March 31, 2021; Lingyao Company, Sunplus Technology (Beijing) Company, Sunplus Technology (Shanghai) Company and Sunplus Prof-tek (Shenzhen) Company made fixed deposit of RMB18,783 thousand at banks on December 31, 2020. The deposit period of time deposit is 6 months to 1 year, and interest can be charged at a certain interest rate during the deposit period.

- c. Sunplus Technology (Shanghai) Company , Lingyao Company and Generalplus Shenzhen Company made certificates of deposit of RMB54,000 thousand, RMB54,000 thousand and RMB30,000 thousand at the bank on March 31, 2021, December 31, 2020 and March 31, 2020 respectively. The deposit period of the certificates of deposit is 2 to 3 years and interest can be charged at a certain interest rate during the deposit period.
- d. Refer to Note 28 for information on restricted assets.

18. BORROWINGS

Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Secured borrowings</u>			
Bank loans	\$ 97,055	\$ 97,102	\$ 120,589
<u>Unsecured borrowings</u>			
Bank loans	<u>192,231</u>	<u>217,017</u>	<u>131,067</u>
	<u>\$ 289,286</u>	<u>\$ 314,209</u>	<u>\$ 251,656</u>

The weighted average effective interest rate intervals for bank loans as of March 31, 2021, December 31, 2020 and March 31, 2020 were 0.670%-2.400%, 0.716%-2.800% and 1.745%-3.000% per annum, respectively.

Long-term borrowings

The borrowings of the Group are as follows:

	Maturity Date	Significant Covenant	March 31, 2021	December 31, 2020	March 31, 2020
<u>Floating rate borrowings</u>					
Unsecured bank borrowings	2025.08.21	Repayable quarterly from November 2021 in 16 installments	\$ 400,000	\$ 200,000	\$ -
Unsecured bank borrowings	2023.10.13	Repayable semiannually from October 2022 in 3 installments	30,000	30,000	-
Less: Matured within 1 year			<u>(50,000)</u>	<u>(25,000)</u>	<u>-</u>
Long-term borrowings			<u>\$ 380,000</u>	<u>\$ 205,000</u>	<u>\$ -</u>

The intervals of effective borrowing rates as of March 31, 2021 and 2020 were 1.250%-1.320%.

19. TRADE PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Accounts payable</u>			
Payables - operating	<u>\$ 510,220</u>	<u>\$ 450,216</u>	<u>\$ 388,413</u>

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

20. OTHER LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Other payables			
Payables for salaries or bonuses	\$ 230,239	\$ 464,201	\$ 143,411
Payables for employees' compensation and remuneration of directors	101,844	73,815	47,136
Refund liabilities	84,254	75,313	52,419
Payable for royalties	68,860	68,250	39,191
Labor/health insurance	27,695	27,106	23,252
Commission payable	7,322	6,591	6,977
Payables for purchase of equipment	14,933	8,005	19,365
Payables for labor costs	5,138	7,195	4,351
Others	<u>61,314</u>	<u>64,848</u>	<u>64,613</u>
	<u>\$ 601,599</u>	<u>\$ 795,324</u>	<u>\$ 400,715</u>
Deferred revenue			
Government grants (Note 28)	<u>\$ 21,452</u>	<u>\$ 46,098</u>	<u>\$ 1,550</u>
<u>Non-current</u>			
Other payable			
Long-term payable	\$ 7,665	\$ 6,484	\$ 5,554
Payable for purchases of equipment	5,890	4,940	7,398
Decommissioning liabilities	889	889	889
Others	<u>8,654</u>	<u>1,532</u>	<u>-</u>
	<u>\$ 23,098</u>	<u>\$ 13,845</u>	<u>\$ 13,841</u>
Deferred revenue			
Government grants (Note 28)	<u>\$ 57,390</u>	<u>\$ 58,300</u>	<u>\$ 56,954</u>

21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans were \$314 thousand and \$411 thousand as of the three months ended March 31, 2021 and 2020, respectively, and were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2020 and 2019.

22. EQUITY

a. Share capital

1) Ordinary shares

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

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

Of the Group's authorized shares, 80,000 thousand shares had been reserved for the issuance of convertible bonds and employee share options.

2) Global depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand ordinary shares that consist of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of March 31, 2021, the outstanding 175 thousand units of GDRs represented 350 thousand ordinary shares.

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)			
Issuance of ordinary shares	\$ 18,497	\$ 18,497	\$ 196,095
From business combinations	157,423	157,423	157,423
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	207,316	207,316	140,184
<u>May only be used to offset a deficit</u>			
Treasury share transactions	46,307	46,307	45,239
Share of changes in capital surplus of associates	<u>72,184</u>	<u>71,277</u>	<u>60,921</u>
	<u>\$ 501,727</u>	<u>\$ 500,820</u>	<u>\$ 599,862</u>

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

c. Retained earnings and dividend policy

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

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

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

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

The appropriations of earnings for 2019 were approved by the shareholders in the shareholders' meeting on June 12, 2020, as follows:

	For Year 2019
Special reserve reversed	<u>\$ 32,263</u>
Legal reserve deficit compensated	<u>\$ 229,998</u>

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

The earnings distribution for 2020 was proposed by the board of directors in their meeting on March 29, 2021 as follows:

	For the Year 2020
Legal reserve	<u>\$ 32,889</u>
Special reserve reversed	<u>\$ 15,111</u>
Cash dividend	<u>\$ 311,093</u>
Cash dividend per share (NT\$)	<u>\$ 0.53</u>

The appropriation of earnings for 2020 is subject to resolution in the shareholders' meeting to be held on June 7, 2021.

d. Special reserves

	For the Three Months Ended March 31	
	<u>2021</u>	<u>2020</u>
Balance at January 1 and March 31	<u>\$ 276,189</u>	<u>\$ 308,452</u>

e. Other equity items

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ (228,023)	\$ (218,780)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(12,098)	(13,896)
Share from associates accounted for using the equity method	<u>(504)</u>	<u>(859)</u>
Balance at March 31	<u>\$ (240,625)</u>	<u>\$ (233,535)</u>

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ (33,055)	\$ (42,246)
Recognized for the period		
Unrealized gains (losses)	8,741	(35,332)
Share from associates accounted for using equity method	<u>15,341</u>	<u>(6,478)</u>
Balance at March 31	<u>\$ (8,973)</u>	<u>\$ (84,056)</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 1,605,238	\$ 1,394,158
Attributable to non-controlling interests:		
Share of profit for the period	99,904	18,883
Exchange differences on the translation of the financial statements of foreign operations	(1,955)	(2,840)
Unrealized gain (loss) on financial assets at FVTOCI	(803)	-
Equity instruments held by the employees of subsidiaries (Note 27)	14,111	-
Non-controlling interests related to outstanding vested share options	<u>-</u>	<u>12,000</u>
Balance at March 31	<u>\$ 1,716,495</u>	<u>\$ 1,422,201</u>

g. Treasury shares

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares as of January 1, 2020	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares as March 31, 2020	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares as of January 1, 2021	-	3,560	3,560
Decrease	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares as March 31, 2021	<u>-</u>	<u>3,560</u>	<u>3,560</u>

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2021</u>			
Lin Shin Investment Co., Ltd.	3,560	<u>\$ 63,401</u>	<u>\$ 106,800</u>
<u>December 31, 2020</u>			
Lin Shin Investment Co., Ltd.	3,560	<u>\$ 63,401</u>	<u>\$ 65,148</u>
<u>March 31, 2020</u>			
Lin Shin Investment Co., Ltd.	3,560	<u>\$ 63,401</u>	<u>\$ 30,652</u>

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

23. REVENUE

	For the Three Months Ended March 31	
	2021	2020
Revenue from the sale of goods	\$ 1,606,592	\$ 953,744
Rental income from property	59,670	54,455
Others	<u>32,065</u>	<u>25,979</u>
	<u>\$ 1,698,327</u>	<u>\$ 1,034,178</u>

a. Contract information

Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

Other

Other mainly come from software development and royalties.

b. Contract balances

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Trade receivables (Note 9)	<u>\$ 1,034,845</u>	<u>\$ 1,204,798</u>	<u>\$ 752,414</u>	<u>\$ 832,633</u>
Contract liabilities - current	<u>\$ 24,905</u>	<u>\$ 26,181</u>	<u>\$ 23,700</u>	<u>\$ 24,912</u>

c. Disaggregation of revenue

	<u>Reportable Segments</u>	
	<u>Direct Sales</u>	
	<u>For the Three Months Ended</u>	
	<u>March 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Primary geographical markets</u>		
Asia	\$ 975,748	\$ 637,697
Taiwan	721,061	376,613
Others	<u>1,518</u>	<u>19,868</u>
	<u>\$ 1,698,327</u>	<u>\$ 1,034,178</u>
<u>Timing of revenue recognition</u>		
Satisfied at a point in time	\$ 1,637,215	\$ 978,461
Satisfied over time	<u>61,112</u>	<u>55,717</u>
	<u>\$ 1,698,327</u>	<u>\$ 1,034,178</u>

24. NET PROFIT (LOSS)

Net profit (loss) includes the following items:

a. Interest income

	<u>For the Three Months Ended</u>	
	<u>March 31</u>	
	<u>2021</u>	<u>2020</u>
Bank deposits	<u>\$ 6,855</u>	<u>\$ 7,039</u>

b. Other income

	For the Three Months Ended March 31	
	2021	2020
Dividend income	\$ 150	\$ 11
Subsidy income (Note 28)	27,155	628
Others	<u>11,356</u>	<u>10,959</u>
	<u>\$ 38,661</u>	<u>\$ 11,598</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2021	2020
Net gains (losses) on financial assets and liabilities		
Net gain (loss) on financial assets designated as at FVTPL	\$ 225,837	\$ (48,660)
Net foreign exchange loss	(6,348)	(5,261)
Others	<u>3,198</u>	<u>1,667</u>
	<u>\$ 222,687</u>	<u>\$ (52,254)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2021	2020
Interest on bank loans	\$ 2,019	\$ 2,549
Interest on lease liabilities	1,357	1,413
Other finance costs	<u>97</u>	<u>342</u>
	<u>\$ 3,473</u>	<u>\$ 4,304</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 19,408	\$ 20,082
Operating expenses	<u>55,148</u>	<u>55,428</u>
	<u>\$ 74,556</u>	<u>\$ 75,510</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 31,761</u>	<u>\$ 18,756</u>

f. Operating expenses directly related to investment properties

**For the Three Months Ended
March 31**

	2021	2020
Direct operating expenses from investment properties that generate rental income	<u>\$ 20,548</u>	<u>\$ 20,934</u>

g. Employee benefits expense

**For the Three Months Ended
March 31**

	2021	2020
Short-term benefits	\$ 452,875	\$ 356,446
Post-employment benefits		
Defined contribution plans	11,855	11,345
Defined benefit plans (Note 21)	314	411
Share-based payments		
Equity-settled	14,111	-
Other employee benefits	<u>8,594</u>	<u>6,829</u>
Total employee benefits expense	<u>\$ 487,749</u>	<u>\$ 375,031</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 26,968	\$ 24,179
Operating expenses	<u>460,781</u>	<u>350,852</u>
	<u>\$ 487,749</u>	<u>\$ 375,031</u>

h. Compensation of employees and remuneration of directors and supervisors

The Company resolved amendments to its Articles of Incorporation to distribute compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration to directors. The Company had loss before income tax from January 1 to March 31, 2020; therefore, the compensation of employees and remuneration of directors were not provided. The compensation of employees and the remuneration of directors for the three months ended March 31, 2021 is as follows:

Accrual rate

**For the Three
Months Ended
March 31, 2021**

Compensation of employees	1.00%
Remuneration of directors	1.50%

Amount

**For the Three
Months Ended
March 31, 2021**

Compensation of employees	<u>\$ 2,232</u>
Remuneration of directors	<u>\$ 3,349</u>

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

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

	For the Year Ended December 31, 2020	
	Cash	Shares
Compensation of employees	\$ 3,317	\$ -
Remuneration of directors	4,975	-

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

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

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

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

i. Gain or loss on exchange rate changes

	For the Three Months Ended March 31	
	2021	2020
Exchange rate gains	\$ 15,159	\$ 8,277
Exchange rate losses	<u>(21,507)</u>	<u>(13,538)</u>
Net loss	<u>\$ (6,348)</u>	<u>\$ (5,261)</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense are as follows:

	For the Three Months Ended March 31	
Current tax		
In respect of the current year	\$ 64,227	\$ 13,446
Adjustments for prior periods	<u>-</u>	<u>-</u>
	64,227	13,446
Deferred tax		
In respect of the current year	<u>1,210</u>	<u>509</u>
Income tax expense recognized in profit or loss	<u>\$ 65,437</u>	<u>\$ 13,955</u>

b. Income tax assessments

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

26. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2021	2020
Basic earnings (loss) per share	<u>\$ 0.37</u>	<u>\$ (0.21)</u>
Diluted earnings (loss) per share	<u>\$ 0.37</u>	<u>\$ (0.21)</u>

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

Net profit (loss) for the period

	For the Three Months Ended March 31	
	2021	2020
Profit (loss) for the period attributable to owners of the Company	\$ 217,575	\$ (124,637)
Effects of potentially dilutive ordinary shares		
Bonuses to employee	<u>-</u>	<u>-</u>
Earnings (loss) used in the computation of diluted EPS from continuing operations	<u>\$ 217,575</u>	<u>\$ (124,637)</u>

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

	For the Three Months Ended March 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	588,435	588,435
Effects of potentially dilutive potential ordinary shares:		
Bonuses issued to employees	<u>185</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u><u>588,620</u></u>	<u><u>588,435</u></u>

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Restricted shares for employees

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

The restricted share plan was approved by the board of directors in a total amount of \$10,000 thousand, consisting of 1,000 thousand shares, per value \$10 of each share and the issuing price of each share was \$0. The Company set October 28, 2020 as the grant date and November 5, 2020 as the record date of capital increase. The fair value of granted share was \$75.26 per share.

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

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

When the employee fails to meet the vesting conditions:

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

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

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

Other agreements were as follow:

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

Information on employee restricted share was as follows:

	For the Three Months Ended March 31, 2021
	Number of Options (In Thousands of Units)
Outstanding shares at January 1	1,000
Shares granted	<u>-</u>
Outstanding shares at March 31	<u><u>1,000</u></u>

Compensation costs recognized were \$14,111 thousand for the year for the three months ended March 31, 2021.

28. GOVERNMENT GRANTS

In August 2013, Sun Media Technology Co., Ltd. received a government grant amounting to RMB16,390 thousand (\$79,213 thousand) for the purchase of land on which to build a plant. This amount, which was recognized as deferred revenue, will be recognized in profit or loss over the useful life of the land. The total revenue recognized as profit were \$398 thousand and \$392 thousand for the three months ended March 31, 2021 and 2020, respectively.

The Company applied for subsidy under the "Salary and Working Capital Subsidies for Difficult Businesses Affected by Serious Special Infectious Pneumonia" program of the Ministry of Economic Affairs in June 2020. The subsidy period is from April 2020 to June 2020, and the Group has received a subsidy of \$21,034 thousand. The total revenue recognized as profit amounted to \$21,034 thousand for the year ended December 31, 2020 as other income.

Jumplux Technology Co., Ltd. applied for subsidy under the "Salary and Working Capital Subsidies for Difficult Businesses Affected by Serious Special Infectious Pneumonia" program of the Ministry of Economic Affairs in June 2020. The subsidy period is from April 2020 to June 2020, and the Group has received a subsidy of \$2,057 thousand. The total revenue recognized as profit amounted to \$2,057 thousand for the year ended December 31, 2020 as other income.

The Company applied for the AI on Chip R&D subsidy program of the Ministry of Economic Affairs, and the "Shared Intelligent Computing Chiplet Architecture R&D Program" was reviewed and approved on November 20, 2020. The approved total subsidy amounted is \$ 115,356 thousand. As of March 31, 2021, the accumulated subsidy received is \$ 44,201 thousand (recognized as other financial assets), and the income from the recognized subsidy is \$ 24,632 for the three months ended March 31, 2021. In addition, the Company has a special account for subsidies in accordance with regulations, and the monthly withdrawal amount should be withdrawn according to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount.

29. DISPOSAL OF SUBSIDIARIES

2020

a. Analysis of assets and liabilities from liquidation

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

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

b. Loss on liquidation of subsidiaries

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

c. Net cash inflow on liquidation of subsidiaries

	Ytrip Technology Co., Ltd. and Subsidiaries
Collection price of investments accounted	\$ 1,240
Less: Disposal of cash and cash equivalent balances	<u>(2,106)</u>
	<u>\$ (866)</u>

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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

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

31. CAPITAL MANAGEMENT

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

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

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

32. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

<u>March 31, 2021</u>	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 778,171	\$ -	\$ -	\$ 778,171
Domestic/foreign unlisted shares	248,290	-	786,151	1,034,441
Domestic/foreign listed shares	210,127	-	-	210,127
Securities listed in the ROC and other countries - convertible bonds	975	-	-	975
Limited partnership	<u>-</u>	<u>-</u>	<u>327,352</u>	<u>327,352</u>
	<u>\$ 1,237,563</u>	<u>\$ -</u>	<u>\$ 1,113,503</u>	<u>\$ 2,351,066</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 85,853	\$ -	\$ -	\$ 85,853
Domestic/foreign unlisted shares	47,923	-	73,332	121,255
Domestic private listed shares	<u>-</u>	<u>-</u>	<u>7,663</u>	<u>7,663</u>
	<u>\$ 133,776</u>	<u>\$ -</u>	<u>\$ 80,995</u>	<u>\$ 214,771</u>

December 31, 2020

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

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 922,634	\$ -	\$ -	\$ 922,634
Domestic/foreign listed shares	128,251	-	-	128,251
Securities listed in the ROC - convertible bonds	19,074	-	-	19,074
Domestic/foreign unlisted shares	81,600	-	589,491	671,091
Limited partnership	-	-	274,974	274,974
	<u>\$ 1,151,559</u>	<u>\$ -</u>	<u>\$ 864,465</u>	<u>\$ 2,016,024</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 56,511	\$ -	\$ -	\$ 56,511
Domestic/foreign unlisted shares	20,114	-	77,596	97,710
	<u>\$ 76,625</u>	<u>\$ -</u>	<u>\$ 77,596</u>	<u>\$ 154,221</u>

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

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

For the three months ended March 31, 2021

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2021	\$ 1,073,957	\$ 78,699	\$ 1,152,656
Recognized in profit or loss	104,457	-	104,457
Recognized in other comprehensive income (loss)	-	(12,010)	(12,010)
Purchases	1,139	14,267	15,406
Disposal	(8,100)	-	(8,100)
Transfers out of Level 3	(57,353)	-	(57,353)
Effects of exchange rate changes	<u>(597)</u>	<u>39</u>	<u>(558)</u>
Balance at March 31, 2021	<u>\$ 1,113,503</u>	<u>\$ 80,995</u>	<u>\$ 1,194,498</u>

For the three months ended March 31, 2020

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2020	\$ 956,611	\$ 80,235	\$ 1,036,846
Recognized in profit or loss	(17,173)	-	(17,173)
Recognized in other comprehensive income (loss)	-	(2,806)	(2,806)
Purchases	14,592	-	14,592
Disposal	(2,051)	-	(2,051)
Transfers out of Level 3	(87,500)	-	(87,500)
Effects of exchange rate changes	<u>(14)</u>	<u>167</u>	<u>153</u>
Balance at March 31, 2020	<u>\$ 864,465</u>	<u>\$ 77,596</u>	<u>\$ 942,061</u>

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Price-to-book ratio	2.58-5.50	2.41-5.78	1.18-7.62
Price-to-sales ratio	2.54-12.41	1.86-13.46	0.68-10.18
Discount for lack of marketability	10%-20%	10%-20%	10%-20%

- b) The fair values of unlisted shares and emerging market shares and private funds were determined using the asset-based approach. The Group assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Group assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

- c) The fair values of unlisted shares and emerging market shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.
- d) Domestic listed private equity investment refers to the transaction price of the listed company's shares in the active market, and the unobservable input value was used as discount for lack of marketability to determine the value of the evaluation target.

	March 31, 2021
Discount for lack of marketability	25.9%

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)	\$ 2,351,066	\$ 1,966,118	\$ 2,016,024
Financial assets at amortized cost (i)	4,873,561	5,179,818	3,808,346
Financial assets at fair value through other comprehensive income			
Equity instruments	214,771	192,528	154,221
<u>Financial liabilities</u>			
Measured at amortized cost (ii)	1,454,026	1,214,367	850,831

- i) The balances include financial assets, which comprise cash and cash equivalents, trade receivables, other receivables, other financial assets and refundable deposits.
- ii) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, long-term liabilities - current portion, long term loans and guarantee deposits.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

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

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

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

	USD Impact	
	For the Three Months Ended	
	March 31	
	2021	2020
Profit or loss	\$ (5,247)	\$ (4,693)
	RMB Impact	
	For the Three Months Ended	
	March 31	
	2021	2020
Profit or loss	\$ 927	\$ 591

b) Interest rate risk

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
Financial assets	\$ 2,563,349	\$ 2,585,743	\$ 2,230,510
Financial liabilities	481,371	518,255	490,933
Cash flow interest rate risk			
Financial assets	1,215,081	1,321,455	774,648
Financial liabilities	467,000	258,000	-

Sensitivity analysis

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

Had interest rates increased/decreased by 0.125% and all other variables been held constant, the Group's post-tax profit would have increased/decreased by \$935 thousand, respectively, for the three months ended March 31, 2021 and increased/decreased by \$968 thousand, respectively, for the three months ended March 31, 2020.

c) Other price risk

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

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

Had the prices of financial assets at FVTPL been 1% higher/lower, post-tax profit for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$23,511 thousand and \$20,160 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$2,148 thousand and \$1,542 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 the failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

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

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

The Group's concentration of credit risk of 66%, 65% and 59% in total trade receivables as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

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

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

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables 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 include both interest and principal cash flows.

March 31, 2021

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 362,037	\$ 253,259	\$ 376	\$ 35,173	\$ -
Lease liabilities	1,507	3,398	13,621	50,898	254,189
Variable interest rate liabilities	171	-	87,000	380,000	-
Fixed interest rate liabilities	<u>155,415</u>	<u>-</u>	<u>97,055</u>	<u>5,466</u>	<u>143,787</u>
	<u>\$ 519,130</u>	<u>\$ 256,657</u>	<u>\$ 198,052</u>	<u>\$ 471,537</u>	<u>\$ 397,976</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 18,526</u>	<u>\$ 50,898</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>	<u>\$ 41,138</u>	<u>\$ 114,959</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 337,374	\$ 196,200	\$ 308	\$ 36,114	\$ -
Lease liabilities	1,506	3,413	13,651	53,085	256,641
Variable interest rate liabilities	96	-	25,000	205,000	-
Fixed interest rate liabilities	<u>189,117</u>	<u>-</u>	<u>125,102</u>	<u>5,041</u>	<u>140,367</u>
	<u>\$ 528,093</u>	<u>\$ 199,613</u>	<u>\$ 164,061</u>	<u>\$ 299,240</u>	<u>\$ 397,008</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 18,570</u>	<u>\$ 53,085</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>	<u>\$ 41,689</u>	<u>\$ 116,860</u>

March 31, 2020

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 274,367	\$ 154,650	\$ 616	\$ 35,327	\$ -
Lease liabilities	1,414	3,107	12,778	57,002	263,997
Fixed interest rate liabilities	<u>103,115</u>	<u>-</u>	<u>148,589</u>	<u>4,842</u>	<u>145,037</u>
	<u>\$ 378,896</u>	<u>\$ 157,757</u>	<u>\$ 161,983</u>	<u>\$ 97,171</u>	<u>\$ 409,034</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 17,299</u>	<u>\$ 57,002</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>	<u>\$ 43,344</u>	<u>\$ 122,561</u>

b) Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank overdraft facilities			
Amount used	\$ 726,450	\$ 588,140	\$ 251,656
Amount unused	<u>4,176,304</u>	<u>4,361,912</u>	<u>4,450,667</u>
	<u>\$ 4,902,754</u>	<u>\$ 4,950,052</u>	<u>\$ 4,702,323</u>

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Name and relationship of related parties

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

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

b. Sales of goods

Line Item	Related Party Category	For the Three Months Ended March 31	
		2021	2020
Sales	Associates	<u>\$ 17,709</u>	<u>\$ 12,009</u>

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

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

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Trade receivables	Associates	<u>\$ 10,248</u>	<u>\$ 9,740</u>	<u>\$ 11,514</u>
Other trade receivables	Associates	<u>\$ 223</u>	<u>\$ 243</u>	<u>\$ 254</u>

There were no guarantees on outstanding receivables from related parties. For the three months ended March 31, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

d. Prepayments (excluding loans to related parties)

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Other current assets	Associates	<u>\$ 25</u>	<u>\$ 108</u>	<u>\$ -</u>

e. Other transactions with related parties

Account Item	Related Party Type	For the Three Months Ended March 31	
		2021	2020
Operating expenses	Associates	\$ <u>125</u>	\$ <u>-</u>
Non-operating revenue	Associates	\$ <u>2,661</u>	\$ <u>2,439</u>

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

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

f. Compensation of key management personnel

	For the Three Months Ended March 31	
	2021	2020
Short-term employee benefits	\$ 28,685	\$ 15,985
Post-employment benefits	<u>302</u>	<u>298</u>
	\$ <u>28,987</u>	\$ <u>16,283</u>

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

34. PLEDGED OR MORTGAGED ASSETS

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

	March 31, 2021	December 31, 2020	March 31, 2020
Buildings, net	\$ 571,482	\$ 576,333	\$ 590,884
Pledged time deposits (classified as other financial assets, including current and non-current)	<u>152,202</u>	<u>149,729</u>	<u>131,813</u>
	\$ <u>723,684</u>	\$ <u>726,062</u>	\$ <u>722,697</u>

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 31,918	28.5350	\$ 910,780
CNY	2,251	4.3440	9,778
JPY	371	0.2577	96
HKD	152	3.6700	558
GBP	3	39.2300	118
EUR	1	33.4800	33
Non-monetary items			
CHF	520	30.2750	15,731

Financial liabilities

Monetary items			
USD	26,671	28.5350	761,057
CNY	3,178	4.3440	13,805
JPY	842	0.2577	217
EUR	159	33.4800	5,323

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 40,747	28.4800	\$ 1,160,475
CNY	1,519	4.3770	6,649
JPY	371	0.2763	103
HKD	152	3.6730	558
GBP	3	38.9000	117
EUR	1	35.0200	35
Nonmonetary items			
CHF	560	32.305	18,089

Financial liabilities

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

March 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 28,142	30.225	\$ 850,592
CNY	950	4.255	4,042
JPY	371	0.279	104
HKD	118	3.898	460
GBP	3	37.250	112
EUR	1	33.240	33
Nonmonetary items			
USD	28	30.620	848
CHF	734	30.925	22,705

Financial liabilities

Monetary items			
USD	23,449	30.225	708,746
CNY	1,541	4.255	6,557
JPY	1,196	0.279	334

The foreign currency exchange losses (realized and unrealized) amounted to \$6,348 thousand and \$5,261 thousand for the three months ended March 31, 2021 and 2020, respectively. Due to the diversity of the Group's assets and liabilities denominated in foreign currencies, it is impractical to disclose foreign currency exchange gains and losses by each significant foreign currency other than those with significant influence.

36. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees and b. Information on investees:

- 1) Financings provided: Table 1 (attached)
- 2) Endorsements/guarantees provided: Table 2 (attached)
- 3) Marketable securities held: Table 3 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: No.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: No.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: No.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.

- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
 - 9) Trading in derivative instruments: No.
 - 10) Intercompany relationships and significant intercompany transactions: Table 4 (attached)
 - 11) Information on investees: Table 5 (attached)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 6)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

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

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub-segment and operating results for the three months ended March 31, 2021 and 2020 are shown in the accompanying consolidated statements of comprehensive income, and the assets by segment as of March 31, 2021 and 2020 are shown in the accompanying consolidated balance sheets.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
2	Sunplus Technology (Shanghai) Co., Ltd.	Sunplus APP Technology	Receivables from related parties	Yes	\$ 12,275	\$ 12,163	\$ 12,163	1.80%	Note 1	\$ -	Note 2	\$ 12,163	-	\$ -	\$ 48,138 (Note 7)	\$ 48,138 (Note 7)
3	Russell Holdings Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	242,548	242,548	242,548	-	Note 1	-	Note 3	-	-	-	442,278 (Note 8)	442,278 (Note 8)
4	Sunplus Venture Capital Co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	158,064	124,127	124,127	0.58%	Note 1	-	Note 4	-	-	-	348,080 (Note 9)	348,080 (Note 9)
5	Sunplus Prof-tek Technology (Shenzhen)	Sunplus APP Technology	Receivables from related parties	Yes	37,045	36,707	36,707	1.80%	Note 1	-	Note 5	36,707	-	-	72,944 (Note 10)	72,944 (Note 10)
6	Lin Shih Investments co., Ltd.	Sun Media Technology Co., Ltd.	Receivables from related parties	Yes	102,726	102,726	102,726	0.58%	Note 1	-	Note 6	-	-	-	334,800 (Note 11)	334,800 (Note 11)

Note 1: Short-term financing.

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

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

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

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

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

Note 7: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 10% Sunplus Technology (Shanghai) Co., Ltd.'s net equity as of its latest financial statement.

Note 8: Russell Holdings Ltd. and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 80%, and its period should not exceed more than 2 years.

Note 9: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Sunplus Venture Capital Co., Ltd.'s net equity as of its latest financial statements.

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

Note 11: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shih Investments Co., Ltd.'s net equity as of its latest financial statements.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity as of the Latest Financial Statements	Maximum Collateral/Gua rantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
1 (Note 1)	RUSSELL HOLDINGS LTD.	Sun Media Technology Co., Ltd.	3 (Note 2)	\$ 331,708 (Note 3)	\$ 114,140	\$ 114,140	\$ 114,140	\$ 114,140	20.65	\$ 331,078 (Note 3)	No	No	Yes

Note 1: Investee.

Note 2: The Company and its subsidiaries jointly hold more than 50% of the ordinary shares of the endorsee.

Note 3: Russell Holdings Ltd. and the endorsement guaranty object are the parent company which holds 100% voting rights directly or indirectly. For each transaction entity, the guarantee amount should not exceed 60% of the endorsement/guarantee provider's net equity.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2021

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

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the "Company")	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	735	\$ 10,035	-	\$ 10,035	Note 3
	Taishin ESG Emerging Markets Bond Fund	-	Financial assets at FVTPL - current	2,000	19,635	-	19,635	Note 3
	Yuanta USD Money Market Fund	-	Financial assets at FVTPL - current	99	30,020	-	30,020	Note 3
	Yuanta Emerging Asia USD Bond Fund	-	Financial assets at FVTPL - current	139	43,831	-	43,831	Note 3
	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at FVTPL - current	2,894	29,202	-	29,202	Note 3
	PineBridge Multi-Income Fund	-	Financial assets at FVTPL - current	95	30,977	-	30,977	Note 3
	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	1,500	90,780	-	90,780	Note 4
	Trinknight Capital Corporation	-	Financial assets at FVTPL - non-current	29,825	311,021	5	311,021	Note 1
	Marvest Series 1 Fund	-	Financial assets at FVTPL - non-current	2	-	-	-	Note 1
	Yuanta Emerging Indonesia and India 4 years Bond Fund	-	Financial assets at FVTPL - non-current	1,500	14,664	-	14,664	Note 3
Lin Shih Investment Co., Ltd.	Taiwan Mask Corp.	-	Financial assets at FVTPL - current	101	7,221	-	7,221	Note 2
	UPI Semiconductor Corp.	-	Financial assets at FVTPL - current	250	57,353	-	57,353	Note 4
	MACRONIX INTERNATIONAL CO., LTD.	-	Financial assets at FVTPL - current	180	7,983	-	7,983	Note 2
	AES Holding Co., Ltd.	-	Financial assets at FVTPL - current	15	9,450	-	9,450	Note 2
	A-Spine Asia Co., Ltd.	-	Financial assets at FVTPL - current	197	9,882	-	9,882	Note 1
	Enterex International Limited - Convertible Bonds	-	Financial assets at FVTPL - current	30	975	-	975	Note 2
	Yong Feng Yu Inc.	-	Financial assets at FVTPL - current	642	39,637	-	39,637	Note 4
	Minton Optic Industry Co., Ltd.	-	Financial assets at FVTPL - non-current	4,272	-	7	-	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets at FVTPL - non-current	300	-	4	-	Note 1
	Sanjet Technology Corporation	-	Financial assets at FVTPL - non-current	8	-	-	-	Note 1
	Ortery Technologies, Inc.	-	Financial assets at FVTPL - non-current	103	-	1	-	Note 1
	Lead Sun Corporation	-	Financial assets at FVTPL - non-current	1,000	27,722	12	27,722	Note 1
	Chain Sea Information Integration Co., Ltd.	-	Financial assets at FVTPL - non-current	48	474	1	474	Note 1
	AIII CO., Ltd.	-	Financial assets at FVTPL - non-current	26	431	-	431	Note 1
GEMFOR Leading Financial Solution Provider Fund	-	Financial assets at FVTPL - non-current	13	216	-	216	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note	
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value		
Lin Shih Investment Co., Ltd.	Ability Enterprise Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,434	\$ 85,853	2	\$ 85,853	Note 2	
	Sunplus Technology Co., Ltd.	Parent Company	Financial assets at FVTOCI - non-current	3,560	106,800	1	106,800	Note 2	
	Prine Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	33	3,290	-	3,290	Note 1	
Russell Holdings Limited	Synerchip Inc.	-	Financial assets at FVTPL - non-current	6,452	-	12	-	Note 1	
	OZ Optics Limited	-	Financial assets at FVTPL - non-current	1,000	-	8	-	Note 1	
	Ortega InfoSystem, Inc.	-	Financial assets at FVTPL - non-current	2,557	-	-	-	Note 1	
	Innobrige International Inc.	-	Financial assets at FVTPL - non-current	4,000	-	15	-	Note 1	
	Ether Precision Inc.	-	Financial assets at FVTPL - non-current	1,250	-	1	-	Note 1	
	Asia Tech Taiwan Venture, L.P.	-	Financial assets at FVTPL - non-current	-	-	5	-	Note 1	
	Asia B2B on Line Inc.	-	Financial assets at FVTPL - non-current	1,000	-	3	-	Note 1	
	AMED Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	14,114	2	14,114	Note 1	
	Intudo Ventures II, L.P.	-	Financial assets at FVTPL - non-current	-	58,205	6	58,205	Note 1	
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,710	15,409	13	15,409	Note 1	
	Eys3d Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190	14,268	2	14,268	Note 1	
	Sunplus Venture Capital Co., Ltd.	Charles Schwab - Money Fund	-	Financial assets at FVTPL - current	-	1,938	-	1,938	Note 1
		Taiwan Mask Corp.	-	Financial assets at FVTPL - current	108	7,722	-	7,722	Note 2
		eWave System, Inc.	-	Financial assets at FVTPL - non-current	1,833	-	22	-	Note 1
VenGlobal International Fund		-	Financial assets at FVTPL - non-current	1	-	-	-	Note 1	
Book4u Company Limited		-	Financial assets at FVTPL - non-current	9	-	-	-	Note 1	
Sanjet Technology Corp.		-	Financial assets at FVTPL - non-current	49	-	-	-	Note 1	
Simple Act Inc.		-	Financial assets at FVTPL - non-current	1,900	-	10	-	Note 1	
Minton Optic Industry Co., Ltd.		-	Financial assets at FVTPL - non-current	5,000	-	8	-	Note 1	
Genius Vision Digital Co., Ltd.		-	Financial assets at FVTPL - non-current	375	-	5	-	Note 1	
Ortery Technologies, Inc.		-	Financial assets at FVTPL - non-current	68	-	1	-	Note 1	
	CYBERON Corporation	-	Financial assets at FVTPL - non-current	786	28,250	8	28,250	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Grand Fortune Venture Capital Co., Ltd.	-	Financial assets at FVTPL - non-current	5,000	\$ 55,752	7	\$ 55,752	Note 1
	Huijia Health Life Technology	-	Financial assets at FVTPL - non-current	1,000	17,590	5	17,590	Note 1
	San Neng Group Holding Co., Ltd.	-	Financial assets at FVTPL - non-current	900	41,850	1	41,850	Note 2
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	5,210	75,962	15	75,962	Note 1
	Fuyou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	34,646	10	34,646	Note 1
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	68,174	2	68,174	Note 1
	TIEF Fund LP	-	Financial assets at FVTPL - non-current	-	40,584	7	40,584	Note 1
	Intudo Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	42,691	8	42,691	Note 1
	Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	962	7,663	-	7,663	Note 1
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	1,247	47,923	4	47,923	Note 4
	Qun-Kin Venture Capital	-	Financial assets at FVTOCI - non-current	3,000	22,114	6	22,114	Note 1
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	1,364	2,520	4	2,520	Note 1
Wei-Young Investment Inc.	Yang Ming Marine Transport Corp.	-	Financial assets at FVTPL - current	800	30,160	-	30,160	Note 2
	Grand Pacific Petrochemical Corp.	-	Financial assets at FVTPL - current	800	22,000	-	22,000	Note 2
	LITE-ON Technology Corp.	-	Financial assets at FVTPL - current	400	25,120	-	25,120	Note 2
Sunplus Technology (Shanghai) Co., Ltd.	GF Live Treasury Currency B	-	Financial assets at FVTPL - current	9,400	41,105	-	41,105	Note 3
	GF Every Day The Red Haired Type Money Market Fund B	-	Financial assets at FVTPL - current	5,300	23,170	-	23,170	Note 3
	GF Currency Fund B	-	Financial assets at FVTPL - current	9,600	41,956	-	41,956	Note 3
	Chongqing CYIT Communication Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	-	3	-	Note 1
	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	41,216	16	41,216	Note 1
	Xiamen Xm-plus Technology Ltd.	-	Financial assets at FVTPL - non-current	-	56,544	3	56,544	Note 1
	Generalplus Technology Inc.	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at FVTPL - current	8,725	91,055	-	91,055
Sunplus Innovation Technology Inc.	Mega Diamond Money Market Fund	-	Financial assets at FVTPL - current	810	10,254	-	10,254	Note 3
	Yuanta De-Bao Money Market Fund	-	Financial assets at FVTPL - current	6,610	80,080	-	80,080	Note 3
	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL - current	3,933	60,025	-	60,025	Note 3
	Fuh Hwa You Li Money Market Fund	-	Financial assets at FVTPL - current	6,658	90,440	-	90,440	Note 3
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	2,792	40,004	-	40,004	Note 3
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	5,877	80,248	-	80,248	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Innovation Technology Inc.	Advanced Silicon SA	-	Financial assets at FVTOCI - non-current	1,000	\$ 15,731	10	\$ 15,731	Note 1
	Advanced NuMicro System, Inc.	-	Financial assets at FVTOCI - non-current	2,000	-	8	-	Note 1
	PointGrab Ltd.	-	Financial assets at FVTOCI - non-current	182	-	1	-	Note 1
Sunext Technology Co., Ltd.	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	1,000	60,520	-	60,520	Note 4
	TSMC Co., Ltd	-	Financial assets at FVTPL - current	40	23,480	-	23,480	Note 2
	UMC Co., Ltd	-	Financial assets at FVTPL - current	700	35,140	-	35,140	Note 2
	Fuh Hwa Taiwan Good Income Fund	-	Financial assets at FVTPL - current	1,000	11,120	-	11,120	Note 3
	Franklin Utilities Fund Class A	-	Financial assets at FVTPL - current	18	10,531	-	10,531	Note 3
	BlackRock Global Funds - World Mining Fund A2	-	Financial assets at FVTPL - current	6	10,473	-	10,473	Note 3
Jsilicon Technology Co., Ltd. (Ru Dong)	GF Live Treasury Currency A	-	Financial assets at FVTPL - current	580	2,542	-	2,542	Note 3
	GF Every Day The Red Haired Type Money Market Fund B	-	Financial assets at FVTPL - current	580	2,543	-	2,543	Note 3
	GF Purse Money Market Fund A	-	Financial assets at FVTPL - current	530	2,323	-	2,323	Note 3
Magic Sky Limited	GTA Co., Ltd.	-	Financial assets at FVTPL - non-current	1,413	-	-	-	Note 1
Giant Rock Inc.	Xiamen Xm-plus Technology Ltd.	-	Financial assets at FVTPL - non-current	-	230,030	13	230,030	Note 1

Note 1: The market value was based on the carrying amount as of March 31 2021.

Note 2: The market value was based on the closing price as of March 31, 2021.

Note 3: The market value was based on the net asset value of the fund as of March 31, 2021.

Note 4: The market value was based on the average quoted price as of March 31, 2021.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

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

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
			Financial Statement Account Item	Amount	Terms	
Sunplus Technology Co., Ltd. (the "Company")	Generalplus Technology Inc.	1	Sales	\$ 1,629	Note 1	0.10%
			Notes and accounts receivable	1,188	Note 1	0.01%
			Non-operating income	33	Note 3	-
	Sunext Technology Co., Ltd.	1	Sales	18	Note 1	-
			Non-operating income	541	Note 2	0.03%
			Other receivable	268	Note 3	-
	Sunplus Innovation Technology Inc.	1	Sales	90	Note 1	0.01%
Non-operating income			1,088	Note 2	0.06%	
Notes and accounts receivable			63	Note 1	-	
Other receivables			217	Note 3	-	
Jumplux Technology Co., Ltd.	1	Sales	1,031	Note 1	0.06%	
		Non-operating income	4,008	Notes 2 and 4	0.24%	
		Notes and accounts receivable	175	Note 1	-	
		Other receivables	1,051	Note 3	0.01%	
GenkiTek Co.	1	Other receivables	96	Note 3	-	
		Non-operating income	287	Note 2	0.02%	
Chongqing CQPlus1 Technology Co., Ltd.	1	Cost of goods sold	6,152	Note 2	0.36%	
		Other accrued expenses	1,616	Note 1	0.01%	
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	2	Other accrued expenses	1,261	Note 3	0.01%
			Marketing expenses	1,264	Note 2	0.07%
	Lingyao Technology	2	Marketing expenses	3,845	Note 2	0.23%
			Other accrued expenses	3,843	Note 3	0.03%
Generalplus Technology Inc.	Generalplus Technology (H.K.) Inc.	2	Marketing expenses	2,510	Note 2	0.15%
			Other accrued expenses	2,531	Note 3	0.02%
	Generalplus Technology (Shenzhen) Inc.	2	Sales	747	Note 2	0.04%
			Research and development expenses	17,307	Note 2	1.02%
			Notes and accounts receivable	756	Note 3	0.01%
			Other accrued expenses	17,454	Note 3	0.13%
Sunplus Technology (Shanghai) Co., Ltd.	SunMedia Technology Co., Ltd.	2	Sales	858	Note 1	0.05%
			Notes and accounts receivable	911	Note 3	0.01%
			Other accrued expenses	76	Note 3	0.01%
			Research and development expenses	77	Note 2	0.03%
Lin Shih Investment Co., Ltd.	Sun Media Technology Co., Ltd.	2	Other receivables	102,784	Note 3	0.79%
			Interest revenue	158	Note 2	0.01%
Sunplus Venture Capital Co., Ltd.	Sun Media Technology Co., Ltd.	2	Other receivables	124,968	Note 3	0.96%
			Interest revenue	236	Note 2	0.01%
Russell Holdings Limited	Sun Media Technology Co., Ltd.	2	Other receivables	242,548	Note 3	1.86%

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus App Technology	Sunplus Technology (Beijing)	2	Management expenses	\$ 96	Note 2	0.01%
			Refundable deposits	33	Note 2	-
			Other current assets	49	Note 2	-
			Other accrued expenses	41	Note 2	-
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Lingyao Technology	2	Non-operating income	1,411	Note 2	0.08%
Sun Media Technology Co., Ltd.	Sunplus Technology (Beijing)	2	Research and development	517	Note 2	0.03%
			Accounts payable	514	Note 3	-

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

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

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

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

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus Technology Company Limited	Ventureplus Group Inc.	Belize	Investment	\$ 2,293,491 (US\$ 74,605 RMB 37,900)	\$ 2,293,491 (US\$ 74,605 RMB 37,900)	-	100	\$ 1,447,934	\$ (1,539)	\$ (1,539)	Subsidiary
	Award Glory Ltd.	Belize	Investment	222,245 (US\$ 5,642 RMB 14,100)	222,245 (US\$ 5,642 RMB 14,100)	-	100	334,095	66,007	66,007	Subsidiary
	Global View Co., Ltd.	Hsinchu, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229	13	366,137	40,375	5,274	Investee
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	834,680	59,981	59,981	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	745,392	96,790	33,199	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	829,982	829,982	83,000	100	905,529	24,157	24,157	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	382,894	382,894	29,949	58	829,339	143,950	83,792	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies	Investment	716,514 (US\$ 25,110)	716,514 (US\$ 25,110)	25,110	100	551,681	1,965	1,965	Subsidiary (Note 2)
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	29	239,547	(12,741)	(4,544)	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	983,237	983,237	58,778	93	238,073	28,471	26,350	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,441	90	23,307	(22)	(19)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	3,529	(49)	(49)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	40,645 (HK\$ 11,075)	40,645 (HK\$ 11,075)	11,075	100	30	-	-	Subsidiary
	Magic Sky Limited	Samoa	Investment	292,198 (US\$ 10,240)	292,198 (US\$ 10,240)	-	100	2,439	-	-	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	29,381	(25)	(25)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	70,157	70,157	5,400	100	80,665	21,274	21,274	Subsidiary
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200	55	(15,313)	(9,585)	(5,272)	Subsidiary
AkiraNET Co., Ltd.	Taipei, Taiwan	Information software service	174,000	-	17,400	35	171,489	(7,258)	(2,511)	Investee	
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	298,715	96,790	13,247	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	27,542	143,950	3,007	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	1	12,104	(12,741)	(171)	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	3	5,339	(22)	(1)	Subsidiary
	Yizhiliang Accelerator Co., Ltd.	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125	13	963	(805)	(101)	Investee
Sunplus Venture Capital Co., Ltd.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100	42	(11,716)	(9,585)	(4,033)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	57,388	57,388	2,904	6	81,395	143,950	8,124	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,332	5	41,811	(12,741)	(592)	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	8	430	(22)	(2)	Subsidiary
	GenKi Tek Co.	Taipei, Taiwan	Software development	20,000	20,000	2,000	63	12,872	(3,434)	(2,146)	Subsidiary
	Yizhiliang Accelerator Co., Ltd.	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125	13	963	(805)	(101)	Investee
Russell Holdings Limited	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	71,338 (US\$ 2,500)	71,338 (US\$ 2,500)	5,000	16	71,016	(3,870)	(628)	Investee
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,293,491 (US\$ 74,605 RMB 37,900)	2,293,491 (US\$ 74,605 RMB 37,900)	-	100	1,447,392	(1,539)	(1,539)	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,293,491 (US\$ 74,605 RMB 37,900)	2,293,491 (US\$ 74,605 RMB 37,900)	-	100	1,447,911	(1,539)	(1,539)	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	544,733 (US\$ 19,090)	544,733 (US\$ 19,090)	19,090	100	499,144	3,887	3,887	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	544,733 (US\$ 19,090)	544,733 (US\$ 19,090)	19,090	100	499,424	3,887	3,887	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	11,129 (US\$ 390)	11,129 (US\$ 390)	-	100	5,703	(293)	(293)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	\$ 222,245 (US\$ 5,642 RMB 14,100)	\$ 222,245 (US\$ 5,642 RMB 14,100)	-	100	\$ 334,095	\$ 66,007	\$ 66,007	Subsidiary
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	22,029 (US\$ 772)	22,029 (US\$ 772)	-	100	301	1	1	Subsidiary
	Giant Rock Inc.	Anguilla	Investment	97,490 (US\$ 1,270 RMB 14,100)	97,490 (US\$ 1,270 RMB 14,100)	-	100	231,915	68,299	68,299	Subsidiary
	WORLDPLUS HOLDINGS L.L.C.	America	Investment	102,726 (US\$ 3,600)	102,726 (US\$ 3,600)	-	100	101,878	(2,293)	(2,293)	Subsidiary
	Giant Best Ltd.	Seychelles	Investment	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of March 31, 2021.

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

Note 3: The establishment registration has been completed at the end of March 2021, but the actual remittance has not completed remitted:

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2021	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of March 31, 2021	Accumulated Inward Remittance of Earnings as of March 31, 2021
					Outflow	Inflow						
Sunplus Technology (Shanghai) Co., Ltd.	Development of computer software, system integration services and building rental	\$ 490,802 (US\$ 17,200)	Note 1	\$ 503,785 (US\$ 17,655)	\$ -	\$ -	\$ 503,785 (US\$ 17,655)	100%	\$ 28,245	\$ 28,245 (Note 2)	\$ 481,377	\$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development of computer software, system integration services and building rental	920,254 (US\$ 32,250)	Note 1	920,254 (US\$ 32,250)	-	-	920,254 (US\$ 32,250)	100%	(15,466)	(15,466) (Note 2)	729,444	-
Sun Media Technology Co., Ltd.	Development of computer software, system integration services and building rental	570,700 (US\$ 20,000)	Note 1	570,700 (US\$ 20,000)	-	-	570,700 (US\$ 20,000)	100%	(13,501)	(13,501) (Note 3)	179,543	-
Sunplus App Technology Co., Ltd.	Sale of electronic components and information management and education	118,157 (RMB 27,200)	Note 1	113,158 (US\$ 586 RMB 22,200)	-	-	113,158 (US\$ 586 RMB 22,200)	96%	(571)	(550) (Note 3)	4,043	-
Sunplus Technology (Beijing)	Development of computer software, system integration services and building rental	117,288 (RMB 27,000)	Note 1	117,288 (RMB 27,000)	-	-	117,288 (RMB 27,000)	100%	(528)	(528) (Note 3)	50,910	-
JSilicon Technology Co., Ltd. (Ru Dong)	Development of computer software, system integration services	86,880 (RMB 20,000)	Note 4	-	-	-	-	100%	85	85 (Note 3)	27,202	-
Lingyao Technology Co., Ltd. (Shenzhen)	Development of computer software, system integration services and building rental	82,705 (RMB 19,039)	Note 6	102,726 (US\$ 3,600)	-	-	102,726 (US\$ 3,600)	100%	(1,960)	(2,293) (Note 3)	101,878	-
Chongqing CQPlus1 Technology Co., Ltd.	Development of computer software, system integration services	130,320 (RMB 30,000)	Note 5	-	-	-	-	100%	(9,562)	(9,562) (Note 3)	71,029	-

Accumulated Investment in Mainland China as of March 31, 2021	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 2,501,126 (US\$ 79,872 RMB 51,100)	\$ 2,512,236 (US\$ 78,602 RMB 62,000)	\$ 5,186,235

Sunplus Venture Capital Co., Ltd.

Accumulated Investment in Mainland China as of March 31, 2021 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 8)	Limit on Investment
\$ 35,954 (US\$ 1,260)	\$ 35,954 (US\$ 1,260)	\$ 522,119

(Continued)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2021	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of March 31, 2021	Accumulated Inward Remittance of Earnings as of March 31, 2021
					Outflow	Inflow						
Generalplus Shenzhen	Design of ICs, after sales service and marketing research	\$ 533,605 (US\$ 18,700)	Note 1	\$ 533,605 (US\$ 18,700)	\$ -	\$ -	\$ 533,605 (US\$ 18,700)	100%	\$ 4,180	\$ 4,180	\$ 493,701	\$ -

Accumulated Investment in Mainland China as of March 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 533,605 (US\$ 18,700)	\$ 533,605 (US\$ 18,700)	\$ 1,321,408

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

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

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

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

Note 5: Shanghai Sunplus Technology Co., Ltd. and Sunplus Lihua (Shenzhen) Technology Co., Ltd. reinvested in a company located in mainland China.

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

Note 7: The Ministry of Economic Affairs approved an investment in the shares of San Neng Group Holding Co., Ltd., which is accounted for under the financial assets at fair value through profit or loss- non-current.

Note 8: The original foreign currency was derived from the exchange rate on March 31, 2021.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE THREE MONTHS ENDED MARCH 31, 2021

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

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables and other accrued expenses		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Technology (Shenzhen) Corp.	Development and processing services	\$ 17,307	14.13	Based on contract	Based on contract	Not comparable with market transactions	\$ 17,454	87.20	\$ -	NA
	Sales	747	0.11	Based on contract	Based on contract	Not comparable with market transactions	756	45.36	167	NA

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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

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

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