

Sunplus Technology Company Limited

**Financial Statements for the
Nine Months Ended September 30, 2011 and 2010 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, 2011 and 2010, 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 - "Engagements to review 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 8 to the financial statements, the carrying values of equity-method investments as of September 30, 2011 and 2010 were NT\$6,062,918 thousand and NT\$6,633,555 thousand, respectively. As of September 30, 2011 and 2010, there were credit balances of NT\$858,409 thousand and NT\$729,596 thousand on the carrying value of these investments. For the nine months ended September 30, 2011 and 2010, the related investment loss and gain, respectively, were NT\$237,077 thousand and NT\$317,946 thousand, respectively. These investment amounts and other investee information disclosed in Note 26 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, 2011 and 2010 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.

October 14, 2011

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, 2011 AND 2010

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

(Reviewed, Not Audited)

ASSETS	2011		2010		LIABILITIES AND SHAREHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 1,943,224	15	\$ 1,859,204	11	Short-term bank loans (Note 13)	\$ 152,400	1	\$ 146,922	1
Available-for-sale financial assets - current (Notes 2 and 5)	584,557	4	1,218,711	7	Accounts payable	269,997	2	892,086	5
Accounts receivable, net (Notes 2, 3, 6 and 22)	621,905	5	1,084,064	7	Income tax payable (Notes 2 and 19)	262,832	2	306,665	2
Other receivables	106,894	1	176,885	1	Accrued expenses (Note 22)	233,090	2	374,549	2
Other receivables - related parties (Note 22)	645,273	5	387,046	2	Cash dividends payable (Note 16)	477,528	4	-	-
Inventories (Notes 2 and 7)	797,709	6	1,277,006	8	Long-term bank loans - current portion (Notes 14 and 23)	310,500	2	625,000	4
Deferred income tax assets (Notes 2 and 19)	3,887	-	1,011	-	Deferred royalty income (Notes 2 and 22)	1,991	-	11,772	-
Other current assets	42,719	-	38,631	-	Other current liabilities (Notes 2 and 8)	-	-	-	-
Total current assets	4,746,168	36	6,042,558	36	Total current liabilities	1,708,338	13	2,356,994	14
LONG-TERM INVESTMENTS					LONG-TERM BANK LOANS, NET OF CURRENT PORTION				
Equity-method investments (Notes 2 and 8)	6,062,918	45	6,633,555	40	(Notes 14 and 23)	-	-	95,500	1
Available-for-sale financial assets (Notes 2 and 5)	1,056,388	8	2,209,078	14	OTHER LIABILITIES				
Financial assets carried at cost (Notes 2 and 9)	18,889	-	21,111	-	Deferred income (Notes 2 and 22)	212	-	23,003	-
Total long-term investments	7,138,195	53	8,863,744	54	Accrued pension liability (Notes 2 and 15)	52,587	-	55,118	-
PROPERTIES (Notes 2, 10 and 23)					Guarantee deposits	139,542	1	147,525	1
Cost					Total other liabilities	192,341	1	225,646	1
Buildings	812,037	6	795,683	5	Total liabilities	1,900,679	14	2,678,140	16
Auxiliary equipment	194,322	1	187,404	1	SHAREHOLDERS' EQUITY (Notes 2, 16 and 17)				
Machinery and equipment	383,255	3	430,018	3	Capital stock - \$10.00 par value				
Testing equipment	350,655	3	351,732	2	Authorized - 1,200,000 thousand shares	5,969,099	45	5,969,099	36
Transportation equipment	1,209	-	1,209	-	Issued and outstanding - 596,910 thousand shares				
Furniture and fixtures	76,885	1	94,515	-	Capital surplus				
Leasehold improvements	89	-	89	-	Additional paid-in capital - share issuance in excess of par	709,215	5	709,215	4
Total cost	1,818,452	14	1,860,650	11	Treasury stock transactions	71,228	1	68,357	1
Less: Accumulated depreciation	1,053,037	8	1,065,259	6	Merger and others	968,123	7	1,103,370	7
Net properties	765,415	6	795,391	5	Retained earnings				
INTANGIBLE ASSETS, NET (Notes 2 and 11)	243,549	2	220,231	1	Legal reserve	2,450,003	18	2,372,631	15
OTHER ASSETS					Special reserve	191,229	2	-	-
Rental assets - net (Notes 2, 22 and 23)	134,379	1	151,365	1	Unappropriated earnings	1,318,072	10	2,692,887	16
Deferred charges and others (Notes 2 and 12)	91,869	1	133,474	1	Other				
Deferred income tax assets (Notes 2 and 19)	205,040	1	346,137	2	Cumulative translation adjustments	89,955	1	100,150	-
Restricted assets (Notes 4, 23, and 24)	6,000	-	-	-	Unrealized gain (loss) on financial assets	(1,043,462)	(8)	182,685	1
Total other assets	437,288	3	630,976	4	Treasury stock (at cost) - 8,475 thousand shares in 2011 and 3,560 thousand shares in 2010	(155,236)	(1)	(63,401)	-
TOTAL	\$ 13,330,615	100	\$ 16,552,900	100	Total shareholders' equity	10,568,226	80	13,134,993	80
					TOTAL	\$ 12,468,905	94	\$ 15,813,133	96

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

(With Deloitte & Touche review report dated October 14, 2011)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
GROSS SALES	\$ 2,840,206		\$ 4,905,578	
SALES RETURNS AND ALLOWANCES	<u>68,369</u>		<u>89,381</u>	
NET SALES (Notes 2 and 22)	2,771,837	100	4,816,197	100
COST OF SALES (Notes 2, 7 and 18)	2,013,930	73	3,003,211	62
REALIZED INTERCOMPANY GAIN, NET (Note 2)	<u>28,000</u>	<u>1</u>	<u>7,383</u>	<u>-</u>
GROSS PROFIT	<u>785,907</u>	<u>28</u>	<u>1,820,369</u>	<u>38</u>
OPERATING EXPENSES (Notes 18 and 22)				
Marketing	97,082	3	169,908	4
General and administrative	158,048	6	208,136	4
Research and development	<u>899,073</u>	<u>32</u>	<u>1,107,510</u>	<u>23</u>
Total operating expenses	<u>1,154,203</u>	<u>41</u>	<u>1,485,554</u>	<u>31</u>
OPERATING INCOME	<u>(368,296)</u>	<u>(13)</u>	<u>334,815</u>	<u>7</u>
NONOPERATING INCOME AND GAINS				
Gain on disposal of investments, net (Note 2)	218,865	8	368,651	8
Administrative and support service revenue (Note 22)	26,356	1	35,408	1
Interest income (Note 22)	14,531	1	5,834	-
Foreign exchange gain, net (Note 2)	14,425	-	7,666	-
Rental revenue (Note 22)	12,517	-	12,753	-
Dividends (Note 2)	9,122	-	5,067	-
Investment gain recognized by the equity-method, net (Notes 2 and 8)	-	-	317,946	7
Gain on disposal of fixed assets (Note 2)	-	-	2,603	-
Others (Notes 2 and 22)	<u>23,388</u>	<u>1</u>	<u>40,078</u>	<u>1</u>
Total nonoperating income and gains	<u>319,204</u>	<u>11</u>	<u>796,006</u>	<u>17</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
NONOPERATING EXPENSES AND LOSSES				
Impairment loss (Notes 2, 5 and 9)	\$ 283,573	10	\$ 12,452	-
Investment loss recognized under equity method (Notes 2 and 8)	237,077	9	-	-
Interest expense	8,110	-	14,758	1
Loss on disposal of fixed assets (Note 2)	237	-	1,275	-
Others (Notes 2)	<u>2,590</u>	<u>-</u>	<u>2,645</u>	<u>-</u>
Total nonoperating expenses and losses	<u>531,587</u>	<u>19</u>	<u>31,130</u>	<u>1</u>
INCOME (LOSS) BEFORE INCOME TAX	(580,679)	(21)	1,099,691	23
INCOME TAX EXPENSE (Notes 2 and 19)	<u>62,349</u>	<u>2</u>	<u>340,322</u>	<u>7</u>
NET INCOME (LOSS)	<u>\$ (643,028)</u>	<u>(23)</u>	<u>\$ 759,369</u>	<u>16</u>
	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS (LOSS) PER SHARE NEW TAIWAN DOLLARS (Note 20)				
Basic	<u>\$ (0.98)</u>	<u>\$ (1.09)</u>	<u>\$ 1.85</u>	<u>\$ 1.28</u>
Diluted	<u>\$ (0.98)</u>	<u>\$ (1.09)</u>	<u>\$ 1.84</u>	<u>\$ 1.27</u>

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SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

(Reviewed, Not Audited)

The pro forma net income (loss) and earnings per share (EPS) on the assumption that the stock of a parent company held by its subsidiary is treated as an available-for-sale financial asset and not as treasury stock are as follows (Note 17):

	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
NET INCOME (LOSS)	<u>\$ (577,808)</u>	<u>\$ (640,157)</u>	<u>\$ 1,099,691</u>	<u>\$ 759,369</u>
BASIC EPS(in New Taiwan dollars)				
Based on weighted-average shares Outstanding - 593,856 thousand shares in 2011 and 596,910 thousand shares in 2010	<u>(\$0.97)</u>	<u>(\$1.08)</u>	<u>\$1.84</u>	<u>\$1.27</u>
DILUTED EPS				
Based on weighted-average shares Outstanding - 593,856 thousand shares in 2011 and 601,048 thousand shares in 2010	<u>(\$0.97)</u>	<u>(\$1.08)</u>	<u>\$1.83</u>	<u>\$1.26</u>

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

(With Deloitte & Touche review report dated October 14, 2011)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (643,028)	\$ 759,369
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	230,413	314,198
Gain on disposal of investments, net	(218,865)	(368,651)
Impairment loss on available-for-sale financial assets	283,573	12,452
Investment gain (loss) recognized by the equity-method, net	237,077	(317,946)
Realized intercompany gain, net	(28,000)	(7,383)
Realized royalty income	(1,629)	(1,630)
Gain on disposal of properties and intangible assets	237	(1,147)
Cash dividends received from equity-method investees	298,381	201,172
Deferred income tax	62,225	259,943
Accrued pension liability	(1,832)	(2,083)
Net changes in operating assets and liabilities		
Accounts receivable	258,706	419,717
Other receivables	20,409	20,633
Other receivable - related parties	(1,757)	9,036
Inventories	557,650	(500,161)
Other current assets	(2,941)	(1,085)
Accounts payable	(271,349)	24,338
Income tax payable	124	62,168
Accrued expenses	(122,962)	106,492
Other current liabilities	(243)	3,183
Net cash provided by operating activities	<u>656,189</u>	<u>992,615</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
Available-for-sale financial assets	633,298	905,452
Equity-method investments	252,740	504,926
Return of capital on investments accounted for by the equity method	11,172	-
Return of capital on financial assets carried at cost	2,222	1,993
Properties and intangible assets	1	7,617
Acquisition of:		
Available-for-sale financial assets	(459,641)	(105,000)
Equity-method investments	(228,652)	(637,385)
Properties	(32,653)	(33,151)
Increase in intangible assets	(115,883)	(25,640)
Increase in deferred charges and others	(72,105)	(90,075)
Other receivable - related parties	(373,000)	(316,000)
Increase in restricted assets	(6,000)	-
Net cash provided by (used in) investing activities	<u>(388,501)</u>	<u>212,737</u>

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SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	\$ (22,380)	\$ 146,922
Decrease in guarantee deposits	1,922	(3,395)
Repayments of long-term bank loans	(310,000)	(1,069,500)
Cash paid for acquisition of treasury stock	<u>(91,835)</u>	<u>-</u>
Net cash used in financing activities	<u>(422,293)</u>	<u>(925,973)</u>
NET INCREASE (DECREASE) IN CASH	(154,605)	279,379
CASH, BEGINNING OF PERIOD	<u>2,097,829</u>	<u>1,579,825</u>
CASH, END OF PERIOD	<u>\$ 1,943,224</u>	<u>\$ 1,859,204</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income tax paid	<u>\$ -</u>	<u>\$ 18,211</u>
Interest paid	<u>\$ 8,934</u>	<u>\$ 17,306</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of rental assets into properties	<u>\$ 13,514</u>	<u>\$ -</u>
Reclassifications of long-term investment into available-for-sale financial asset	<u>\$ -</u>	<u>\$ 1,797,346</u>
Reclassification of credit balance on carrying value of long-term investments into other current liabilities	<u>\$ 215,298</u>	<u>\$ 74,348</u>
Current portion of long-term bank loans	<u>\$ 310,500</u>	<u>\$ 625,000</u>
PARTIAL CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of properties	\$ (23,042)	\$ (27,706)
Decrease in payables to contractors and equipment suppliers	<u>(9,611)</u>	<u>(5,445)</u>
Cash paid	<u>\$ (32,653)</u>	<u>\$ (33,151)</u>
Disposal of equity-method investments	\$ 252,740	\$ 538,658
Increase in receivables on the disposal of equity-method investments	<u>-</u>	<u>(33,732)</u>
Cash received	<u>\$ 252,740</u>	<u>\$ 504,926</u>

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

(With Deloitte & Touche review report dated October 14, 2011)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

(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 16).

As of September 30, 2011 and 2010, the Company had 625 and 615 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). Significant accounting policies are summarized as follows:

Foreign-currency Transactions

Nonderivative 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.

Accounting Estimates

Under the above 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, income tax, pension expenses and bonuses to employees, directors and supervisors. Actual results could differ from these estimates.

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.

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.

Impairment of Accounts Receivable

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.

As discussed in Note 3 to the financial statements, on January 1, 2011, the Company adopted the third-time revised Statement of Financial Accounting Standards (SFAS) No. 34 - "Financial Instruments: Recognition and Measurement." One of the main revisions is that the impairment of receivables originated by the Company should be covered by SFAS No. 34. Accounts receivable are assessed for impairment at the end of each reporting period and considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the accounts receivable, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the debtor;
- Accounts receivable becoming overdue; or
- It becoming probable that the debtor will enter into bankruptcy or undergo financial reorganization.

Accounts receivable that are assessed not to be impaired individually are further assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of accounts receivable could include the Company's past experience of collecting payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The amount of the impairment loss recognized is the difference between the asset carrying amount and the present value of estimated future cash flows, after taking into account the related collateral and guarantees, discounted at the receivable's original effective interest rate.

The carrying amount of the accounts receivable is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized as bad debt in profit or loss.

Allowance for Sales Returns and Others

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. Effective January 1, 2009, inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made 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 domestic unlisted 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. Based on the revised Statement of Financial Accounting Standards - "Long-Term Investments under the Equity Method," the cost of an investment should be analyzed and the cost of investment in excess of the fair value of identifiable net assets acquired, representing goodwill, should not be amortized and instead should 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 11 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.

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.

Income Tax

The Company applies the inter-period tax allocation method. Under this method, deferred income taxes are recognized for the tax effects of deductible temporary differences, loss carryforwards and unused tax credits. Valuation allowances 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 related asset or liability for financial reporting. 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.

If the Company can control the timing of the reversal of a temporary difference arising from the difference between the book value and the tax basis of a long-term equity investment in a foreign subsidiary or joint venture and if the temporary difference is not expected to reverse in the foreseeable future and will, in effect, exist indefinitely, then a deferred tax liability or asset is not recognized.

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 provision.

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 and Sunplus mMobile Inc. (SmmI) use consolidated income tax filing. The income taxes payable arising from the differences between the consolidated current and deferred taxes and the sum of SmmI's current and deferred taxes are adjusted in the Company's account receivable or account payable.

Stock-based Compensation

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.

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.

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.

3. ACCOUNTING CHANGES

SFAS No. 34 - “Financial Instruments: Recognition and Measurement”

On January 1, 2011, the Company adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34 - “Financial Instruments: Recognition and Measurement.” The main revisions include (1) finance lease receivables are now covered by SFAS No. 34; (2) the scope of the applicability of SFAS No. 34 to insurance contracts is amended; (3) loans and receivables originated by the Company are now covered by SFAS No. 34; (4) additional guidelines on impairment testing of financial assets carried at amortized cost a debtor has financial difficulties and the terms of obligations have been modified; and (5) accounting treatment by a debtor for modifications in the terms of obligations. This accounting change had no effect on the financial statement for nine months ended September 30, 2011.

SFAS No. 41 - “Operating Segments”

On January 1, 2011, the Company adopted the newly issued SFAS No. 41 - “Operating Segments.” The requirements of the statement are based on the information on the components of the Company that management uses to make decisions about operating matters. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Company's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20 - “Segment Reporting.” This accounting change had no effect on the disclosures of the operating segments of the Company.

4. CASH

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Savings accounts	\$ 324,364	\$ 152,418
Time deposits	1,624,000	1,705,000
Checking accounts	260	889
Cash on hand	<u>600</u>	<u>897</u>
	1,949,224	1,859,204
Deduct: Restricted assets (Note 24)	<u>6,000</u>	<u>-</u>
	<u>\$ 1,943,224</u>	<u>\$ 1,859,204</u>

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Open-end funds	\$ 584,557	\$ 1,218,711
Domestic quoted stocks	<u>1,056,388</u>	<u>2,209,078</u>
	1,640,945	3,427,789
Deduct: Current portion	<u>584,557</u>	<u>1,218,711</u>
	<u>\$ 1,056,388</u>	<u>\$ 2,209,078</u>

Some of the overseas listed shares held by the Company are private-placement shares, on which there is a legally enforceable restriction that prevents their being traded for a specified period. The effects of restriction could be reliably measured and were consistent with those of other market participants, so those shares previously classified as financial assets carried at cost were transferred to available-for-sale financial assets, resulting in an unrealized loss of \$58,147 thousand for the nine months ended September 30, 2011.

As of September 30, 2011, the Company had recognized \$283,273 thousand as impairment loss on its available-for-sale financial assets.

6. ACCOUNTS RECEIVABLE

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Accounts receivable - others	\$ 694,343	\$ 1,147,509
Accounts receivable - related parties	<u>9,474</u>	<u>18,467</u>
	703,817	1,165,976
Deduct: Allowance for doubtful accounts	56,912	56,912
Deduct: Allowance for sales returns and discounts	<u>25,000</u>	<u>25,000</u>
	<u>\$ 621,905</u>	<u>\$ 1,084,064</u>

Movements of the allowance for doubtful receivables were as follows:

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Balance, beginning and end of period	<u>\$ 56,912</u>	<u>\$ 56,912</u>

Movements of the allowance for sales returns and discounts were as follows:

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Balance, beginning and end of period	<u>\$ 25,000</u>	<u>\$ 25,000</u>

7. INVENTORIES

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Finished goods and merchandise	\$ 234,463	\$ 458,987
Work-in-process	512,682	385,073
Raw materials	<u>50,564</u>	<u>432,946</u>
	<u>\$ 797,709</u>	<u>\$ 1,277,006</u>

As of September 30, 2011 and 2010, the allowances for losses were \$302,549 thousand and \$211,083 thousand, respectively.

As of September 30, 2011 and 2010, the costs of inventories recognized as cost of goods sold were \$2,013,930 thousand and \$3,003,211 thousand, respectively. For the nine months ended September 30, 2011 and 2010, the inventory costs were as follows:

	September 30	
	2011	2010
Inventory write-downs	\$ 140,000	\$ 75,033
Income from scrap sales	<u>(8,109)</u>	<u>(14,661)</u>
	<u>\$ 131,891</u>	<u>\$ 60,372</u>

8. EQUITY-METHOD INVESTMENTS

	September 30			
	2011		2010	
	Amount	% of Owner- ship	Amount	% of Owner- ship
Ventureplus Group Inc.	\$ 1,036,200	100	\$ 1,066,757	100
Orise Technology Co., Ltd.	867,278	34	1,093,151	41
Sunplus Venture Capital Co., Ltd.	803,098	100	986,581	100
Lin Shih Investment Co., Ltd.	782,470	100	904,227	100
Generalplus Technology Corp.	673,574	40	710,869	40
Sunplus Innovation Technology Inc.	573,661	64	579,308	74
Sunext Technology Co., Ltd.	481,951	61	565,006	61
Russell Holdings Limited	407,954	-	418,042	100
iCatch Technology Inc.	206,713	38	237,112	38
Magic Sky Limited	150,551	100	-	-
Sunplus mMedia Inc.	57,228	83	627	83
Global Techplus Capital Inc.	6,984	100	7,188	100
Wei-Young Investment Inc.	6,510	100	8,803	100
Sunplus Technology (H.K.) Co., Ltd.	4,580	100	4,722	100
Sunplus Management Consulting Inc.	4,166	100	4,105	100
HT mMobile Inc.	-	-	28,488	29
Waveplus Technology Co., Ltd.	<u>-</u>	100	<u>18,569</u>	41
	<u>\$ 6,062,918</u>		<u>\$ 6,633,555</u>	
Credit balance on carrying value of long-term investments (other current liabilities):				
Sunplus mMobile	\$ 676,934	99	\$ 696,086	91
Sunplus Core	136,215	70	33,510	70
HT mMobile Inc.	<u>45,260</u>	32	<u>-</u>	-
	<u>\$ 858,409</u>		<u>\$ 729,596</u>	

Movement of the difference between the costs of investment and the Company's share in investees' net assets allocated to goodwill for the nine months ended September 30, 2011 and 2010 was as follows:

	September 30, 2011		
	Balance, Beginning of Period	Decrease	Balance, End of Period
Goodwill	<u>\$ 161,257</u>	<u>\$ -</u>	<u>\$ 161,257</u>
	September 30, 2010		
	Balance, Beginning of Period	Decrease	Balance, End of Period
Goodwill	<u>\$ 168,162</u>	<u>\$ 6,905</u>	<u>\$ 161,257</u>

In October 2010, the Company established Magic Sky Limited in Samoa.

On July 8, 2011, Wave plus Technology Co., Ltd completed liquidation process.

As of September 16, 2010, the Company had lost its significant influence on Giantplus. Thus, the Company reclassified this equity-method investment to available-for-sale financial asset.

The financial statements used as basis for calculating the carrying values of equity-method investments and related investment income or losses for the nine months ended September 30, 2011 and 2010 were all unreviewed. The investment incomes (losses) of investees were as follows:

	Nine Months Ended September 30	
	2011	2010
Ventureplus Group Inc.	\$ (61,354)	\$ 25,214
Orise Technology Co., Ltd.	45,692	181,425
Sunplus Venture Capital Co., Ltd.	4,523	100,074
Lin Shih Investment Co., Ltd.	69,316	23,274
Generalplus Technology Inc.	77,121	134,090
Sunplus Innovation Technology Inc.	29,130	99,930
Sunext Technology Co., Ltd.	(59,672)	35,664
Russell Holdings Limited	(486)	22,892
iCatch Technology Ltd.	(15,358)	18,312
Magic Sky Limited	(30,870)	-
Global Techplus Capital Inc.	(23)	(27)
Wei-Young Investment Inc.	164	606
Sunplus Technology (H.K.) Co., Ltd.	388	210
Sunplus Management Consulting Inc.	54	(40)
HT mMobile Inc.	(165,752)	(191,639)
Giantplus Technology Co., Ltd.	-	7,764
Sunplus mMobile Inc.	(85,095)	(114,976)
Sunplus mMedia Inc.	40,089	8,016
Sunplus Core Technology Co., Ltd.	(84,944)	(33,106)
Waveplus Technology Co., Ltd.	<u>-</u>	<u>263</u>
	<u>\$ (237,077)</u>	<u>\$ 317,946</u>

Fair values of listed equity-method investments calculated at their closing prices as of September 30, 2011 and 2010 were as follows:

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Orise Technology Co., Ltd.	<u>\$ 1,778,103</u>	<u>\$ 3,743,132</u>

9. FINANCIAL ASSETS CARRIED AT COST

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Domestic unquoted stock	<u>\$ 18,889</u>	<u>\$ 21,111</u>

The Company recognized an impairment loss of \$12,452 thousand on its investment in Technology Partners Venture Capital Corp. and recorded this loss under nonoperating expenses and losses - impairment losses.

The above investment, which had no quoted price in an active market and had a fair value that could not be reliably measured, was carried at cost.

10. PROPERTIES

	<u>Nine Months Ended September 30, 2011</u>							
	<u>Buildings</u>	<u>Auxiliary Equipment</u>	<u>Machinery and Equipment</u>	<u>Testing Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Fixtures</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>								
Balance, beginning of period	\$ 795,683	\$ 190,696	\$ 381,524	\$ 338,129	\$ 1,209	\$ 80,811	\$ 89	\$ 1,788,141
Increase	-	3,627	2,107	14,288	-	3,020	-	23,042
Decrease	-	-	376	1,763	-	6,946	-	9,085
Reclassification	16,354	-	-	-	-	-	-	16,354
Balance, end of period	<u>812,037</u>	<u>194,323</u>	<u>383,255</u>	<u>350,654</u>	<u>1,209</u>	<u>76,885</u>	<u>89</u>	<u>1,818,452</u>
<u>Accumulated depreciation</u>								
Balance, beginning of period	159,835	154,325	329,260	287,416	1,139	71,256	88	1,003,319
Depreciation	12,526	5,094	17,492	17,184	26	3,403	-	55,725
Decrease	-	-	366	1,727	-	6,754	-	8,847
Reclassification	2,840	-	-	-	-	-	-	2,840
Balance, end of period	<u>175,201</u>	<u>159,419</u>	<u>346,386</u>	<u>302,873</u>	<u>1,165</u>	<u>67,905</u>	<u>88</u>	<u>1,053,037</u>
Balance, end of period, net	<u>\$ 636,836</u>	<u>\$ 34,904</u>	<u>\$ 36,869</u>	<u>\$ 47,781</u>	<u>\$ 44</u>	<u>\$ 8,980</u>	<u>\$ 1</u>	<u>\$ 765,415</u>
	<u>Nine Months Ended September 30, 2010</u>							
	<u>Buildings</u>	<u>Auxiliary Equipment</u>	<u>Machinery and Equipment</u>	<u>Testing Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Fixtures</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>								
Balance, beginning of period	\$ 795,683	\$ 186,364	\$ 430,326	\$ 368,458	\$ 2,463	\$ 99,928	\$ 89	\$ 1,883,311
Increase	-	4,304	9,383	13,119	-	900	-	27,706
Decrease	-	3,264	9,691	29,845	1,254	6,313	-	50,367
Reclassification	-	-	-	-	-	-	-	-
Balance, end of period	<u>795,683</u>	<u>187,404</u>	<u>430,018</u>	<u>351,732</u>	<u>1,209</u>	<u>94,515</u>	<u>89</u>	<u>1,860,650</u>
<u>Accumulated depreciation</u>								
Balance, beginning of period	143,201	149,037	350,203	307,553	2,324	87,278	88	1,039,684
Depreciation	12,475	5,819	26,664	20,516	52	4,473	-	69,999
Decrease	-	2,159	9,590	25,578	1,254	5,843	-	44,424
Reclassification	-	-	-	-	-	-	-	-
Balance, end of period	<u>155,676</u>	<u>152,697</u>	<u>367,277</u>	<u>302,491</u>	<u>1,122</u>	<u>85,908</u>	<u>88</u>	<u>1,065,259</u>
Balance, end of period, net	<u>\$ 640,007</u>	<u>\$ 34,707</u>	<u>\$ 62,741</u>	<u>\$ 49,241</u>	<u>\$ 87</u>	<u>\$ 8,607</u>	<u>\$ 1</u>	<u>\$ 795,391</u>

Note: For the assets mortgaged or pledged, please refer to Note 23.

11. INTANGIBLE ASSETS

	Nine Months Ended September 30, 2011		
	Technology License Fee	Patents	Total
<u>Cost</u>			
Balance, beginning of period	\$ 2,696,304	\$ 97,849	\$ 2,794,153
Increase	<u>115,883</u>	<u>-</u>	<u>115,883</u>
Balance, end of period	<u>2,812,187</u>	<u>97,849</u>	<u>2,910,036</u>
<u>Accumulated amortization</u>			
Balance, beginning of period	2,534,851	42,555	2,577,406
Amortization expense	<u>85,035</u>	<u>4,046</u>	<u>89,081</u>
Balance, end of period	<u>2,619,886</u>	<u>46,601</u>	<u>2,666,487</u>
Balance, end of period, net	<u>\$ 192,301</u>	<u>\$ 51,248</u>	<u>\$ 243,549</u>

	Nine Months Ended September 30, 2010		
	Technology License Fee	Patents	Total
<u>Cost</u>			
Balance, beginning of period	\$ 2,648,034	\$ 97,849	\$ 2,745,883
Increase	25,640	-	25,640
Decrease	<u>2,375</u>	<u>-</u>	<u>2,375</u>
Balance, end of period	<u>2,671,299</u>	<u>97,849</u>	<u>2,769,148</u>
<u>Accumulated amortization</u>			
Balance, beginning of period	2,389,966	37,161	2,427,127
Amortization expense	119,592	4,046	123,638
Decrease	<u>1,848</u>	<u>-</u>	<u>1,848</u>
Balance, end of period	<u>2,507,710</u>	<u>41,207</u>	<u>2,548,917</u>
Balance, end of period, net	<u>\$ 163,589</u>	<u>\$ 56,642</u>	<u>\$ 220,231</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.

12. DEFERRED CHARGES AND OTHERS

	September 30	
	2011	2010
Software and system design, net	\$ 82,352	\$ 125,117
Certificate of golf club membership	7,800	7,800
Refundable deposits	<u>1,717</u>	<u>557</u>
	<u>\$ 91,869</u>	<u>\$ 133,474</u>

13. SHORT-TERM BANK LOANS

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Working capital loans - US\$5,000 thousand, with 1.32% annual interest rate in 2011 and US\$4,700 thousand, with 0.7%-0.813% annual interest rate in 2010	<u>\$ 152,400</u>	<u>\$ 146,922</u>

14. LONG-TERM DEBTS

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Medium - to long-term credit bank loans:		
Repayable quarterly from February 2010 to February 2012; annual floating-rate interest - 1.7705% in 2011 and 1.4775% in 2010	\$ 205,000	\$ 430,000
Repayable semiannually from March 2010 to March 2014; annual floating-rate interest - 2.12% in 2011 and 1.81% in 2010	75,500	230,500
Medium - to long-term secured loans:		
Repayable semiannually from February 2009 to February 2012; annual floating-rate interest - 2.17% in 2011 and 1.83% in 2010	<u>30,000</u>	<u>60,000</u>
	310,500	720,500
Deduct: Current portion	<u>310,500</u>	<u>625,000</u>
	<u>\$ -</u>	<u>\$ 95,500</u>

Under 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 23). 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 semiannual and annual consolidated financial statements. However, noncompliance with the ratio requirements is not deemed to be a violation of the contracts.

15. PENSION PLAN

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Related costs were \$24,248 thousand and \$23,831 thousand for the nine months ended September 30, 2011 and 2010, 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 and wages, 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. The Company recognized pension costs of \$1,831 thousand and \$1,718 thousand for the nine months ended September 30, 2011 and 2010, respectively.

Defined benefit pension fund balances were \$123,216 thousand and \$117,136 thousand as of September 30, 2011 and 2010, respectively.

16. SHAREHOLDERS' EQUITY

a. Employee Stock Option Plan

On September 11, 2007, the Securities and Futures Bureau approved the Company's adoption of an employee stock option plan ("2007 plan"). The 2007 plan provides for the grant of 25,000 thousand options, with each unit representing one common share. The option rights are granted to qualified employees of the Company and subsidiaries. A total of 25,000 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, 2011.

Outstanding option rights were as follows:

	2007 Option Plan			
	Nine Months Ended September 30			
	2011		2010	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	21,433	\$40.52	22,858	\$40.52
Options canceled	<u>(1,093)</u>	-	<u>(1,092)</u>	-
Ending outstanding balance	<u>20,340</u>		<u>21,766</u>	

The number of shares and exercise prices of outstanding options have been adjusted to reflect the appropriations of dividends, cash dividends and issuance of capital stock specified under the 2007 plan.

In the nine months ended September 30, 2011, the outstanding and exercisable options were as follows:

	2007 Option Plan				
	Options Outstanding			Options Exercisable	
	Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Remaining Contractual Life (Years)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)
\$ 37.9	14,040	2.12	\$37.9	14,040	\$37.9
38.3	6,300	2.24	38.3	6,300	38.3

The pro forma information for the nine months ended September 30, 2011 and 2010 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:

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Net income (loss)		
Net income (loss) as reported	<u>\$ (643,028)</u>	<u>\$ 759,369</u>
Pro forma net loss	<u>\$ (643,028)</u>	<u>\$ 759,369</u>
Earnings (loss) per share (E/LPS; in New Taiwan dollars)		
Basic E/LPS as reported	<u>\$(1.09)</u>	<u>\$1.28</u>
Pro forma basic E/LPS	<u>\$(1.09)</u>	<u>\$1.28</u>
Diluted E/LPS as reported	<u>\$(1.09)</u>	<u>\$1.27</u>
Pro forma diluted E/LPS	<u>\$(1.09)</u>	<u>\$1.27</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, 2011, 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 due to the shareholder's resolution. 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.

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) except for treasury stock should be made from unappropriated retained earnings.

For the nine months ended September 30, 2010, the Company's accrued bonus to employees as a charge to earnings of a certain percentage of net income \$99,732 thousand, and remuneration to directors and supervisors, \$5,399 thousand, which was 1.5% of net income less the legal reserve and dividends. However, the Company had a net loss for the nine months ended September 30, 2011. 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 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 2010 and 2009 earnings were approved at the shareholders' meetings on June 10, 2011 and June 14, 2010, respectively. The appropriations, including dividends, were as follows:

	For Fiscal Year 2010		For Fiscal Year 2009	
	Appropriation of Earnings	Dividends Per Share (NT\$)	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 77,372	\$ -	\$ 38,151	\$ -
Special reserve	191,229	-	(428,914)	-
Cash dividend	<u>477,528</u>	0.8	<u>-</u>	-
	<u>\$ 746,129</u>		<u>\$ (390,763)</u>	

In their meeting on April 27, 2011, the Board of Directors proposed the bonus to employees of \$96,579 thousand and the remuneration to directors and supervisors of \$2,204 thousand.

The information on the appropriation of bonuses to employees, directors and supervisors is available on the Market Observation Post System website of Taiwan Stock Exchange.

Unrealized gain or loss on financial instruments

For the nine months ended September 30, 2011 and 2010, 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, 2011</u>			
Balance, beginning of period	\$ (440,213)	\$ 267,646	\$ (172,567)
Recognized in shareholders' equity	(895,344)	(259,124)	(1,154,468)
Transferred to profit or loss	<u>283,573</u>	<u>-</u>	<u>283,573</u>
Balance, end of period	<u>\$ (1,051,984)</u>	<u>\$ 8,522</u>	<u>\$ (1,043,462)</u>
<u>Nine months ended September 30, 2010</u>			
Balance, beginning of period	\$ (313,072)	\$ 429,521	\$ 116,449
Recognized in shareholders' equity	<u>133,214</u>	<u>(66,978)</u>	<u>66,236</u>
Balance, end of period	<u>\$ (179,858)</u>	<u>\$ 362,543</u>	<u>\$ 182,685</u>

17. TREASURY STOCK

	(Units: Shares in Thousands)		
Purpose of Purchase	Beginning Shares	Increase	Ending Shares
<u>Nine months ended September 30, 2011</u>			
Company shares held by subsidiaries	3,560	-	3,560
For subsequent transfer to employees	<u>-</u>	<u>4,915</u>	<u>4,915</u>
	<u>3,560</u>	<u>4,915</u>	<u>8,475</u>
<u>Nine months ended September 30, 2010</u>			
Company stocks held by subsidiaries	<u>3,560</u>	<u>-</u>	<u>3,560</u>

Starting from January 2002, the Company has accounted for some issued shares amounting to \$95,605 thousand and held by a subsidiary, Lin Shin Investment Co., Ltd., as treasury stock. As of September 30, 2011, the book values and market values of these shares were \$63,401 thousand and \$43,966 thousand respectively. As of September 30, 2010, the book values and the market values of these stocks were \$63,401 thousand and \$85,976 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. On March 1, 2011, the Board of Directors approved a plan to repurchase up to 10,000 thousand shares of the Company between March 1, 2011 and April 30, 2011, with the buyback price ranging from NT\$16.00 to NT\$22.00. As of September 30, 2011, the Company had bought back 4,915 thousand shares for \$91,835 thousand. The subsidiaries holding treasury stock retain shareholders' rights on their holdings, except the rights to participate in any share issuance for cash and to vote.

18. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Nine Months Ended September 30					
	2011			2010		
	Classified as Cost of Sales	Classified as Operating Expense	Total	Classified as Cost of Sales	Classified as Operating Expense	Total
Labor cost						
Salary	\$ 49,919	\$ 531,392	\$ 581,311	\$ 66,417	\$ 671,398	\$ 737,815
Labor/health insurance	3,819	32,454	36,273	3,590	30,112	33,702
Pension	2,647	23,432	26,079	2,575	22,974	25,549
Welfare benefit	868	6,636	7,504	1,669	11,554	13,223
Meals	<u>1,152</u>	<u>8,236</u>	<u>9,388</u>	<u>1,214</u>	<u>8,464</u>	<u>9,678</u>
	<u>\$ 58,405</u>	<u>\$ 602,150</u>	<u>\$ 660,555</u>	<u>\$ 75,465</u>	<u>\$ 744,502</u>	<u>\$ 819,967</u>
Depreciation	<u>\$ 19,858</u>	<u>\$ 35,867</u>	<u>\$ 55,725</u>	<u>\$ 29,229</u>	<u>\$ 40,770</u>	<u>\$ 69,999</u>
Amortization	<u>\$ 486</u>	<u>\$ 171,612</u>	<u>\$ 172,098</u>	<u>\$ 869</u>	<u>\$ 240,685</u>	<u>\$ 241,554</u>

19. INCOME TAX

- a. A reconciliation of income tax expense on income before income tax at statutory rate (17%) and current income tax expense before tax credits is shown below:

	Nine Months Ended September 30	
	2011	2010
Income before income tax at statutory rate	\$ (98,715)	\$ 186,47
Tax effects of adjustments:		
Tax-exempt income	-	(9,717)
Permanent differences	6,231	(130,169)
Temporary differences	65,617	13,731
Loss carryforwards	-	(40,007)
Tax effects of consolidation income tax filing	<u>(14,472)</u>	<u>(20,785)</u>
Income tax expense before tax credits	<u>\$ (41,339)</u>	<u>\$ -</u>

- b. Income tax expense consisted of the following:

	Nine Months Ended September 30	
	2011	2010
Income tax expense before tax credits	\$ -	\$ -
Additional tax at 10% on unappropriated earnings	2,758	77,228
Investment tax credits	(2,758)	(77,228)
Net change in deferred income tax assets	62,225	259,943
Additional income tax under Alternative Minimum Tax Act	124	43,957
Adjustment of prior years' income tax expense	<u>-</u>	<u>36,422</u>
Income tax expense	<u>\$ 62,349</u>	<u>\$ 340,322</u>

c. Deferred income tax assets were as follows:

	<u>September 30</u>	
	<u>2011</u>	<u>2010</u>
Current:		
Investment tax credits	\$ 256,059	\$ 337,699
Temporary differences	3,887	1,011
Deduct: Valuation allowance	<u>256,059</u>	<u>337,699</u>
	<u>\$ 3,887</u>	<u>\$ 1,011</u>
Noncurrent:		
Investment tax credits	\$ 522,345	\$ 781,162
Temporary differences	50,983	4,787
Loss carryforwards	206,468	127,127
Deduct: Valuation allowance	<u>574,756</u>	<u>566,939</u>
	<u>\$ 205,040</u>	<u>\$ 346,137</u>

Under Article 10 of the Statute for Industrial Innovation (SII) passed by the Legislative Yuan in April 2010, a profit-seeking enterprise may deduct up to 15% of its research and development expenditures from its income tax payable for the fiscal year in which these expenditures are incurred, but this deduction should not exceed 30% of the income tax payable for that fiscal year. This incentive is effective from January 1, 2010 till December 31, 2019.

In May 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduced a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 2010.

As of September 30, 2011, 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	\$ 1,005	\$ 1,005	2011
		<u>1,035</u>	<u>1,035</u>	2012
		<u>\$ 2,040</u>	<u>\$ 2,040</u>	
Statute for Upgrading Industries	Research and development expenditures	\$ 257,812	\$ 255,054	2011
		264,282	264,282	2012
		<u>241,935</u>	<u>241,935</u>	2013
		<u>\$ 764,029</u>	<u>\$ 761,271</u>	
Income Tax Law	Loss carryforwards	\$ 77,151	\$ 77,151	2019
		87,978	87,978	2020
		<u>10,771</u>	<u>10,771</u>	2021
		<u>\$ 175,900</u>	<u>\$ 175,900</u>	
Statute for Upgrading Industries	Investment in important Technology - based enterprises	<u>\$ 15,093</u>	<u>\$ 15,093</u>	2013

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

<u>Project</u>	<u>Tax Exemption Period</u>
Eighth expansion	January 1, 2010 to December 31, 2014
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
Twelfth expansion	January 1, 2009 to December 31, 2013
Thirteenth expansion	January 1, 2010 to December 31, 2014

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>2011</u>	<u>2010</u>
Shareholders' imputation credit account	<u>\$ 190,533</u>	<u>\$ 254,802</u>
Unappropriated earnings until 1997	<u>\$ 452,310</u>	<u>\$ 452,310</u>

The actual creditable tax ratios for the distribution of the earnings of 2011 and 2010 were 12.63% and 14.59%, respectively.

20. 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, 2011</u>					
Net income	<u>\$ (580,679)</u>	<u>\$ (643,028)</u>			
Basic income per share					
Income of common shareholders	<u>\$ (580,679)</u>	<u>\$ (643,028)</u>	<u>590,296</u>	<u>\$ (0.98)</u>	<u>\$ (1.09)</u>
<u>Nine months ended September 30, 2010</u>					
Net income	<u>\$ 1,099,691</u>	<u>\$ 759,369</u>			
Basic income per share					
Income of common shareholders	<u>\$ 1,099,691</u>	<u>\$ 759,369</u>	<u>593,350</u>	<u>\$ 1.85</u>	<u>\$ 1.28</u>
Effect of dilutive potential bonus of employees	<u>-</u>	<u>-</u>	<u>4,138</u>		
Diluted gain income per share					
Income of common shareholders	<u>\$ 1,099,691</u>	<u>\$ 759,369</u>	<u>597,488</u>	<u>\$ 1.84</u>	<u>\$ 1.27</u>

The employee stock option stated in Note 16 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, 2011 and 2010. As a result, the potential common shares were excluded from the calculation of diluted EPS.

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. If the Company decides to settle the bonus to employees by cash or shares, the Company should presume that the entire amount of the bonus will be settled in shares and, if the resulting potential shares have a dilutive effect, these shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

21. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	September 30			
	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative instruments</u>				
Assets				
Available-for-sale financial assets (current and noncurrent)	\$ 1,640,945	\$ 1,640,945	\$ 3,427,789	\$ 3,427,789
Financial assets carried at cost	18,889	-	21,111	-
Liabilities				
Long-term bank loans (including current portion)	310,500	310,500	720,500	720,500

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, 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 bank loan is estimated using the present value of future cash flows discounted at interest rates the Company may obtain for similar loans (e.g., similar maturities). The fair values of long-term bank loan with floating interest rates are equivalent to their carrying values.
- c. The Company did not enter into derivative contracts during the nine months ended September 30, 2011 and 2010.
 - d. As of September 30, 2011 and 2010, financial assets exposed to cash flow interest rate risk amounted to \$324,364 thousand and \$152,418 thousand, respectively; financial assets exposed to fair value interest rate risk amounted to \$1,624,000 thousand and \$1,705,000 thousand, respectively; and financial liabilities exposed to fair value interest rate risk amounted to \$152,400 thousand and \$146,922 thousand, respectively. As of September 30, 2011 and 2010 financial liabilities exposed to cash flow interest rate risk amounted to \$310,500 thousand and \$720,500 thousand, respectively.
 - e. Interest revenues arising from financial instruments other than the financial assets at fair value through profit or loss in the nine months ended September 30, 2011 and 2010 were \$9,920 thousand and \$4,045 thousand, respectively; interest expenses arising from financial assets other than the financial assets at fair value through profit or loss for the nine months ended September 30, 2011 and 2010 were \$8,110 thousand and \$14,758 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. Fair values of available-for-sale security investments are affected by fluctuations of quoted prices.
 - 2) Credit risk. The Company will incur a loss if the counter-parties or third-parties breach financial instrument 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. 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, 2011 and 2010, the interest rates for long-term long term bank loans were floating, i. e., these rates fluctuated as market interest rates changed.

22. RELATED-PARTY TRANSACTIONS

The Company's related parties were as follows:

- a. Waveplus Technology Co., Ltd. ("Waveplus") - equity-method investee
- b. Sunext Technology Co., Ltd. ("Sunext") - 61% subsidiary
- c. Sunplus Core Technology Inc. ("Sunplus Core") - 70% subsidiary
- d. Generalplus Technology Inc. ("Generalplus") - 40% subsidiary.
- e. Sunplus Innovation Technology Inc. ("Sunplus Innovation") - 64% subsidiary

- f. Sunplus mMobile Inc. (“Sunplus mMobile”) - 99% subsidiary
- g. HT mMobile Inc. Ltd. (“HT mMobile”) - equity-method investee
- h. Sunplus Technology (H.K.) Co., Ltd. (“Sunplus H.K.”) - 100% subsidiary
- i. Orise Technology Co., Ltd. (“Orise”) - equity-method investee
- j. Sunplus mMedia Inc. (“Sunplus mMedia”) - 83% subsidiary
- k. iCatch Technology, Inc. (“iCatch”) - 38% subsidiary
- l. Sunplus Technology (Shanghai) Co., Ltd. (“Sunplus Shanghai”) - 99% indirect subsidiary
- m. Giantplus Technology Co., Ltd. - The same board chairman as that of the Company.
- n. Golbal View Co., Ltd - the Company’s director and Waveplus’s supervisor
- o. Others - please refer to Note 26 for related parties that did not have business transactions with the Company in the current period.

	Nine Months Ended September 30			
	2011		2010	
	Amount	%	Amount	%
Sales				
Sunplus Core	\$ 28,152	1	\$ 7,619	-
Orise	14,176	1	27,722	1
Generalplus	12,551	1	19,022	1
I Catch	7,517	-	8,822	-
Sunext	2,422	-	1,516	-
HT mMobile	2,120	-	4,045	-
Sunplus Innovation	<u>1,098</u>	<u>-</u>	<u>6,293</u>	<u>-</u>
	<u>\$ 68,036</u>	<u>3</u>	<u>\$ 75,039</u>	<u>2</u>

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

	Nine Months Ended September 30			
	2011		2010	
	Amount	%	Amount	%
Operating expense				
Sunplus H.K.	\$ 1,838	-	\$ 2,164	-
Sunplus Core	411	-	15,044	1
Other	<u>51</u>	<u>-</u>	<u>382</u>	<u>-</u>
	<u>\$ 2,300</u>	<u>-</u>	<u>\$ 17,950</u>	<u>1</u>

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

	Nine Months Ended September 30			
	2011		2010	
	Amount	%	Amount	%
Nonoperating income and gains				
HT mMobile	\$ 17,993	6	\$ 22,782	3
iCatch	9,389	3	12,026	2
Sunplus mMobile	6,059	2	4,737	1
Generalplus	5,819	2	6,352	1
Sunplus Innovation	5,284	2	3,312	-
Sunplus Core	4,848	2	6,254	1
Orise	2,664	-	2,116	-
Sunext	1,362	-	820	-
Sunplus mMedia	81	-	99	-
Global View Co., Ltd.	-	-	4,102	-
Waveplus	-	-	21	-
Giantplus	-	-	2	-
	<u>\$ 53,499</u>	<u>17</u>	<u>\$ 62,623</u>	<u>8</u>

Nonoperating income and gains included rental income and support transaction prices that were negotiated and were thus not comparable with those in the market. The Company leased sections of a factory building to Sunplus Core, HT mMobile and iCatch 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.

The following receivables as well as other transactions between the Company and the related parties were based on normal terms.

	September 30			
	2011		2010	
	Amount	%	Amount	%
Notes and accounts receivable				
Orise	\$ 3,658	1	\$ 8,096	1
Generalplus	2,875	1	4,841	1
iCatch	2,010	-	2,333	-
Sunext	581	-	439	-
HT mMobile	309	-	892	-
Sunplus Innovation	41	-	1,816	-
Sunplus Core	-	-	50	-
	<u>\$ 9,474</u>	<u>2</u>	<u>\$ 18,467</u>	<u>2</u>
Other receivables				
Sunplus mMobile	\$ 465,967	72	\$ 376,612	97
HT mMobile	174,495	27	4,796	1
iCatch	3,065	1	1,046	1
Orise	587	-	30	-
Sunplus Innovation	505	-	553	-
Sunext	432	-	357	-
Generalplus	193	-	427	-
Sunplus mMedia	29	-	32	-
Waveplus	-	-	2,608	1
Sunplus Core	-	-	583	-
Giantplus	-	-	2	-
	<u>\$ 645,273</u>	<u>100</u>	<u>\$ 387,046</u>	<u>100</u>

Dividend receivables (recorded as other receivables) were \$2,605 thousand as of September 30, 2010.

In the nine months ended September 30, 2010, the Company provided financing to Sunplus mMobile, as follows:

Financing to Related Party	Six Months Ended September 30, 2011			
	Maximum Balance	Ending Balance	Interest Rate	Interest Income
Sunplus mMobile	<u>\$ 546,000</u>	<u>\$ 465,000</u> (Note 1)	1.485%-1.655%	<u>\$ 4,231</u>
HT mMobile	<u>\$ 200,000</u>	<u>\$ 200,000</u> (Note 2)	1.575%-1.655%	<u>\$ 378</u>

Financing to Related Party	Six Months Ended September 30, 2010			
	Maximum Balance	Ending Balance	Interest Rate	Interest Income
Sunplus mMobile	<u>\$ 376,000</u>	<u>\$ 376,000</u> (Note 3)	1.34%	<u>\$ 1,789</u>

Note 1: Actual provided was \$465,000 thousand.

Note 2: Actual provided was \$170,000 thousand.

Note 3: Actual provided was \$376,000 thousand.

	September 30			
	2011		2010	
	Amount	%	Amount	%
Other current liabilities				
Sunplus Innovation	<u>\$ -</u>	<u>-</u>	<u>\$ 5</u>	<u>-</u>
Deferred royalty income (including current and noncurrent)				
Generalplus	\$ 1,991	90	\$ 4,164	12
Sunplus Core	<u>-</u>	<u>-</u>	<u>30,400</u>	<u>87</u>
	<u>\$ 1,991</u>	<u>90</u>	<u>\$ 34,564</u>	<u>99</u>

	September 30	
	2011	2010
Endorsement/guarantee provided		
Sunplus mMobile	\$ 620,000	\$ 820,000
Sunplus Core	250,000	290,000
Sunplus Shanghai	203,350	224,280
Sunext	80,000	32,230
HT mMobile	30,000	30,000
Generalplus	-	10,938
Sunplus Innovation	-	5,985
Orise	-	5,096
iCatch	<u>-</u>	<u>5,007</u>
	<u>\$ 1,183,350</u>	<u>\$ 1,423,536</u>

	September 30			
	2011		2010	
	Amount	%	Amount	%
Proceeds from disposal of properties				
HT mMobile	\$ -	-	\$ 3,643	59
iCatch	<u>-</u>	<u>-</u>	<u>1,344</u>	<u>22</u>
	<u>\$ -</u>	<u>-</u>	<u>\$ 4,987</u>	<u>81</u>
Acquisition of properties				
Sunplus Shanghai	<u>\$ -</u>	<u>-</u>	<u>\$ 679</u>	<u>2</u>

23. MORTGAGED OR PLEDGED ASSETS

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

	September 30	
	2011	2010
Buildings, net (including assets leased to others)	\$ 757,471	\$ 777,291
Pledged term deposit	6,000	-
Orise stocks	<u>-</u>	<u>296,569</u>
	<u>\$ 763,471</u>	<u>\$ 1,073,860</u>

The medium - to long-term bank loans were repaid in July 2010. Thus, the pledged shares of Orise were retrieved.

24. 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 \$7,788 thousand. A Company deposit \$6,000 thousand had been pledged for these leases.

Future annual minimum rentals under the leases are as follows:

Period/Year	Amount
2011 (4th quarter)	\$ 1,938
2012	7,751
2013	7,751
2014	7,751
2015	6,400
2016 and thereafter	<u>25,082</u>
	<u>\$ 56,673</u>

25. OTHER

The significant foreign-currency financial assets and liabilities were as follows:

	September 30			
	2011		2010	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
<u>Financial assets</u>				
Monetary items				
USD	\$ 25,201	30.48	\$ 37,783	31.26
EUR	3	41.23	6	42.58
JPY	259	0.398	488	0.375
RMB	14	4.800	46	4.716
GBP	10	47.48	45	49.56
HKD	11	3.913	18	4.028
Equity-method investments				
USD	52,675	30.48	47,851	31.26
HKD	1,170	3.913	1,172	4.028
<u>Financial liabilities</u>				
Monetary items				
USD	17,305	30.48	34,230	31.26
RMB	71	4.800	95	4.716
GBP	84	0.398	-	-

26. 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. Financing provided: Table 2 (attached)
- c. Marketable securities held: Table 3 (attached)
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- e. Acquisition of individual real estate at cost of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
- f. Names, locations, and related information of investees on which the Company exercises significant influences: Table 6 (attached)
- g. Investment in Mainland China: Table 7 (attached)

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED

**ENDORSEMENT/GUARANTEE PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 2011**

(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	\$ 1,056,823 (Note 1)	\$ 820,000	\$ 620,000	\$ -	4.65%	\$ 2,113,645 (Note 2)
		Sunplus Core Technology Co., Ltd.	70% subsidiary	1,056,823 (Note 1)	290,000	250,000	-	1.88%	2,113,645 (Note 2)
		Sunplus Technology (Shanghai) Co., Ltd.	99% indirect subsidiary	1,056,823 (Note 1)	224,280	203,350	-	1.53%	2,113,645 (Note 2)
		Sunext Technology Co., Ltd.	61% subsidiary	1,056,823 (Note 1)	80,000	80,000	-	0.6%	2,113,645 (Note 2)
		HT mMobile Inc.	Equity-method investee	1,056,823 (Note 1)	30,000	30,000	-	0.23%	2,113,645 (Note 2)
		Generalplus Technology Inc.	Equity-method investee	1,056,823 (Note 1)	10,938	-	-	-	2,113,645 (Note 2)
		Sunplus Innovation Technology Inc.	74% subsidiary	1,056,823 (Note 1)	5,985	-	-	-	2,113,645 (Note 2)
		Orise Technology Co., Ltd.	Equity-method investee	1,056,823 (Note 1)	5,096	-	-	-	2,113,645 (Note 2)
		iCatch Technology, Inc.	38% subsidiary	1,056,823 (Note 1)	5,007	-	-	-	2,113,645 (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.

SUNPLUS TECHNOLOGY COMPANY LIMITED

FINANCINGS PROVIDED

NINE MONTHS ENDED SEPTEMBER 30, 2011

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

No.	Financing Company	Counter-party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Type of Financing	Transaction Amount	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit
											Item	Value		
0	Sunplus Technology Company Limited	Sunplus mMobile Inc.	Other receivables	\$ 546,000	\$ 465,000 (Note 6)	1.485%- 1.655%	Note 1	\$ -	Note 2	\$ -	-	\$ -	\$ 528,411 (Note 4)	\$ 1,056,823 (Note 5)
		HT mMobile Inc.	Other receivables	200,000	200,000 (Note 7)	1.575%- 1.655%	Note 1	-	Note 2	-	Note 8	200,000	528,411 (Note 4)	1,056,823 (Note 5)

Note 1: Short-term financing.

Note 2: Sunplus Technology Company Limited provided cash for the operation of Sunplus mMobile Inc.

Note 3: Sunplus Technology Company Limited provided cash for the operation of HT mMobile Inc.

Note 4: For each transaction entity, the amount should not exceed 5% of the Company's net equity as of the latest financial statements.

Note 5: The amount should not exceed 10% of the Company's net equity based on the latest financial statements.

Note 6: Actual provided is \$465,000 thousand.

Note 7: Actual provided is \$170,000 thousand.

Note 8: Obtain equivalent self-developed technology.

TABLE 3

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES HELD

NINE MONTHS ENDED SEPTEMBER 30, 2011

(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, 2011				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited	<u>Stock</u>							
	Ventureplus Group Inc.	Equity-method investee	Equity-method investments	42,500	\$ 1,036,200	100	\$ 1,036,200	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	47,290	867,278	34	867,278	Note 1
	Sunplus Venture Capital Co., Ltd.	Equity-method investee	Equity-method investments	100,000	803,098	100	803,908	Note 1
	Lin Shih Investment Co., Ltd.	Equity-method investee	Equity-method investments	70,000	782,470	100	782,470	Notes 1 and 4
	Generalplus Technology Inc	Equity-method investee	Equity-method investments	38,731	673,574	40	673,574	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	30,986	573,661	64	574,831	Notes 1 and 7
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	38,837	481,951	61	347,755	Note 1
	Russell Holdings Limited	Equity-method investee	Equity-method investments	14,760	407,954	100	411,794	Notes 1 and 9
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	20,735	206,713	38	206,713	Note 1
	Magic Sky Limited	Equity-method investee	Equity-method investments	6,000	150,551	100	150,551	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	12,441	57,228	83	126,554	Notes 1 and 8
	Global Techplus Capital Inc.	Equity-method investee	Equity-method investments	200	6,984	100	6,984	Note 1
	Wei-Young Investment Inc.	Equity-method investee	Equity-method investments	1,400	6,510	100	6,510	Note 1
	Sunplus Technology (H.K.) Co., Ltd.	Equity-method investee	Equity-method investments	11,075	4,580	100	4,580	Note 1
	Sunplus Management Consulting Inc.	Equity-method investee	Equity-method investments	500	4,166	100	4,166	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	20,090	(676,934)	99	(659,061)	Notes 1 and 6
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	11,206	(136,215)	70	(108,408)	Notes 1 and 6
	HT mMobile Inc.	Equity-method investee	Equity-method investments	56,448	(45,260)	32	(45,260)	Notes 1 and 6
	Giantplus Technology Co., Ltd.	The same chairman of the board	Available-for-sale financial assets	84,652	816,913	19	816,913	Notes 3 and 11
	Global View Co., Ltd.	The Company's director	Available-for-sale financial assets	13,568	189,947	13	189,947	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	5,000	27,097	-	27,097	Note 3
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	22,431	-	22,431	Note 3
	<u>Fund</u>							
	JF Taiwan Growth Fund	-	Available-for-sale financial assets	2,033	29,745	-	29,745	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	234	40,262	-	40,262	Note 5
	TLG SOLOMON Money Market Fund	-	Available-for-sale financial assets	1,652	20,085	-	20,085	Note 5
	Taishin Lucky Fund	-	Available-for-sale financial assets	14,717	157,692	-	157,692	Note 5
	Manulife Wan Li Bond Fund	-	Available-for-sale financial assets	1,060	14,093	-	14,093	Note 5
	Asia High Yield Total Return Bond Fund	-	Available-for-sale financial assets	3,000	29,995	-	29,995	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	896	12,473	-	12,473	Note 5
	Mega Diamond Bond Fund	-	Available-for-sale financial assets	8,326	100,262	-	100,262	Note 5
Cathay Bond Fund	-	Available-for-sale financial assets	12,514	150,576	-	150,576	Note 5	
Emerging Markets Debt Fund	-	Available-for-sale financial assets	3,000	29,374	-	29,374	Note 5	
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	556	5,556	11	5,556	Note 2	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2011				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,360	\$ 30,055	5	\$ 30,055	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	14,892	258,291	15	257,877	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,308	(11,992)	15	(15,638)	Notes 1 and 6
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	8	52,884	-	(240)	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	579	10,833	4	6,747	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	1,059	17,135	2	19,210	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	4,695	9,408	3	(12,802)	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	965	9,616	2	9,616	Note 1
	Sunplus Technology Company Limited	Parent company	Available-for-sale financial assets	3,560	43,966	1	43,966	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	114,508	1	114,508	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	833	4,516	-	4,516	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	136	1,152	-	1,152	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,378	41,376	8	41,376	Note 3
	ASE Inc.	-	Available-for-sale financial assets	167	4,432	-	4,432	Note 3
	King Slide Works Co., Ltd.	-	Available-for-sale financial assets	15	1,613	-	1,613	Note 3
	E Ing Holdings Inc.	-	Available-for-sale financial assets	370	23,717	-	23,717	Note 3
	China Synthetic Rubber Corporation	-	Available-for-sale financial assets	80	1,928	-	1,928	Note 3
	Taichong Commercial Bank Co., Ltd.	-	Available-for-sale financial assets	250	2,493	-	2,493	Note 3
	Aces Electronics Co., Ltd.	-	Available-for-sale financial assets	40	1,996	-	1,996	Note 3
	Quanta Computer Inc.	-	Available-for-sale financial assets	70	4,165	-	4,165	Note 3
	Compal Electronics, Inc.	-	Available-for-sale financial assets	10	283	-	283	Note 3
	Catcher Technology Co., Ltd.	-	Available-for-sale financial assets	5	895	-	895	Note 3
	Cheng Shin Rubber Ind., Co., Ltd.	-	Available-for-sale financial assets	15	962	-	962	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	25	215	-	215	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	39,822	7	39,822	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	-	14	-	Note 2
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	6,000	9	6,000	Note 2
Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 2	
Russell Holdings Limited	<u>Stock</u>							
	Jet Focus Limited	Equity-method investee	Equity-method investments	4,794	US\$ (350) thousand	44	US\$ (350) thousand	Notes 1 and 6
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	442	US\$ 2,226 thousand	1	US\$ 136 thousand	Note 1
	King Yuan ECB	-	Available-for-sale financial assets	8	US\$ 820 thousand	-	US\$ 820 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 Limited.	-	Financial assets carried at cost	1,000	US\$ - thousand	8	US\$ - thousand	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2011				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	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\$ 1,550 thousand	5	US\$ 1,550 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\$ 2,000 thousand	-	US\$ 2,000 thousand	Note 2
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	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
	Aruba Networks Inc.	-	Financial assets carried at cost	51	US\$ 1,150 thousand	-	US\$ 1,150 thousand	Note 2
	Synerchip Co., Ltd.	-	Financial assets carried at cost	5,524	US\$ 900 thousand	11	US\$ 9,000 thousand	Note 2
Sunplus Venture Capital Co., Ltd.	<u>Stock</u>							
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	4,431	39,577	7	39,577	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	4,277	86,790	4	77,730	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	865	15,357	1	15,357	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	1,885	(12,520)	12	(12,520)	Notes 1 and 6
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	-	2,261	-	(1)	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	9,111	83,508	5	83,508	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	1,909	18,620	13	18,362	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	2,559	47,489	5	47,489	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	3,182	31,721	6	31,721	Note 1
	FSITC Bond Fund	-	Available-for-sale financial assets	291	50,000	-	50,000	Note 5
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	26,970	-	26,970	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	803	6,782	1	6,782	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	103,682	1	103,682	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	913	15,884	3	15,884	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	148	1,265	-	1,265	Note 2
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 2
	eWave safe System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	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	9,500	10	9,500	Note 2
	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	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	1,811	20,734	4	20,734	Note 2
	Chiabon Venture Capital Co., Ltd.	-	Financial assets carried at cost	3,000	4,800	5	4,800	Note 2
	Socle Technology Corp.	-	Financial assets carried at cost	550	13,750	1	13,750	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2011				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	419	\$ 12,485	2	\$ 12,485	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	37,500	8	37,500	Note 2
	Aruba Networks Inc.	-	Financial assets carried at cost	19	12,923	-	12,923	Note 2
Ventureplus Group Inc.	<u>Stock</u> Ventureplus Mauritius Inc.	Subsidiary of Ventureplus Group Inc.	Equity-method investments	42,500	US\$ 34,004 thousand	100	US\$ 34,004 Thousand	Note 1
Ventureplus Mauritius Inc.	<u>Stock</u> Ventureplus Cayman Inc.	Subsidiary of Ventureplus Mauritius Inc.	Equity-method investments	42,500	US\$ 34,007 thousand	100	US\$ 34,007 Thousand	Note 1
Ventureplus Cayman Inc.	<u>Stock</u> Sunplus Technology (Shanghai) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 13,905 thousand	99	US\$ 13,905 thousand	Note 1
	Sunplus Pro-tek (Shenzhen) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 1,465 thousand	100	US\$ 1,465 thousand	Note 1
	SunMedia Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 18,010 thousand	100	US\$ 18,010 thousand	Note 1
	Sunplus App Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 293 thousand	80	US\$ 293 thousand	Note 1
	Ytrip Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 274 thousand	100	US\$ - thousand	Note 1
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
Sunplus Technology (Shanghai) Co., Ltd.	Shenzhen suntop Technology Co., Ltd.	Subsidiary of sunplus Technology (Shanghai) Co., Ltd.	Equity-method investments	-	RMB 354 thousand	100	RMB 354 thousand	Note 1
	廣發貨幣 B 基金	-	Available-for-sale financial assets	7,010	RMB 7,037 thousand	-	RMB 7,037 thousand	Note 5
Wei-Young Investment Inc.	<u>Stock</u> Uniwill Co., Ltd.	-	Available-for-sale financial assets	508	\$ 3,484	-	\$ 3,484	Note 3
	Sunnex Technology Co., Ltd.	Equity-method investee	Equity-method investments	18	327	-	161	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	108	1,788	-	1,869	Note 1
Generalplus Technology Inc.	<u>Stock</u> Generalplus International (Samoa) Inc.	Subsidiary of Generalplus Technology Inc.	Equity-method investments	7,590	109,846	100	109,846	Note 1
	<u>Fund</u> ING Taiwan Money Market Fund	-	Available-for-sale financial assets	4,014	63,062	-	63,062	Note 5
	Fuh Hwa Money Market Fund	-	Available-for-sale financial assets	3,018	42,037	-	42,037	Note 5
	Drudential Emerging Markets Fund	-	Available-for-sale financial assets	4,993	47,878	-	47,878	Note 5
	Dolaris De-Li Money Market Securities Investment Trust Fund	-	Available-for-sale financial assets	1,983	31,132	-	31,132	Note 5

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2011				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Generalplus International (Samoa) Inc.	<u>Stock</u> Generalplus (Mauritius) Inc.	Subsidiary of Generalplus International (Samoa) Inc.	Equity-method investments	7,590	US\$ 3,604 thousand	100	US\$ 3,604 thousand	Note 1
Generalplus (Mauritius) Inc.	<u>Stock</u> Generalplus Technology (Shenzhen) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	7,200	US\$ 3,406 thousand	100	US\$ 3,406 thousand	Note 1
	Generalplus Technology (Hong Kong) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	390	US\$ 198 thousand	100	US\$ 198 thousand	Note 1
Sunext Technology Co., Ltd.	<u>Stock</u> Great Sun Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	750	\$ 13,200	100	\$ 13,200	Note 1
	Great Prosperous Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	1,800	7,647	100	7,647	Note 1
	<u>Fund</u> ING Taiwan Money Market Fund	-	Available-for-sale financial assets	1,913	30,056	-	30,056	Note 5
	Cathay Taiwan Money Market Fund	-	Available-for-sale financial assets	4,162	50,077	-	50,077	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	3,286	50,077	-	50,077	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	3,405	50,085	-	50,085	Note 5
	Yuanta Wan Tai Bond Fund	-	Available-for-sale financial assets	5,222	76,131	-	76,131	Note 5
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	2,465	32,059	-	32,059	Note 5
	Great Sun Corp.	<u>Stock</u> Sunext (Mauritius) Inc.	Subsidiary of Great Sun Corp.	Equity-method investments	750	US\$ 33 thousand	100	US\$ 33 thousand
Sunext (Mauritius) Inc.	<u>Stock</u> Sunext Technology (Shanghai)	Subsidiary of Sunext (Mauritius) Inc.	Equity-method investments	-	US\$ 33 thousand	100	US\$ 33 thousand	Note 1
Sunplus mMobile Inc.	Sunplus mMobile SAS	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	237	37,843	100	37,843	Note 1
	Sunplus mMobile Holding Inc.	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	2,580	(3)	100	(3)	Notes 1 and 6
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 Innovation Technology Inc.	<u>Fund</u> Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,636	70,644	-	70,644	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	6,023	88,603	-	88,603	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	14	199	-	199	Note 5
	<u>Stock</u> Advanced Silicon SA	-	Financial assets carried at cost	1,000	30,179	12	30,179	Note 2
	Advanced NuMicro Systems, Inc.	-	Financial assets carried at cost	2,000	15,993	9	15,993	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2011				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus mMedia Inc.	Fund Allianz Global Investors Bond Fund	-	Financial assets carried at cost	2,501	\$ 30,066	-	\$ 30,066	Note 5
iCatch Technology, Inc.	Fund Allianz Global Investors Bond Fund	-	Available-for-sale financial assets	1,663	20,000	-	20,000	Note 5

Note 1: The net asset value was based on unreviewed financial data as of September 30, 2011.

Note 2: The market value is based on carrying value as of September 30, 2011.

Note 3: The market value is based on the closing price as of September 30, 2011.

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, 2011.

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

Note 7: Includes deferred credit of \$1,170 thousand.

Note 8: Includes deferred credit of \$81,988 thousand.

Note 9: Includes deferred credit of \$3,840 thousand.

Note 10: As of September 30, 2011, 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 \$41,798 thousand had not been pledged or mortgaged.

Note 11: 6,817 thousand shares acquired through private subscription not allowed to be transacted freely in public market, and the fair values are determined through valuation techniques.

(Concluded)

TABLE 4

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, 2011
(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	Orise Technology Co., Ltd.	Equity-method investments	51,290	\$ 1,034,446 (Note 3)	-	\$ -	4,000	\$ 252,740	\$ 82,467	\$ 176,171 (Note 4)	47,290	\$ 867,278 (Note 5)
	HT mMobile Inc.	Equity-method investments	37,261	29,790	19,187	211,060	-	-	-	-	56,448	\$ (45,260) (Note 5)
	Taishin Bond Fund	Available-for-sale financial assets	12,383	132,086 (Note 2)	9,363	100,000	7,028	75,000	74,613	387	14,717	157,692 (Note 1)
	FSITC Bond Fund	Available-for-sale financial assets	1,170	200,000 (Note 2)	-	-	935	160,000	159,917	83	234	40,262 (Note 1)
	Mega Diamond	Available-for-sale financial assets	15,096	180,888 (Note 2)	12,493	150,000	19,263	231,071	230,000	1,071	8,326	100,262 (Note 1)
	Cathay Bond Fund	Available-for-sale financial assets	4,182	50,130 (Note 2)	8,332	100,000	-	-	-	-	12,514	150,576 (Note 1)
Generalplus Technology Inc.	Polaris De-Li Market Securities Investment Trust	Available-for-sale financial assets	-	-	11,479	180,000	9,496	149,000	148,910	90	1,983	31,132 (Note 1)
	PCA Wea Poll Bond Fund	Available-for-sale financial assets	-	-	12,861	168,000	12,861	168,106	168,000	106	-	-
	Yuanta Wan Tai Money Market	Available-for-sale financial assets	-	-	11,887	173,000	11,887	173,084	173,000	84	-	-
	Fuh-Hwa Bond Fund	Available-for-sale financial assets	-	-	8,055	112,000	5,037	70,064	69,996	68	3,018	42,037 (Note 1)
	Polaris Bond Fund	Available-for-sale financial assets	-	-	10,492	121,000	10,492	121,139	121,000	139	-	-
iCatch Technology, Inc.	Allianze Global Investors Bonds Fund	Available-for-sale financial assets	-	-	8,317	100,000	5,817	70,000	69,934	66	2,501	30,066 (Note 1)

Note 1: The ending balance includes the valuation gains on financial assets.

Note 2: The beginning balance includes the valuation gains on financial assets.

Note 3: The carrying value of the equity-method investment as of December 31, 2010.

Note 4: Includes a gain on disposal of investments classified under capital surplus.

Note 5: The carrying value of the equity-method investment as of September 30, 2011.

SUNPLUS TECHNOLOGY COMPANY LIMITED

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
 SEPTEMBER 30, 2011

(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			
Generalplus Technology Inc.	Building Inc.	2011.07.28	\$ 258,000	\$ 255,249	-	AIPTEK International Inc.	-	-	-	\$ -			-

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITED

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
NINE MONTHS ENDED SEPTEMBER 30, 2011
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2010			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note	
				September 30, 2011	December 31, 2010	Shares (Thousands)	Percentage of Ownership	Carrying Value				
Sunplus Technology Company Limited	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	\$ 536,298	\$ 581,661	47,290	34	\$ 867,278	\$ 124,708	\$ 45,692	Investee	
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	307,565	307,565	12,441	83	57,228	15,384	40,089	Subsidiary	
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	803,098	4,523	4,523	Subsidiary	
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	782,470	69,316	69,316	Subsidiary	
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	305,050	305,050	38,731	40	673,574	193,523	77,121	Subsidiary	
	Ventureplus Group Inc.	Belize	Investment	US\$ 42,500	US\$ 41,900	42,500	100	1,036,200	(61,354)	(61,354)	Subsidiary	
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	US\$ 14,760	US\$ 14,760	14,760	100	407,954	(486)	(486)	Subsidiary	
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	30,986	64	573,661	43,038	29,130	Subsidiary	
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	924,730	38,836	61	481,951	(97,581)	(59,672)	Subsidiary	
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	195,285	195,285	11,206	70	(136,215)	(114,609)	(84,944)	Subsidiary	
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	-	-	-	-	-	-	-	Subsidiary	
	Global Techplus Capital Inc.	Seychelles	Investment	US\$ 200	US\$ 200	200	100	6,984	(23)	(23)	Subsidiary	
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	6,510	164	164	Subsidiary	
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	HK\$ 11,075	HK\$ 11,075	11,075	100	4,580	388	388	Subsidiary	
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,166	54	54	Subsidiary	
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	583,668	372,608	56,448	32	(45,260)	(569,842)	(165,752)	Investee	
	iCatch Technology. Ltd.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	206,713	(41,137)	(41,137)	Subsidiary	
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,707,392	1,707,392	20,091	99	(676,934)	(85,129)	(85,095)	Subsidiary	
	Magic Sky Limited	Samoa	Investment	US\$ 6,000	US\$ 6,000	6,000	100	150,551	(30,870)	(30,870)	Subsidiary	
	Lin Shih Investment Co., Ltd.	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	30,055	(97,581)	(5,158)	Subsidiary
		Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	36,896	36,800	2,308	15	(11,992)	(114,609)	(9,319)	Subsidiary
		Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,450	38,450	8	-	52,884	(85,129)	(34)	Subsidiary
		Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,171	19,171	579	4	10,833	15,384	594	Subsidiary
Sunplus Innovation Technology Inc.		Hsinchu, Taiwan	Design of ICs	15,701	14,073	1,059	2	17,135	43,038	862	Subsidiary	
HT mMobile Inc.		Hsinchu, Taiwan	Design of ICs	46,948	46,948	4,695	3	9,408	(569,842)	(16,484)	Investee	
i Catch Technology Inc.		Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,616	(41,137)	(714)	Subsidiary	
Generalplus Technology Inc.		Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	15	258,291	193,523	29,702	Subsidiary	
Sunext Technology Co., Ltd.		Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	39,577	(97,581)	(6,802)	Subsidiary	
Han Young Technology Co., Ltd.		Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary	
Sunplus Innovation Technology Inc.		Hsinchu, Taiwan	Design of ICs	47,223	45,597	2,559	5	47,489	43,038	2,011	Subsidiary	
HT mMobile Inc.		Hsinchu, Taiwan	Design of ICs	100,204	204	9,111	5	83,508	(569,842)	(16,534)	Investee	
i Catch Technology Inc.		Hsinchu, Taiwan	Design of ICs	31,818	31,818	3,182	6	31,721	(41,137)	(2,357)	Subsidiary	
Orise Technology Co, Ltd.		Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	15,357	124,708	805	Investee	
Sunplus Core Technology Co., Ltd.		Hsinchu, Taiwan	Design of ICs	33,846	33,846	1,885	12	(12,520)	(114,609)	(7,873)	Subsidiary	
Generalplus Technology Inc.		Hsinchu, Taiwan	Design of ICs	55,522	44,606	4,277	4	86,790	193,523	8,025	Subsidiary	
Sunplus mMobile Inc.		Hsinchu, Taiwan	Design of ICs	1,784	1,784	-	-	2,261	(85,129)	-	Subsidiary	
Sunplus mMedia Inc.		Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	13	18,620	15,384	1,958	Subsidiary	
Russell Holdings Limited		Jet Focus Limited	Cayman Islands, British West Indies	Investment	US\$ 6,050	US\$ 6,050	4,794	44	US\$ (350)	US\$ -	US\$ -	Investee
		Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	US\$ 2,119	US\$ 2,119	442	1	US\$ 2,226	\$ (97,581)	US\$ (33)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2010			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2011	December 31, 2010	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Global Techplus Capital Inc.	Techplus Capital Samoa Inc.	Samoa	Investment	US\$ - thousand	US\$ - thousand	-	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary
Wei-Young Investment Inc.	Generalplus Technology Inc. Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	1,800	1,800	108	-	1,788	193,523	215	Subsidiary
		Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	327	(97,581)	(28)	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	US\$ 42,500 thousand	US\$ 41,900 thousand	42,500	100	US\$ 34,004 thousand	US\$ (2,108) thousand	US\$ (2,108) thousand	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	US\$ 42,500 thousand	US\$ 41,900 thousand	42,500	100	US\$ 34,007 thousand	US\$ (2,108) thousand	US\$ (2,108) thousand	Subsidiary
Ventureplus Cayman Inc.	Sunplus Technology (Shanghai) Co., Ltd. ShenZhen Suntop Technology Co., Ltd. Sunplus Prof-tek Technology (Shenzhen) Co., Ltd. SunMedia Technology Co., Ltd. Sunplus App Technology Co., Ltd. Ytrip Technology Co., Ltd.	Shanghai, China	Manufacture and sale of ICs.	US\$ 17,000 thousand	US\$ 17,000 thousand	-	99	US\$ 13,905 thousand	US\$ 710 thousand	US\$ 702 thousand	Subsidiary
		ShenZhen, China	Design of Software and hardware	RMB 2,000 thousand	RMB - thousand	-	100	RMB 354 thousand	RMB (1,646) thousand	RMB (1,646) thousand	Subsidiary
		ShenZhen, China	Research, development, manufacture and sale of ICs.	US\$ 4,250 thousand	US\$ 4,250 thousand	-	100	US\$ 1,465 thousand	US\$ (1,357) thousand	US\$ (1,357) thousand	Subsidiary
		Chengdu, China	Research, development, manufacture and sale of ICs.	US\$ 20,000 thousand	US\$ 20,000 thousand	-	100	US\$ 18,010 thousand	US\$ (1,211) thousand	US\$ (1,211) thousand	Subsidiary
		Beijing, China	Research, development, manufacture and sale of ICs.	US\$ 586 thousand	US\$ 586 thousand	-	80	US\$ 293 thousand	US\$ 16 thousand	US\$ 13 thousand	Subsidiary
		Chengdu, china	Research, development, manufacture and sale of ICs.	US\$ 600 thousand	US\$ - thousand	-	70	US\$ 274 thousand	US\$ (363) thousand	US\$ (254) thousand	Subsidiary
Sunext Technology Co., Ltd.	Great Sun Corp. Great Prosperous Corp.	Samoa	Investment	US\$ 750 thousand	US\$ 750 thousand	750	100	\$ 13,200	\$ 2,343	\$ 2,343	Subsidiary
		Mauritius	Investment	US\$ 1,800 thousand	US\$ 1,500 thousand	1,800	100	7,647	(11,517)	(11,517)	Subsidiary
Great Sun Corp.	Sunext (Mauritius) Inc.	Mauritius	Investment	US\$ 750 thousand	US\$ 750 thousand	750	100	US\$ 33 thousand	US\$ (76) thousand	US\$ (76) thousand	Subsidiary
Sunext (Mauritius) Inc.	Sunext Technology (Shanghai) Co., Ltd.	Shanghai, China	Design of software	US\$ 750 thousand	US\$ 750 thousand	-	100	US\$ 33 thousand	US\$ (76) thousand	US\$ (76) thousand	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	US\$ 7,590 thousand	US\$ 7,590 thousand	7,590	100	109,846	7,468	7,468	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	US\$ 7,590 thousand	US\$ 7,590 Thousand	7,590	100	US\$ 3,604 thousand	US\$ 257 thousand	US\$ 257 thousand	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co., Ltd. Generalplus Technology (Hong Kong) Co., Ltd.	Shenzhen, China	After-sales service	US\$ 7,200 thousand	US\$ 7,200 thousand	7,200	100	US\$ 3,406 thousand	US\$ 289 thousand	US\$ 289 thousand	Subsidiary
		Hong Kong	Sales	US\$ 390 thousand	US\$ 390 thousand	390	100	US\$ 198 thousand	US\$ (32) thousand	US\$ (32) thousand	Subsidiary
Sunplus mMobile Inc.	Sunplus mMobile SAS Sunplus mMobile Holding Inc.	France	Design of ICs	EUR 237 thousand	EUR 237 thousand	237	100	37,843	4,357	4,357	Subsidiary
		Samoa	Investment	US\$ 2,580 thousand	US\$ 2,580 thousand	2,580	100	(3)	-	-	Subsidiary
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Mauritius	Research and development of intellectual property rights	US\$ 2,580 thousand	US\$ 2,580 thousand	2,580	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary

(Concluded)

TABLE 7

SUNPLUS TECHNOLOGY COMPANY LIMITED

INVESTMENT IN MAINLAND CHINA

NINE MONTHS ENDED SEPTEMBER 30, 2011

(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, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2011	% Ownership of Direct or Indirect Investment	Investment Loss	Carrying Value as of September 30, 2011	Accumulated Inward Remittance of Earnings as of September 30, 2011
					Outflow	Inflow					
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	US\$ 17,200 thousand	Note	US\$ 17,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 17,000 thousand	99%	US\$ 702 thousand	US\$ 13,905 thousand	US\$ - thousand
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software; system integration services	US\$ 4,250 thousand	Note	US\$ 4,250 thousand	US\$ - thousand	US\$ - thousand	US\$ 4,250 thousand	100%	US\$ (1,357) thousand	US\$ 1,465 Thousand	US\$ - thousand
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services	US\$ 20,000 thousand	Note	US\$ 20,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 200,000 thousand	100%	US\$ (1,211) Thousand	US\$ 18,010 Thousand	US\$ - thousand
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	RMB 5,000 thousand	Note	US\$ 586 thousand	US\$ - thousand	US\$ - thousand	US\$ 586 thousand	80%	US\$ 13 thousand	US\$ 293 thousand	US\$ - thousand
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services	US\$ 4,844 thousand	Note	US\$ - thousand	US\$ 600 thousand	US\$ - thousand	US\$ 600 thousand	70%	US\$ (254) thousand	US\$ 274 thousand	US\$ - thousand
Accumulated Investment in Mainland China as of September 30, 2011		Investment Amount Authorized by Investment Commission, MOEA		Upper Limit on Investment							
US\$42,436 thousand		US\$256,550 thousand		\$6,340,936							

Note: The Company invested indirectly in a company located in Mainland China by investing in a company in a third country.