

Sunplus Technology Company Limited

**Financial Statements for the
Nine Months Ended September 30, 2009 and 2008 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and the Shareholders
Sunplus Technology Company Limited

We have reviewed the accompanying balance sheets of Sunplus Technology Company Limited as of September 30, 2009 and 2008, and the related statements of income and cash flows for the nine months then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

As disclosed in Note 9 to the financial statements, the carrying values of equity-method investments as of September 30, 2009 and 2008 were NT\$7,902,764 thousand and NT\$6,467,526 thousand, respectively. As of September 30, 2009 and 2008, there were credit balance of NT\$578,209 thousand and NT\$7,810 thousand on the carrying value of these investments. For the nine months ended September 30, 2009 and 2008, the related investment losses were NT\$277,320 thousand and NT\$616,945 thousand, respectively. These investment amounts and other investee information disclosed in Note 27 to the financial statements were based on the investees' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the equity-method investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the financial statements of Sunplus Technology Company Limited as of and for the nine months ended September 30, 2009, and 2008 referred to in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As disclosed in Note 3 to the accompanying financial statements, the Company adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 10 - "Inventories" beginning January 1, 2009. In addition, the Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. The Company also adopted the newly released SFAS No. 39 - "Share-based Payment" to account for employee stock options.

October 16, 2009

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations 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 financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the accountants' review report and the accompanying 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 accountants' review report and financial statements shall prevail.

SUNPLUS TECHNOLOGY COMPANY LIMITED

BALANCE SHEETS

SEPTEMBER 30, 2009 AND 2008

(In Thousands of New Taiwan Dollars, Except Par Value)

(Reviewed, Not Audited)

ASSETS	2009		2008		LIABILITIES AND SHAREHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 2,024,349	13	\$ 342,985	3	Short-term loans (Note 14)	\$ 160,825	1	\$ 112,595	1
Available-for-sale financial assets (Notes 2 and 6)	1,121,694	7	1,466,926	10	Accounts payable	1,144,974	7	747,121	5
Notes and accounts receivable, net (Notes 2, 7 and 23)	1,281,067	8	1,450,191	10	Income tax payable (Notes 2 and 20)	341,762	2	275,477	2
Other receivables (Note 23)	247,431	1	248,157	2	Dividends payable and remunerations payable to directors and supervisors (Note 17)	-	-	1,426,734	10
Inventories (Notes 2 and 8)	987,926	6	1,047,029	7	Long-term bank loans - current portion (Notes 15 and 24)	426,250	3	-	-
Deferred income tax assets (Notes 2 and 20)	6,530	-	45,072	-	Deferred royalty income (Notes 2, 12 and 23)	12,230	-	7,388	-
Other current assets	<u>42,382</u>	<u>-</u>	<u>47,722</u>	<u>-</u>	Deferred intercompany gain (Note 2)	-	-	736	-
Total current assets	<u>5,711,379</u>	<u>35</u>	<u>4,648,082</u>	<u>32</u>	Accrued expenses	260,822	1	437,924	3
					Other current liabilities (Notes 2, 9 and 23)	<u>594,884</u>	<u>4</u>	<u>28,706</u>	<u>-</u>
LONG-TERM INVESTMENTS					Total current liabilities	<u>2,941,747</u>	<u>18</u>	<u>3,036,681</u>	<u>21</u>
Equity-method investments (Notes 2, 9 and 24)	7,902,764	49	6,467,526	45					
Financial assets at fair value through profit or loss (Notes 2 and 5)	-	-	152,725	1	LONG-TERM DEBT, NET OF CURRENT PORTION (Notes 15 and 24)	<u>1,393,750</u>	<u>9</u>	<u>-</u>	<u>-</u>
Available-for-sale financial assets (Notes 2 and 6)	225,744	2	168,784	1					
Financial assets carried at cost (Notes 2 and 10)	<u>35,556</u>	<u>-</u>	<u>35,556</u>	<u>1</u>	OTHER LIABILITIES				
Total long-term investments	<u>8,164,064</u>	<u>51</u>	<u>6,824,591</u>	<u>48</u>	Deferred income (Notes 2, 12 and 23)	34,775	-	670	-
					Accrued pension liability (Notes 2 and 16)	57,921	-	61,007	1
PROPERTIES (Notes 2, 11 and 24)					Guarantee deposits	<u>150,929</u>	<u>1</u>	<u>151,022</u>	<u>1</u>
Cost					Total other liabilities	<u>243,625</u>	<u>1</u>	<u>212,699</u>	<u>2</u>
Buildings	724,275	4	688,983	5	Total liabilities	<u>4,579,122</u>	<u>28</u>	<u>3,249,380</u>	<u>23</u>
Auxiliary equipment	185,637	1	182,828	1					
Machinery and equipment	422,490	3	412,474	3	SHAREHOLDERS' EQUITY (Notes 2, 17 and 18)				
Testing equipment	370,006	2	363,753	2	Capital stock - \$10 par value				
Transportation equipment	2,463	-	2,463	-	Authorized - 1,200,000 thousand shares				
Furniture and fixtures	102,861	1	122,014	1	Issued - 596,910 thousand shares in 2009 and 598,203 thousand shares in 2008	5,969,099	37	5,982,028	41
Leasehold improvements	89	-	459	-	Capital surplus				
Total cost	1,807,821	11	1,772,974	12	Additional paid-in capital - share issuance in excess of par	709,215	5	710,751	5
Less: Accumulated depreciation	1,007,686	6	914,570	6	Treasury stock transactions	15,040	-	68,645	-
Prepayment	-	-	11	-	Merger and others	989,478	6	798,576	6
Net properties	<u>800,135</u>	<u>5</u>	<u>858,415</u>	<u>6</u>	Retained earnings				
					Legal reserve	2,334,480	14	2,333,642	16
INTANGIBLE ASSETS, NET (Notes 2 and 12)	<u>377,570</u>	<u>2</u>	<u>620,780</u>	<u>4</u>	Special reserve	428,914	3	-	-
					Unappropriated earnings	1,092,899	7	1,839,511	13
OTHER ASSETS					Other				
Rental assets - net (Notes 2, 23 and 24)	216,471	2	252,523	2	Cumulative translation adjustments	133,361	1	71,039	-
Deferred charges and others (Notes 2 and 13)	182,009	1	275,850	2	Unrealized gain (loss) on financial assets	23,333	-	(497,846)	(3)
Deferred income tax assets (Notes 2 and 20)	<u>645,527</u>	<u>4</u>	<u>944,014</u>	<u>6</u>	Treasury stock (at cost) - 10,189 thousand shares in 2009 and 4,853 thousand shares in 2008	<u>(177,786)</u>	<u>(1)</u>	<u>(131,471)</u>	<u>(1)</u>
Total other assets	<u>1,044,007</u>	<u>7</u>	<u>1,472,387</u>	<u>10</u>	Total shareholders' equity	<u>11,518,033</u>	<u>72</u>	<u>11,174,875</u>	<u>77</u>
TOTAL	<u>\$ 16,097,155</u>	<u>100</u>	<u>\$ 14,424,255</u>	<u>100</u>	TOTAL	<u>\$ 16,097,155</u>	<u>100</u>	<u>\$ 14,424,255</u>	<u>100</u>

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

(With Deloitte & Touche review report dated October 16, 2009)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
GROSS SALES	\$ 5,086,680		\$ 5,209,429	
SALES RETURNS AND ALLOWANCES	<u>181,014</u>		<u>242,906</u>	
NET SALES (Notes 2, 12 and 23)	4,905,666	100	4,966,523	100
COST OF SALES (Notes 3, 8 and 19)	3,312,594	68	3,030,603	61
REALIZED INTERCOMPANY GAIN, NET (Note 2)	<u>7,756</u>	<u>-</u>	<u>824</u>	<u>-</u>
GROSS PROFIT	<u>1,600,828</u>	<u>32</u>	<u>1,936,744</u>	<u>39</u>
OPERATING EXPENSES (Notes 19 and 23)				
Marketing	157,074	3	129,825	3
General and administrative	180,369	4	222,463	5
Research and development	<u>955,617</u>	<u>19</u>	<u>1,257,445</u>	<u>25</u>
Total operating expenses	<u>1,293,060</u>	<u>26</u>	<u>1,609,733</u>	<u>33</u>
OPERATING INCOME	<u>307,768</u>	<u>6</u>	<u>327,011</u>	<u>6</u>
NONOPERATING INCOME AND GAINS				
Gain on disposal of investments, net (Note 2)	163,434	3	237,415	5
Administrative and support service revenue (Note 23)	71,726	2	99,672	2
Rental revenue (Note 23)	20,021	-	28,551	1
Valuation gain on financial assets, net (Notes 2, 5 and 22)	6,528	-	18,491	-
Interest income	5,105	-	14,353	-
Dividends (Note 2)	4,667	-	33,646	1
Guarantee deposit default	2,243	-	65,209	1
Reconciliation compensation (Note 26)	-	-	97,529	2
Others (Notes 2 and 23)	<u>21,423</u>	<u>1</u>	<u>37,724</u>	<u>1</u>
Total nonoperating income and gains	<u>295,147</u>	<u>6</u>	<u>632,590</u>	<u>13</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized by the equity-method, net (Notes 2 and 9)	277,320	6	616,945	13
Foreign exchange loss, net (Note 2)	46,195	1	17,457	-
Interest expense	24,465	-	14,854	-
Others (Note 2)	<u>7,259</u>	<u>-</u>	<u>9,102</u>	<u>-</u>
Total nonoperating expenses and losses	<u>355,239</u>	<u>7</u>	<u>658,358</u>	<u>13</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 247,676	5	\$ 301,243	6
INCOME TAX EXPENSE (Notes 2 and 20)	<u>316,017</u>	<u>6</u>	<u>44,341</u>	<u>1</u>
NET INCOME (LOSS)	<u>\$ (68,341)</u>	<u>(1)</u>	<u>\$ 256,902</u>	<u>5</u>
	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS (LOSS) PER SHARE (Note 21)				
Basic	<u>\$ 0.42</u>	<u>\$ (0.12)</u>	<u>\$ 0.51</u>	<u>\$ 0.43</u>
Diluted	<u>\$ 0.42</u>	<u>\$ (0.12)</u>	<u>\$ 0.51</u>	<u>\$ 0.43</u>

The pro forma net income (loss) and earnings per share (EPS) on the assumption that the stock of parent company held by its subsidiary is treated as an investment and not as treasury stock are as follows (Note 18):

	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
NET INCOME (LOSS)	<u>\$ 247,676</u>	<u>\$ (68,341)</u>	<u>\$ 309,716</u>	<u>\$ 265,375</u>
BASIC EPS				
Based on weighted-average shares outstanding - 594,941 thousand shares in 2009 and 596,942 thousand shares in 2008	<u>\$0.42</u>	<u>\$(0.11)</u>	<u>\$0.52</u>	<u>\$0.44</u>
DILUTED EPS				
Based on weighted-average shares outstanding - 594,941 thousand shares in 2009 and 597,084 thousand shares in 2008	<u>\$0.42</u>	<u>\$(0.11)</u>	<u>\$0.52</u>	<u>\$0.44</u>

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

(With Deloitte & Touche review report dated October 16, 2009)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (68,341)	\$ 256,902
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	435,998	564,939
Gain on disposal of investments, net	(163,434)	(237,415)
Investment loss recognized by the equity-method, net	277,320	616,945
Valuation gain on financial assets	(6,528)	(15,187)
Realized intercompany gain, net	(7,756)	(824)
Realized royalty income	(1,728)	(16,628)
Unrealized royalty income	6,336	-
Gain on disposal of properties and deferred charges, net	(26)	(170)
Cash dividends received from equity-method investees	136,400	120,541
Deferred income tax	271,009	2,700
Accrued pension liability	(2,474)	(1,942)
Net changes in operating assets and liabilities		
Held-for-trading financial instruments	-	(2,222)
Notes and accounts receivable	(804,780)	63,261
Other receivables	(81,945)	33,190
Inventories	(91,177)	56,972
Other current assets	(1,526)	22,398
Accounts payable	837,764	(207,763)
Income tax payable	(23,692)	(87,504)
Accrued expenses	28,597	(57,811)
Other current liabilities	996	(7,639)
Net cash provided by operating activities	<u>741,013</u>	<u>1,102,743</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
Financial assets at fair value through profit or loss	168,650	30,840
Available-for-sale financial assets	407,133	1,744,605
Equity-method investments	238,462	93,085
Properties and deferred charges	1,191	1,323
Return of capital by investee	8,511	-
Acquisition of:		
Equity-method investments	(206,572)	(208,650)
Available-for-sale financial assets	(1,335,000)	(2,364,000)
Properties	(33,251)	(68,627)
Increase in intangible assets	(20,943)	(49,567)
Increase in deferred charges and others	(77,618)	(142,516)
Net cash used in investing activities	<u>(849,437)</u>	<u>(963,507)</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	\$ (486,775)	\$ (387,405)
Decrease in guarantee deposits	(124)	(96,001)
Increase in long-term debt	2,050,000	-
Decrease in long-term debt	(230,000)	-
Cash paid for acquisition of treasury stock	(114,385)	-
Proceeds of the exercise of stock options	<u>-</u>	<u>5,870</u>
Net cash provided by (used in) financing activities	<u>1,218,716</u>	<u>(477,536)</u>
NET INCREASE (DECREASE) IN CASH	1,110,292	(338,300)
CASH, BEGINNING OF PERIOD	<u>914,057</u>	<u>681,285</u>
CASH, END OF PERIOD	<u>\$ 2,024,349</u>	<u>\$ 342,985</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income tax paid	<u>\$ 69,203</u>	<u>\$ 61,968</u>
Interest paid	<u>\$ 30,370</u>	<u>\$ 14,854</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of credit balance on carrying value of long-term investment into other current liabilities	<u>\$ 437,097</u>	<u>\$ -</u>
Reclassification of rental asset into properties	<u>\$ 34,647</u>	<u>\$ -</u>
Current portion of long-term debt	<u>\$ 426,250</u>	<u>\$ -</u>
Reclassifications of properties into deferred charges and others	<u>\$ -</u>	<u>\$ 36,562</u>
Reclassifications of other current liabilities into long-term investments	<u>\$ -</u>	<u>\$ 95,271</u>
PARTIAL CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of properties	\$ 23,348	\$ 67,040
Decrease in payables to contractors and equipment suppliers	<u>9,903</u>	<u>1,587</u>
Cash paid	<u>\$ 33,251</u>	<u>\$ 68,627</u>

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

(With Deloitte & Touche review report dated October 16, 2009)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

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

(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

Sunplus Technology Company Limited (the "Company"), was established in August 1990, and moved into the Hsinchu Science-Based Industrial Park in October 1993. It researches, develops, designs, tests, and sells high-quality, high value-added consumer integrated circuits (ICs). Its products are based on core technology in such areas as multimedia audio/video, single-chip microcontroller and digital signal processor. These technologies are used to develop hundreds of products including various ICs: Liquid crystal display, microcontroller, multimedia and application specific.

The Company's shares have been listed on the Taiwan Stock Exchange since January 2000. Some of the Company's shares have been issued in the form of Global Depository Receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 17).

As of September 30, 2009 and 2008, the Company had 557 and 585 employees, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the Business Accounting Law, Guidelines Governing Business Accounting and accounting principles generally accepted in the Republic of China (ROC). Under these guidelines, law and principles, the Company is required to make certain estimates and assumptions that could affect the amounts of allowance for doubtful accounts, allowance for sales returns and discounts, allowance for inventory devaluation, property depreciation, amortization of intangible assets and deferred charges, impairment loss on assets, pension expenses and the bonus to employees, directors and supervisors. Actual results could differ from these estimates.

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If inconsistencies arise between the English version and the original Chinese version or if differences arise in the interpretation between the two versions, the Chinese version of financial statements shall prevail.

Significant accounting policies are summarized as follows:

Current/Noncurrent Assets and Liabilities

Current assets are cash (unrestricted) and other assets primarily held for trading purposes or to be realized, consumed or sold within one year from the balance sheet date. All other assets such as properties and intangible assets are classified as noncurrent. Current liabilities are obligations incurred for trading purposes or to be settled within one year from the balance sheet date. All other liabilities are classified as noncurrent.

Financial Assets/Liabilities at Fair Value Through Profit or Loss

Financial instruments classified as financial assets or financial liabilities at fair value through profit or loss (FVTPL) include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Company recognizes a financial asset or a financial liability on its balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Company has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial instruments at FVTPL are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. At each balance sheet date subsequent to initial recognition, financial assets or financial liabilities at FVTPL are remeasured at fair value, with changes in fair value recognized directly as gain or loss in the year in which they arise. On derecognition of a financial asset or a financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognized as gain or loss. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Derivatives that do not meet the criteria for hedge accounting are treated as financial assets or financial liabilities held for trading. When the fair value is positive, the derivative is recognized as a financial asset; otherwise, the derivative is treated as a financial liability.

The fair values of those instruments without quoted market prices in an active market are based on valuation techniques incorporating estimates and assumptions that are consistent with prevailing market conditions.

Hybrid instruments are designated at fair value through profit or loss.

Available-for-sale Financial Assets

Investments designated as available-for-sale financial assets include open-end mutual funds and listed stocks. Investments classified as available-for-sale financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition.

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are remeasured at fair value, with changes in fair value recognized in equity until the financial assets are disposed of, at which time, the cumulative gain or loss previously recognized in equity is included in profit or loss for the year. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The recognition, derecognition and the fair value bases of available-for-sale financial assets are similar to those of financial assets at FVTPL.

Cash dividends are recognized on the ex-dividend date, except for dividends distributed from the pre-acquisition profit, which are treated as a reduction of investment cost. Stock dividends are not recognized as investment income but are recorded as an increase in the number of shares. The total number of shares subsequent to the increase is used for recalculation of cost per share. The difference between the initial cost of a debt instrument and its maturity amount is amortized using the effective interest method, with the amortized interest recognized as gain or loss.

The fair values of open-end mutual funds are based on their net asset value at the balance sheet date; listed stock is the closing price as of the balance sheet date.

An impairment loss is recognized when there is objective evidence that the financial asset is impaired. Any subsequent decrease in impairment loss for an equity instrument classified as available-for-sale is recognized directly in equity.

Revenue Recognition

Revenue from sales of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, primarily upon shipment, because the earnings process has been completed and the economic benefits associated with the transaction have been realized or are realizable. The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts agreed between the Company and the customers for goods sold in the normal course of business, net of sales discounts and volume rebates. For trade receivables due within one year from the balance sheet date, as the nominal value of the consideration to be received approximates its fair value and transactions are frequent, fair value of the consideration is not determined by discounting all future receipts using an imputed rate of interest.

Allowance for Doubtful Accounts and Allowance for Sales Returns and Discounts

An allowance for doubtful accounts is provided on the basis of a review of the collectibility of accounts receivable. The Company assesses the probability of collections of accounts receivable by examining the aging analysis of the outstanding receivables and assessing the value of the collateral provided by customers.

An allowance is provided for any sales returns and discounts, which are estimated on the basis of historical experience and any known factors that would affect the allowance. Such provisions are deducted from sales in the year the products are sold, and related costs are deducted from cost of sales.

Inventories

Inventories consist of raw materials, work-in-process, finished goods and merchandise. Before January 1, 2009, inventories were stated at the lower of cost or market value. Any write-down was made on a total-inventory basis. Market value meant replacement cost for raw materials, and net realizable value for work in process and finished goods. As stated in Note 3, effective January 1, 2009, inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard costs and adjusted to approximate weighted-average cost on the balance sheet date.

Financial Assets Carried at Cost

Investments in equity instrument with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same as that for dividends on available-for-sale financial assets.

An impairment loss is recognized when there is objective evidence that an asset is impaired. A reversal of this impairment loss is disallowed.

Equity-method Investments

Investments in which the Company holds 20% or more of the investees voting shares or exercises significant influence over the operating and financial policy decisions are accounted for by the equity method. Pursuant to the revised Statement of Financial Accounting Standards, the cost of an investment shall be analyzed and the cost of investment in excess of the fair value of identifiable net assets acquired, representing goodwill, shall not be amortized and instead shall be tested for impairment annually.

When the Company's share in losses of an investee over which the Company has control exceeds its investment in the investee, unless the other shareholders of the investee have assumed legal or constructive obligations and have demonstrated the ability to make payments on behalf of the investee, the Company has to bear all of the losses in excess of the capital contributed by shareholders of the investee. If the investee subsequently reports profits, such profits are first attributed to the Company to the extent of the excess losses previously borne by the Company. If the recoverable amount is estimated to be less than its carrying amount, an impairment loss is charged to earnings.

On the balance sheet date, the Company evaluates investments for any impairment. An impairment loss is recognized and charged to current income if the investment carrying amount as of the balance sheet date exceeds the expected recoverable amount. For those investees over which the Company has significant influence, the assessment of impairment is based on carrying value. For those investees over which the Company holds a controlling interest, the assessment of impairment is based on an estimation of the value in use of the cash-generating units of the consolidated investees.

Cash dividends are recognized on the ex-dividend date, which are treated as a reduction of investment cost. Stock dividends are not recognized as an increase in investment but are recorded as an increase in the number of shares.

If an investee issues additional shares and the Company subscribes for these shares at a percentage different from its current equity, the resulting increase is credited to capital surplus. If a decrease results, the decrease is debited to capital surplus. But if capital surplus is not enough for debiting purposes, the decrease is debited to unappropriated retained earnings.

Profits from downstream transactions with an equity-method investee are eliminated in proportion to the Company's percentage of ownership in the investee; however, if the Company has control over the investee, all the profits are eliminated. Profits from upstream transactions with an equity-method investee are eliminated in proportion to the Company's percentage of weighted-average ownership in the investee. For those investees over which the Company holds a controlling interest, gains or losses on sales between equity method investees are deferred in proportion to the Company's percentage of weighted-average ownership in the investee. For those investees over which the Company does not hold a controlling interest, gains or losses on sales between equity method investees are deferred in proportion of the Company's percentage of multiplication of weighted-average ownership in the investees. All of these deferred gains and losses are realized upon resale of products to third parties.

Properties and Rental Assets

Properties and rental assets are stated at cost less accumulated depreciation. Major additions and improvements are capitalized, while maintenance and repairs are expensed currently.

On the balance sheet date, the Company evaluates properties and rental assets for any impairment. If impairment is identified, the Company will determine the recoverable amount of the assets. The carrying amount in excess of the expected recoverable amount is recognized as impairment loss and charged to current income. If the recoverable amount increases, the subsequent reversal of impairment loss will be recognized as gain. However, the increased carrying amount of an asset due to a reversal of impairment loss should not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

Depreciation is provided on a straight-line basis over estimated useful lives as follows: buildings - 7 to 55 years; auxiliary equipment - 3 to 10 years; machinery and equipment - 4 to 5 years; testing equipment - 2 to 4 years; transportation equipment - 4 to 6 years; furniture and fixtures - 2 to 10 years; leasehold improvements - 3 years; and rental assets - 7 to 55 years. Properties and rental assets still in use beyond their initially estimated useful lives are further depreciated over their newly estimated useful lives.

The related cost and accumulated depreciation of properties and rental assets are derecognized from the balance sheet upon its disposal. Any gain or loss on disposal of the assets is included in nonoperating gains or losses in the period of disposal.

Intangible Assets

Intangible assets consist of technology license fees and patents, which are initially recorded at cost and are amortized on a straight-line basis over 1 to 15 years and 5 to 18 years, respectively.

Expenditures arising from research activities and those related to development activities that do not meet the criteria for capitalization are charged to expense when incurred.

If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. If an impairment loss subsequently reverses, the carrying amount of the asset is increased accordingly, but the increased carrying amount of an asset due to a reversal of impairment loss should not exceed the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized for the asset in prior years.

Deferred Charges

Deferred charges are mainly costs of software and system design, which are booked at the installation or acquisition cost. The amounts are amortized over 1 to 5 years, using the straight-line method.

Please refer to the preceding accounting policy on intangible assets for the accounting for impairment of deferred charges.

Government Subsidies

Amounts received by the Company from the government for the sponsorship of the development of certain products are recognized as subsidy income when realized or as deferred income when unrealized.

Pension Costs

Pension cost under a defined benefit plan is determined by actuarial valuations. Contributions made under a defined contribution plan are recognized as pension cost during the year in which employees render services.

Stock-based Compensation

Employee stock options granted on or after January 1, 2008 are accounted for under SFAS No. 39, "Accounting for Share-based Payment." Under the statement, the value of the stock options granted, which is equal to the best available estimate of the number of stock options expected to vest multiplied by the grant-date fair value, is expensed on a straight-line basis over the vesting period, with a corresponding adjustment to capital surplus - employee stock options. The estimate is revised if subsequent information indicates that the number of stock options expected to vest differs from previous estimates.

Employee stock options granted between January 1, 2004 and December 31, 2007 were accounted for under the interpretations issued by the Accounting Research and Development Foundation (ARDF). The Company adopted the intrinsic value method, under which compensation cost was recognized on a straight-line basis over the vesting period. The Company didn't grant or revise stock-options for the nine months ended 2009.

Bonuses to Employees, Directors and Supervisors

The ARDF issued Interpretation 2007-052 that requires companies to recognize as compensation expenses bonuses paid to employees, directors and supervisors beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity. The Company accounts for its stock held by its subsidiaries as treasury stock. The recorded cost of these treasury stocks is based on the carrying value of the investments as shown in the subsidiaries' book. The resulting gain on investment from cash dividends appropriated to subsidiaries is credited to capital surplus treasury - stock transactions.

When the treasury shares are retired, the capital stock and paid-in capital based on the existing equity are debited. If the treasury shares are retired at a price lower than its par value and the Company paid-in capital, the deficiency is credited to paid-in capital from treasury stock. If the treasury shares are retired at a price in excess of its par value and paid-in capital, the excess is debited to paid-in capital from treasury stock. If the balance in paid-in capital from treasury stock is insufficient to absorb the deficiency, the remainder is recorded as a reduction of retained earnings.

Income Tax

The Company applies the inter-period tax allocations method. Under these methods, deferred income taxes are recognized for the tax effects of deductible temporary differences and unused tax credits. Valuation allowance are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. A deferred income tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Tax credits for purchases of machinery, equipment and technology, research and development expenditures and personnel training expenditures are recognized in the current period.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax expense.

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the share holders approve to retain the earnings.

The Company adopt consolidation income tax filing with Sunplus mMobile Inc. The income taxes payable differences between consolidated and the sum of individual are adjusted in the company's account receivable or account payable.

Foreign-currency Transactions

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

At the balance sheet date, foreign-currency nonmonetary assets (such as equity instruments) and liabilities that are measured at fair value are revalued using prevailing exchange rates, with the exchange differences treated as follows:

- a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
- b. Recognized in profit and loss if the changes in fair value is recognized in profit or loss.

Foreign-currency nonmonetary assets and liabilities that are carried at cost continue to be stated at exchange rates at trade dates.

If the functional currency of an equity-method investee is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

The above prevailing exchange rates are based on the average of bid and ask rates of major banks.

Reclassifications

Certain accounts in the financial statements as of and for the nine months ended September 30, 2008 have been reclassified to conform to the presentation of financial statements as of and for the nine months ended September 30, 2009.

3. ACCOUNTING CHANGES

- a. Accounting for Bonuses to Employees, Directors and Supervisors

In March 2007, the Accounting Research and Development Foundation (ARDF) of the R.O.C. issued Interpretation 2007-052 that requires companies to recognize as compensation expenses bonuses paid to employees, directors and supervisors beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. The accounting changes had no impact on the Company's net income for the nine months ended September 30, 2008.

- b. Accounting for Employee Stock Options

On January 1, 2008, the Company adopted the newly released SFAS No. 39 - "Accounting for Share-based Payment" to account for employee stock options. The accounting changes had no impact on the Company's net income and basic and diluted earnings per share for the nine months ended September 30, 2008.

- c. Accounting for Inventories

Effective January 1, 2009, the Company adopted the newly revised SFAS No. 10 - "Accounting for Inventories." The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item-by-item except when the grouping of similar or related items is appropriate; (2) unallocated overheads are recognized as cost of sales in the period in which they are incurred; and (3) abnormal cost, write-downs of inventories and any reversal of write-downs are recorded as cost of sales for the period. The adoption resulted in increase of NT\$27,000 thousand in net loss and increase of NT\$0.05 in net loss per share for the nine months ended September 30, 2009. The Company also reclassified the non-operating loss and income of \$90,000 thousand and \$19,748 thousand, respectively, to the cost of goods sold for the nine months ended September 30, 2008.

4. CASH

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Saving accounts	\$ 374,425	\$ 170,466
Time deposits	1,648,217	170,501
Checking accounts	846	988
Cash on hand	<u>861</u>	<u>1,030</u>
	<u>\$ 2,024,349</u>	<u>\$ 342,985</u>

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company didn't enter into derivative contracts during the nine months ended September 30, 2009. The Company entered into derivative contracts during the nine months ended September 30, 2008 to hedge the effect of exchange rate fluctuations on net foreign currency-denominated assets and liabilities. The strategy is to hedge most of the market price risks to which the Company is exposed.

Net gains arising from financial assets held for trading were \$2,344 thousand for the nine months ended September 30, 2008.

Financial instruments designated at fair value through profit or loss was as follows:

	Principal Amount (In Thousands)	Carrying Amount	Maturity
<u>September 30, 2008</u>			
Inverse floaters: Time deposits with floating interest rate indexed to LIBOR rates	<u>\$ 5,000</u>	<u>\$ 152,725</u>	April 2014 (Note)

Note: In April 2009, the Company had met the criteria to redeemed the time deposits with floating interest rates indexed to LIBOR rates.

Net gains arising from financial assets designated at fair value through profit or loss were \$6,528 thousand and \$15,889 thousand for the nine months ended September 30, 2009 and 2008, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Open-end funds	\$ 1,121,694	\$ 1,466,926
Domestic quoted stocks	<u>225,744</u>	<u>168,784</u>
	1,347,438	1,635,710
Deduct: Current portion	<u>1,121,694</u>	<u>1,466,926</u>
	<u>\$ 225,744</u>	<u>\$ 168,784</u>

7. NOTES AND ACCOUNTS RECEIVABLE

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Notes receivable	\$ -	\$ 17
Accounts receivable - other	1,353,608	1,508,703
Accounts receivable - related parties	<u>19,371</u>	<u>54,664</u>
	1,372,979	1,563,384
Deduct: Allowance for doubtful accounts	56,912	78,193
Deduct: Allowance for sales returns and discounts	<u>35,000</u>	<u>35,000</u>
	<u>\$ 1,281,067</u>	<u>\$ 1,405,191</u>

8. INVENTORIES

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Finished goods and merchandise	\$ 338,682	\$ 399,129
Work-in-process	511,799	347,734
Raw materials	<u>137,445</u>	<u>300,166</u>
	<u>\$ 987,926</u>	<u>\$ 1,047,029</u>

As of September 30, 2009 and 2008, the allowances for inventory devaluation were \$210,531 thousand and \$192,222 thousand, respectively.

As of September 30, 2009 and 2008, the cost of inventories recognized as cost of goods sold were \$3,312,594 thousand and \$3,030,603 thousand, respectively. For the nine months ended September 30, 2009 and 2008, these inventory costs included the followings:

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Inventory write-downs	\$ 130,000	\$ 90,000
Compensation income	(15,196)	(10,110)
Income from scrap sales	<u>(6,191)</u>	<u>(9,638)</u>
	<u>\$ 108,613</u>	<u>\$ 70,252</u>

9. EQUITY-METHOD INVESTMENTS

	September 30			
	2009		2008	
	Amount	% of Owner- ship	Amount	% of Owner- ship
Giantplus Technology Co., Ltd.	\$ 1,785,382	21	\$ 1,856,142	21
Orise Technology Co., Ltd.	1,209,020	50	1,233,324	55
Lin Shih Investment Co., Ltd.	926,036	100	609,736	100
Sunplus Venture Capital Co., Ltd.	855,241	100	665,474	100
Sunext Technology Co., Ltd.	509,430	76	-	-
Generalplus Technology Corp.	507,678	39	471,034	41
Sunplus mMedia Inc.	506,960	78	-	-
Ventureplus Group Inc.	494,555	100	451,729	100
Sunplus Innovation Technology Inc.	396,640	81	385,042	84
Russell Holdings Limited	396,160	100	610,735	100
HT mMobile Inc.	268,464	30	-	-
Waveplus Technology Co., Ltd.	21,092	41	21,380	41
Wei-Young Investment Inc.	9,163	100	5,505	100
Global Techplus Capital Inc.	7,674	100	7,751	100
Sunplus Technology (H.K.) Co., Ltd.	5,120	100	5,213	100
Sunplus Management Consulting Inc.	4,149	100	4,209	100
Sunplus mMobile Inc.	-	-	89,024	91
Sunplus Core Technology Co., Ltd.	-	-	28,230	57
Goldkey Technology Corp.	-	-	22,998	12
	<u>\$ 7,902,764</u>		<u>\$ 6,467,526</u>	
Credit balance on carrying value of long-term investments (recorded as other current liabilities)				
Sunplus mMobile Inc.	\$ 530,099	91	\$ -	
Sunplus Core Technology Co., Ltd.	48,110	57	-	
Sunext Technology Co., Ltd.	-		7,810	72
	<u>\$ 578,209</u>		<u>\$ 7,810</u>	

As of September 30, 2008, the Company and its subsidiaries collectively owned 25% of Goldkey Technology Corp. Thus, the investments were accounted for by the equity method. In March 2009, the Company and its subsidiaries sold the shares of Goldkey Technology Corp.

Movement of the difference between the cost of investment and the Company's share in investees' net assets allocated to goodwill for the nine months ended September 30, 2009 was as follows:

	September 30, 2009		
	Balance, Beginning of Period	Increase	Balance, End of Period
Goodwill	<u>\$ 155,506</u>	<u>\$ -</u>	<u>\$ 155,506</u>

The Company obtained shares of Sunplus mMedia Inc. in November 2008 in which Sunplus mMobile Inc. had invested by equity method.

In their meeting on March 10, 2009, the shareholder's meeting of Sunplus mMobile (SmM) approved the spin-off of its communication business unit (BU) by decreasing SmM's capital to establish HT mMobile Inc. ("HT mMobile"). The carrying value of this BU was \$189,867 thousand. SmM's shareholders of Sunplus mMobile will own HT mMobile in the same proportion of their ownership of SmM. Thus, the Company obtained 91% of HT mMobile. As of September 30, 2009, the Company owned 30% of HT mMobile.

The financial statements used as basis for calculating the carrying values of equity-method investments and related investment income or losses were all unreviewed for the nine months ended September 30, 2009 and 2008. The investment incomes (losses) of investees were as follows:

	Nine Months Ended September 30	
	2009	2008
Giantplus Technology Co., Ltd.	\$ (85,524)	\$ 97,771
Orise Technology Co., Ltd.	124,846	133,855
Lin Shih Investment Co., Ltd.	60,434	9,912
Sunplus Venture Capital Co., Ltd.	18,851	107,266
Sunext Technology Co., Ltd.	247,707	(58,429)
Generalplus Technology Inc.	85,988	75,426
Sunplus mMedia Inc.	(201,546)	-
Ventureplus Group Inc.	70,253	(79,524)
Sunplus Innovation Technology Inc.	17,360	50,983
Russell Holdings Limited	(33,126)	(15,910)
HT mMobile Inc.	(305,280)	-
Waveplus Technology Co., Ltd.	4,350	364
Wei-Young Investment Inc.	40	(20)
Global Techplus Capital Inc.	(27)	1,511
Sunplus Technology (H.K.) Co., Ltd.	406	9,191
Sunplus Management Consulting Inc.	(45)	(15)
Sunplus mMobile Inc.	(216,352)	(900,960)
Sunplus Core Technology Co., Ltd.	(65,967)	(51,629)
Goldkey Technology Corp.	<u>312</u>	<u>3,263</u>
	<u>\$ (277,320)</u>	<u>\$ (616,945)</u>

Fair values of listed equity-method investments calculated at their closing price as of September 30, 2009 and 2008 were as follows:

	September 30	
	2009	2008
Orise Technology Co., Ltd.	\$ 3,317,396	\$ 3,002,548
Giantplus Technology Co., Ltd.	<u>1,638,014</u>	<u>1,572,053</u>
	<u>\$ 4,955,410</u>	<u>\$ 4,574,601</u>

10. FINANCIAL ASSETS CARRIED AT COST

	September 30	
	2009	2008
Domestic unquoted stock	<u>\$ 35,556</u>	<u>\$ 35,556</u>

The above investments had no quoted prices in an active market and their fair value could not be reliably measured, were carried at cost.

11. PROPERTIES

Nine Months Ended September 30, 2009									
Cost	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Prepayment	Total
Balance, beginning of period	\$ 688,983	\$ 184,963	\$ 414,508	\$ 373,482	\$ 2,463	\$ 123,058	\$ 459	\$ -	\$ 1,787,916
Increase	-	1,140	17,538	3,612	-	1,058	-	-	23,348
Decrease	-	466	9,556	7,088	-	21,255	370	-	38,735
Reclassification	35,292	-	-	-	-	-	-	-	35,292
Balance, end of period	724,275	185,637	422,490	370,006	2,463	102,861	89	-	1,807,821
Accumulated depreciation									
Balance, beginning of period	113,447	141,393	316,522	276,980	2,186	100,636	426	-	951,590
Depreciation	11,317	6,800	31,654	31,605	104	7,730	7	-	89,217
Decrease	-	457	9,274	6,760	-	20,734	345	-	37,570
Reclassification	4,449	-	-	-	-	-	-	-	4,449
Balance, end of period	129,213	147,736	338,902	301,825	2,290	87,632	88	-	1,007,686
Balance, end of period, net	\$ 595,062	\$ 37,901	\$ 83,588	\$ 68,181	\$ 173	\$ 15,229	\$ 1	\$ -	\$ 800,135

Note: For the assets mortgaged or pledged, please refer to Note 24.

Nine Months Ended September 30, 2008									
Cost	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Prepayment	Total
Balance, beginning of period	\$ 688,983	\$ 179,140	\$ 378,667	\$ 402,639	\$ 5,573	\$ 128,706	\$ 459	\$ -	\$ 1,784,167
Increase	-	3,688	33,914	28,055	-	1,372	-	11	67,040
Decrease	-	-	107	6,373	3,110	4,854	-	-	14,444
Reclassification	-	-	-	(60,568)	-	(3,210)	-	-	(63,778)
Balance, end of period	688,983	182,828	412,474	363,753	2,463	122,014	459	11	1,772,985
Accumulated depreciation									
Balance, beginning of period	104,528	127,925	262,980	249,336	5,101	93,769	394	-	844,033
Depreciation	15,120	10,582	39,453	36,009	147	9,737	24	-	111,072
Decrease	-	-	103	5,379	3,110	4,727	-	-	13,319
Reclassification	(9,837)	-	-	(16,189)	-	(1,190)	-	-	(27,216)
Balance, end of period	109,811	138,507	302,330	263,777	2,138	97,589	418	-	914,570
Balance, end of period, net	\$ 579,172	\$ 44,321	\$ 110,144	\$ 99,976	\$ 325	\$ 24,425	\$ 41	\$ 11	\$ 858,415

12. INTANGIBLE ASSETS

Nine Months Ended September 30, 2009			
Cost	Technology License Fee	Patents	Total
Balance, beginning of period	\$ 2,629,091	\$ 97,849	\$ 2,726,940
Increase	20,943	-	20,943
Decrease	2,000	-	2,000
Balance, end of period	2,648,034	97,849	2,745,883

(Continued)

	Nine Months Ended September 30, 2009		
	Technology License Fee	Patents	Total
<u>Accumulated amortization</u>			
Balance, beginning of period	\$ 2,143,411	\$ 31,742	\$ 2,175,153
Amortization expense	191,089	4,071	195,160
Decrease	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Balance, end of period	<u>2,332,500</u>	<u>35,813</u>	<u>2,368,313</u>
Balance, end of period, net	<u>\$ 315,534</u>	<u>\$ 62,036</u>	<u>\$ 377,570</u>

(Concluded)

	Nine Months Ended September 30, 2008		
	Technology License Fee	Patents	Total
<u>Cost</u>			
Balance, beginning of period	\$ 2,576,007	\$ 97,849	\$ 2,673,856
Increase	<u>49,567</u>	<u>-</u>	<u>49,567</u>
Balance, end of period	<u>2,625,574</u>	<u>97,849</u>	<u>2,723,423</u>
<u>Accumulated amortization</u>			
Balance, beginning of period	1,805,759	26,198	1,831,957
Amortization expense	<u>266,528</u>	<u>4,158</u>	<u>270,686</u>
Balance, end of period	<u>2,072,287</u>	<u>30,356</u>	<u>2,102,643</u>
Balance, end of period, net	<u>\$ 553,287</u>	<u>\$ 67,493</u>	<u>\$ 620,780</u>

Intangible assets consisted of fees paid to Oak Technology (“Oak”) for the Company to use Oak’s technology on light storage solutions to develop SOC DVD/VCD (system on a chip digital compact disk/video compact disk) players and to buy the rights on video processing technology to develop DTV products.

The Company also authorized Sunext Technology (equity-method investee) to research, design and manufacture products using Oak’s technology in exchange for royalty income (shown under “gross sales” in the income statements and as “deferred royalty income” on the balance sheets).

13. DEFERRED CHARGES AND OTHERS

	September 30	
	2009	2008
Software and system design, net	\$ 172,970	\$ 266,412
Golf club membership fees	7,800	7,800
Refundable deposits	<u>1,239</u>	<u>1,638</u>
	<u>\$ 182,009</u>	<u>\$ 275,850</u>

14. SHORT-TERM LOANS

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Working capital loans - US\$5,000 thousand; 0.85% annual interest rate in 2009 and US\$3,500 thousand; 3.77% annual interest rate in 2008	<u>\$ 160,825</u>	<u>\$ 112,595</u>

15. LONG-TERM DEBT

	September 30, 2009
Medium - to long-term credit bank loans:	
Repayable quarterly from February 2010 to February 2012 in installments; annual floating-rate interest - 1.952% in 2009	\$ 820,000
Repayable semi-annually from February 2009 to February 2012 in installments; annual floating-rate interest - 2.110% in 2009	135,000
Repayable quarterly from April 2010 to April 2012 in installments; annual floating-rate interest 1.942% in 2009	30,000
Medium - to long-term secured loans:	
Repayable semi-annually from March 2010 to March 2014 in installments; annual floating-rate interest - 1.805% in 2009	700,000
Repayable semi-annually from February 2009 to February 2012 in installments; annual floating-rate interest - 2.110% in 2009	<u>135,000</u>
	1,820,000
Deduct: Current portion	<u>426,250</u>
	<u>\$ 1,393,750</u>

Based on the loan contracts, the Company provided buildings and shares of Giantplus Technology Co., Ltd. and Orise Technology Co., Ltd. as collaterals for the above loans (Note 24). The loan contracts contain financial covenants which require the Company to maintain certain financial ratios (debt ratio, current ratio, times interest-earned ratio and financing provided) on the basis of semi-annual and annual consolidated financial statements. However, the violation of the limitation on the ratios is not deemed to be the violation of the contracts.

16. PENSION PLAN

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Such pension costs were \$21,937 thousand and \$22,600 thousand for the nine months ended September 30, 2009 and 2008, respectively.

Before the promulgation of the Act, the Company has had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension plan provides benefits based on the length of service and the average basic salary of the employee's final nine months of service. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. The fund is deposited in the committee's name in the Bank of Taiwan as the survivor entity. The Company recognized pension costs of \$1,693 thousand and \$2,733 thousand for the nine months ended September 30, 2009 and 2008, respectively.

Defined benefit pension fund balances were \$110,267 thousand and \$102,286 thousand as of September 30, 2009 and 2008, respectively.

17. SHAREHOLDERS' EQUITY

a. Employee Stock Option Plan

On March 6, 2003 (2003 option plan) and September 11, 2007 (2007 option plan), the Securities and Futures Bureau approved the Company's adoption of an employee stock option plan. The plan provides for the grant of 30,000 thousand options and 25,000 thousand options in 2003 and 2007 plan, respectively, with each unit representing one common share. The option rights are granted to qualified employees of the Company and subsidiaries. A total of 55,000 thousand common shares have been reserved for issuance. The options are valid for six years and exercisable at certain percentages after the second anniversary of the grant date. Stock option rights are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Stock Exchange on the grant date. If the Company's paid-in-capital changes, the exercise price is adjusted accordingly. All options had been granted or canceled as of September 30, 2009.

Outstanding option rights were as follows:

	2003 Option Plan			
	Nine Months Ended September 30			
	2009		2008	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	5,082	\$40.31	5,154	\$47.07
Options issued	-	-	243	40.34
Options exercised	-	-	(179)	32.70
Options canceled	<u>(5,082)</u>	-	<u>(83)</u>	-
Ending outstanding balance	<u>-</u>		<u>5,135</u>	
	2007 Option Plan			
	Nine Months Ended September 30			
	2009		2008	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	24,646	\$40.52	25,000	\$47.58
Option issued	-	-	1,209	40.52
Option canceled	<u>(1,269)</u>	-	<u>(839)</u>	-
Ending outstanding balance	<u>23,377</u>		<u>25,370</u>	

The number of shares and exercise prices of outstanding option have been adjusted to reflect the appropriations of dividends, cash dividends and issuance of capital stock specified under the Plans.

As of September 30, 2009, the outstanding and exercisable options were as follows:

2007 Option Plan					
	Options Outstanding			Options Exercisable	
	Number of Options (In Thousands)	Weighted- average Remaining Contractual Life (Years)	Weighted-a verage Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-a verage Exercise Price (NT\$)
Exercise Price (NT\$)					
\$ 40.40	17,077	4.12	\$40.40	-	\$40.40
40.90	6,300	4.24	40.90	-	40.90

The pro forma information for the nine months ended September 30, 2009 and 2008 assuming employee stock options granted before December 31, 2007 were accounted for under Statement of Financial Accounting Standards No. 39 - "Share-Based Payment" is as follows:

	September 30	
	2009	2008
Net income (loss)		
Net income (loss) as reported	<u>\$ (68,341)</u>	<u>\$ 256,902</u>
Pro forma net loss	<u>\$ (218,938)</u>	<u>\$ 54,103</u>
Earnings (loss) per share (E/LPS; in New Taiwan dollars)		
Basic E/LPS as reported	<u>\$ (0.12)</u>	<u>\$ 0.43</u>
Pro forma basic E/LPS	<u>\$ (0.37)</u>	<u>\$ 0.09</u>
Diluted E/LPS as reported	<u>\$ (0.12)</u>	<u>\$ 0.43</u>
Pro forma diluted E/LPS	<u>\$ (0.37)</u>	<u>\$ 0.09</u>

b. Global Depositary Receipts (GDRs)

In March 2001, the Company issued 20,000 thousand units of Global Depositary Receipts (GDRs), representing 40,000 thousand common shares consisting of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of September 30, 2009, the outstanding 275 thousand units of GDRs represented 550 thousand common shares.

c. Capital Surplus

Under ROC regulations, capital surplus can only be used to offset deficit. However, the capital surplus from shares issued in excess of par (including the stock issued for new capital and mergers and surplus arising from treasury stocks transactions) may be appropriated as stock dividends, which are limited to a certain percentage of the Company's paid-in-capital. Also, the capital surplus from long-term investments may not be used for any purpose.

d. Appropriation of Earnings and Dividends

The Company's Articles of Incorporation provide that the following should be appropriated from annual net income less any accumulated deficit: (a) 10% as legal reserve; and (b) special reserve equivalent to the debit balance of any accounts shown in the shareholders' equity section of the balance sheet, other than deficit. The distribution of any remaining earnings will be as follows: (i) up to 6% of paid-in capital as dividends; and (ii) 1.5% as remuneration to directors and supervisors and at least 1% as bonus to employees. The employees may include, with the approval of the Company's board of directors, those of the Company's subsidiaries.

The current year's net income less all the foregoing appropriations and distributions plus the unappropriated prior years' earnings may be distributed as additional dividends. It is the Company's policy 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.

For the nine months ended September 30, 2009 and 2008, the bonus to employees and remuneration to directors and supervisors, representing 25% and 1.5%, respectively, of net income had to be accrued on the basis of past experiences. However, the Company had a net loss for the nine months ended September 30, 2009. And for the nine months ended September 30, 2008, based on the Company's Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, the Company did not accrue any bonus and remuneration expenses. Material differences between earlier estimates of bonuses and remuneration and the amounts subsequently proposed by the Board of Directors are adjusted for in the current year. If the actual amounts approved by the shareholders differ from the board of directors' proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate.

If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the shareholders' meeting.

Under regulations promulgated by the Securities and Futures Bureau, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet (for example, unrealized loss on financial assets and cumulative translation adjustments) should be made from unappropriated retained earnings. The special reserve is allowed to be appropriated to the extent that the debit balance of such accounts is reversed.

Under the ROC Company Law, legal reserve should be appropriated until the reserve equals the Company's paid-in capital. This reserve may be used to offset a deficit. In addition, when the reserve exceeds 50% of the Company's paid-in capital, the excess portion that is over 25% of the excess may be distributed as stock dividend and bonus if the Company has no deficit.

Under the Integrated Income Tax System, which took effect on January 1, 1998, ROC resident shareholders are allowed to have tax credits for the income tax paid by the Company on earnings generated since January 1, 1998. An imputation credit account (ICA) is maintained by the Company for such income tax and the tax credit allocated to each resident shareholder. The maximum credit available for allocation to each resident shareholder cannot exceed the ICA balance on the dividend distribution date.

The appropriations of the 2008 and 2007 earnings were approved at the shareholders' meetings on April 30, 2009 and June 13, 2008, respectively. The appropriations, including dividends, were as follows:

	<u>For Fiscal Year 2008</u>		<u>For Fiscal Year 2007</u>	
	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 838		\$ 206,150	
Special reserve	428,914		(17,260)	
Bonus to employees - stock	-		135,000	
Bonus to employees - cash	-		15,000	
Remuneration of directors and supervisors	-		23,090	
Stock dividends	-	\$ -	166,637	\$0.29990
Cash dividends	-	-	<u>1,388,644</u>	2.49920
	<u>\$ 429,752</u>		<u>\$ 1,917,261</u>	

The appropriation of earnings can be accessed online through the Market Observation Post System on the website of Taiwan Stock Exchange.

Unrealized Gain or Loss on Financial Instruments

For the nine months ended September 30, 2009 and 2008, the movements of unrealized gain or loss on financial instrument were as follows:

	Available- For-sale Financial Assets	Equity- method Investments	Total
<u>Nine months ended September 30, 2009</u>			
Balance, beginning of period	\$ (438,577)	\$ (123,389)	\$ (561,966)
Recognized in shareholders' equity	<u>70,657</u>	<u>514,642</u>	<u>585,299</u>
Balance, end of period	<u>\$ (367,920)</u>	<u>\$ 391,253</u>	<u>\$ 23,333</u>
<u>Nine months ended September 30, 2008</u>			
Balance, beginning of period	\$ (160,003)	\$ 345,418	\$ 185,415
Sales for the period	(122,842)	-	(122,842)
Recognized in shareholders' equity	<u>(139,788)</u>	<u>(420,631)</u>	<u>(560,419)</u>
Balance, end of period	<u>\$ (422,633)</u>	<u>\$ (75,213)</u>	<u>\$ (497,846)</u>

18. TREASURY STOCK

(Units: Shares in Thousands)

Purpose of Purchase	Beginning Shares	Increase	Decrease (Capital Reduction)	Ending Shares
<u>Nine months ended September 30, 2009</u>				
Company stocks held by subsidiaries	3,560	-	-	3,560
For subsequent transfer to employees	<u>1,293</u>	<u>6,629</u>	<u>(1,293)</u>	<u>6,629</u>
	<u>4,853</u>	<u>6,629</u>	<u>(1,293)</u>	<u>10,189</u>
<u>Nine months ended September 30, 2008</u>				
Company stocks held by subsidiaries	3,390	170	-	3,560
For subsequent transfer to employees	<u>1,293</u>	<u>-</u>	<u>-</u>	<u>1,293</u>
	<u>4,683</u>	<u>170</u>	<u>-</u>	<u>4,853</u>

Starting in January 2002, the Company accounted for its issued shares amounting to \$95,605 thousand held by a subsidiary, Lin Shin Investment Co., Ltd. as treasury stock. As of September 30, 2009 and 2008, the book values of these stocks were \$63,401 thousand and \$63,401 thousand, and the market values of these stocks were \$82,948 thousand and \$51,442 thousand, respectively.

Under the Securities and Exchange Act, the Company should neither pledge treasury stock nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The Company had retired all the treasury stock on February 19, 2009 and had completed the related registration of the change in the number of its issued shares. On June 25, 2009, the Board of Directors approve a share buyback plan to repurchase the Company's common shares up to 20,000 thousand shares between June 26, 2009 and August 25, 2009, with the buyback price ranging from NT\$11.50 to NT\$17.50. As of September 30, 2009, the Company had bought back 6,629 thousand shares total to \$114,385 thousand. On October 6, 2009, the Board of Directors approve to assign the 6,629 thousand shares of treasury stock to employees. The subsidiaries holding treasury stock; however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

19. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Nine Months Ended September 30					
	2009			2008		
	Classified as Cost of Sales	Classified as Operating Expense	Total	Classified as Cost of Sales	Classified as Operating Expense	Total
Labor cost						
Salary	\$ 47,035	\$ 478,365	\$ 525,400	\$ 48,905	\$ 529,755	\$ 578,660
Labor/health insurance	3,293	25,193	28,486	3,300	25,334	28,634
Pension	2,507	21,123	23,630	2,748	22,585	25,333
Welfare benefit	1,322	8,778	10,100	1,618	9,988	11,606
Meal	1,198	7,509	8,707	1,288	7,974	9,262
	<u>\$ 55,355</u>	<u>\$ 540,968</u>	<u>\$ 596,323</u>	<u>\$ 57,859</u>	<u>\$ 595,636</u>	<u>\$ 653,495</u>
Depreciation	<u>\$ 34,386</u>	<u>\$ 54,831</u>	<u>\$ 89,217</u>	<u>\$ 42,650</u>	<u>\$ 64,206</u>	<u>\$ 106,856</u>
Amortization	<u>\$ 1,515</u>	<u>\$ 341,461</u>	<u>\$ 342,976</u>	<u>\$ 5,183</u>	<u>\$ 448,685</u>	<u>\$ 453,868</u>

20. INCOME TAX

- a. A reconciliation of income tax expense on income before income tax at statutory rate and current income tax expense before tax credits is shown below:

	Nine Months Ended September 30	
	2009	2008
Income before income tax at statutory rate (25%)	\$ 61,909	\$ 75,301
Tax effects of adjustments:		
Permanent differences	28,471	79,087
Temporary differences	21,818	16,313
Tax-exempt income	(40,471)	-
Income tax expense before tax credits	<u>\$ 71,727</u>	<u>\$ 170,701</u>

- b. Income tax expense consisted of the following:

	Nine Months Ended September 30	
	2009	2008
Income tax expense before tax credits	\$ 71,727	\$ 170,701
Additional tax at 10% on unappropriated earnings	-	12,698
Investment tax credits	(26,892)	(91,574)
Net change in deferred income tax assets	271,009	2,700
Adjustment of prior years' income tax expense	<u>173</u>	<u>(50,184)</u>
Income tax expense	<u>\$ 316,017</u>	<u>\$ 44,341</u>

c. Deferred income tax assets were as follows:

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Current:		
Investment tax credits	\$ 272,265	\$ 33,347
Temporary differences	2,775	11,725
Deduct: Valuation allowance	<u>268,510</u>	<u>-</u>
	<u>\$ 6,530</u>	<u>\$ 45,072</u>
Noncurrent:		
Investment tax credits	\$ 1,061,617	\$ 1,084,070
Temporary differences	8,938	9,183
Deduct: Valuation allowance	<u>425,028</u>	<u>149,239</u>
	<u>\$ 645,527</u>	<u>\$ 944,014</u>

In May 2009, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduces a profit-seeking enterprise's income tax rate from 25% to 20%, effective 2010. The Company recalculated its deferred income tax assets and liabilities in accordance with the amended Article and recorded the resulting difference as a deferred income tax expense.

As of September 30, 2009, investment tax credits (recorded as deferred income tax assets) were as follows:

Regulatory Basis of Tax Credits	Items	Total Creditable Amounts	Remaining Creditable Amounts	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	\$ 3,606	\$ 3,606	2009
		<u>1,005</u>	<u>1,005</u>	2011
		<u>\$ 4,611</u>	<u>\$ 4,611</u>	
Statute for Upgrading Industries	Research and development expenditures	\$ 295,551	\$ 268,659	2009
		414,927	414,927	2010
		257,812	257,812	2011
		264,711	264,711	2012
		<u>123,162</u>	<u>123,162</u>	2013
		<u>\$ 1,356,163</u>	<u>\$ 1,329,271</u>	

d. The profits generated from the following expansion and construction projects are exempt from income tax:

<u>Project</u>	<u>Tax Exemption Period</u>
Sixth expansion	January 1, 2006 to December 31, 2009
Ninth expansion	January 3, 2007 to January 2, 2012
Tenth expansion	August 31, 2006 to August 30, 2011
Eleventh expansion	January 1, 2008 to December 31, 2012

The tax returns through 2005 have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of its 2003, 2004 and 2005 tax returns and thus applied for an administrative remedy of these returns. Nevertheless, the Company has made a provision for the income tax assessed by the tax authorities for conservatism purposes.

e. Integrated income tax information is as follows:

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Shareholders' imputation credit account	<u>\$ 136,844</u>	<u>\$ 49,507</u>
Unappropriated earnings until 1997	<u>\$ 452,310</u>	<u>\$ 452,310</u>

The actual creditable tax ratio for distribution of earnings of 2008 and 2007 was 6.77% and 4.41%, respectively.

21. EARNINGS (LOSS) PER SHARE

The numerators and denominators used in computing earnings (loss) per share (E/LPS) were as follows:

	<u>Amounts (Numerator)</u>		<u>Share (Denominator) (In Thousands)</u>	<u>EPS (Dollars)</u>	
	<u>Before Income Tax</u>	<u>After Income Tax</u>		<u>Before Income Tax</u>	<u>After Income Tax</u>
<u>Nine months ended September 30, 2009</u>					
Net income (loss)	<u>\$ 247,676</u>	<u>\$ (68,341)</u>			
Basic and diluted gain (loss) per share					
Income (loss) of common shareholders	<u>\$ 247,676</u>	<u>\$ (68,341)</u>	<u>591,381</u>	<u>\$ 0.42</u>	<u>\$ (0.12)</u>
<u>Nine months ended September 30, 2008</u>					
Net income	<u>\$ 301,243</u>	<u>\$ 256,902</u>			
Basic EPS					
Income of common shareholders	<u>\$ 301,243</u>	<u>\$ 256,902</u>	<u>593,382</u>	<u>\$ 0.51</u>	<u>\$ 0.43</u>
Effect of dilutive securities Stock options	<u>-</u>	<u>-</u>	<u>142</u>		
Diluted EPS					
Income of common and potential common shareholders	<u>\$ 301,243</u>	<u>\$ 256,902</u>	<u>593,524</u>	<u>\$ 0.51</u>	<u>\$ 0.43</u>

The employee stock option stated in Note 17 represents potential common stock. Thus, the Company tested the effects of employee stock options by the treasury method in accordance with Statement of Financial Accounting Standards No. 24 - "Earnings Per Share". The test showed the stock options were anti-dilutive for the nine months ended September 30, 2009. As a result, the potential common shares were excluded from the calculation of diluted E/LPS.

22. FINANCIAL INSTRUMENTS

- a. Fair values of financial instruments were as follows:

	September 30			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Non-derivative instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 152,725	\$ 152,725
Available-for-sale financial assets (current and noncurrent)	1,347,438	1,347,438	1,635,710	1,635,710
Financial assets carried at cost	35,556	-	35,556	-
Liabilities				
Long-term debt (including current portion)	1,820,000	1,820,000	-	-

- b. Methods and assumptions used in determining fair values of financial assets and liabilities, based on quoted market prices or valuation techniques, were as follows:
- 1) For cash, notes and accounts receivable, other receivables, short-term loans, and accounts payable, the carrying amounts reported in the balance sheets approximate their fair values because of their short maturities.
 - 2) Fair values of financial assets at fair value through profit or loss and available-for-sale financial assets are based on their quoted prices in active markets. For those instruments not traded in active markets, their fair values are determined using valuation techniques incorporating estimates and assumptions that are consistent with prevailing market conditions. For those derivatives with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.
 - 3) Financial assets carried at cost are investments in unquoted shares, which have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, no fair value is presented.
 - 4) Fair value of long-term debt is estimated using the present value of future cash flows discounted by the interest rates, the Company may obtain for similar loans (e.g., similar maturities). The fair values of long-term debt with floating interest rates are equivalent to their carrying values.
- c. Gain recognized for the changes in fair value of financial instruments using valuation techniques for the nine months ended September 30, 2009 and 2008 were \$6,528 thousand and \$17,409 thousand, respectively.
- d. As of September 30, 2009 and 2008, financial assets exposed to cash flow interest rate risk amounted to \$374,425 thousand and \$323,191 thousand, respectively; financial assets exposed to fair value interest rate risk amounted to \$1,648,217 thousand and \$170,501 thousand, respectively; financial liabilities exposed to fair value interest rate risk amounted to \$160,825 thousand and \$112,595 thousand, respectively. As of September 30, 2009 financial liabilities exposed to cash flow interest rate risk were \$1,820,000 thousand.

- e. Interest revenues on financial instruments other than the financial assets at fair value through profit or loss in the nine months ended September 30, 2009 and 2008 were \$2,353 thousand and \$9,952 thousand, respectively; interest expenses resulting from the for financial instruments other than the financial assets at fair value through profit or loss for the nine months ended September 30, 2009 and 2008 were \$24,465 thousand and \$14,854 thousand, respectively.
- f. Financial risks
 - 1) Market risk. The financial instruments held by the Company are exposed to interest rate, foreign exchange rate and price risks.
 - 2) Credit risk. The Company will incur a loss if the counter-parties or third-parties breach the contracts, which are affected by such factors as the concentrations of counter-parties, components of financial instruments, contract amounts, and the receivables on the contracts. Contracts with positive fair values on the balance sheet date are evaluated for credit risk. The counter-parties or third-parties to the foregoing contracts are reputable financial institutions and business organizations. Management believes that the Company's exposure to default by those parties is low.
 - 3) Liquidity risk. Investments in inverse floaters and financial assets carried at cost do not have an active market. Thus, the liquidity risk of these investments is material. On the other hand, held-for-trading and available-for-sale security investments are expected to be settled readily at amounts approximating their fair values in active markets. However, the Company also has some equity-method investments with no quoted market prices in an active market, which are expected to have material liquidity risk.
 - 4) Interest rate risk. As of September 30, 2009, the interest rates of long term debt are floating, which would fluctuate with market interest rates.

23. RELATED-PARTY TRANSACTIONS

The Company's related parties were as follows:

- a. Giantplus Technology Co., Ltd. ("Giantplus") - equity-method investee
- b. Waveplus Technology Co., Ltd. ("Waveplus") - equity-method investee
- c. Sunext Technology Co., Ltd. ("Sunext") - 76% subsidiary
- d. Generalplus Technology Inc. ("Generalplus") - equity-method investee
- e. HT mMobile Inc. ("HT mMobile") - equity-method investee
- f. Coolsand Technologies SARL ("Coolsand") - equity-method investee of Russell Holding Ltd.
- g. Lin Shin Technology Co., Ltd. ("Lin Shin") - equity-method investee of Russell Holding Ltd.
- h. Sunplus Core Technology Co., Ltd. ("Sunplus Core") - 57% subsidiary
- i. Sunplus Innovation Technology Inc. ("Sunplus Innovation") - 81% subsidiary
- j. Sunplus mMobile Inc. ("Sunplus mMobile") - 91% subsidiary
- k. Orise Technology Co., Ltd. ("Orise") - 50% subsidiary

- l. Sunplus mMedia Inc. (“Sunplus mMedia”) - 78% subsidiary
- m. Sunplus Technology (H.K.) Co., Ltd. (“Sunplus H.K.”) - 100% subsidiary
- n. Sunplus Technology (Shanghai) Co., Ltd. (“Sunplus Shanghai”) - 99% indirect subsidiary
- o. Sunplus Prof-tek (Shenzhen) Co., Ltd. (“Sunplus Prof-tek”) - 100% indirect subsidiary
- p. Sun Media Technology Co., Ltd. (“Sun Media”) - 100% indirect subsidiary
- q. Sunplus mMobile Limited - 100% indirect subsidiary
- r. Others - please refer to Note 27 for related parties that did not have business transactions with the Company in the current period.

The transactions with the foregoing parties in addition to those disclosed in other notes are summarized as follows:

	Nine Months Ended September 30			
	2009		2008	
	Amount	%	Amount	%
Sales				
Sunplus mMedia	\$ 35,817	1	\$ 46,385	1
Orise	27,742	1	60,398	2
Generalplus	12,643	-	22,801	1
Sunplus Core	9,632	-	1,875	-
HT mMobile	9,027	-	-	-
Sunplus Innovation	6,314	-	10,344	-
Waveplus	6,090	-	-	-
Sunext	3,567	-	18,784	-
Sunplus mMobile	3,327	-	12,018	-
Lin Shin	430	-	5,216	-
Coolsand	-	-	20,972	-
	<u>\$ 114,589</u>	<u>2</u>	<u>\$ 198,793</u>	<u>4</u>

The collection terms for products sold to related parties were similar to those for third parties.

	Nine Months Ended September 30			
	2009		2008	
	Amount	%	Amount	%
Operating expense				
Sunplus Prof-tek	\$ 29,063	3	\$ 45,196	4
Sun Media	15,593	1	3,526	-
Sunplus Shanghai	9,755	1	15,650	1
Sunplus Core	3,388	-	7,043	-
Sunplus H.K.	2,298	-	3,131	-
Other	237	-	361	-
	<u>\$ 60,334</u>	<u>5</u>	<u>\$ 74,907</u>	<u>5</u>

The support transaction prices that were negotiated and thus not comparable with those in the market.

	Nine Months Ended September 30			
	2009		2008	
	Amount	%	Amount	%
Nonoperating income and gains				
Sunplus mMedia	\$ 41,199	14	\$ 64,656	10
HT mMobile	27,093	9	-	-
Sunplus mMobile	12,484	4	45,330	7
Sunplus Core	7,399	3	7,075	1
Generalplus	3,421	1	7,174	1
Sunplus Innovation	3,095	1	6,276	1
Orise	2,056	1	3,974	1
Sunext	1,091	-	7,266	1
Lin Shin	108	-	201	-
Waveplus	5	-	137	-
	<u>\$ 97,951</u>	<u>33</u>	<u>\$ 142,089</u>	<u>22</u>

Nonoperating income and gains included rental income and support transaction prices that were negotiated and thus not comparable with those in the market. The Company leased sections to Sunplus mMobile, Sunplus mMedia, Sunplus Core and HT mMobile and transferred the book value of these leased sections to assets leased to others; this book value was based on the ratio of the area of the leased sections to the total area of the building.

	September 30			
	2009		2008	
	Amount	%	Amount	%
Notes and accounts receivable				
Orise	\$ 7,537	1	\$ 14,248	1
Sunplus mMedia	4,199	1	8,878	1
HT mMobile	3,217	-	-	-
Generalplus	2,946	-	5,115	-
Sunplus Innovation	662	-	1,377	-
Sunplus Core	506	-	219	-
Sunext	302	-	445	-
Sunplus mMobile	2	-	1,591	-
Coolsand	-	-	20,658	2
Lin Shin	-	-	2,133	-
	<u>\$ 19,371</u>	<u>2</u>	<u>\$ 54,664</u>	<u>4</u>
Other receivables				
Sunplus Innovation	\$ 13,880	6	\$ 787	-
HT mMobile	13,104	5	-	-
Sunplus mMedia	9,214	4	6,678	3
Generalplus	6,941	3	1,444	1
Sunplus Core	900	-	770	-
Sunplus mMobile	820	-	5,494	2
Orise	250	-	545	-
Sunext	204	-	6,328	3
Waveplus	2	-	10	-
Giantplus	-	-	115,496	47
Sunplus mMobile Limited	-	-	724	-
Lin Shin	-	-	44	-
	<u>\$ 45,315</u>	<u>18</u>	<u>\$ 138,320</u>	<u>56</u>

Dividend receivables (recorded as other receivables) were \$13,596 thousand and \$115,496 thousand as of September 30, 2009 and 2008, respectively.

	September 30			
	2009		2008	
	Amount	%	Amount	%
Other current liabilities				
Sunplus Core	<u>\$ 645</u>	<u>-</u>	<u>\$ 353</u>	<u>-</u>
Deferred royalty income (including current and noncurrent)				
Sunplus Core	\$ 40,000	84	\$ -	-
Generalplus	6,336	14	-	-
Orise	458	1	1,557	19
Sunext	<u>-</u>	<u>-</u>	<u>6,289</u>	<u>78</u>
	<u>\$ 46,794</u>	<u>99</u>	<u>\$ 7,846</u>	<u>97</u>

	September 30	
	2009	2008
Endorsement/guarantee provided		
Sunplus mMobile	\$ 970,000	\$ 107,293
Sunplus Core	243,192	60,000
Sunplus Shanghai	231,800	306,000
Sunext	134,459	630,000
HT mMobile	30,000	-
Sunplus mMedia	24,082	227,000
Waveplus	20,000	20,000
Generalplus	15,614	30,000
Orise	10,193	-
Sunplus Innovation	9,562	130,000
Lin Shin	<u>-</u>	<u>10,000</u>
	<u>\$ 1,688,902</u>	<u>\$ 1,520,293</u>

24. MORTGAGED OR PLEDGED ASSETS

The Company's assets pledged as collateral for long-term loans were as follows:

	September 30, 2009
Giantplus stocks	\$ 843,635
Orise stocks	269,510
Buildings, net (including assets leased to others)	<u>797,111</u>
	<u>\$ 1,910,256</u>

25. SIGNIFICANT LONG-TERM OPERATING LEASES

The Company leases land from the Science-Based Industrial Park Administration under renewable agreements expiring in July 2015, December 2020 and December 2021, with annual rentals aggregating \$7,862 thousand.

Future annual minimum rentals under the leases are as follows:

Period/Year	Amount
2009 (4th quarter)	\$ 1,965
2010	7,862
2011	7,862
2012	7,862
2013	7,862
2014 and thereafter	<u>40,557</u>
	<u>\$ 73,970</u>

26. GAIN ON SETTLEMENT COMPENSATION

In February 2003, the Company bought optoelectronic storage department of Oak Technology, Inc. (Oak Technology Inc. merged with Zoran Company) and acquired its related patent. Therefore, in the settlement of the patent authorization between Mediatek and Zoran, the Company and its subsidiary, Sunext, are able to use Mediatek Inc.'s patents of PC optoelectronic storage, Mediatek authorizing this using right of the patent to Zoran, and can obtain part of solatium.

27. ADDITIONAL DISCLOSURES

Following are the additional disclosures required for the Company and its investees by the Securities and Futures Bureau:

- a. Endorsement/guarantee provided: Table 1 (attached)
- b. Marketable securities held: Table 2 (attached)
- c. Marketable securities acquired and disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached)
- d. Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- e. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid in capital: Table 5 (attached)
- f. Acquisition of long-term investments at costs of at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached)
- g. Disposal of long-term investments at costs of at least NT\$100 million or 20% of the paid-in capital: Table 7 (attached)
- h. Names, locations, and related information of investees on which the Company exercises significant influences: Table 8 (attached)
- i. Forward exchange contracts of investee company: Table 9 (attached)
- j. Investment in Mainland China: Table 10 (attached)

SUNPLUS TECHNOLOGY COMPANY LIMITED

ENDORSEMENT/GUARANTEE PROVIDED

NINE MONTHS ENDED SEPTEMBER 30, 2009

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

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/Guarantee Amounts Allowable
		Name	Nature of Relationship						
0	Sunplus Technology Company Limited	Sunplus mMobile Inc.	91% subsidiary	\$ 1,151,803 (Note 1)	\$ 970,000	\$ 970,000	\$ -	8.42%	\$ 2,303,607 (Note 2)
		Sunplus Core Technology Co., Ltd.	57% subsidiary	1,151,803 (Note 1)	243,192	243,192	-	2.11%	2,303,607 (Note 2)
		Sunplus Technology (Shanghai) Co., Ltd.	99% indirect subsidiary	1,151,803 (Note 1)	319,800	231,800	-	2.01%	2,303,607 (Note 2)
		Sunext Technology Co., Ltd.	76% subsidiary	1,151,803 (Note 1)	630,000	134,459	-	1.17%	2,303,607 (Note 2)
		Waveplus Technology Co., Ltd.	Equity-method investee	1,151,803 (Note 1)	20,000	20,000	-	0.17%	2,303,607 (Note 2)
		Lin shih Technology Co., Ltd.	Indirect equity-method investee	1,151,803 (Note 1)	10,000	-	-	-	2,303,607 (Note 2)
		Sunplus mMedia Inc.	78% subsidiary	1,151,803 (Note 1)	227,000	24,082	-	0.21%	2,303,607 (Note 2)
		Sunplus Innovation Technology Inc.	81% subsidiary	1,151,803 (Note 1)	130,000	9,562	-	0.08%	2,303,607 (Note 2)
		Generalplus Technology Inc.	Equity-method investee	1,151,803 (Note 1)	30,000	15,614	-	0.14%	2,303,607 (Note 2)
		HT mMobile Inc.	Equity-method investee	1,151,803 (Note 1)	209,663	30,000	-	0.26%	2,303,607 (Note 2)
		Orise Technology Co., Ltd.	50% subsidiary	1,151,803 (Note 1)	10,193	10,193	-	0.09%	2,303,607 (Note 2)

Note 1: For each transaction entity, the amount should not exceed 10% of the endorsement/guarantee provider's net equity as of the latest financial statements.

Note 2: The amount should not exceed 20% of the endorsement/guarantee provider's net equity based on the latest financial statements.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2009

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

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited	<u>Stock</u>							
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	67,290	\$ 1,209,020	50	\$ 1,209,043	Notes 1 and 7
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	64,500	506,960	78	661,827	Notes 1 and 8
	HT mMobile Inc.	Equity-method investee	Equity-method investments	37,261	268,464	30	268,464	Note 1
	Giantplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	84,652	1,785,382	21	1,785,382	Note 1
	Sunplus Venture Capital Co., Ltd.	Equity-method investee	Equity-method investments	100,000	855,241	100	855,241	Note 1
	Lin Shih Investment Co., Ltd.	Equity-method investee	Equity-method investments	70,000	926,036	100	926,036	Notes 1 and 4
	Russell Holdings Limited	Equity-method investee	Equity-method investments	14,760	396,160	100	400,225	Notes 1 and 9
	Ventureplus Group Inc.	Equity-method investee	Equity-method investments	24,900	494,555	100	494,555	Note 1
	Wei-Young Investment Inc.	Equity-method investee	Equity-method investments	1,400	9,163	100	9,163	Note 1
	Generalplus Technology Inc	Equity-method investee	Equity-method investments	29,095	507,678	39	507,678	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	78,995	509,430	76	368,324	Note 1
	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	1,302	21,092	41	21,092	Note 1
	Global Techplus Capital Inc.	Equity-method investee	Equity-method investments	200	7,674	100	7,674	Note 1
	Sunplus Management Consulting Inc.	Equity-method investee	Equity-method investments	500	4,149	100	4,149	Note 1
	Sunplus Technology (H.K.) Co., Ltd.	Equity-method investee	Equity-method investments	11,075	5,120	100	5,120	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	102,739	(530,099)	91	(519,114)	Notes 1 and 6
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	23,389	396,640	81	396,640	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	8,898	(48,110)	57	(36,902)	Notes 1 and 6
	RITEK Corp.	-	Available-for-sale financial assets	5,000	42,796	-	42,796	Note 3
	Global View Co., Ltd.	The Company's supervisor	Available-for-sale financial assets	13,568	151,958	12	151,958	Note 3
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,967	30,990	-	30,990	Note 3
	Network Capital Global Fund	-	Financial assets carried at cost	1,333	13,333	7	13,333	Note 2
	Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	2,222	22,223	11	22,223	Note 2
	<u>Fund</u>							
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	14,433	218,350	-	218,350	Note 5
	Polaris De-Bao Fund	-	Available-for-sale financial assets	7,846	90,032	-	90,032	Note 5
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	2,718	35,025	-	35,025	Note 5
	ING Taiwan select Bond Fund	-	Available-for-sale financial assets	3,209	50,034	-	50,034	Note 5
	Taishin Lucky Fund	-	Available-for-sale financial assets	20,822	221,208	-	221,208	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	16,193	236,321	-	236,321	Note 5
	FSITC Global High Yield Bond Fund	-	Available-for-sale financial assets	2,000	21,385	-	21,385	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	177	30,121	-	30,121	Note 5
Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	10,514	145,170	-	145,170	Note 5	
Fuh-Hwa Yuli Bond Fund	-	Available-for-sale financial assets	3,885	50,024	-	50,024	Note 5	
Manulife Wan Li Bond Fund	-	Available-for-sale financial assets	1,060	14,013	-	14,013	Note 5	
IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	739	10,011	-	10,011	Note 5	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Orise Technology Co. Ltd.	Jih Sun Bond	-	Available-for-sale financial assets	9,462	\$ 133,496	-	\$ 133,496	Note 5
	ING Taiwan select Bond Fund	-	Available-for-sale financial assets	6,568	77,012	-	77,012	Note 5
	Capital Income Fund	-	Available-for-sale financial assets	4,285	66,029	-	66,029	Note 5
	Polaris De-Bao Fund	-	Available-for-sale financial assets	2,192	25,153	-	25,153	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	1,117	16,306	-	16,306	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	389	5,883	-	5,883	Note 5
Sunplus mMobile Inc.	Sunplus mMobile SAS	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	237	8,873	100	8,873	Note 1
	Sunplus mMobile Limited	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	1,710	1,860	100	1,860	Note 1
	Sunplus mMobile Holding Inc.	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	2,580	(1,012)	100	(1,012)	Note 1
	Yuanta Wan Tai Bond Fund	-	Available-for-sale financial assets	912	13,178	-	13,178	Note 5
	Ta Chong bond	-	Available-for-sale financial assets	1	7	-	7	Note 5
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Subsidiary of Sunplus mMobile Holding Inc.	Equity-method investments	2,580	US\$ - thousand	100	US\$ - thousand	Note 1
Sunplus mMedia Inc.	Prudential Financial Bond Fund	-	Available-for-sale financial assets	1,361	20,559	-	20,559	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	2,062	30,063	-	30,063	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	59	10,053	-	10,053	Note 5
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	777	10,000	-	10,000	Note 5
	Yuanta Wan Tai Bond Fund	-	Available-for-sale financial assets	3,329	48,115	-	48,115	Note 5
Lin Shih Investment Co., Ltd.	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	747	11,203	23	11,203	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	6,499	28,879	6	28,879	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	13,510	234,228	18	234,228	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,000	(8,295)	13	(8,295)	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	2,616	2,586	2	(13,208)	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	3,173	37,127	4	37,127	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	526	7,926	2	9,130	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	439	(3,275)	-	(3,275)	Note 1
	Sunplus Technology Company Limited	Parent company	Available-for-sale financial assets	3,560	82,948	1	82,948	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	332,263	1	332,263	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	833	7,133	-	7,133	Note 3
	Elite Advanced Laser Corp.	-	Available-for-sale financial assets	467	15,212	1	15,212	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	136	3,429	-	3,429	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,222	66,451	8	66,451	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	63	537	-	537	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	79,643	7	79,643	Note 2
	NCTU Spring Venture Capital Co., Ltd.	-	Financial assets carried at cost	2,000	-	6	-	Note 2
	GemFor Tech. Co., Ltd.	-	Financial assets carried at cost	353	4,007	6	4,007	Note 2
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	426	8,273	2	8,273	Note 2
	WayTech Development Inc.	-	Financial assets carried at cost	1,500	-	5	-	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,295	13,940	9	13,940	Note 2
Socle Technology Corp.	-	Financial assets carried at cost	250	6,250	-	6,250	Note 2	
Glokie Technology Corp.	-	Financial assets carried at cost	2,300	23,000	14	23,000	Note 2	
Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	6,000	13	6,000	Note 2	
Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 2	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Russell Holdings Limited	<u>Stock</u> Jet Focus Limited	Equity-method investee	Equity-method investments	4,794	US\$ (350) thousand	44	US\$ (350) thousand	Note 1
	Synerchip Co., Ltd.	Equity-method investee	Equity-method investments	4,236	US\$ (118) thousand	25	US\$ (118) thousand	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	855	US\$ 2,204 thousand	1	US\$ 115 thousand	Note 1
	Shang-Hai Fudan Microelectronics Company Limited	-	Available-for-sale financial assets	7,280	US\$ 816 thousand	-	US\$ 816 thousand	Note 3
	InveStar Excelsus Venture Capital (Int'l), Inc., LDC	-	Financial assets carried at cost	-	US\$ - thousand	19	US\$ - thousand	Note 2
	OZ Optics Ltd.	-	Financial assets carried at cost	1,000	US\$ 250 thousand	8	US\$ 250 thousand	Note 2
	Aicent, Inc.	-	Financial assets carried at cost	1,000	US\$ 500 thousand	2	US\$ 500 thousand	Note 2
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	US\$ - thousand	-	US\$ - thousand	Note 2
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	US\$ - thousand	3	US\$ - thousand	Note 2
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	US\$ 2,173 thousand	5	US\$ 2,173 thousand	Note 2
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	US\$ 500 thousand	1	US\$ 500 thousand	Note 2
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	US\$ 1,400 thousand	-	US\$ 1,400 thousand	Note 2
	Innobrige International Inc.	-	Financial assets carried at cost	400	US\$ 800 thousand	15	US\$ 800 thousand	Note 2
	VisualOn Inc.	-	Financial assets carried at cost	377	US\$ 200 thousand	3	US\$ 200 thousand	Note 2
	Azalea Networks Inc.	-	Financial assets carried at cost	850	US\$ 1,150 thousand	2	US\$ 1,150 thousand	Note 2
Sunplus Venture Capital Co., Ltd.	<u>Stock</u> Joing Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,400	-	39	-	Note 1
	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	387	6,266	12	6,266	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	8,571	38,044	8	38,044	Note 1
	Han Young Technology Co., Ltd.	Equity-method investee	Equity-method investments	420	1,780	70	1,780	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	3,040	52,819	4	52,819	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	865	15,010	1	15,010	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,000	(8,295)	13	(8,295)	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	122	1,657	-	(604)	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	20	(158)	-	(158)	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	10,500	107,408	13	107,408	Note 1
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	30,509	-	30,509	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	803	20,185	1	20,185	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	238,392	1	238,392	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	853	25,511	3	25,511	Note 3
Elite Advanced Laser Corp.	-	Available-for-sale financial assets	116	3,795	-	3,795	Note 3	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Sanjet Technology Corp.	-	Financial assets carried at cost	369	\$ 3,163	1	\$ 3,163	Note 2
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 2
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 2
	Softchina Venture Capital Corp.	-	Financial assets carried at cost	407	-	8	-	Note 2
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 2
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 2
	Simple Act Inc.	-	Financial assets carried at cost	1,900	19,000	10	19,000	Note 2
	Cyberon Corporation	-	Financial assets carried at cost	1,170	13,691	14	13,691	Note 2
	WayTech Development Inc.	-	Financial assets carried at cost	1,000	-	4	-	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,303	14,025	9	14,025	Note 2
	Feature Integration Technology Inc.	-	Financial assets carried at cost	2,035	24,237	5	24,237	Note 2
	Chiabon Venture Capital Co., Ltd.	-	Financial assets carried at cost	5,000	50,000	5	50,000	Note 2
	Socle Technology Corp.	-	Financial assets carried at cost	550	13,750	1	13,750	Note 2
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	419	12,485	2	12,485	Note 2
	Smec Media & Entertainment Corp.	-	Financial assets carried at cost	2,000	-	7	-	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	75,000	8	75,000	Note 2
	Capella Micro System, Inc.	-	Financial assets carried at cost	662	9,450	2	9,450	Note 2
	VISCO Inc.	-	Financial assets carried at cost	518	5,435	3	5,435	Note 2
	Azalea Networks Inc	-	Financial assets carried at cost	280	12,923	1	12,923	Note 2
Generalplus Technology Inc.	<u>Stock</u> Generalplus International (Samoa) Inc.	Subsidiary of Generalplus Technology Inc.	Equity-method investments	4,990	24,167	100	24,167	Note 1
	Mega Diamond Bond Fund	-	Available-for-sale financial assets	19,554	232,716	-	232,716	Note 5
	The Forever Fund	-	Available-for-sale financial assets	2,347	35,000	-	35,000	Note 5
	IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	14,225	192,000	-	192,000	Note 5
Generalplus International (Samoa) Inc.	<u>Stock</u> Generalplus (Mauritius) Inc.	Subsidiary of Generalplus International (Samoa) Inc.	Equity-method investments	4,990	US\$ 750 thousand	100	US\$ 750 thousand	Note 1
Generalplus (Mauritius) Inc.	<u>Stock</u> Generalplus Technology (Shenzhen) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	4,600	US\$ 609 thousand	100	US\$ 609 thousand	Note 1
	Generalplus Technology (Hong Kong) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	390	US\$ 142 thousand	100	US\$ 142 thousand	Note 1
Sunext Technology Co., Ltd.	<u>Stock</u> Great Sun Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	750	416	100	416	Note 1
	Great Prosperous Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	380	819	100	819	Note 1
	<u>Fund</u> FSITC Bond Fund	-	Available-for-sale financial assets	579	98,508	-	98,508	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,963	75,022	-	75,022	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	3,427	50,000	-	50,000	Note 5

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Great Sun Corp.	<u>Stock</u> Sunext (Mauritius) Inc.	Subsidiary of Great Sun Corp.	Equity-method investments	750	US\$ 13 thousand	100	US\$ 13 thousand	Note 1
Sunext (Mauritius) Inc.	<u>Stock</u> Sunext Technology (Shanghai)	Subsidiary of Sunext (Mauritius) Inc.	Equity-method investments	-	US\$ 13 thousand	100	US\$ 13 thousand	Note 1
Waveplus Technology Co., Ltd.	<u>Stock</u> Waveplus Holding Ltd.	Subsidiary of Waveplus Technology Co., Ltd.	Equity-method investments	1,000	(51)	100	(51)	Notes 1 and 6
Waveplus Holding Ltd.	<u>Stock</u> Waveplus Design, Inc.	Subsidiary of Waveplus Holding Ltd.	Equity-method investments	1,000	US\$ - thousand	100	US\$ - thousand	Note 1
Ventureplus Group Inc.	<u>Stock</u> Ventureplus Mauritius Inc.	Subsidiary of Ventureplus Group Inc.	Equity-method investments	24,900	US\$ 15,382 thousand	100	US\$ 15,382 thousand	Note 1
Ventureplus Mauritius Inc.	<u>Stock</u> Ventureplus Cayman Inc.	Subsidiary of Ventureplus Mauritius Inc.	Equity-method investments	24,900	US\$ 15,386 thousand	100	US\$ 15,386 thousand	Note 1
Ventureplus Cayman Inc.	<u>Stock</u> Sunplus Technology (Shanghai) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 9,964 thousand	99	US\$ 9,964 thousand	Note 1
	Sunplus Pro-tek Technology (Shenzhen) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 2,845 thousand	100	US\$ 2,845 thousand	Note 1
	SunMedia Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 2,253 thousand	100	US\$ 2,253 Thousand	Note 1
	Sunplus App Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 110 thousand	80	US\$ 110 thousand	Note 1
Wei-Young Investment Inc.	<u>Stock</u> UNIWILL Co., Ltd.	-	Available-for-sale financial assets	508	\$ 7,008	-	\$ 7,008	Note 3
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	104	1,667	-	1,667	Note 1
	Prudential Financial Bound Fund	-	Available-for-sale financial assets	4,636	70,031	-	70,031	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	12,867	187,503	-	187,503	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	176	30,000	-	30,000	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	2,898	40,000	-	40,000	Note 5
Global Techplus Capital Inc.	<u>Stock</u> Techplus Capital Samoa Inc.	Subsidiary of Global Techplus Capital Inc.	Equity-method investments	-	US\$ - thousand	100	US\$ - thousand	Note 1

(Continued)

Note 1: The net asset value was based on unreviewed financial data as of September 30, 2009.

Note 2: The market value is based on carrying value as of September 30, 2009.

Note 3: The market value is based on the closing price as of September 30, 2009.

Note 4: The investment carrying value excluded the carrying value of \$63,401 thousand of the shares of Sunplus Technology Company Limited held by its subsidiary.

Note 5: The market value was based on the net asset value of fund as of September 30, 2009.

Note 6: The credit balance on the carrying value of the equity-method investment is reported as other current liabilities.

Note 7: Includes deferred credits \$23 thousand.

Note 8: Includes deferred credit \$154,867 thousand.

Note 9: Includes deferred credit \$4,065 thousand.

Note 10: As of September 30, 2009, the above marketable securities, except the holdings of Lin Shih Investment Co., Ltd. of the shares of Sunplus Technology Company Limited, with a market value \$78,858 thousand and the holdings of Sunplus Technology Limited Company of the shares of Giantplus Technology Company Limited and Orise Technology Company Limited, with carrying values of \$843,635 thousand and \$269,510 thousand respectively, had not been pledged or mortgaged.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
NINE MONTHS ENDED SEPTEMBER 30, 2009

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

Company Name	Type and Issuer of Marketable Security	Financial Statement Account	Beginning Balance		Acquisition		Disposal			Ending Balance		
			Units (Thousands)	Amount	Units (Thousands)	Amount	Unit (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Unit (Thousands)	Amount
Sunplus Technology Company Limited	Prudential Financial Bond Fund	Available-for-sale financial assets	-	\$ -	14,433	\$ 218,000	-	\$ -	\$ -	\$ -	14,433	\$ 218,350
	FSITC Taiwan Bond Fund	Available-for-sale financial assets	-	-	16,193	236,000	-	-	-	-	16,193	236,321
	Polaris De-Bao Fund	Available-for-sale financial assets	2,273	26,026 (Note 2)	9,417	108,000	3,844	44,051	44,000	51	7,846	90,032 (Note 1)
	Fuh-Hwa Bond Fund	Available-for-sale financial assets	-	-	21,379	295,000	10,865	150,000	149,919	81	10,514	145,170 (Note 1)
	Yuanta Commercial Bank Money Market Common Trust Fund	Available-for-sale financial assets	13,114	135,036 (Note 2)	-	-	13,114	135,083	135,000	83	-	-
	Taishin Lucky Fund	Available-for-sale financial assets	-	-	28,165	299,000	7,343	78,000	77,957	43	20,822	221,208 (Note 1)
	Orise Technology Co. Ltd.	Equity-method Investments	72,090	1,245,799 (Note 3)	-	-	4,800	232,521	86,614	152,208 (Note 4)	67,290	1,209,020 (Note 5)
	HT mMobile Inc.	Equity-method Investments	-	- (Note 3)	37,260	372,605	-	-	-	-	37,260	268,464 (Note 5)
	Sunplus mMobile Inc.	Equity-method Investments	120,000	(141,111) (Note 3)	-	-	17,261	172,605	172,605	-	102,739	(530,099) (Note 5)
Orise Technology Co. Ltd.	Jih Sun Bond	Available-for-sale financial assets	3,052	42,904	61,524	866,927	55,114	776,927	776,278	649	9,462	133,496 (Note 1)
	ING Taiwan select Bond Fund	Available-for-sale financial assets	-	-	13,136	154,010	6,568	77,010	77,000	10	6,568	77,012 (Note 1)
	Capital Income Fund	Available-for-sale financial assets	-	-	12,856	198,038	8,571	132,038	132,010	28	4,285	66,029 (Note 1)
	Polaris De-Bao Fund	Available-for-sale financial assets	-	-	45,716	524,210	43,524	499,210	499,061	149	2,192	25,153 (Note 1)
	FSITC Taiwan Bond Fund	Available-for-sale financial assets	-	-	48,597	708,601	47,480	692,601	692,295	306	1,117	16,306 (Note 1)
	Prudential Financial Bond Fund	Available-for-sale financial assets	3,823	57,673	18,832	284,625	22,266	336,625	336,248	377	389	5,883 (Note 1)
	Polaris De-Li Fund Manulife Wan Li Bond Fund	Available-for-sale financial assets Available-for-sale financial assets	- -	- -	8,216 11,354	128,000 150,000	8,216 11,354	128,016 150,035	128,000 150,000	16 35	- -	- -
Sunplus Innovation Technology Inc.	FSITC Taiwan Bond Fund	Available-for-sale financial assets	-	-	13,175	192,000	308	4,500	4,497	3	12,867	187,503 (Note 1)
	Prudential Financial Bond Fund	Available-for-sale financial assets	-	-	7,281	110,000	2,645	40,000	39,969	31	4,636	70,031 (Note 1)
Sunext Technology Co., Ltd.	Prudential Financial Bond Fund	Available-for-sale financial assets	-	-	7,278	110,000	2,314	35,000	34,978	22	4,963	75,022 (Note 1)
	FSITC Bond Fund	Available-for-sale financial assets	-	-	705	120,000	126	21,500	21,492	8	579	98,508 (Note 1)
Generalplus Technology Inc.	Capital Income Fund	Available-for-sale financial assets	-	-	13,087	201,400	13,087	201,539	201,400	139	-	-
	Mega Diamond Bond Fund	Available-for-sale financial assets	-	-	28,277	336,500	8,723	104,400	103,784	216	19,554	232,716 (Note 1)
	IBT Ta Chong Bond Fund	Available-for-sale financial assets	-	-	14,225	192,000	-	-	-	-	14,225	192,000 (Note 1)

Note 1: Includes the valuation gains on financial assets.

Note 2: Excludes the valuation gains on financial assets.

Note 3: The carrying value of the equity-method investment as of December 31, 2008.

Note 4: Includes an investment gain classified under capital surplus.

Note 5: The carrying value of the equity-method investment as of September 30, 2009.

SUNPLUS TECHNOLOGY COMPANY LIMITED

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
NINE MONTHS ENDED SEPTEMBER 30, 2009

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Note/Account Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Orise Technology Co., Ltd.	AU Optronics (Labuan) Corporation	Subsidiary of AU Optronics Corp.	Sale	\$ 598,791	18	Net 120 days from monthly closing dates in principle	Note	Note	\$ 356,529	28	-
	Kunshan Giantplus Optoelectronics Technology Co., Ltd.	Subsidiary of Giantplus Technology Co., Ltd.	Sale	142,890	4	Net 45 days from monthly closing dates in principle.	Note	Note	33,315	3	-
	Giantplus Technology Co., Ltd.	Equity-method Investment of Sunplus Technology Co., Ltd.	Sale	109,906	3	Net 45 days from monthly closing dates in principle.	Note	Note	33,357	3	-

Note: The price and collection terms for products sold to related parties were similar to those for third parties.

SUNPLUS TECHNOLOGY COMPANY LIMITED

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2009

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

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts and Sales Discounts
					Amount	Action Taken		
Orise Technology Co. Ltd.	AU Optronics (Labuan) Corporation	Subsidiary of AU Optronics Corp.	\$ 356,529	1.70	\$ -	-	\$ 74,398	\$ -

SUNPLUS TECHNOLOGY COMPANY LIMITED

ACQUISITION OF LONG-TERM INVESTMENTS AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

NINE MONTHS ENDED SEPTEMBER 30, 2009

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

Company Name	Types of Property	Transaction Date	Transaction Amount	(Payment)/Sale Term	Counter-party	Nature of Relationships	Prior Transaction of Company Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Ownership	Relationships	Transfer Date	Amount			
Sunplus Technology Company Limited	HT mMobile Inc.	2009.03	\$ 172,605	\$ - (Note 1)	Sunplus mMobile Inc.	Equity-method investee	-	-	-	\$ -	Note 1	Equity-method investee	-
	HT mMobile Inc.	2009.09	200,000	(200,000)	Note2	Equity-method investee	-	-	-	-	Note 2	Equity-method investee	-
	Sunplus mMobile Inc.	2009.03	172,605	- (Note 1)	HT mMobile Inc.	Equity-method investee	-	-	-	-	Note 1	Equity-method investee	-

Note 1: It was based on the net book value on spun-off date, Sunplus mMobile decrease its capital to establish HT mMobile Inc. in March 2009.

Note 2: Participation in share issuance for cash.

SUNPLUS TECHNOLOGY COMPANY LIMITED

DISPOSAL OF LONG-TERM INVESTMENTS AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

NINE MONTHS ENDED SEPTEMBER 30, 2009

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

Company Name	Types of Property	Transaction Date	Transaction Amount	(Payment)/Sale Term	Counter-party	Nature of Relationships	Prior Transaction of Company Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Ownership	Relationships	Transfer Date	Amount			
Sunplus Technology Company Limited	Orise Technology Co., Ltd.	2009.04 2009.06 2009.07	\$ 232,521	\$ 232,521	-	Equity-method investee	-	-	-	\$ -	-	Equity-method investee	-

SUNPLUS TECHNOLOGY COMPANY LIMITED

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
SEPTEMBER 30, 2009

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Giantplus Technology Co., Ltd.	Tofen Chen, Miaoli, Taiwan	Manufacture of TN/STN LCDs and LCD modules	\$ 881,314	\$ 881,314	84,652	21	\$ 1,785,382	\$ (410,885)	\$ (85,524)	Investee
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,507,395	1,680,000	102,739	91	(530,099)	(221,722)	(216,352)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	308,000	308,000	23,389	81	396,640	21,000	17,360	Subsidiary
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	105,470	105,470	8,898	57	(48,110)	(96,002)	(65,967)	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	855,241	18,851	18,851	Subsidiary
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	926,036	60,434	60,434	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	US\$ 14,760 thousand	US\$ 14,760 thousand	14,760	100	396,160	(32,636)	(33,126)	Subsidiary
	Ventureplus Group Inc.	Belize	Investment	US\$ 24,900 thousand	US\$ 24,700 thousand	24,900	100	494,555	70,253	70,253	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	14,000	14,000	1,400	100	9,163	40	40	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	146,000	146,000	29,095	39	507,678	214,840	85,988	Subsidiary
	Goldkey Technology Corp.	Taipei, Taiwan	Design of ICs	-	25,541	-	-	-	2,672	312	Investee
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	35,517	35,517	1,302	41	21,092	10,688	4,350	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	946,705	946,705	78,995	76	509,430	315,752	247,707	Subsidiary
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	762,284	816,719	67,290	50	1,209,020	237,355	124,846	Subsidiary
	Global Techplus Capital Inc.	Seychelles	Investment	US\$ 200 thousand	US\$ 200 thousand	200	100	7,674	(27)	(27)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,149	(45)	(45)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	HK\$ 11,075 thousand	HK\$ 11,075 thousand	11,075	100	5,120	406	406	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	372,605	-	37,261	30	268,464	(348,898)	(305,280)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	752,579	752,579	64,500	78	506,960	(61,732)	(201,546)	Subsidiary
	Lin Shih Investment Co., Ltd.	Goldkey Technology Corp.	Taipei, Taiwan	Design of ICs	-	18,402	-	-	-	2,672	315
Sunext Technology Co., Ltd.		Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	6,499	6	28,879	315,752	20,379	Subsidiary
Waveplus Technology Co., Ltd.		Hsinchu, Taiwan	Design and sale of ICs	93,976	91,726	747	23	11,203	10,688	2,245	Subsidiary
Sunplus Core Technology Co., Ltd.		Hsinchu, Taiwan	Design of ICs	20,000	20,000	2,000	13	(8,295)	(96,002)	(12,308)	Subsidiary
Sunplus mMobile Inc.		Hsinchu, Taiwan	Design of ICs	38,376	42,770	2,616	2	2,586	(221,722)	(5,132)	Subsidiary
Sunplus mMedia Inc.		Hsinchu, Taiwan	Design of ICs	42,356	34,755	3,173	4	37,127	(61,732)	(1,930)	Subsidiary
HT mMobile Inc.		Hsinchu, Taiwan	Design of ICs	4,394	-	439	-	(3,275)	(348,898)	(7,669)	Subsidiary
Sunplus Innovation Technology Inc.		Hsinchu, Taiwan	Design of ICs	7,138	6,234	526	2	7,926	21,000	403	Subsidiary
Generalplus Technology Inc.		Hsinchu, Taiwan	Design of ICs	70,791	65,000	13,510	18	234,228	214,840	39,176	Subsidiary
Sunplus Venture Capital Co., Ltd.	Joing Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	51,000	51,000	3,400	39	-	-	-	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	8,571	8	38,044	315,752	26,875	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	214,840	-	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	76,016	76,016	387	12	6,266	10,688	1,293	Subsidiary
	Orise Technology Co, Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	15,010	(221,722)	1,555	Subsidiary
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	20,000	20,000	2,000	13	(8,295)	-	(12,308)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,000	15,000	3,040	4	52,819	237,355	8,986	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,988	122	-	1,657	(348,898)	(239)	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	204	-	20	-	(158)	(61,732)	(362)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	121,724	116,679	10,500	13	107,408	(96,002)	(7,483)	Subsidiary
Russell Holdings Limited	Jet Focus Limited	Cayman Islands, British West Indies	Investment	US\$ 6,050 thousand	US\$ 6,050 thousand	4,794	44	US\$ (350) thousand	US\$ 904 thousand	US\$ - thousand	Investee
	Synerchip Co., Ltd.	Mauritius	Investment	US\$ 3,070 thousand	US\$ 3,070 thousand	4,236	25	US\$ (118) thousand	US\$ (3,806) thousand	US\$ (786) thousand	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	US\$ 2,119 thousand	US\$ 2,119 thousand	855	1	US\$ 2,204 thousand	\$ 315,752	US\$ 81 thousand	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	1,800	-	104	-	1,667	214,840	67	Subsidiary
Sunext Technology Co., Ltd.	Great Sun Corp.	SAMOA	Investment	US\$ 750 thousand	US\$ 1,750 thousand	750	100	416	(3,519)	(3,519)	Subsidiary
	Great Prosperous Corp.	Mauritius	Investment	US\$ 380 thousand	-	380	100	819	(11,801)	(11,801)	Subsidiary
Great Sun Corp.	Sunext (Mauritius) Inc.	Mauritius	Investment	US\$ 750 thousand	US\$ 750 thousand	750	100	US\$ 13 thousand	US\$ (13) thousand	US\$ (13) thousand	Subsidiary
Sunext (Mauritius) Inc.	Sunext Technology (Shanghai) Co., Ltd.	Shanghai, China	Design of software	US\$ 750 thousand	US\$ 750 thousand	-	100	US\$ 13 thousand	US\$ (13) thousand	US\$ (13) thousand	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	US\$ 24,900 thousand	US\$ 24,700 thousand	24,900	100	US\$ 15,382 thousand	US\$ 2,112 thousand	US\$ 2,112 thousand	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	US\$ 24,900 thousand	US\$ 24,700 thousand	24,900	100	US\$ 15,386 thousand	US\$ 2,112 thousand	US\$ 2,112 thousand	Subsidiary
Ventureplus Cayman Inc.	Sunplus Technology (Shanghai) Co., Ltd.	Shanghai, China	Manufacture and sale of ICs.	US\$ 17,000 thousand	US\$ 17,000 thousand	-	99	US\$ 9,964 thousand	US\$ 1,088 thousand	US\$ 1,077 thousand	Subsidiary
	Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	ShenZhen, China	Research, development, manufacture and sale of ICs.	US\$ 4,250 thousand	US\$ 4,250 thousand	-	100	US\$ 2,845 thousand	US\$ 580 thousand	US\$ 580 thousand	Subsidiary
	SunMedia Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US\$ 3,000 thousand	US\$ 3,000 thousand	-	100	US\$ 2,253 thousand	US\$ 709 thousand	US\$ 709 thousand	Subsidiary
	Sunplus App Technology Co., Ltd.	Beijing, China	Research, development, manufacture and sale of ICs.	US\$ 650 thousand	US\$ 450 thousand	-	80	US\$ 110 thousand	US\$ (317) thousand	US\$ (253) thousand	Subsidiary
Waveplus Technology Co., Ltd.	Waveplus Holding Ltd.	Mauritius	Investment	US\$ 500 thousand	US\$ 500 thousand	1,000	100	(51)	-	-	Subsidiary
Waveplus Holding Ltd.	Waveplus Design, Inc.	U.S.A.	Design of WLANs	US\$ 500 thousand	US\$ 500 thousand	1,000	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	SAMOA	Investment	US\$ 4,990 thousand	US\$ 3,090 thousand	4,990	100	24,167	(49,850)	(49,850)	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	US\$ 4,990 thousand	US\$ 3,090 thousand	4,990	100	US\$ 750 thousand	US\$ (1,486) thousand	US\$ (1,486) thousand	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co., Ltd.	Shenzhen, China	After-sales service	US\$ 4,600 thousand	US\$ 2,700 thousand	4,600	100	US\$ 609 thousand	US\$ (1,551) thousand	US\$ (1,551) thousand	Subsidiary
	Genralplus Technology (Hong Kong) Inc.	Hong Kong	Sales	US\$ 390 thousand	US\$ 390 thousand	390	100	US\$ 142 thousand	US\$ 65 thousand	US\$ 65 thousand	Subsidiary
Sunplus mMobile Inc.	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	-	7,000	-	-	-	13,478	-	Subsidiary
	Sunplus mMobile SAS	France	Design of ICs	EUR 237 thousand	EUR 237 thousand	237	100	8,873	2,445	2,445	Subsidiary
	Sunplus mMobile Limited	U.K.	Design of ICs	GBP 1,710 thousand	GBP 500 thousand	1,710	100	1,860	(559)	(559)	Subsidiary
	Sunplus mMobile Holding Inc.	SAMOA	Investment	US\$ 2,580 thousand	US\$ 2,580 thousand	2,580	100	(1,012)	(3,168)	(3,168)	Subsidiary
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Mauritius	Research and development of intellectual property rights	US\$ 2,580 thousand	US\$ 2,515 thousand	2,580	100	US\$ (-) thousand	US\$ (66) thousand	US\$ (66) thousand	Subsidiary
Global Techplus Capital Inc.	Techplus Capital Samoa Inc.	SAMOA	Investment	US\$ - thousand	US\$ - thousand	-	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

FORWARD EXCHANGE CONTRACTS OF INVESTEE COMPANY

The information of Orise Technology Co., Ltd. used derivative contracts for the nine months ended September 30, 2009 to hedge the effect of exchange rate fluctuations on net foreign currency as followings.

Financial Assets at Fair Value Through Profit or Loss	September 30, 2009
Forward exchange contracts	\$747

Orise Technology Co., Ltd. used derivative contracts for the nine months ended September 30, 2009 to hedge the effect of exchange rate fluctuations on net foreign currency.

As of September 30, 2009, outstanding forward exchange contracts of Orise Technology Co., Ltd. were as follows:

September 30, 2009	Currency	Maturity	Contract Amount (In Thousands)
Sell forward exchange contracts	US\$ to NT\$	August 27, 2009-October 05, 2009	US\$ 1,000

Net losses arising from financial assets designated at fair value through profit or losses was \$8,677 thousand for the nine months ended September 30, 2009.

SUNPLUS TECHNOLOGY COMPANY LIMITED

INFORMATION ON INVESTMENT IN MAINLAND CHINA
NINE MONTHS ENDED SEPTEMBER 30, 2009

(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, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2009	% Ownership of Direct or Indirect Investment	Investment Loss	Carrying Value as of September 30, 2009	Accumulated Inward Remittance of Earnings as of September 30, 2009
					Outflow	Inflow					
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	US\$ 17,200 thousand	Note 1	US\$ 17,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 17,000 thousand	99	US\$ 1,077 thousand	US\$ 9,964 thousand	US\$ - thousand
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software. Service of System Integration	US\$ 4,250 thousand	Note 1	US\$ 4,250 thousand	US\$ - thousand	US\$ - thousand	US\$ 4,250 thousand	100	US\$ 580 thousand	US\$ 2,845 Thousand	US\$ - thousand
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software. Service of System Integration	US\$ 3,000 thousand	Note 1	US\$ 3,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 3,000 thousand	100	US\$ 709 thousand	US\$ 2,253 Thousand	US\$ - thousand
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software. Service of System Integration and information management education	RMB 3,750 thousand	Note 1	US\$ 450 thousand	US\$ 200 thousand	US\$ - thousand	US\$ 650 thousand	80	US\$ (253) thousand	US\$ 110 thousand	US\$ - thousand

Accumulated Investment in Mainland China as of September 30, 2009	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$24,900 thousand	US\$52,800 thousand	\$6,910,820

Note 1: The Company invested in company located in Mainland China indirectly through the investing company in the third country.

Note 2: Significant direct or indirect transactions with investees, price, terms of payment, unrealized gain or loss and other information which is useful to understand the impacts on financial statements from investments in Mainland China: Refer to Note 23.