Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2013 and 2012 and Independent Accountants' Review Report

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2013 and 2012. These consolidated 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 Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As disclosed in Note 4(4), the financial statements of the non-major subsidiaries included in the consolidated financial statements were based on the investees' unreviewed financial statements. The total assets of these subsidiaries as of March 31, 2013 and 2012 were NT$5,886,281 thousand and NT$5,982,780 thousand, respectively accounting for 41% and 40%, respectively, of the total consolidated assets, and the total liabilities were NT$1,666,075 thousand and NT$1,329,521 thousand, respectively, accounting for 40% and 31%, respectively, of the total consolidated liabilities. For the three months ended March 31, 2013 and 2012, the total comprehensive loss of NT$46,264 thousand and total comprehensive income of NT$38,708 thousand, respectively, were 253% and 66%, respectively, of the total consolidated comprehensive income. And as disclosed in Note 13 to the consolidated financial statements, the carrying values of equity-method investments as of March 31, 2013 and 2012 were NT$1,808,788 thousand and NT$886,528 thousand, respectively. For the three months ended March 31, 2013 and 2012, the related investment results were a net loss of NT$26,954 thousand and NT$3,500 thousand, respectively. These investment amounts and other investee information disclosed in Note 37 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 consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries referred to the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Financial Reporting 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

May 14, 2013

<u>*Notice to Readers*</u>

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2013 AND 2012, DECEMBER 31, 2012 AND JANUARY 1, 2012
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

	March 31, 2013		December 31, 2012		March 31, 2012		January 1, 2012	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS								
Cash and cash equivalents (Notes 4 and 6)	$ 4,363,141	30	$ 4,492,896	31	$ 5,196,863	35	$ 4,775,205	34
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	14,403	-	-	-	21,955	-	44,644	-
Available-for-sale financial assets - current (Notes 4 and 8)	1,062,416	7	1,076,456	7	1,067,250	7	1,055,235	7
Debt investments with no active market - current (Notes 4 and 9)	14,520	-	14,520	-	-	-	-	-
Notes and trade receivables, net (Notes 4, 5, 11 and 33)	1,150,989	8	1,395,122	9	1,322,383	9	1,340,635	10
Other receivables (Note 33)	85,730	1	91,313	1	132,049	1	125,413	1
Inventories (Notes 4, 5 and 12)	1,542,917	11	1,722,048	12	1,200,309	8	1,062,945	8
Other current assets (Notes 17 and 34)	247,799	2	249,749	2	334,760	2	308,128	2
Total current assets	8,481,915	59	9,042,104	62	9,275,569	62	8,712,205	62
NONCURRENT ASSETS								
Available-for-sale financial assets - noncurrent (Notes 4 and 8)	633,937	4	632,573	4	1,419,675	9	1,126,099	8
Financial assets carried at cost (Notes 4 and 10)	223,893	1	216,080	2	349,080	2	353,037	2
Investments accounted for using the equity method (Notes 4, 13 and 34)	1,808,788	13	1,635,793	11	886,528	6	882,881	6
Property, plant and equipment (Notes 4, 5 , 14 and 34)	2,150,640	15	1,943,786	13	1,802,761	12	1,702,205	12
Investment properties (Notes 4, 5 and 15)	247,273	2	274,841	2	263,189	2	265,457	2
Intangible assets (Notes 4, 5 and 16)	408,201	3	442,646	3	637,185	4	662,274	5
Deferred tax assets (Notes 4, 5 and 26)	92,834	1	125,975	1	247,814	2	255,715	2
Other noncurrent assets(Note 17, 30 and 34)	241,728	2	249,632	2	102,961	1	142,744	1
Total non-current assets	5,807,294	41	5,521,326	38	5,709,193	38	5,390,412	38
TOTAL	$ 14,289,209	100	$ 14,563,430	100	$ 14,984,762	100	$ 14,102,617	100

	March 31, 2013		December 31, 2012		March 31, 2012		January 1, 2012	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES								
Short-term bank borrowings (Notes 4 and 18)	$ 328,443	2	$ 485,991	3	$ 567,878	4	$ 943,612	7
Trade payables (Note 19)	813,864	6	758,909	5	1,002,874	6	767,878	5
Current tax liabilities (Notes 4 and 26)	133,493	1	160,428	1	421,000	3	437,553	3
Provisions - current (Notes 4, 5 and 20)	16,407	-	23,028	-	9,077	-	9,059	-
Current portion of long-term bank loans (Notes 4, 18 and 34)	741,198	5	496,806	4	122,444	1	265,000	2
Other current liabilities (Notes 21 and 33)	591,812	4	772,290	5	455,257	3	661,984	5
Total current liabilities	2,625,217	18	2,697,452	18	2,578,530	17	3,085,086	22
NON-CURRENT LIABILITIES								
Long-term bank loans (Notes 4, 18 and 34)	1,172,307	8	1,368,398	10	1,345,556	9	-	-
Accrued pension liabilities (Notes 4 and 22)	163,742	1	164,040	1	129,563	1	130,251	1
Guarantee deposits(Note 30)	201,593	2	198,513	1	239,984	2	256,016	2
Other noncurrent liabilities (Notes 4 and 21)	5,545	-	7,210	-	6,390	-	6,104	-
Total non-current liabilities	1,543,187	11	1,738,161	12	1,721,493	12	392,371	3
Total liabilities	4,168,404	29	4,435,613	30	4,300,023	29	3,477,457	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
Share capital (Notes 23)								
Ordinary shares	5,969,099	42	5,969,099	41	5,969,099	40	5,969,099	42
Capital surplus(Notes 4, 23 and 28)	937,764	6	939,124	6	937,866	6	937,866	7
Retained earnings (Notes 23)								
Legal reserve	2,426,181	17	2,426,181	17	2,450,003	17	2,450,003	18
Special reserve	191,229	1	191,229	1	191,229	1	191,229	1
Unappropriated earnings (accumulated deficits)	(947,340)	(6)	(903,390)	(6)	(131,344)	(1)	38,475	-
Total retained earnings	1,670,070	12	1,714,020	12	2,509,888	17	2,679,707	19
Other equity (Note 23)	165,498	1	103,648	1	(132,372)	(1)	(389,877)	(3)
Treasury shares (Notes 4, 23 and 24)	(155,236)	(1)	(155,236)	(1)	(155,236)	(1)	(155,236)	(1)
Total equity attributable to owners of the company	8,587,195	60	8,570,655	59	9,129,245	61	9,041,559	64
NONCONTROLLING INTERESTS (Notes 4 and 23)	1,533,610	11	1,557,162	11	1,555,494	10	1,583,601	11
Total equity	10,120,805	71	10,127,817	70	10,684,739	71	10,625,160	75
TOTAL	$ 14,289,209	100	$ 14,563,430	100	$ 14,984,762	100	$ 14,102,617	100

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

(With Deloitte & Touche review report dated May 14, 2013)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2013		2012	
	Amount	%	Amount	%
NET SALES(Note 4 and 24)	$ 1,751,874	100	$ 1,787,597	100
COSTS OF SALES (Notes 12 ,22 and 25)	1,057,417	60	1,090,064	61
GROSS PROFIT	694,457	40	697,533	39
OPERATING EXPENSES(Notes 22 ,25 and 33)				
Selling and marketing	96,589	6	91,481	5
General and administrative	129,721	7	144,161	8
Research and development	561,196	32	654,605	37
Total operating expenses	787,506	45	890,247	50
OTHER REVENUE AND EXPENSE(Note 4)	6,520	-	(54)	-
LOSS FROM OPERATIONS	(86,529)	(5)	(192,768)	(11)
NONOPERATING INCOME AND EXPENSES(Note 25, 29 and 33)				
Other income	27,705	2	15,893	1
Other gains and losses	55,798	3	(15,785)	(1)
Financial costs	(9,857)	(1)	(5,062)	-
Share of profit or loss of associates and joint ventures	(26,954)	(1)	3,500	-
Total non-operating income and expenses	46,692	3	(1,454)	-
LOSS BEFORE INCOME TAX	(39,837)	(2)	(194,222)	(11)
INCOME TAX EXPENSE (Notes 4 and 26)	6,871	1	5,424	-
NET LOSS FOR THE PERIOD	(46,708)	(3)	(199,646)	(11)
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations (Notes 4 and 23)	52,097	3	(38,952)	(2)
Unrealized gain (loss) on available-for-sale financial assets (Notes 4 and 23)	12,907	1	297,421	16

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2013		2012	
	Amount	%	Amount	%
Other comprehensive income for the period, net of income tax	65,004	4	258,469	14
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	$ 18,296	1	$ 58,823	3
NET LOSS ATTRIBUTABLE TO:				
Owner of the Company	(43,950)	(3)	(169,819)	(9)
Noncontrolling interests	(2,758)	-	(29,827)	(2)
	$ (46,708)	(3)	$ (199,646)	(11)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	17,900	1	87,686	5
Noncontrolling interests	396	-	(28,863)	(2)
	$ 18,296	1	$ 58,823	3
LOSS PER SHARE(New Taiwan dollars;Note 27)				
Basic	$ (0.07)		$ (0.29)	
Diluted	$ (0.07)		$ (0.29)	

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

(With Deloitte & Touche review report dated May 14, 2013)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company										
			Retained Earnings (Note 23)			Other Equity (Notes 4 and 23)					
	Share Capital (Note 23)	Capital Surplus (Notes 4, 23 and 28)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale financial assets	Treasury Shares (Notes 4, 23 and 34)	Total	Non-cotrolling Interests (Notes 4 and 23)	Total Equity
BALANCE, JANUARY 1, 2012	$ 5,969,099	$ 937,866	$ 2,450,003	$ 191,229	$ 38,475	$ -	$ (389,877)	$ (155,236)	$ 9,041,559	$ 1,583,601	$ 10,625,160
Net loss for the three months ended March 31, 2012	-	-	-	-	(169,819)	-	-	-	(169,819)	(29,827)	(199,646)
Other comprehensive income (loss) for the three months ended March 31, 2012, net of income tax	-	-	-	-	-	(38,853)	296,358	-	257,505	964	258,469
Total comprehensive income (loss) for the three months ended March 31, 2012	-	-	-	-	(169,819)	(38,853)	296,358	-	87,686	(28,863)	58,823
Increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	756	756
BALANCE, MARCH 31, 2012	$ 5,969,099	$ 937,866	$ 2,450,003	$ 191,229	$ (131,344)	$ (38,853)	$ (93,519)	$ (155,236)	$ 9,129,245	$ 1,555,494	$ 10,684,739
BALANCE, JANUARY 1, 2013	$ 5,969,099	$ 939,124	$ 2,426,181	$ 191,229	$ (903,390)	$ (84,462)	$ 188,110	$ (155,236)	$ 8,570,655	$ 1,557,162	$ 10,127,817
Changes in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	(1,360)	-	-	-	-	-	-	(1,360)	-	(1,360)
Net loss for the three months ended March 31, 2013	-	-	-	-	(43,950)	-	-	-	(43,950)	(2,758)	(46,708)
Other comprehensive income (loss) for the three months ended March 31, 2013, net of income tax	-	-	-	-	-	49,258	12,592	-	61,850	3,154	65,004
Total comprehensive income (loss) for the three months ended March 31, 2013	-	-	-	-	(43,950)	49,258	12,592	-	17,900	396	18,296
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(23,948)	(23,948)
BALANCE, MARCH 31, 2013	$ 5,969,099	$ 937,764	$ 2,426,181	$ 191,229	$ (947,340)	$ (35,204)	$ 200,702	$ (155,236)	$ 8,587,195	$ 1,533,610	$ 10,120,805

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

(With Deloitte & Touche review report dated May 14, 2013)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2013	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (39,837)	$ (194,222)
Adjustments for:		
Depreciation expenses	52,400	47,268
Amortization expenses	53,522	58,439
Net (gain) loss on fair value change of financial assets designated as at fair value through profit or loss	(354)	1,663
Financial costs	9,857	5,062
Interest income	(9,114)	(9,403)
Share of profit (loss) of associates and joint ventures	26,954	(3,500)
(Gain) loss on disposal of property, plant and equipment	(6,499)	54
Gain on disposal of intangible assets	(21)	-
Gain on disposal of investment	(5,371)	(6,480)
Gain on disposal of subsidiaries	(22,752)	-
Impairment loss recognized on financial assets	1,633	-
Gain on reversal of impairment loss on financial assets	(3,737)	-
Unrealized gain on the transactions with associates and joint ventures	1,476	-
Realized gain on the transactions with associates and joint ventures	(150)	(150)
Net (gain) loss on foreign currency exchange	(1,950)	518
Amortization of prepaid lease payments	179	180
Changes in operating assets and liabilities:		
(Increase)Decrease in financial assets held for trading	(14,049)	21,995
Decrease in trade receivables	233,878	20,900
Decrease (Increase) in other receivables	8,626	(6,636)
Decrease (Increase) in inventories	179,131	(137,364)
Decrease (Increase) in other current assets	2,047	(26,171)
Increase in trade payables	60,346	233,185
(Decrease) increase in provisions	(6,621)	18
Decrease in other current liabilities	(175,181)	(209,087)
Decrease in pension liabilities	(298)	(688)
Cash generated from operations	344,115	(204,419)
Interest received	9,808	8,931
Interest paid	(11,422)	(5,532)
Income tax paid	(665)	(16,553)
Net cash generated from (used in) operating activities	341,836	(217,573)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(239,175)	(480,435)
Proceeds of the sale of available-for-sale financial assets	280,010	475,449

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2013	2012
Purchase of financial assets measured at cost	$ -	$ (14,849)
Proceeds of the sale of financial assets measured at cost	1,398	-
Acquisition of associates/joint ventures	(195,899)	-
Net cash inflow on disposal of subsidiaries	13,653	-
Payments for property, plant and equipment	(191,629)	(153,052)
Proceeds of the disposal of property, plant and equipment	7,577	-
Decrease in refundable deposits	625	8,087
Payments for intangible assets	(20,596)	(44,250)
Proceeds of the disposal of intangible assets	291	-
(Increase) decrease in other assets	(40)	55
(Increase) decrease in prepayments for equipments	(101)	44,712
Net cash used in investing activities	(343,886)	(164,283)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(158,060)	(375,913)
Proceeds of long-term borrowings	150,641	1,658,000
Repayments of long-term borrowings	(107,778)	(455,000)
Proceeds of guarantee deposits received	3,080	-
Refund of guarantee deposits received	-	(15,901)
(Decrease) Increase in non-controlling interests	(23,948)	756
Net cash (used in) generated from investing activities	(136,065)	811,942
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	8,360	(8,428)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(129,755)	421,658
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,492,896	4,775,205
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 4,363,141	$ 5,196,863

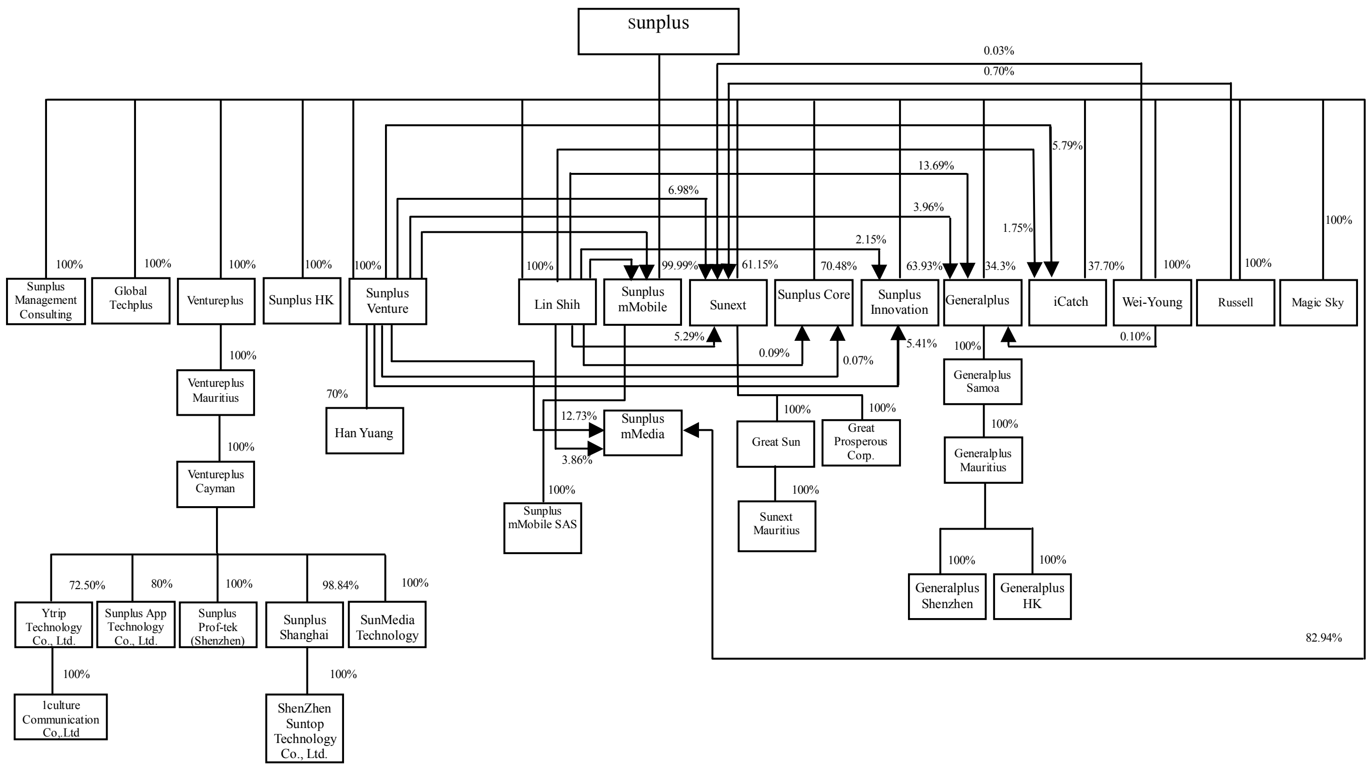
The accompanying notes are an integral part of the condsolidated financial statements.

(With Deloitte & Touche review report dated May 14, 2013)

1. ORGANIZATION AND OPERATIONS

Sunplus Technology Company Limited (the “Company”) was established in August 1990. It researches, develops, designs, tests and sells high quality, high value-added consumer integrated circuits (ICs). Its products are based on core technologies in such areas as multimedia audio/video, single-chip microcontrollers and digital signal processors. These technologies are used to develop hundreds of products including various ICs: liquid crystal display, microcontroller, multimedia, voice/music, and application-specific. Sunplus’ shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depositary receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 23).

Following is a diagram of the relationship and ownership percentages between Sunplus and its investees (collectively, the “Group”) as of March 31, 2012:



Sunplus mMobile, iCatch, Sunplus mMedia, Sunplus Innovation and Sunplus mMobile SAS research, develop, design, manufacture and sell all kinds of IC modules, application software and silicon intellectual property (SIP). Sunplus Technology (Shanghai) manufactures and sells ICs and building rental. Sunplus Prof-tek (Shenzhen) and SunMedia Technology researches and sells computer software and provides system integration services. Sunplus App Technology Co., Ltd. manufacture and sell ICs. Ytrip Technology mainly does system services and manages web business. 1culture Communication Co,. Ltd mainly do web business develop. Shenzhen Suntop Technology researches software and hardware. Han Young mainly do information supply services, researches and sells ICs. Sunext mainly develops, and sells optical electronic and SOC (system on chip) ICs. Sunplus Core researches, develops, designs, manufactures and sells multimedia ICs. Sunext Technology (Shanghai) researches, designs, manufactures, and sells large-capacity magnetic disc and software and renders related technological consulting services. Generalplus researches, develops, designs, manufactures, and sells custom-made ICs. Generalplus Shenzhen and Generalplus HK do market research surveys. Sunplus HK engages in international trade. Bright Sunplus mMobile researches and develops intellectual property rights. Great Prosperous Corp. engages in investing activities and collects information on foreign techniques and marketing. All other subsidiaries are engaged in investing activities.

2. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved by the board of directors and authorized for issue on May 14, 2013.

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

The Company and its entire controlled subsidiaries (the “Group”) have not applied the following IFRSs that have been issued by the IASB.

As of the date that the condensed consolidated financial statements were approved and authorized for issue, the Financial Supervisory Commission (FSC) has not announced the effective dates for the following new and revised Standards, Amendments and Interpretations:

New, Revised Standards, Amendments and Interpretations		Effective Date Announced by IASB (Note)
Endorsed by the FSC		
Amendments to IFRSs	Improvements to IFRSs 2009 - Amendment to IAS 39	January 1,2009 or January 1,2010
IFRS 9 (2009)	Financial Instruments	January 1,2015
Amendment to IAS 39	Embedded Derivatives	Effective fiscal year beginning on or after June 30, 2009
Not endorsed by the FSC		
Amendments to IFRSs	Improvements to IFRSs 2010 - Amendment to IAS 39	July 1, 2010 or January 1, 2011
IAmendments to IFRSs	Annual Improvements to IFRSs 2009 – 2011 Cycle	July 1, 2013

(Continued)

New, Revised Standards, Amendments and Interpretations		Effective Date Announced by IASB (Note)
Amendments to IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010
Amendments to IFRS 1	Government Loans	January 1, 2013
Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011
Amendment to IFRS 7	Disclosures-offsetting Financial Assets and Financial Liabilities	January 1, 2013
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date and Transition Disclosure	January 1, 2015
Amendment to IFRS 7	Disclosures - Transfers of Financial Assets	July 1, 2011
Amendment to IFRS 9	Financial Instruments	January 1, 2015
Amendment to IFRS 10	Consolidated Financial Statements	January 1, 2013
Amendment to IFRS 11	Joint Arrangements	January 1, 2013
Amendment to IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013
Amendments to IFRS 10, IFRS 12 and IFRS 27	Investment Entities	January 1, 2014
Amendment to IFRS 13	Fair Value Measurement	January 1, 2013
Amendment to IAS 1	Presentation of Items of Other Comprehensive Income	July 1, 2012
Amendment to IAS 12	Deferred Tax: Recovery of Underlying Assets	January 1, 2012
Amendment to IAS 19	Employee Benefits	January 1, 2013
Amendment to IAS 27	Separate Financial Statements	January 1, 2013
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2013
Amendment to IAS 32	Offsetting of Financial Assets and Financial Liabilities	January 1, 2014
Amendment to IFRIC 20	Stripping Costs in the Production Phase of A Surface Mine	January 1, 2013

(Concluded)

Note: Unless otherwise noted, the above new and revised Standards, Amendments and Interpretations are effective for annual periods beginning on or after the respective effective dates.

Except for the following, the initial application of the above new and revised Standards, Amendments and Interpretations had not had any material impact on the Group's accounting policies:

a. IFRS 9, "Financial Instruments"

Under IFRS 9, all recognized financial assets currently in the scope of IAS 39, "Financial Instruments: Recognition and Measurement," will be subsequently measured at either the amortized cost or the fair value. If the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows which are solely for payments of principal and interest on the principal amount outstanding, such assets are measured at the amortized cost. All other financial assets must be measured at the fair value through profit or loss as of the balance sheet date.

b. IFRS 12, "Disclosure of Interests in Other Entities"

IFRS 12 is a standard that requires a broader disclosure in an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated entities. The objective of IFRS 12 is to specify the disclosure information provided by the entity that enables the users of financial statements in evaluating the nature of, and risks associated with, its interests in other entities and the effects of those interests on the entity's financial assets and liabilities, as well as the involvement of the owners of no controlling interests towards the entity. The Group expects the application of IFRS 12 will result in more extensive disclosures of interests in other entities in the financial statements.

c. IFRS 13, "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements.

d. Amendments to IAS 1, "Presentation of Items of Other Comprehensive Income"

The amendments to IAS 1 introduce a new disclosure terminology for other comprehensive income, which require additional disclosures in other comprehensive income. The items of other comprehensive income will be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. In addition, income tax on items of other comprehensive income is also required to be allocated on the same basis. The Group expects the aforementioned amendments will change the Group's presentation on the statement of comprehensive income.

e. Amendments to IAS 19, "Employee Benefits"

The amendments to IAS 19 change the accounting for defined benefit plans, which require the Company to recognize changes in defined benefit obligations or assets, to disclose the components of the defined benefit costs, to eliminate the corridor approach and to accelerate the recognition of past service cost. According to the amendments, all actuarial gains and losses will be recognized immediately through other comprehensive income; the past service cost, on the other hand, will be expensed immediately when it incurs and no longer be amortized over the average period before vested on a straight-line basis. In addition, the amendment also requires a broader disclosure in defined benefit plans.

f. Amendments to IAS 28, "Investments in Associates"

The amendments to IAS 28 indicate that the Group should use the equity method if the investment is that in a major associate in which the Group has significant influence on the investee's financial and operating policy decisions. Potential voting rights are a factor to be considered in deciding whether significant influence exists. The unrealized profit or loss resulting from downstream and upstream transactions between the investor and associate should be eliminated to the extent of the Group's interest in the associate. If the date of the equity-method associate's financial report is not the same as that of the investor's, the difference in the reporting dates should not be more than three months. IAS 28 also states the conditions for the exemption from applying the equity method to an investment.

Since the FSC has not yet published the effective dates of the aforementioned new, revised or amended standards or interpretations issued by the IASB, the Company cannot evaluate the impact on its financial position, financial performance and cash flows as a result of the initial adoption.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 14, 2009, the FSC announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their condensed consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations approved by the FSC.
The condensed consolidated financial statements of the Group and its entire controlled subsidiaries are the first IFRS interim financial statements for part of the period covered by its first IFRS financial statements, the condensed consolidated financial statements for 2013. The date of transition to IFRSs was January 1, 2012. Refer to Note 39 for the impact of IFRS conversion on the condensed consolidated financial statements.

Statement of Compliance

The accompany consolidated financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, related laws and regulations, and IFRS 1, "First-time adoption of International Financial Reporting Standards," (IFRS 1) and IAS 34, "Interim Financial Reporting," endorsed by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of Taiwan-IFRS annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The opening balance sheet at the date of transition is prepared with the recognition and measurement required by IFRS 1. According to IFRS 1, the Group is required to apply each effective IFRS retrospectively in its opening balance sheet at the date of transition to Taiwan-IFRSs; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The main optional exemptions the Group adopted are described in Note 39.

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within twelve months after the reporting period, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than twelve months after the reporting period. Property, plant and equipment, intangible assets, other than assets classified as current are classified as non-current. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the reporting period and liabilities that do not have an unconditional right to defer settlement for at least twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue. Liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Basis of Consolidation

<u>The basis for the consolidated financial statements</u>

The consolidated financial statements incorporate the financial statements and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.
All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

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

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

<u>The subsidiaries in the consolidated financial statements</u>

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

			Percentage of Ownership				
Name of Investor	**Name of Investee**	**Main Businesses and Products**	**March 31, 2013**	**December 31, 2012**	**March 31, 2012**	**January 1, 2012**	**Note**
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	100.00	-
	Global Techplus	Investment	100.00	100.00	100.00	100.00	-
	Ventureplus	Investment	100.00	100.00	100.00	100.00	-
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	100.00	-
	Sunplus Venture	Investment	100.00	100.00	100.00	100.00	-
	Lin Shih Investment	Investment	100.00	100.00	100.00	100.00	-
	Sunplus mMobile .	Design of ICs	99.99	99.99	99.99	99.99	-
	Sunext Technology	Design and sale of ICs	61.15	61.15	61.15	61.15	-
	Sunplus Core (S2-TEK INC.)	Design of ICs	-	99.82	99.82	70.48	The investee become jointly controlled operations on January, thus, the investee was not included in the consolidated financial statements.
	Sunplus Innovation Technology	Design of ICs	62.91	62.91	63.89	63.93	-
	Generalplus Technology	Design of ICs	34.30	34.30	34.30	34.32	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	iCatch	Design of ICs	37.70	37.70	37.70	37.70	Sunplus and its subsidiaries had 45.24% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
	Wei-Young Investment Inc.	Investment	100.00	100.00	100.00	100.00	-
	Russell Holdings Limited	Investment	100.00	100.00	100.00	100.00	-
	Magic Sky Limited	Investment	100.00	100.00	100.00	100.00	-
	Sunplus mMedia Inc.	Design of ICs	82.94	82.94	82.94	82.94	-
Global Techplus	Techplus Samoa	Investment	-	-	100.00	100.00	The investee completed liquidation in November 2012; thus it was excluded from the consolidated financial statements.
Ventureplus	Ventureplus Mauritius	Investment	100.00	100.00	100.00	100.00	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012	Note
Ventureplus Mauritius	Ventureplus Cayman	Investment	100.00	100.00	100.00	100.00	-
Ventrueplus Cayman	Ytrip Technology	Web research and development	72.50	72.50	77.76	77.76	-
	Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education.	80.00	80.00	80.00	80.00	-
	Sunplus Prof-tek Technology (Shenzhen)	Development and sale of computer software and system integration services	100.00	100.00	100.00	100.00	-
	Sunplus Technology Technology (Shanghai)	Manufacturing and sale of consumer and rental	98.84	98.84	98.84	98.84	-
	SunMedia Technology	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	100.00	-
Sunplus Technology (Shanghai)	ShenZhen Suntop Technology	Design of software and hardware	100.00	100.00	100.00	100.00	-
Ytrip Technology	1culture Communication	Development and sale	100.00	-	-	-	The investee was built on February 2013
Sunplus Venture	Han Young Technology	Design of ICs	70.00	70.00	70.00	70.00	-
	Sunext Technology Co., Ltd.	Design and sale of ICs	6.98	6.98	6.98	6.98	Sunplus and its subsidiaries had 74.15% equity in Sunext.
	Generalplus Technology Inc.	Design of ICs	3.95	3.95	3.95	3.96	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunplus Core (S2-TEK INC.)	Design of ICs	-	0.07	0.07	11.85	The investee become jointly controlled operations on January, thus, the investee was not included in the consolidated financial statements.
	Sunplus mMobile Inc.	Design of ICs	-	-	-	-	Sunplus and its subsidiaries had 99.99% equity in Sunplus mMobile
	Sunplus mMedia	Design of ICs	12.73	12.73	12.73	12.73	Sunplus and its subsidiaries had 99.53% equity in Sunplus mMedia.
	Sunplus Innovation	Design of ICs	5.50	5.44	5.43	5.41	Sunplus and its subsidiaries had 70.56% equity in Sunplus Innovation
	iCatch Technology, Inc.	Design of ICs	5.79	5.79	5.79	5.79	Sunplus and its subsidiaries had 45.24% equity in iCatch Technology, Inc.
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	13.69	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunext Technology	Design and sale of ICs	5.29	5.29	5.29	5.29	Sunplus and the subsidiaries had 74.15% equity in Sunext.
	Sunplus Core (S2-TEK INC.)	Design of ICs	-	0.09	0.09	14.52	The investee become jointly controlled operations on January, thus, the investee was not included in the consolidated financial statements.
	Sunplus mMedia	Design of ICs	3.86	3.86	3.86	3.86	Sunplus and its subsidiaries had 99.53% equity in Sunplus mMedia.
	Sunplus mMobile	Design of ICs	-	-	-	-	Sunplus and its subsidiaries had 99.99% equity in Sunplus mMobile.
	Sunplus Innovation	Design of ICs	2.15	2.15	2.18	2.18	Sunplus and its subsidiaries had 70.56% equity in Sunplus Innovation
	iCatch Technology,	Design of ICs	1.75	1.75	1.75	1.75	Sunplus and its subsidiaries had 45.24% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
Sunplus mMobile	Sunplus mMobile Holding Inc.	Investment	-	-	100.00	100.00	The investee completed liquidation in November 2012; thus it was excluded from the consolidated financial statements.
	Sunplus mMobile SAS	Design of ICs	100.00	100.00	100.00	100.00	-
Sunext Technology	Great Sun	Investment	100.00	100.00	100.00	100.00	-
	Great Prosperous Corp.	Investment	100.00	100.00	100.00	100.00	-
Great Sun	Sunext Mauritius	Investment	100.00	100.00	100.00	100.00	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012	Note
Sunext Mauritius	Sunext (Shanghai)	Research, development, manufacture and sale of ICs.	-	-	100.00	100.00	The investee completed liquidation in November 2012; thus it was excluded from the consolidated financial statements.
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	After-sales service	100.00	100.00	100.00	100.00	-
	Generalplus HK	Sales	100.00	100.00	100.00	100.00	-
Wei-Young	Generalplus	Design of Ics	0.1	0.10	0.10	0.10	Sunplus and its subsidiaries had 52.04% equity in Generalplus
	Sunext Technology	Design and sale of Ics	0.03	0.03	0.03	0.03	Sunplus and its subsidiaries had 74.15% equity in Sunext
Russell	Sunext Technology	Design and sale of Ics	0.70	0.70	0.70	0.70	Sunplus and its subsidiaries had 74.15% equity in Sunext

(Concluded)

Except Generalplus is major subsidiary, other subsidiaries are non-major subsidiaries included in consolidated financial statements were based on the investees' unreview financial statements in January 1 and March 31, 2012 and 2013.

Foreign Currencies

The financial statements of each individual consolidated entity were expressed in the currency which reflected its primary economic environment (functional currency). The functional currency of the Group and presentation currency of the consolidated financial statements are both New Taiwan Dollars (NT$). In preparing the consolidated financial statement, the operating results and financial positions of each consolidated entity are translated into NT$. In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to noncontrolling interests as appropriate).

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value.

Inventories

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 weighted-average cost on the balance sheet date.

Investment in associates

Investments accounted for using the equity method include investments in associates and interests in joint ventures.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The operating results and assets and liabilities of associates and jointly controlled entities are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a jointly controlled entity is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and jointly controlled entity.

The Group also recognized the changes in the share of equity of associates and jointly controlled entity.
Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate or an jointly controlled entity recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and cannot be amortized. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group subscribes for additional associate or jointly controlled entity's new shares at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate or jointly controlled entity. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of associate or joint controlled entity's new shares, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate or jointly controlled entity shall be reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities.

When a consolidated entity transacts with an associate or a joint controlled entity, profits and losses resulting from the transactions with the associate or jointly controlled entity are recognized in the Group' consolidated financial statements only to the extent of interests in the associate or jointly controlled entity that are not related to the Group.

Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period. Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss when it is probable that future economic benefits associated with the item will flow to The Company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with IAS 23 "Borrowing Costs". Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation.
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.
A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis which is in accordance with

IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount..

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

<u>Financial assets</u>

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Measurement category

   Financial assets are classified into the following specified categories: Financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The categories of financial assets held by the Group are available-for-sale financial assets and loans and receivables.

b. Financial assets at fair value through profit or loss

   Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

   1) A financial asset is classified as held for trading if:

      a) It has been acquired principally for the purpose of selling it in the near term; or

      b) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

      c) It is a derivative that is not designated and effective as a hedging instrument.

   2) A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

      a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
      b) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about The Companying is provided internally on that basis.

In addition, if a contract contains one or more embedded derivatives, the entire combined contract (asset or liability) can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included/not included in the other gains and losses line item. Fair value is determined in the manner described in Note 32.

<u>Available-for-sale financial assets</u>

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Listed redeemable notes held by the Group that are traded in an active market are classified as available-for-sale financial assets and are stated at fair value at the end of each reporting period. Fair value is determined in the manner described in Note 32.

Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period. Such equity investments are subsequently premeasured at fair value when their fair value can be reliably measured, and the difference between the carrying amount and fair value is recognized in profit or loss or other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including cash and cash equivalents, notes and accounts receivable and other receivables are measured at amortized cost using the effective interest method, less any impairment, except for those receivables with insignificant discounted effect.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are 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 financial asset, the estimated future cash flows of the investment have been affected.
For certain categories of financial assets, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

a. Significant financial difficulty of the issuer or counterparty; or
b. Breach of contract, such as a default or delinquency in interest or principal payments; or
c. It becoming probable that the borrower will enter bankruptcy or financial re-organization; or
d. The disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

<u>Derecognition of financial assets</u>

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

<u>Financial liabilities and Equity instruments</u>

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instrument

   An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

   Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

b. Financial liabilities

   <u>Subsequent measurement</u>

   All the financial liabilities are measured at amortized cost using the effective interest method, less any impairment (see above for the definition of effective interest method):

   <u>Derecognition of financial liabilities</u>

   The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a. The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
b. The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c. The amount of revenue can be measured reliably;
d. It is probable that the economic benefits associated with the transaction will flow to the Group; and
e. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group 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.

Specifically, sales of goods are recognized when goods are delivered and title has passed.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred other than stated above.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.
Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

At the end of each reporting period, The Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

For the equity instruments acquired by the Group before January 1, 2012 (the date of transition to IFRSs), the Group chose a certain exemption stated in IFRS 1; refer to Note 39.

This accounting policy applies to equity-settled share-based payment transactions i.e., on options granted after November 7, 2002 and to be settled after January 1, 2012.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

Interim period income taxes are assessed on an annual basis. Interim period income tax expense is calculated by applying to an interim period's pretax income the tax rate that would be applicable to expected total annual earnings.

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

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

<u>Deferred tax</u>

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the condensed consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of The Group 's accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated provision for sales returns and discounts

Sales are recognized when the earnings process is completed. The provision for sales returns and discounts is estimated on the basis of historical return information available and any known factors which would result in sales returns and discounts. The provision for sales returns and discounts is recorded as reduction of sales. Management regularly reviews the reasonableness of provision estimates.

As of March 31, 2013, December 31, 2013, March 31, 2012, and January 1, 2012, the provisions for sales returns and discounts were $16,407 thousand, $23,028 thousand, $9,077 thousand and $9,059 thousand, respectively.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the carrying amount of goodwill was $30,596 thousand, $30,596 thousand, $226,623 thousand and $228,221 thousand, respectively

For the three months than ended March 31, 2013 and 2012, the Group did not recognize any impairment loss.

Estimated impairment of tangible assets and intangible assets (excluding goodwill)

The Group relies on subjective judgments and depends on usage patterns and industry characteristics to determine cash flows, asset useful lives, and future revenues and expenses. Any change in the operating environment and corporate strategy may cause significant impairment loss.

For the three months than ended March 31, 2013 and 2012, the Group did not recognize any impairment loss of tangible assets and intangible assets.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the carrying amount of trade receivables was $1,150,953 thousand, $1,394,802 thousand, $1,322,363 thousand and $1,340,562 thousand, respectively (after deducting allowance of $48,443 thousand, $48,411 thousand, $56,699 thousand and $58,781 thousand, respectively).

Reliability of deferred Income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Group's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the deferred tax assets were NT$92,834 thousand, NT$125,975 thousand, NT$247,814thousand and NT$ 255,715 thousand, respectively.

Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Group use judgment and estimate to determine the net realizable value of inventory at the end of each reporting period. Due to the rapid technological changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the balance of inventories were NT$1,542,917 thousand, NT$1,722,048 thousand, NT$1,200,309 thousand and NT$1,062,945thousand, respectively.

6. CASH AND CASH EQUIVALENTS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Cash on hand	$ 6,015	$ 4,074	$ 4,381	$ 3,626
Checking accounts and demand deposits	1,106,756	1,038,563	1,636,259	1,208,134
Cash equivalent deposits in banks	3,196,212	3,397,466	3,527,261	3,563,445
Repurchase agreements collateralized by bonds	54,158	52,793	28,962	-
	$ 4,363,141	$ 4,492,896	$ 5,196,863	$ 4,775,205

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

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Bank balance	0.01%-3.25%	0.01%-3.25%	0.02%-3.5%	0.02%-3.5%
Repurchase agreement collateralized by bonds	1.625%-4.625%	1.625%-4.625%	1.625%-4.625%	-

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

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Financial assets held for trading				
Nonderivative financial assets				
Corporate bonds of domestic listed stocks	$ 14,403	$ -	$ 21,955	$ 44,644

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Domestic investments				
- Mutual funds	$ 1,047,624	$ 1,064,889	$ 1,046,260	$ 1,035,219
- Quoted shares	648,729	644,140	1,440,665	1,146,115
	$ 1,696,353	$ 1,709,029	$ 2,486,925	$ 2,181,334
Current	$ 1,062,416	$ 1,076,456	$ 1,067,250	$ 1,055,235
Non-current	633,937	632,573	1,419,675	1,126,099
	$ 1,696,353	$ 1,709,029	$ 2,486,925	$ 2,181,334

For the three months ended March 31, 2013 and 2012, the Group recognized impairment losses of NT$1,633 thousand and NT$0 thousand , respectively.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Fixed income fund	$ 14,520	$ 14,520	$ -	$ -
Current	$ 14,520	$ 14,520	$ -	$ -
Noncurrent	-	-	-	-
	$ 14,520	$ 14,520	$ -	$ -

In November 2012, the Group bought a fixed-income Germany fund established for meeting certain building needs. The fund price is US$500 thousand and the effective interest rate of fund is 8%.

10. FINANCIAL ASSETS MEASURED AT COST

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Domestic unlisted common shares	$ 223,893	$ 216,080	$ 349,080	$ 353,037
Current	$ -	$ -	$ -	$ -
Noncurrent	223,893	216,080	349,080	353,037
	$ 223,893	$ 216,080	$ 349,080	$ 353,037

Management believed that the above unlisted equity investments held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of reporting period.

The Group recognized disposal gain of $0 thousand and$1,398 thousand as of March 31, 2013 and 2012, respectively.

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Notes receivable	$ 36	$ 320	$ 20	$ 73
Accounts receivable	1,199,396	1,443,213	1,379,062	1,399,343
Allowance for doubtful receivables	(48,443)	(48,411)	(56,699)	(58,781)
	1,150,953	1,394,802	1,322,363	1,340,562
	$ 1,150,989	$ 1,395,122	$ 1,322,383	$ 1,340,635

Accounts receivable

The average credit period on sales of goods was 30-75 days without interest. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed every year.

Of the trade receivables balance at the end of the period as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, there were no other customers who represent more than 5% of the total balance of trade receivables except the following.

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Customer A	$ 162,392	$ 192,608	$ 209,406	$ 170,547
Customer B	146,513	192,526	146,730	192,841
Customer C	103,470	108,338	70,323	71,946
Customer D	93,331	111,164	75,682	93,752
Customer E	81,374	92,387	137,221	190,306
Customer F	63,619	63,031	58,395	47,534

Of the trade receivables balance (see below for aged analysis) that are past due at the end of the reporting period, the Group had not recognized an allowance for impaired notes receivable and trade receivables for $582 thousand, $3,673 thousand, $7,245 thousand and $9,281 thousand as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, respectively, because there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to offset against any amounts owed by the Group to the counterparty.

Age of receivables that are past due but not impaired was as follow:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Less than 60 days	$ 511	$ 3,673	$ 401	$ 5,395
61-90 days	4	-	3,740	3,874
91-120 days	67	-	3,104	12
	$ 582	$ 3,673	$ 7,245	$ 9,281

Above analysis was based on the past due date.
Movements in the allowance for impairment loss recognized on notes receivable and trade receivables were as follow:

	For the Three Months Ended March 31	
	2013	2012
Balance at January 1	$ 48,411	$ 58,781
Less: Amounts written off during the period as uncollectible	-	(2,118)
Foreign exchange translation gains and losses	32	36
Balance at March 31	$ 48,443	$ 56,699

12. INVENTORIES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Finished goods	$ 530,966	$ 557,202	$ 412,267	$ 469,285
Work in progress	824,685	1,004,071	654,864	498,566
Raw materials	187,266	160,775	133,178	95,094
	$ 1,542,917	$ 1,722,048	$ 1,200,309	$ 1,062,945

The cost of inventories recognized as cost of goods sold in the three months ended March 31, 2012 and 2012 was $1,051,226 thousand and $1,085,091 thousand, respectively. The cost of inventories recognized as cost of goods sold in the three months ended March 31, 2103 included $18,441 thousand due to write-downs of inventories and $337 thousand due to income from scrap sales. The cost of inventories recognized as cost of goods sold in the three months ended March 31, 2102 included $25,695 thousand due to the reversal of such write-downs, $84 thousand of inventory short and $836 thousand due to income from scrap sales.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Investments in associates	$ 1,620,712	$ 1,635,793	$ 886,528	$ 882,881
Investments in jointly controlled entities	188,076	-	-	-
	$ 1,808,788	$ 1,635,793	$ 886,528	$ 882,881

a. Investments in associates

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Listed companies				
Orise Technology, Co., Ltd.	$ 938,368	$ 910,634	$ 886,528	$ 882,881
Giantplus Technology Co., Ltd.	682,344	725,159	-	-
Unlisted companies				
HT mMobile Inc.	-	-	-	-
Jet Focus Ltd	-	-	-	-
	$ 1,620,712	$ 1,635,793	$ 886,528	$ 882,881

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Orise Technology, Co., Ltd.	35%	35%	35%	35%
Giantplus Technology Co., Ltd	19%	19%	-	-
HT mMobile Inc.	-	49.5%	49.5%	49.5%
Jet Focus Ltd	-	-	44%	44%

The Group started to exercise significant influence over Giantplus Technology Co., Ltd on December 3, 2012, so the Group transferred this investment from available-for-sale financial assets to investments in associates.

On March 15, 2013, the Company's board of the directors resolved to participate in the tender offer made by Chunghwa Picture Tubes Ltd ("Chunghwa") to acquire shares in Giantplus Technology Co. ("Giantplus"). The Company planned to sell 77,834 thousand shares of Giantplus for cash of NT$4.03 per share and 0.72 common share of Tatung Co. for every share of Giantplus. As of April 12, 2013, the expiration date of the acquisition, the Company had disposed of 64,020 thousand shares and recognized a gain on disposal of $42,474 thousand. On April 10, 2013, the Company's board of directors sold 6,818 thousand shares more of Giantplus to Chunghwa for cash of NT$9.3 per share and recognized a gain on disposal of $5,648 thousand.

On February 29, 2012, HT mMobile Inc.'s (HT) board of directors approved a downsizing of its operations because of (a) the termination of merger negotiations with another company and (b) the resignation of high-level employees of the research and development (R&D) department, which have hampered product R&D. On the basis of a resolution passed in a meeting of HT's board of directors, the Group recognized an investment loss on HT, as well as the reduction of the carrying value of this investment to zero. The Group also recognized an impairment loss of $405,612 thousand and $1,466 thousand on other receivable from HT mMobile Inc for three months ended March 31,2012 and 2013. The Group reversal impairment loss of $5,203 thousand for three months ended March 31, 2013. HT's third interim board of directors also approved a plan for HT to undergo liquidation, and it has completed liquidation in March 20, 2013.

Publicly traded investments accounted for using the equity method was priced based on the closing price of those investments at the balance sheet date and were summarized as follows:

Name of Associate	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Orise Technology, Co., Ltd.	$ 47.40	$ 38.8	$ 36.55	$ 27.95
Giantplus Technology Co., Ltd	$ 8.93	$ 9.13	$ 9.17	$ 7.60

The summarized financial information in respect of the Group's associates was set out below:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Total assets	$ 18,087,331	$ 18,487,785	$ 3,198,952	$ 3,166,286
Total liabilities	$ 8,122,363	$ 8,389,959	$ 646,426	$ 628,463

	For the Three months Ended March 31	
	2013	2012
Revenue	$ 4,191,600	$ 787,086
Profit for the period	$ (118,986)	$ 30,200
Comprehensive income	$ (70,105)	$ 10,233
Group's share of profits of associates	$ (10,032)	$ 3,500

The amounts of investments in jointly controlled entities pledged as collateral for bank loans were disclosed in Note 34.

b. Investments in jointly controlled entities

The Company signed an investment agreement with Silicon Integrated Systems Corp. on December 19, 2012. Both sides agreed to increase capital in Sunplus Core Inc. (renamed S2-Tek Inc.), which researches, develops, designs, and sells TV integrated circuits (ICs). The
The investment agreement was registered on January 21, 2013.

The Company had 99.98% equity in Sunplus Core Inc. before the investment agreement, but when the Company later subscribed for Sunplus Core Inc.'s additional new shares at a percentage different from its existing ownership percentage, the Company's equity decreased to 51.25%, and the carrying amount of the Company's investment also declined. When Sunplus Core Inc. changed its name to S2-Tek Inc. on January 21, 2013, a new investment agreement was made, which stated that the Company no longer had control over S2-Tek Inc. The Company continued to recognize this investment by the equity method.

The interests in the jointly controlled entities which were accounted for using the equity method are summarized as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Current assets	$ 424,590	$ -	$ -	$ -
Noncurrent assets	$ 1,751	$ -	$ -	$ -
Current liabilities	$ 59,389	$ -	$ -	$ -
Noncurrent liabilities	$ -	$ -	$ -	$ -

	For the Three Months Ended March 31	
	2013	2012
Sales	$ 34,413	$ -
Costs of sales	$ 27,712	$ -
Operating expenses	$ 40,147	$ -
Nonoperating income and expenses	$ 429	$ -
Income tax expense	$ -	$ -
Share of profit or loss of associates and joint ventures	$ (16,922)	$ -
Share of comprehensive income of associates and joint ventures	$ (16,922)	$ -

The Group's share of profit and other comprehensive income of associates for the three months ended March 31, 2013 were based on the associates' financial statements unviewed by the accountants.

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Carrying amounts of each class of				
Buildings	$ 1,071,161	$ 1,042,590	$ 1,085,536	$ 1,103,482
Auxiliary equipment	103,295	111,428	118,475	52,837
Machinery and equipment	30,567	28,944	33,737	34,841
Testing equipment	134,614	99,905	96,855	90,805
Transportation equipment	4,075	4,279	4,764	5,272
Furniture and fixtures	61,778	59,244	69,017	69,478
Leasehold improvements	3,055	8,083	11,706	13,126
Other equipment	10,471	2,464	3,290	3,205
Construction in progress	731,624	586,849	379,381	329,159
	$ 2,150,640	$ 1,943,786	$ 1,802,761	$ 1,702,205

For the Three Months Ended March 31, 2013

	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of period	$ 1,330,812	$ 96,182	$ 192,422	$ 267,661	$ 10,217	$ 217,749	$ 30,950	$ 8,509	$ 329,159	$ 2,483,661
Additions	70	70,345	7,677	18,186	-	9,152	-	488	58,459	164,377
Disposals	-	-	-	(560)	-	(2,843)	-	-	-	(3,403)
Transfer to investment	(12,107)	-	-	-	-	-	-	-	-	(12,107)
Effect of exchange rate changes	(2,544)	(380)	(94)	(1,168)	(232)	(3,737)	54	(208)	(8,237)	(16,546)
Balance, end of period	1,316,231	166,147	200,005	284,119	9,985	220,321	31,004	8,789	379,381	2,615,982
Accumulated depreciation and impairment										
Balance, beginning of period	227,330	43,345	157,581	176,856	4,945	148,271	17,824	5,304	-	781,456
Additions	9,846	3,701	8,809	11,250	384	8,367	1,254	325	-	43,936
Disposals	-	-	-	(506)	-	(2,843)	-	-	-	(3,349)
Transfer to investment	(4,608)	-	-	-	-	-	-	-	-	(4,608)
Effect of exchange rate changes	(1,873)	626	(122)	(336)	(108)	(2,491)	220	(130)	-	(4,214)
Balance, end of period	230,695	47,672	166,268	187,264	5,221	151,304	19,298	5,499	-	813,221
	$ 1,085,536	$ 118,475	$ 33,737	$ 96,855	$ 4,764	$ 69,017	$ 11,706	$ 3,290	$ 379,381	$ 1,802,761

Three Months Ended March 31, 2013

	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of Period	$ 1,284,209	$ 173,006	$ 185,924	$ 304,407	$ 10,351	$ 207,571	$ 20,131	$ 8,819	$ 586,849	$ 2,781,267
Additions	-	-	7,659	53,574	-	10,833	150	299	118,220	190,735
Disposals	-	-	(11,728)	(14,078)	-	-	-	(50)	-	(25,856)
Transfer for use	49,403	-	-	-	-	-	-	-	-	49,403
Effect of exchange rate changes	2,221	(260)	(27,995)	3,476	390	3,074	(8,507)	10,281	26,555	9,235
Balance, end of period	1,335,833	172,746	153,860	347,379	10,741	221,478	11,774	19,349	731,624	3,004,784
Accumulated depreciation and impairment										
Balance, beginning of period	241,619	61,578	156,980	204,502	6,072	148,327	12,048	6,355	-	837,481
Additions	8,740	3,828	7,961	18,678	331	6,828	1,808	1,086	-	49,260
Disposals	-	-	(11,728)	(13,004)	-	-	-	(46)	-	(24,778)
Transfer for use	13,999	-	-	-	-	-	-	-	-	13,999
Effect of exchange rate changes	314	4,045	(29,920)	2,589	263	4,545	(5,137)	1,483	-	(21,818)
Balance, end of period	264,672	69,451	123,293	212,765	6,666	159,700	8,719	8,878	-	854,144
	$ 1,071,161	$ 103,295	$ 30,567	$ 134,614	$ 4,075	$ 61,778	$ 3,055	$ 10,471	$ 731,624	$ 2,150,640

The above items of property, plant and equipment were depreciated on a straight-line basis at the following rates per annum:

	Xintec
Buildings	8-56 years
Auxiliary equipment	9-20 years
Machinery and equipment	2-10 years
Testing equipment	1-5 years
Transportation equipment	4-10 years
Furniture and fixtures	2-5 years
Leasehold improvements	2-5 years
Other equipment	3-5 years

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

15. INVESTMENT PROPERTIES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Completed investment property	$ 247,273	$ 274,841	$ 263,189	$ 265,457

	For the Three Months Ended March 31	
	2013	2012
Cost		
Balance at January 1	$ 398,499	$ 360,704
Transfer (for use) to invest during the period	(49,403)	12,107
Effect of foreign currency exchange differences	16,021	(8,760)
Balance at March 31	$ 365,117	$ 364,051
Accumulated depreciation		
Balance at January 1	$ 123,658	$ 95,247
Depreciation expense	3,140	3,332
Transfer (for use) to invest during the period	(13,999)	4,608
Effect of foreign currency exchange differences	5,045	(2,325)
Balance at March 31	117,844	100,862
	$ 247,273	$ 263,189

The investment properties held by the Group were depreciated over their useful lives of 50 years, using the straight-line method.

The Group

The fair value of the Group's investment properties as of March 31, 2013, was $365,155 thousand. The fair value had been arrived at on the basis of a valuation carried out at that date by Suzhou Feng-Zheng PingGu Firm, independent qualified professional valuers not connected to the Group on March 31, 2013.

16. INTANGIBLE ASSETS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Technology license fees	$ 255,437	$ 278,147	$ 288,531	$ 306,045
Software	78,693	88,974	72,700	77,188
Goodwill	30,596	30,596	226,623	228,221
Patents	43,155	44,505	48,550	49,899
Technological know-how	320	424	781	921
	$ 408,201	$ 442,646	$ 637,185	$ 662,274

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

	For the Three Months Ended March 31,2012					
	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
Cost						
Balance at January 1	$ 1,439,623	$ 251,772	$ 228,221	$ 97,099	$ 1,922	$ 2,018,637
Additions	24,823	10,346	-	-	-	35,169
Effect of foreign currency exchange differences	-	(183)	(1,598)	-	422	(1,359)
Balance at March 31	1,464,446	261,935	226,623	97,099	2,344	2,052,447
Accumulated amortization						
Balance at January 1	1,133,578	174,584	-	47,200	1,001	1,356,363
Amortization expense	42,337	14,635	-	1,349	118	58,439
Effect of foreign currency exchange differences	-	16	-	-	444	460
Balance at March 31	1,175,915	189,235	-	48,549	1,563	1,415,262
	$ 288,531	$ 72,700	$ 226,623	$ 48,550	$ 781	$ 637,185

	For the Three Months Ended March 31,2012					
	Technology License Fees	Software	Goodwill	Patents	Technological Know-how	Total
Cost						
Balance at January 1	$ 1,010,420	$ 403,650	$ 30,596	$ 97,099	$ 2,402	$ 1,544,167
Additions	12,653	5,895	-	-	-	18,548
Decrease	-	(1,353)	-	-	-	(1,353)
Effect of foreign currency exchange differences	115	51	-	-	1	167
Balance at March 31	1,023,188	408,243	30,596	97,099	2,403	1,561,529
Accumulated amortization						
Balance at January 1	732,273	314,676	-	52,594	1,978	1,101,521
Amortization expense	35,681	16,374	-	1,350	117	53,522
Decrease	-	(1,083)	-	-	-	(1,083)
Effect of foreign currency exchange differences	(203)	(417)	-	-	(12)	(632)
Balance at March 31	767,751	329,550	-	53,944	2,083	1,153,328
	$ 255,437	$ 78,693	$ 30,596	$ 43,155	$ 320	$ 408,201

The above items of other intangible assets were depreciated on a straight-line basis at the following rates per annum:

	Xintec
Technology license fees	1-15 years
Software	1-10 years
Patents	5-18 years
Technological know-how	5 years

17. OTHER ASSETS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Finance lease payables	$ 130,357	$ 125,495	$ 30,060	$ 30,991
Pledged time deposits	89,368	89,329	121,232	121,287
Prepaid long-term investments	87,126	99,311	44,265	30,275
Refundable deposits (Note 30)	7,926	8,551	11,454	19,541
Other	174,750	176,695	230,710	248,778
	$ 489,527	$ 499,381	$ 437,721	$ 450,872
Current	$ 247,799	$ 249,749	$ 334,760	$ 308,128
Non-current	241,728	249,632	102,961	142,744
	$ 489,527	$ 499,381	$ 437,721	$ 450,872

The amounts of the Group's finance lease payables for land grant in Chinaas of March 31,2013, January 1 ,2013,March 31,2012 and January 1,2012 were$130,357 thousand, $125,495thousand, $30,060 thousand and $30,991thousand.

18. LOANS

Short-term borrowings

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unsecured borrowings				
- bank loans	$ 328,443	$ 485,991	$ 567,878	$ 943,612

The weighted average effective interest rate on the bank loans as of January 1 and March 31, 2013 and 2012 were 2.52% - 2.54% and 0.80% - 2.98% per annum.

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Floating rate borrowings						
Secured bank borrowing	106.3.16	Repayable semiannually from March 2012	$ 622,222	$ 700,000	$ 400,000	$ -
Un-secured bank borrowing	104.3.30	Repayable quarterly from March 2012	500,000	500,000	500,000	-
Un-secured bank borrowing	104.3.28	Repayable quarterly from March 2012	250,000	250,000	250,000	-
Un-secured bank borrowing	103.1.14	Repayable on March 2014	150,642	145,204	-	-
Un-secured bank borrowing	103.6.15	Repayable on July 2014	150,641	-	-	-
Secured bank borrowing	104.2.28	Repayable semiannually from February 2012	120,000	135,000	150,000	-
Un-secured bank borrowing	104.2.28	Repayable semiannually from February 2012	120,000	135,000	150,000	-
Un-secured bank borrowing	101.7.31	Repayable quarterly from January 2010	-	-	18,000	-
Un-secured bank borrowing	101.2.28	Repayable quarterly from November 2009	-	-	-	102,500
Secured bank borrowing	103.3.31	Repayable semiannually from March 2010	-	-	-	75,500
Un-secured bank borrowing	101.2.28	Repayable semiannually from February 2009	-	-	-	30,000
Un-secured bank borrowing	101.2.28	Repayable quarterly from January 2010	-	-	-	30,000
Un-secured bank borrowing	101.7.31		-	-	-	27,000
			$ 1,913,505	$ 1,865,204	$ 1,468,000	$ 265,000
Current			$ 741,198	$ 496,806	$ 122,444	$ 265,000
Non-current			1,172,307	1,368,398	1,345,556	-
			$ 1,913,505	$ 1,865,204	$ 1,468,000	$ 265,000

Under the loan contracts, the Group provided buildings and shares of Giantplus Technology Co., Ltd. and Orise Technology Co., Ltd. as collaterals for the above loans (Note 34).

The effective rate borrowings as of March 31,2013, January 1,2013, March 31,2012 and January 1,2012 were 1.94% - 2.56%, 1.94% - 2.54%, 1.59% - 2.77% and 1.77% - 2.94%.

The loan contracts require the Group to maintain certain financial ratios (debt ratio, current ratio and restriction in net tangible assets in 2012; debt ratio, current ratio, times interest-earned ratio and financing provided in 2011) on the basis of semiannual and annual consolidated financial statements. However, the Group's not being able to meet the ratio requirement is not deemed to be a violation of the contracts. As of December 31, 2012, the Group was in compliance with these financial ratio requirements.

19. TRADE PAYABLES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Payable - operating	$ 813,864	$ 758,909	$ 1,002,874	$ 767,878

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

20. PROVISIONS

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Customer returns and rebates	$ 16,407	$ 23,028	$ 9,077	$ 9,059
Current	$ 16,407	$ 23,028	$ 9,077	$ 9,059
Non-current	-	-	-	-
	$ 16,407	$ 23,028	$ 9,077	$ 9,059

The provision of customer returns and rebates was based on historical experience, management's judgments and other known reasons estimated product returns and rebates may occur in the year. The provision was recognized as a reduction of operating income in the periods of the related goods sold.

21. OTHER LIABILITIES

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Other payables				
Salaries or bonus	$ 192,390	$ 310,606	$ 128,527	$ 263,726
Payable for purchase of equipment	132,262	117,562	2,902	5,838
Labor/health insurance	32,942	36,668	38,211	36,834
Payable for royalties	16,234	26,403	26,575	25,313
Professional service fees	6,664	10,308	8,525	12,352
Others	216,865	277,953	256,907	324,025
	$ 597,357	$ 779,500	$ 461,647	$ 668,088
Current	$ 591,812	$ 772,290	$ 455,257	$ 661,984
Non-current	5,545	7,210	6,390	6,104
	$ 597,357	$ 779,500	$ 461,647	$ 668,088

22. RETIREMENT BENEFIT PLANS

Defined contribution plans

Sunplus, Generalplus, Sunext, Sunplus Innovation and iCatch of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Based on the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expense recognized in profit or loss for the three months ended March 31, 2013 and 2012 was $16,134 thousand and $17,250 thousand, respectively, represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

Defined benefit plans

Before the promulgation of the LPA, Sunplus, Generalplus, Sunext, Sunplus Innovation and iCatch of the Group had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension plan provides benefits based on the length of service and the average basic salary of the employee's final year of service. In addition, the Group makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. The fund is deposited in the committee's name in the Bank of Taiwan.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2012 . The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. For the three months ended December 31, 2013 and 2012, the Group recognized employee benefit expenses, calculated using the actuarially determined pension cost rate as of December 31, 2012 and January 1, 2012, respectively.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	December 31, 2012	**January 1, 2012**
Discount rate(s)	1.50%~1.63%	1.69%~1.75%
Expected return on plan assets	1.88%~6.25%	1.88%~6.25%
Expected rate(s) of salary increase	1.20%~4.88%	1.20%~5.00%

Employee benefit expenses for the three months ended March 31, 2013 and 2012 were included in the following line items:

	For the Three Months Ended March 31	
	2013	**2012**
Operating cost	$ 171	$ 144
Marketing expenses	$ 97	$ 197
Administration expenses	$ 220	$ 105
Research and development expenses	$ 813	$ 1,102

The amount included in the consolidated statement of financial position arising from the Group 's obligation in respect of its defined benefit plans was as follows:

	December 31, 2012	**January 1, 2012**
Present value of funded defined benefit obligation	$ 315,833	$ 272,190
Fair value of plan assets	(151,730)	(141,888)
Net liability arising from defined benefit obligation	$ 164,103	$ 130,302

The major categories of plan assets at the end of the reporting period for each category were as follows:

	December 31, 2012	January 1, 2012
Cash	24.51%	23.87%
Cash equivalent	9.88%	7.61%
Money market fund	0.66%	-
Bond	10.45%	11.45%
Fixed income	16.28%	16.19%
Equity instruments	37.43%	40.75%
Government mortgage	-	0.13%
Others	0.79%	-
	100.00%	100.00%

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

23. EQUITY

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Share capital				
Ordinary shares	$ 5,969,099	$ 5,969,099	$ 5,969,099	$ 5,969,099
Capital surplus	937,764	939,124	937,866	937,866
Retained earnings	1,670,070	1,714,020	2,509,888	2,679,707
Others	165,498	103,648	(132,372)	(389,877)
Share buy-back	(155,236)	(155,236)	(155,236)	(155,236)
Non-controlling interests	1,533,610	1,557,162	1,555,494	1,583,601
	$ 10,120,805	$ 10,127,817	$ 10,684,739	$ 10,625,160

Share capital

Ordinary shares:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	1,200,000	1,200,000	1,200,000	1,200,000
Shares authorized	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000

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

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

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Number of shares issued and fully paid (in thousands)	596,910	596,910	596,910	596,910
Shares issued	$ 5,969,099	$ 5,969,099	$ 5,969,099	$ 5,969,099
Share premiums	709,215	709,215	709,215	709,215
	$ 6,678,314	$ 6,678,314	$ 6,678,314	$ 6,678,314

Capital surplus

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Arising from issuance of common shares	$ 709,215	$ 709,215	$ 709,215	$ 709,215
Arising from treasury share transactions	71,228	71,228	71,228	71,228
Arising from consolidation excess	157,321	158,681	157,423	157,423
	$ 937,764	$ 939,124	$ 937,866	$ 937,866

A reconciliation of the carrying amount at the beginning and at the end of three months ended 2013 and 2012, for each class of capital surplus was as follows:

	Share Premium	Treasury Share Transactions	Consolidation Excess and Other
Balance at January 1, 2012	$ 709,215	$ 71,228	$ 157,423
Others	-	-	-
Balance at March 31, 2012	$ 709,215	$ 71,228	$ 157,423
Balance at January 1, 2013	$ 709,215	$ 71,228	$ 158,681
Others	-	-	(1,360)
Balance at March 31, 2013	$ 709,215	$ 71,228	$ 157,321

The premium from shares issued in excess of par (share premium from issuance of common shares, conversion of bonds and treasury share transactions) may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital.

The capital surplus from long-term investments, employee share options and share warrants may not be used for any purpose.

Retained earnings and dividend policy

	For the Three Months Ended March 31	
	2013	2012
Balance at January 1	$ 1,714,020	$ 2,679,707
Profits attributable to owners of the Group	(43,950)	(169,819)
Balance at March 31	$ 1,670,070	$ 2,509,888

Sunplus' 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 Sunplus' board of directors, those of Sunplus' subsidiaries.

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

Under regulations promulgated by the Securities and Futures Bureau, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet (for example, unrealized loss on financial assets and cumulative translation adjustments) should be allocated from inappropriate retained earnings).

Sunplus should estimate the bonus to employees and remuneration to directors and supervisors based on related laws and past experience. However, for working capital retention, the bonus to employees and remuneration to directors and supervisors was zero for the year ended December 31, 2012 and 2011. For the year ended December 31, 2012, based on the Group's Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, the Group 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 year of the proposal. 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 Sunplus's paid-in capital. This reserve may be used to offset a deficit. In addition, when the legal reserve exceeds 25% of the Group's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", on the first-time adoption of IFRSs, a company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Group's use of exemptions under IFRS 1. However, at the date of transitions to IFRSs, if the increase in retained earnings that resulted from all IFRSs adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed to retained earnings in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated on the first-time adoption of IFRSs may be used to offset deficits in subsequent years. No appropriation of earnings shall be made until any shortage of the aforementioned special reserve is appropriated in subsequent years if the Group has earnings and the original need to appropriate a special reserve is not eliminated.

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 Group on earnings generated since January 1, 1998. An imputation credit account (ICA) is maintained by the Group 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 from the 2012 and 2011 earnings were approved at the shareholders' meetings on April 10, 2013 and June 18, 2012, respectively. The appropriations, including dividends, were as follows:

	For Year 2012		For Year 2011	
	Appropriation of Earnings	**Dividends Per Share (NT$)**	**Appropriation of Earnings**	**Dividends Per Share (NT$)**
Legal reserve	$ 516,496	-	$ 23,822	-
Special reserve	(160,473)	-	-	-

The appropriation of earnings for 2012 to the resolution of the shareholders' meeting was held on June 10, 2013.

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

Special reserves appropriated following first-time adoption of IFRSs

The exchange difference on translating foreign operations, which was transferred to retained earnings, was a negative $18,343 thousand dollar; thus, following IFRSs, the Group neither did nor appropriates a special reserve.

Other equity items

Foreign currency translation reserve:

	For Three Months Ended March 31	
	2013	**2012**
Balance at January 1	$ (84,462)	$ -
Exchange differences arising on translating the foreign operations	49,258	(38,853)
Balance at March 31	$ (35,204)	$ (38,853)

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Investments revaluation reserve:

	For Three Months Ended March 31	
	2013	2012
Balance at January 1	$ 188,110	$ (389,877)
Unrealized gain arising on revaluation of available-for-sale financial assets	200,702	(93,519)
Cumulative loss reclassified to profit or loss on impairment of available-for-sale financial assets	1,633	-
Cumulative (gain) loss reclassified to profit or loss on sale of available-for-sale financial assets	(189,743)	389,877
Balance at March 31	$ 200,702	$ (93,519)

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Non-controlling interests

	For Three Months Ended March 31	
	2013	2012
Balance at January 1	$ 1,557,162	$ 1,583,601
Attributable to non-controlling interests:		
Share of profit for the year	(2,758)	(29,827)
Exchange difference arising on translation of foreign entities	2,839	(99)
Unrealized gains and losses on available-for-sale financial assets	315	1,063
Others	(23,948)	756
Balance at March 31	$ 1,533,610	$ 1,555,494

Treasury shares

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1 and March 31, 2012	4,915	3,560	8,475
Number of shares at January 1 and March 31, 2013	4,915	3,560	8,475

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

Purpose of Buy-Back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
March 31, 2013			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 32,681
December 31, 2012			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 32,645
March 31, 2012			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 36,668
January 1, 2012			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 35,493

Under the Securities and Exchange Act, Sunplus shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

Global depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand common shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US$9.57 per unit. As of March 31, 2013, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

24. REVENUE

	For Three Months Ended March 31	
	2013	2012
Revenue from IC	$ 1,712,054	$ 1,749,747
Rental income from property	31,140	31,571
Other	8,680	6,279
	$ 1,751,874	$ 1,787,597

25. NET PROFIT

Net profit (loss) from continuing operations had been arrived at after charging (crediting):

Other income

	For the Three Months Ended March 31	
	2013	2012
Interest income		
Bank deposits	$ 9,114	$ 9,403
Others	18,591	6,490
	$ 27,705	$ 15,893

Other gains and losses

	For the Three Months Ended March 31	
	2013	2012
Net foreign exchange gains (losses)	$ 24,193	$ (20,602)
Gain on disposal of subsidiary	22,752	-
Gain on disposal of investment	5,371	6,480
Gain on reversal of impairment loss on financial assets	3,737	-
Net gain (loss) arising on financial assets designated as at FVTPL	354	(1,663)
Impairment loss on available-for-sale financial assets	(1,633)	-
Other	1,024	-
	$ 55,798	$ (15,785)

Finance costs

	For the Three Months Ended March 31	
	2013	2012
Interest on bank loans	$ 9,857	$ 5,062

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2013	2012
Capitalized interest	$ 1,747	$ -
Capitalization rate	2.55%	-

Depreciation and amortization

	For the Three Months Ended March 31	
	2013	2012
Property, plant and equipment	$ 49,260	$ 43,936
Investment property	3,140	3,332
Intangible assets	53,522	58,439
	$ 105,922	$ 105,707
An analysis of deprecation by function		
Operating costs	$ 9,149	$ 9,367
Operating expenses	43,251	37,901
	$ 52,400	$ 47,268
An analysis of amortization by function		
Operating costs	$ 664	$ 124
Operating expenses	52,858	58,315
	$ 53,522	$ 58,439

Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2013	2012
Direct operating expenses from investment property that generated rental income	$ 6,191	$ 4,953
Direct operating expenses from investment property that did not generate rental income	26,492	23,728
	$ 32,683	$ 28,681

Employee benefits expense

	For the Three Months Ended March 31	
	2013	2012
Post-employment benefits（Note22）		
Defined contribution plans	$ 16,134	$ 17,250
Defined benefit plans	1,301	1,548
Other employee benefits	634,497	559,783
Total employee benefits expense	$ 651,932	$ 578,581
An analysis of employee benefits expense by function		
Operating costs	$ 36,491	$ 33,418
Operating expenses	615,441	545,163
	$ 651,932	$ 578,581

Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2013	2012
Foreign exchange gains	$ 44,494	$ 28,474
Foreign exchange losses	(20,301)	(49,076)
	$ 24,193	$ (20,602)

26. INCOME TAXES

Integrated income tax

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Imputation credits accounts	$ 248,248	$ 248,248	$ 216,222	$ 201,494

For 2012 and 2011, there was no creditable tax ratio because the Group had a deficit. For the distribution of earnings generated after January 1, 1998, the imputation credit allocable to shareholders of Sunplus is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2010 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

The income from the following projects is exempt from income tax. The related tax-exemption periods are as follows:

Project	Tax Exemption Period
Sunplus	
Eighth expansion	January 1, 2010 to December 31, 2014
Twelfth expansion	January 1, 2009 to December 31, 2013
Thirteenth expansion	January 1, 2010 to December 31, 2017
Generalplus	
Third expansion	January 1, 2009 to December 31, 2013
Fourth expansion	January 1, 2010 to December 31, 2014
Sunext	
Expansion	January 1, 2009 to December 31, 2013
Sunplus Innovation	
First expansion	January 1, 2009 to December 31, 2013

Income tax assessments

The income tax returns of Sunplus, Sunplus mMobile and Generalplus and through 2009; the income tax returns of Sunplus Innovation, Sunplus management Consulting, Sunplus Core, Sunext, Wei-Yough, Lin Shih, Sunplus Venture and Sunplus mMedia through 2010, the income tax returns of iCatch Technology, through 2009 had been assessed by the tax authorities. Sunplus disagreed with the tax authorities' assessment of its 2005 tax returns. Generalplus disagreed with the tax authorities' assessment of its 2006 tax returns; both companies had applied for administrative remedy. Nevertheless, for conservatism purposes, Sunplus and Generalplus made provisions for the income tax assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2013	2012
Basic loss per share	$ (0.07)	$ (0.29)
Diluted loss per share	$ (0.07)	$ (0.29)

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2013	2012
Profit for the period attributable to owners of the Group	$ (43,950)	$ (169,819)
Effect of dilutive potential ordinary share:		
Employee share option	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	$ (43,950)	$ (169,819)

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

	For the Three Months Ended March 31	
	2013	2012
Profit for the period attributable to owners of the Group	588,435	588,435
Effect of dilutive potential ordinary share:		
Employee share option	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	588,435	588,435

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan

On September 11, 2007 (2007 option plan), the Securities and Futures Bureau approved the Group's adoption of an employee stock option plan. The plan provides for the grant of 280,000 thousand options in 2007 plan, with each unit representing one common share. The option rights are granted to qualified employees of the Group and subsidiaries. A total of 280,000 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 Group's common shares listed on the Taiwan Stock Exchange on the grant date. If the Group's paid in capital changes, the exercise price is adjusted accordingly. All options had been granted or canceled as of December 31, 2012.

Outstanding option rights were as follows:

Employee share option plan	For the Three Months Ended March 31			
	2013		2012	
	Unit (In Thousands)	Weighted-average Price (NT$)	Unit (In Thousands)	Weighted-average Price (NT$)
Beginning outstanding balance	18,880	$ 38.03	19,847	$ 38.03
Options canceled	(230)	-	(184)	-
	18,650		19,663	
Ending outstanding balance	18,650		19,663	

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

As of December 31, 2011, the outstanding and exercisable options were as follows:

March 31,2013		January 1,2013	
Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)	Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)
$37.9	0.62	$37.9	0.87
38.3	0.74	38.3	0.99

March 31,2012		January 1,2012	
Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)	Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)
$37.9	1.62	$37.9	1.87
38.3	1.74	38.3	1.99

In their meeting on June 18, 2012, the shareholders approved a restricted stock plan for employees with a total amount of NT$280,000 thousand, consisting of 28,000 thousand shares, and authorize the board of directors to determine the issue prices of the restricted shares when they are issued.

As of March 31, 2012, the Group had not yet issued any restricted shares employees.

Generalplus Technology Inc.

Generalplus Technology Inc.'s Employee Stock Option Plans is consisting 2007 plan and 2009 plan. The maximum number of options authorized to be granted under the 2007 plan and 2009 plan was 2,700 thousand and 2,200 thousand, respectively. The 2007 plan had been granted, and the 2009 plan had been granted by 2,177 and subsequently canceled had expired as of March 31, 2013.

Information about the Group's outstanding options for the three months ended March 31, 2013 and 2012 was as follows:

	2007 Plan	
	Three months ended March 31, 2012	
	Number of Options (In Thousands)	Weightedaverage Exercise Price (NT$)
Share-Based Payment		
Balance, beginning of period	59	$ 10.0
Options exercised	(59)	10.0
Balance, end of period	-	

Sunplus Innovation Technology Inc.

Sunplus Innovation Technology Inc.'s Employee Stock Option Plans were approved on April 18, 2007. The maximum number of options authorized to be granted was 2,200 thousand, with each option eligible to subscribe for one common share. The options of all the plans are valid for six years and exercisable at certain percentages after the second anniversary of the grant date.

Information about the Group's outstanding options for the three months ended March 31, 2013 and 2012 was as follows:

	For the Three Months Ended March 31			
	2013		2012	
	Number of Options (In Thousands)	Weightedaverage Exercise Price (NT$)	Number of Options (In Thousands)	Weightedaverage Exercise Price (NT$)
Balance, beginning of period	752	$ 10.90	809	$ 11.60
Options exercised	-	-	(31)	11.60
Balance, end of period	752		778	
Balance, end of period	752		778	

Information about the Group's outstanding options was as follows:

March 31, 2013		December 31, 2012	
Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)	Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)
$10.9	0.36	$10.9	0.61

March 31, 2012		January 1, 2012	
Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)	Exercise Price (NT$)	Weighted- Average Remaining Contractual Life (Years)
$11.6	1.36	$11.6	1.61

29. DISPOSAL OF SUBSIDIARIES

As stated in Note 13(2), the Group lost its control over Sunplus Core Technology Co., Ltd. and disposed of some subsidiaries. Related information is as follows..

Analysis of asset and liabilities over which control was lost

	January 21,2013
Current assets	
Cash and cash equivalents	$ 1,188
Other receivables	1
Prepaid expenses	7,562
Noncurrent assets	
Refundable deposits	360
Current liabilities	
Payables	(40)
Net assets disposed of	$ 9,071

Gain on disposal of subsidiary

	January 21,2013
Fair Value on January 21,2013	$ 204,998
Noncontrolling interests	22,724
Cash	(195,899)
Net assets disposed of	(9,071)
Gain on disposal	$ 22,752

30. OPERATING LEASE ARRANGEMENTS

The Group as lessee

Operating leases relate to leases of land with lease terms between 2 and 8 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased land at the expiry of the lease periods.

Sunplus

Sunplus leases lands from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in July 2015, December 2020 and December 2021. The SBIPA has the right to adjust the annual lease amount from $7,929 thousand to $8,034 thousand.

Future annual minimum rentals under the leases are as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Not later than 1 year	$ 8,034	$ 7,929	$ 7,929	$ 7,929
Later than 1 year and not later than 5 years	28,096	28,565	28,295	31,808
Later than 5 years	11,054	12,090	18,944	16,776
	$ 47,184	$ 48,584	$ 55,168	$ 56,513
Refundable deposits	$ 296	$ 296	$ 296	$ 296

Sunplus Innovation

Sunplus Innovation leases office from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in December 2013 and December 2016. The SBIPA has the right to adjust the annual lease amount of $5,459 thousand and $4,502thousand.

The future lease payables are as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Not later than 1 year	$ 8,597	$ 9,961	$ 10,051	$ 10,081
Later than 1 year and not later than 5 years	12,381	13,506	20,977	23,467
Later than 5 years	-	-	-	-
	$ 20,978	$ 23,467	$ 31,028	$ 33,548
Refundable deposits	$ 1,660	$ 1,660	$ 1,660	$ 2,490

Generalplus

Generalplus leases land from Science-Based Industrial Park Administration under renewable agreements expiring in December 2020. The SBIPA has the right to adjust the annual lease amount of $1,474 thousand. Generalplus deposited $1,474 thousand (classified as restricted assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Not later than 1 year	$ 1,474	$ 1,474	$ 1,356	$ 1,356
Later than 1 year and not later than 5 years	5,896	5,896	5,424	5,424
Later than 5 years	4,053	4,421	5,085	5,424
	$ 11,423	$ 11,791	$ 11,865	$ 12,204

Sunext

Sunext leases an office from Global View Co., Ltd. under renewable agreements expiring in August 2015. The annual lease payment was $2,760 thousand, respectively.

The future lease payments are as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Not later than 1 year	$ 2,760	$ 2,760	$ 1,158	$ 1,853
Later than 1 year and not later than 5 years	3,910	4,600	-	-
Later than 5 years	-	-	-	-
	$ 6,670	$ 7,360	$ 1,158	$ 1,853
Refundable deposits	$ 460	$ 460	$ 460	$ 460

i Catch Technology, Inc. ("i Catch")

i Catch leases office from Siming Inc. and Siha Inc. under renewable agreements expiring in February 2013; the lease payments were $1,611 thousand and $1,216, respectively.

The future lease payments are as follows:

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Not later than 1 year	$ 2,827	$ 2,827	$ 2,591	$ 2,827
Later than 1 year and not later than 5 years	5,418	6,125	-	471
Later than 5 years	-	-	-	-
	$ 8,245	$ 8,952	$ 2,591	$ 3,298
Refundable deposits	$ 521	$ 521	$ 521	$ 521

The Group as lessor

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

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, deposits received under operating leases amounted to $15,378 thousand, $19,324 thousand, $16,458 thousand and $15,550 thousand, respectively.

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

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Not later than 1 year	$ 70,473	$ 71,928	$ 109,577	$ 112,978
Later than 1 year and not later than 5 years	46,665	41,331	105,615	128,024
	$ 117,138	$ 113,259	$ 215,192	$ 241,002

31. CAPITAL MANAGEMENT

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

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

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

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the condensed consolidated financial statements approximate their fair values.

	March 31, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 223,893	$ -	$ 216,080	$ -
Debt investment with no active market	14,520	-	14,520	-

	March 31, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 349,080	$ -	$ 353,037	$ -
Financial assets carried at cost	223,893	-	216,080	-

2) Fair value measurements recognized in the condensed balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 14,403	$ -	$ -	$ 14,403
Available-for-sale financial assets				
Mutual funds	$ 1,047,624	$ -	$ -	$ 1,047,624
Securities listed in ROC	648,729	-	-	648,729
	$ 1,696,353	$ -	$ -	$ 1,696,353

December 31, 2012

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Mutual funds	$ 1,064,889	$ -	$ -	$ 1,064,889
Securities listed in ROC	644,140	-	-	644,140
	$ 1,709,029	$ -	$ -	$ 1,709,029

March 31, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 21,955	$ -	$ -	$ 21,955
Available-for-sale financial assets				
Mutual funds	$ 1,046,260	$ -	$ -	$ 1,046,260
Securities listed in ROC	1,440,665	-	-	1,440,665
	$ 2,486,925	$ -	$ -	$ 2,486,925

January 1, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 44,644	$ -	$ -	$ 44,644
Available-for-sale financial assets				
Mutual funds	$ 1,035,219	$ -	$ -	$ 1,035,219
Securities listed in ROC	1,146,115	-	-	1,146,115
	$ 2,181,334	$ -	$ -	$ 2,181,334

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

b. Categories of financial instruments

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Financial assets				
Fair value through profit or loss (FVTPL)				
Held for trading	$ 14,403	$ -	$ 21,955	$ 44,644
Loans and receivables (i)	5,614,380	5,993,851	6,651,295	6,241,253
Available-for-sale financial assets	1,696,353	1,709,029	2,486,925	2,181,334
Financial liabilities				
measured at amortized cost(ii)	3,055,812	3,110,104	3,038,752	1,976,490

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

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

c. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

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

	March 31, 2013	**December 31, 2012**	**March 31, 2012**	**January 1, 2012**
Assets				
USD	61,445	60,472	63,375	65,352
JPY	705	550	638	638
RMB	654	650	505	453
HKD	137	112	154	169
EUR	23	35	91	95
GBP	3	456	454	460
Liabilities				
USD	32,017	42,040	39,362	36,427
JPY	40	147	201	187
HKD	-	20	11	10
JPY	-	-	45	-
GBP	-	-	-	5
EUR	-	-	-	2

Sensitivity analysis

The Group was mainly exposed to the USD.

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

	USD impact	
	For the Three Months Ended March 31	
	2013	**2012**
Profit or loss	$ (29,428)	$ (24,013)

b) Interest rate risk

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

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

	March 31, 2013	**December 31, 2012**	**March 31, 2012**	**January 1, 2012**
Fair value interest rate risk				
Financial assets	$3,018,438	$3,113,088	$2,780,556	$2,814,688
Financial liabilities	177,801	340,788	567,878	776,912
Cash flow interest rate risk				
Financial assets	1,427,368	1,464,435	2,532,312	2,077,914
Financial liabilities	2,064,147	2,010,407	1,468,000	431,700

Sensitivity analysis

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

If interest rates had been 0.125% basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the three months ended March 31, 2013 and 2012 would decrease/increase by $796 thousand and $1,330 thousand.

c) Other price risk

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

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

If equity prices had been 1% higher/lower, post-tax profit for the three months ended March 31, 2013 and 2012 would have increased/decreased by $16,964 thousand and $24,869 thousand.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognized financial assets as stated in the condensed balance sheets.

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

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

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

The Group's concentration of credit risk of 51%, 50%, 48% and 54% in total trade receivables as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the Group had available unutilized overdraft and short-term bank loan facilities of approximately $2,409,120 thousand, $2,576,120 thousand, $1,767,510 thousand and $2,086,440 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

March 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative Financial liabilities						
Non-interest bearing		$ 386,361	$ 362,148	$ 185,430	$ 27,757	$ -
Variable interest rate liabilities	1.94~2.56	2,743	103,978	669,995	1,228,637	-
Fixed interest rate liabilities	2.52~2.98	128,450	201,261	-	-	69,072
		$ 517,554	$ 667,387	$ 855,425	$ 1,256,394	$ 69,072

December 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative Financial liabilities						
Non-interest bearing		$ 260,470	$ 629,562	$ 89,434	$ 14,447	$ -
Variable interest rate liabilities	1.94~2.54	3,838	116,645	412,643	1,443,428	-
Fixed interest rate liabilities	0.77~2.98	272,933	50,335	146,954	-	67,227
		$ 537,241	$ 796,542	$ 649,031	$ 1,457,875	$ 67,227

March 31, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative Financial liabilities						
Non-interest bearing		$ 194,821	$ 896,835	$ 77,765	$ 6,294	$ -
Variable interest rate liabilities	1.59~2.77	2,507	73,600	123,956	1,419,273	-
Fixed interest rate liabilities	0.80~2.98	29,531	75,251	277,896	-	62,649
		$ 226,859	$ 1,045,686	$ 479,617	$ 1,425,567	$ 62,649

January 1, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative Financial liabilities						
Non-interest bearing		$ 150,081	$ 840,307	$ 39,505	$ 5,849	$
Variable interest rate liabilities	1.59~2.77	349	208,476	-	-	-
Fixed interest rate liabilities	0.98~2.71	381,282	88,100	277,896	-	71,699
		$ 531,712	$ 1,136,883	$ 317,401	$ 5,849	$ 71,699

b) Financing facilities

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Unsecured bank overdraft facility				
Amount used	$2,237,097	$2,186,840	$1,767,510	$ 915,920
Amount unused	2,409,120	2,576,120	2,726,280	2,086,440
	$4,646,217	$4,762,960	$4,493,790	$3,002,360

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Trading transactions

	Sales of goods For the Three Months Ended March 31		Purchases of goods For the Three Months Ended March 31	
	2013	2012	2013	2012
Associates	$ 8,078	$ 8,345	$ -	$ -
Joint ventures	1,226	-	-	-
	$ 9,304	$ 8,345	$ -	$ -

The following transactions between the Group and the related parties were based on normal terms.

	Operating Expenses		Non-operating Income and Expenses	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2013	2012	2013	2012
Associates	$ -	$ 199	$ 1,719	$ 4,079
Joint ventures	-	-	1,748	-
	$ -	$ 199	$ 3,467	$ 4,079

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

	Disposal of Assets		Disposal of Intangible Assets	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2013	2012	2013	2012
Joint ventures	$ 1,037	$ -	$ 291	$ -

The following balances of trade receivables from related parties were outstanding at the end of the reporting period:

	Trade Receivables from Related Parties			
	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Associates	$ 56,192	$ 53,734	$ 56,290	$ 60,207
Joint ventures	1,287	-	-	-
Deduct: Allowance for doubtful accounts	48,431	48,400	49,222	51,130
	$ 9,048	$ 5,334	$ 7,068	$ 9,077

	Other Receivables			
	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Associates	$ 4,652	$ 53	$ 5,564	$ 2,376
Joint ventures	3,043	-	-	-
	$ 7,695	$ 53	$ 5,564	$ 2,376

	Other Current Liabilities			
	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Associates	$ -	$ -	$ 148	$ 16

	Deferred Income			
	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Associates	$ 2,147	$ 2,297	$ 2,747	$ 2,897

	Endorsement/guarantee provided			
	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Associates	$ -	$ -	$ -	$ 30,000

b. **Financing to Related Party**

The Group provided financing to HT mMobile, as follows:

	For three Months Ended March 31,2012			
Financing to Related Party	**Maximum Balance**	**Ending Balance**	**Interest Rate**	**Interest Income**
HT mMobile	$ 400,000	$ 400,000 Note2	1.475%-1.655%	$ 1,589

	For three Months Ended March 31,2013			
Financing to Related Party	**Maximum Balance**	**Ending Balance**	**Interest Rate**	**Interest Income**
HT mMobile	$ 362,460	$ 357,257 Note1	1.655%	$ 1,465

Note 1: The loan actually provided was $357,257 thousand, which was recognized as impairment loss totally.

Note 2: The loan actually provided was $400,000 thousand, which was recognized as impairment loss in 2011.

c. Compensation of directors, supervisors and management personnel:

	Three Months Ended March 31	
	2013	2012
Salaries and Incentives	$ 13,049	$ 12,856
Special compensation	881	730
Bonus	269	271
	$ 14,199	$ 13,857

34. PLEDGED OR MORTGAGED ASSETS

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

	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Orise stock	$ 429,199	$ 407,112	$ 181,676	$ -
Buildings, net	727,741	732,696	747,561	752,516
Pledged time deposits	89,368	89,329	121,232	121,287
Subsidiary's holding of Sunplus' stock	31,069	31,025	34,860	33,743
Giantplus stock	-	415,887	406,793	-
	$ 1,277,377	$ 1,676,049	$ 1,492,122	$ 907,546

35. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On April 26, 2013, Generalplus' s board of directors approved an increase in the investment in Generalplus Shenzhen by US$1,150 thousand, but the increase was not approved by the Investment Commission under the Ministry of Economic Affairs.

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

The significant financial assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2013		December 31, 2012		March 31, 2012		January 1, 2012	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets								
Monetary items								
USD	61,445	29.825	60,472	29.04	63,375	29.51	65,352	30.28
JPY	705	0.317	550	0.336	638	0.359	638	0.391
CNY	654	4.803	650	4.660	505	4.688	453	4.805
HKD	137	3.843	112	3.747	154	3.802	169	3.897
EUR	23	38.23	35	38.49	91	39.41	95	39.18
GDR	3	45.32	456	46.83	454	47.24	460	46.73
Nonmonetary items								
USD	17,496	29.825	44,508	29.04	48,546	29.51	48,962	30.28
HKD	983	3.843	1,082	3.747	957	3.802	1,050	3.897
EUR	-	38.23	510	38.49	894	39.41	894	39.18
Financial liabilities								
Monetary items								
USD	32,017	29.825	42,040	29.04	39,362	29.51	36,427	30.28
CNY	40	4.803	147	4.660	201	4.688	187	4.805
HKD	-	3.843	20	3.747	11	3.802	10	3.897
JPY	-	0.317	-	46.83	45	0.359	-	-
EUR	-	38.23	-	38.49	-	39.41	2	39.18
GDR	-	-	-	-	-	-	5	346.73

37. ADDITIONAL DISCLOSURES

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

a. Endorsement/guarantee provided: Table 1 (attached)
b. Financings provided: Table 2 (attached)
c. Marketable securities held: Table 3 (attached)
d. Names, locations, and related information of investees on which the Group exercises significant influence: Table 4 (attached)
e. Information on investment in Mainland China: Table 5 (attached)
f. Intercompany relationships and significant intercompany transactions: Table 6 (attached)

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by subsegment and operating results for the three months ended March 31, 2013 and 2012 are shown in the accompanying consolidated income statements, and the assets by segment as of March 31, 2013 and 2012 are shown in the accompanying consolidated balance sheets.

39. FIRST-TIME ADOPTION OF IFRSS

Basis of the preparation for financial information under IFRSs

The Group's condensed consolidated financial statements for the three months ended March 31, 2013 were the first IFRS interim financial statements. The Group not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

Effects of transition to IFRSs

After transition to IFRSs, the effect on the Group's consolidated balance sheets and consolidated statements of comprehensive income is stated as follows:

a. Reconciliation of consolidated balance sheet as of January 1, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Assets				
Notes and trade receivables, net	$ 1,331,576	$ 9,509	$ 1,340,635	7(2)
Deferred tax assets - current	37,179	(37,179)	-	7(1)
Other current assets	138,749	57,870	196,619	7(7) & 7(10)
Investments accounted for using equity method	885,569	(2,688)	882,881	7(11)
Property, plant and equipment	1,649,559	52,646	1,702,205	7(8) & 7(9)
Investment property	-	265,457	265,457	7(8)
Intangible assets	676,915	(14,641)	662,274	7(7) & 7(10)
Rental Assets	363,197	(363,197)	-	7(8)
Deferred charges/Other assets	102,553	138	102,691	7(7), 7(9) & 7(10)
Deferred Income Tax Assets	218,536	37,179	255,715	7(1)
Liabilities				
Accrued Expenses and Other current liabilities	606,110	16,005	622,115	7(2), 7(3) & 7(12)
Accrued pension cost	101,877	28,374	130,251	7(4)
Equity				
Capital Surplus-Net Assets from Merger	950,022	(792,599)	157,423	7(5)
Cumulative translation adjustments/ foreign currency translation reserve	90,505	(90,505)	-	7(6)
Unrealized gain (loss) on financial instruments/unrealized gain (loss) on available-for-sale financial assets	(1,190,315)	800,438	(389,877)	-
Accumulated Loss	(23,822)	62,297	38,475	7(3), 7(4), 7(5), 7(6) & 7(11)
Minority Interest	1,602,967	(19,366)	1,583,601	7(5)

b. Reconciliation of consolidated balance sheet as of March 31, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Assets				
Notes and trade receivables, net	$ 1,313,306	$ 9,077	$ 1,322,383	7(2)
Deferred tax assets - current	33,386	(33,386)	-	7(1)
Other current assets	176,061	47,184	223,245	7(7) & 7(10)
Investments accounted for using equity method	889,706	(3,178)	886,528	7(11)
Property, plant and equipment	1,800,046	2,715	1,802,761	7(8) & 7(9)
Investment property	-	263,189	263,189	7(8)
Intangible assets	651,014	(13,829)	637,185	7(7) & 7(10)
Rental Assets	266,286	(266,286)	-	7(8)
Deferred charges/Other assets	83,679	(34,700)	48,979	7(7), 7(9) & 7(10)
Deferred Income Tax Assets	214,428	33,386	247,814	7(1)
Liabilities				
Accrued Expenses and Other current liabilities	404,696	13,262	417,958	7(2), 7(3) & 7(12)
Accrued pension cost	101,618	27,945	129,563	7(4)
Equity				
Capital Surplus-Net Assets from Merger	944,744	(787,351)	157,423	7(5)
Cumulative translation adjustments/ foreign currency translation reserve	51,089	(89,942)	(38,853)	7(6)
Unrealized gain (loss) on financial instruments/unrealized gain (loss) on available-for-sale financial assets	(893,957)	800,438	(93,519)	-
Accumulated Loss	(196,033)	64,689	(131,344)	7(3), 7(4), 7(5), 7(6) & 7(11)
Minority Interest	1,580,363	(24,869)	1,555,494	7(5)

c. Reconciliation of consolidated balance sheet as of December 31, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Assets				
Notes and trade receivables, net	$ 1,372,094	$ 23,028	$ 1,395,122	7(2)
Deferred tax assets - current	58,629	(58,629)	-	7(1)
Other current assets	145,395	23,832	169,227	7(7) & 7(10)
Investments accounted for using equity method	2,650,691	(1,014,898)	1,635,793	7(5), 7(11) & 7(13)
Property, plant and equipment	1,943,055	731	1,943,786	7(8) & 7(9)
Investment property	-	274,841	274,841	7(8)

(Continued)

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Intangible assets	$ 558,783	$ (116,137)	$ 422,646	7(7) & 7(10)
Rental Assets	277,883	(277,883)	-	7(8)
Deferred charges/Other assets	50,234	91,279	141,513	7(7), 7(9) & 7(10)
Deferred Income Tax Assets	67,346	58,629	125,975	7(1)
<u>Liabilities</u>				
Accrued Expenses and Other current liabilities	750,827	42,957	793,784	7(2), 7(3) & 7(12)
Accrued pension cost	102,421	61,619	164,040	7(4)
<u>Equity</u>				
Capital Surplus-Net Assets from Merger	936,212	(777,531)	158,681	7(5), 7(12) & 7(13)
Cumulative translation adjustments/ foreign currency translation reserve	3,155	(87,617)	(84,462)	7(6)
Accumulated Loss	(676,970)	(226,420)	(903,390)	7(3), 7(4), 7(5), 7(6) & 7(11)
Minority Interest	1,565,376	(8,214)	1,557,162	7(5)

(Concluded)

d. Reconciliation of condensed consolidated statement of comprehensive income for the three months ended March 31, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating expenses	$ 893,437	$ (3,190)	$ 890,247	7(3) & 7(4)
Other income and expenses				
Share of profits of associates and joint venture	3,990	(490)	3,500	7(11)
Gains on Sale of Investments	6,323	157	6,480	7(5)
Gains on Exchange operations	20,040	562	20,602	7(6)
Other comprehensive income				
Exchange differences on translating foreign operations			(38,853)	Note
Unrealized gain on available-for-sale financial assets			296,358	Note

e. Reconciliation of Condensed consolidated statement of comprehensive income for the year ended December 31, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating expenses	$ 3,702,877	$ 362	$ 3,703,239	7(3) & 7(4)
Other income and expenses				
Share of profits of associates and joint venture	33,622	(699)	32,923	7(11)
Gains on Sale of Investments	76,424	(255,426)	(179,002)	7(5), 7(12) & 7(13)
Gains on Exchange operations	28,513	1,752	30,265	7(6)
Other comprehensive income				
Exchange differences on translating foreign operations			(84,462)	Note
Unrealized gain on available-for-sale financial assets			577,986	Note
Actuarial Loss on defined benefit plan			(30,505)	7(4)
Share of other comprehensive income of associates and joint ventures			(1,572)	-

f. Exemptions from IFRS 1

IFRS 1 establishes the procedures for the Group's first condensed consolidated financial statements prepared in accordance with IFRSs. According to IFRS 1, the Group is required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs, January 1, 2012; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The major optional exemptions the Group adopted are summarized as follows:

1) Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses in retained earnings as of the date of transition.

2) Cumulative translation differences

The Group elected to reset to zero, the cumulative translation differences at the date of transition to IFRSs, and adjusted retained earnings by the amount of the cumulative translation difference that existed prior to the reset..

3) Share-based payment transactions

The Group elected to take the optional exemption from applying IFRS 2 "Share-based Payment" retrospectively for the shared-based payment transactions granted and vested before the date of transition.

4) Business combinations

The Group elected not to apply IFRS 3, "Business Combinations," retrospectively to business combinations that occurred before the date of transition. Therefore, in the opening balance sheet, the amount of goodwill generated from past business combinations remains the same compared with the one under ROC GAAP as of December 31, 2011.

The exemption of not elected to apply IFRS 3 "Business Combinations" also applied to investments in associates acquired in the past.

g. Explanations of significant reconciling items in the transition to IFRSs

Material differences between the accounting policies under R.O.C GAAP and the accounting policies adopted under IFRSs were as follows:

1) Under ROC GAAP, valuation allowance is provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. Under IFRSs, deferred tax assets are only recognized to the extent that it is probable that there will be sufficient taxable profits against which the deductible temporary differences can be used; thus, the valuation allowance account is no longer needed.

   In addition, under ROC GAAP, a deferred 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, it is classified as current or noncurrent on the basis of the expected length of time before it is realized or settled. Under IFRSs, a deferred tax asset or liability is classified as noncurrent.

   As of December 31, 2012 , March 31,2012 and January 1, 2012, the amounts reclassified from deferred income tax assets - current to deferred income tax assets - noncurrent were $58,629 thousand,$33,386 thousand and $37,179 thousand, respectively.

2) Under ROC GAAP, provisions for estimated sales returns and others are recognized as a reduction of revenue in the period the related revenue is recognized on the basis of historical experience. Allowance for sales returns and others is recorded as a deduction from accounts receivable. Under IFRSs, the allowance for sales returns and others is a provision recognized for a present obligation resulting from a past event, on which the timing of the settlement of the liability and the related amount are uncertain. This provision is classified under current liabilities.

   As of December 31, 2012 , March 31,2012 and January 1, 2012, the amounts reclassified from allowance for sales returns and others to provisions were $23,028 thousand,$9,077 thousand and $9,059 thousand, respectively.

3) Employee benefits - short-term accumulating compensated absences

   Short-term accumulating compensated absences are not specifically addressed under ROC GAAP and are usually recognized as salary expense when employees actually go on leave. Under IFRSs, cumulative compensated absences are recognized as salary expense when the employees render services that increase their entitlement to future compensated absences.

   At the transition to IFRSs, the Group elected to recognize all the resulting accounting difference pertaining to compensated absences in retained earnings. As of December 31, 2012, and January 1, 2012, other current liabilities increased by $19,928 thousand, $14,794 thousand and $17,555 thousand, respectively. For 2012 and for the three months ended March 31, 2012, the adjustments resulted in increases in cost of sales and operating expenses by $2,373 thousand and a decrease of $2,761.

4) Employee benefits - corridor approach

   Under ROC GAAP, on the adoption of SFAS No. 18 – "Accounting for Pensions," unrecognized net transition obligation should be amortized over the expected average remaining service lives of the employees who are still in service and expected to receive pension benefits using the straight-line method and should be recorded in net pension cost. Under IFRSs, the Group is not subject to the transition requirements of IAS 19 "Employee Benefits." Thus, unrecognized net transition obligation should be recognized immediately in retained earnings.

Under ROC GAAP, actuarial gains and losses are accounted for under the corridor approach which results in the deferral of gains and losses. Based on the corridor approach, actuarial gains and losses should be amortized over the expected average remaining working lives of the participating employees and be recognized directly in retained earnings. On the transition to IFRSs, the Group decided to continue using the corridor approach in accordance with IAS 19 "Employee Benefits" and its accounting policy.

As of December 31, 2012,March 31,2012 and January 1, 2012, the Group performed actuarial valuation based on IAS 19 and adjusted accrued pension cost for an increase of $61,619 thousand,$27,945 thousand and $28,374 thousand, respectively, as required by IFRS 1. In addition, pension cost in fiscal 2012 and for the three months ended March 31, 2012 were adjusted for an increase of $2,740 thousand and a decrease of 429 thousand and other comprehensive income were adjusted for a decrease of $30,505 thousand and a decrease of $0, respectively.

5) Without loss of significant changes in equity interest in the associates and adjustment of capital surplus

   Under ROC GAAP, if an investee company issues new shares and original shareholders do not acquire new shares proportionately, the investment percentage and the investor's equity in net assets will change. This change will be used to adjust the additional paid-in capital and the long-term investments accounts.

   Under the requirements of "IFRSs Q&A" issued by the Taiwan Stock Exchange Corporation, the Group only needs to reclassify capital surplus –long term investment to retained earnings, and no retrospective adjustments were are necessary.

   According to the requirements of "IFRSs Q&A," issued by Taiwan Stock Exchange Corporation (TWSE), the Group only need to reclassify capital surplus –long term investment into retained earnings, no retrospective adjustments were necessary. As of March 31, 2012and January 1, 2012, capital surplus – long term investments were adjusted for a decrease of $95,761 thousand and $116,628 thousand, respectively.

   Under ROC GAAP, employee stock options granted by a subsidiary are recognized at the parent company's ownership percentage as capital surplus - employee stock options under the equity attributable to the parent's shareholders in the consolidated financial statements. Under IFRSs, the equity not attributable, directly or indirectly, to a parent is a noncontrolling interest. As of December 31, 2012 and January 1, 2012, capital surplus – long term investments were adjusted for increases of $17,631 thousand and $15,619 thousand, respectively. And as of January 1 to March 31, 2012, gains on Sale of Investments were adjusted for increase of 157 thousand.

6) Under ROC GAAP, various factors are simultaneously considered in determining functional currency. Under IAS 21, "Effect of Changes in Exchange Rates of Foreign Currencies," the factors for determining functional currency are classified into primary and secondary on the basis of management's weighing the importance of these factors. Under ROC GAAP, there is no assigning of priority to some factors over other factors. As of December 31, 2012, March 31, 2012and January 1, 2012, cumulative translation adjustments of the Group were adjusted for increases of $20,095 thousand,$18,906 thousand and $18,343 thousand, respectively. The foreign exchange loss of 2012 and for the three months ended March 31, 2012 was also adjusted for an increase of $1,752 thousand and 562 thousand..

7) Under ROC GAAP, deferred expense is recorded under other assets. Under IFRSs, the Group reclassified deferred expenses to intangible assets and prepaid expenses depending on the nature of these deferred expenses. As of December 31, 2012, March 31, 2012 and January 1, 2012, the

amounts reclassified from deferred expenses to intangible assets were $14,327 thousand $20,059 thousand and $20,177 thousand, respectively, and the amounts reclassified to prepaid expenses were $19,556 thousand,$44,367 thousand and $55,035 thousand, respectively.

8) Under ROC GAAP, the Group's property that is leased to another entity is recorded as rental property under other assets. Under IFRSs, the Group reclassified these assets, held for earning rentals or for capital appreciation, or both, from other assets to investment property. As of December 31, 2012, March 31, 2012 and January 1, 2012, the amounts reclassified to investment property were 274,841 thousand 263,189 thousand and 265,457 thousand, respectively, and the amounts reclassified to property, plant and equipment were $3,041 thousand, $3,097 thousand and $97,742 thousand, respectively.

9) Under ROC GAAP, prepayment for equipment is recorded under property, plant and equipment. Under IFRSs, prepayment for equipment is recorded and classified as either current asset or noncurrent asset based on their expectations of the realization. As of December 31, 2012 ,March 31, 2012 and January 1, 2012, the amounts reclassified to prepayments - noncurrent were $2,310 thousand,$382 thousand and $45,094 thousand, respectively.

10) Under ROC GAAP, held burgage is classified under intangible assets. Under IFRSs, burgage is reclassified lease prepayments in accordance with IAS 17 "Leases." As of December 31, 2012, March 31, 2012 and January 1, 2012, the amounts reclassified to lease prepayments - current (classified under other current assets) were $2,643 thousand ,$716 thousand and$733 thousand and lease prepayments - noncurrent (classified under other noncurrent assets) were $122,852 thousand,$29,344 thousand and $30,256 thousand, respectively.

11) In conformity with the Group's transition to IFRSs, the Group's associates accounted for using the equity method have also assessed the significant differences between their respective present accounting policies and IFRSs and made adjustments accordingly. The associates' area of major adjustments is in employees' benefits. As of December 31, 2012 and January 1, 2012, the assessment of differences resulted in decreases of $4,959 thousand and $2,688 thousand, respectively, and investments accounted for by the equity method for the three months ended March 31, 2012also decreased by $699 thousand and $490 thousand.

12) Under ROC GAAP, an investor should continue to recognize losses if an investee's return to profitable operations are imminent (even if the investor has not [1] guaranteed the investee's obligations or (2) committed to provide further financial support to the investee). Under IFRSs, if an investor's share in the losses of an associate exceeds its interest in the associate, the investor will discontinue recognizing its share in the loss even if the investee's imminent return to profitable operations appears to be assured. However, additional losses are provided for, and a liability is recognized, to the extent that the investor has assumed legal or constructive obligations or made payments on behalf of the associate. As of January 1, 2012, the amount reclassified to other current liabilities - equity-method investments was $10,609 thousand, and the amount reclassified from additional paid-in capital - equity-method investments to retained earnings was $13,056 thousand. And as of December 31, 2012 gains on Sale of Investments were adjusted for a decrease of $21,798 thousand

13) Under ROC GAPP, the Group adjust the difference among the cost of investment and net equity while acquiring significant influence and retrospect to the beginning of the year. At the transition to IFRSs calculated while acquiring significant influence. The gain on disposal of investment generated. As of December 3, 2012, the amount of equity-method investments decreased by 1,034,066 thousand, and the amount of gain on disposal of investment in increase of 233,628 thousand of 2012.

h. Explanations of significant reconciling items in Cash Flow

According to ROC GAAP, interest paid and received and dividends received are classified as operating activities while dividends paid are classified as financing activities. Additional disclosure is required for interest expenses when reporting cash flow using indirect method. However, under IAS 7" Statement of Cash Flow", cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as operating, investing or financing activities. Therefore, interests received by the Group of $8,931 thousand, respectively, for the three months ended March 31, 2012 were presented separately at the date of transition to IFRSs.

Except for the above differences, there are no other significant differences between ROC GAAP and IFRSs in the consolidated statement of cash flows.

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED MARCH 31, 2013
(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	Sun Media Technology Co., Ltd.	100% indirect subsidiary	$ 858,720 (Note 1)	$ 448,000	$ 448,000	$ -	5.23%	$ 1,932,445 (Note 2)
		Sunplus mMobile Inc.	99% subsidiary	858,720 (Note 1)	220,000	220,000	-	2.56%	1,932,445 (Note 2)
		Sunplus Technology (Shanghai) Co., Ltd.	99% indirect subsidiary	858,720 (Note 1)	149,575	149,575	-	1.74%	1,932,445 (Note 2)
		Sunext Technology Co., Ltd.	61% subsidiary	858,720 (Note 1)	47,342	47,342	-	0.55%	1,932,445 (Note 2)
		Generalplus Technology Inc.	34% subsidiary	858,720 (Note 1)	27,126	27,126	-	0.32%	1,932,445 (Note 2)
		Sunplus Innovation Technology Inc.	63% subsidiary	858,720 (Note 1)	17,564	17,564	-	0.20%	1,932,445 (Note 2)
		iCatch Technology Inc.	38% subsidiary	858,720 (Note 1)	12,701	12,701	-	0.15%	1,932,445 (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 AND SUBSIDIARIES

FINANCINGS PROVIDED
NINE MONTHS ENDED MARCH 31, 2013
(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	$ 357,800	$ 357,800 (Note 10)	1.655%	Note 1	$ -	Note 2	$ -	-	$ -	$ 429,360 (Note 7)	$ 858,720 (Note 8)
		HT mMobile Inc.	Other receivables	362,460	357,257 (Note 11)	1.655%	Note 1	-	Note 3	357,257	Note 13	-	429,360 (Note 7)	858,720 (Note 8)
1	Sunplus Technology (Shanghai) Co., Ltd.	ShenZhen Suntop Technology Co., Ltd.	Other receivables	9,515	-	2.519%	Note 1	-	Note 4	-	-	-	22,996 (Note 7)	45,991 (Note 8)
		Ytrip Technology Co., Ltd.	Other receivables	9,164	8,248 (Note 12)	2.519%	Note 1	-	Note 5	-	-	-	22,996 (Note 7)	45,991 (Note 8)
		Sun Media Technology Co., Ltd.	Other receivables	10,080	-	2.519%	Note 1	-	Note 6	-	-	-	160,969 (Note 9)	183,964 (Note 9)

Note 1: Short-term financing.

Note 2: Sunplus Technology Company Limited provided cash payments of Sunplus mMobile Inc.

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

Note 4: Sunplus Technology (Shanghai) Co., Ltd. provided funds for ShenZhen Suntop Technology Co., Ltd. to for its need of operation.

Note 5: Sunplus Technology (Shanghai) Co., Ltd. provided funds for Ytrip Technology Co., Ltd. to for its need of operation.

Note 6: Sunplus Technology (Shanghai) Co., Ltd. provided funds for Sun Media Technology Co., Ltd. to for its need of operation.

Note 7: For each transaction entity, the amount should not exceed 5% of the Group's and Sunplus Technology (Shanghai) Co., Ltd. net equity as of the latest financial statements.

Note 8: The amount should not exceed 10% of the Group's and Sunplus Technology (Shanghai) Co., Ltd. net equity based on the latest financial statements.

Note 9: For each transaction entity, the amount should not exceed 40% of Sunplus Technology (Shanghai)'s net equity as of the latest financial statement, and the each amount should not exceed 35% of the Company's net equity as of the latest financial statement because the borrowing company is the Group's parent company holding 100% by directly or indirectly.

(Continued)

Note 10: Actual provided was $247,900 thousand.

Note 11: During the year ended March 31, 2013, the loan of HT mMobile had been repaid about $5,203 thousand with cash, bonus to staff and tax refunds, ate. The company had recognized the reversal of an allowance for impairment loss about $5,203 thousand. Therefore, the actual amounts of loan are $357,257 thousand and have been recognized as impairment loss.

Note 12: Actual provided was $8,248 thousand.

Note 13: Self-developed technology.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the "Company")	Stock							
	Ventureplus Group Inc.	Equity-method investee	Equity-method investments	44,175	$ 1,000,035	100	$ 1,000,035	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	47,290	922,565	34	922,565	Notes 1 and 11
	Lin Shih Investment Co., Ltd.	Equity-method investee	Equity-method investments	70,000	765,039	100	765,039	Notes 1 and 5
	Giantplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	84,652	682,344	19	682,344	Note 1
	Sunplus Venture Capital Co., Ltd.	Equity-method investee	Equity-method investments	100,000	680,573	100	680,573	Note 1
	Generalplus Technology Inc	Equity-method investee	Equity-method investments	37,324	622,075	34	622,075	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	31,450	535,995	63	536,153	Notes 1 and 8
	Russell Holdings Limited	Equity-method investee	Equity-method investments	14,760	280,025	100	283,864	Notes 1 and 10
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	38,837	201,190	61	201,190	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	20,735	196,148	38	196,148	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	12,441	56,590	83	71,257	Notes 1 and 9
	S2-TEK INC.	Equity-method investee	Equity-method investments	908	43,837	2	75,925	Note 1
	Wei-Young Investment Inc.	Equity-method investee	Equity-method investments	1,400	9,434	100	9,434	Note 1
	Global Techplus Capital Inc.	Equity-method investee	Equity-method investments	200	6,756	100	6,756	Note 1
	Sunplus Management Consulting Inc.	Equity-method investee	Equity-method investments	500	4,145	100	4,145	Note 1
	Sunplus Technology (H.K.) Co., Ltd.	Equity-method investee	Equity-method investments	11,075	3,776	100	3,776	Note 1
	Magic Sky Limited	Equity-method investee	Equity-method investments	6,000	-	100	-	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	56,448	-	32	-	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	48,999	(369,590)	99	(369,590)	Notes 1 and 7
	Global View Co., Ltd.	The Company's supervisor	Available-for-sale financial assets	13,568	198,088	13	198,088	Note 3
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	22,037	-	22,037	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	5,000	19,198	-	19,198	Note 3
	Fund							
	Mega Diamond Bond Fund	-	Available-for-sale financial assets	290	100,741	-	100,741	Note 6
	JF (Taiwan) First Money Market Fund	-	Available-for-sale financial assets	8,273	90,141	-	90,141	Note 6
	FSITC Money Market	-	Available-for-sale financial assets	5,887	50,344	-	50,344	Note 6
	FSITC Global Socially Rspnb Invmt Bd	-	Available-for-sale financial assets	3,000	49,586	-	49,586	Note 6
	JPMorgan GIBI EM Corp Bd	-	Available-for-sale financial assets	3,000	30,962	-	30,962	Note 6
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	5,000	30,095	-	30,095	Note 6
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	3,000	30,092	-	30,092	Note 6
	Prudential Financial Money Market	-	Available-for-sale financial assets	652	10,027	-	10,027	Note 6
	Network Capital Global Fund	-	Financial assets carried at cost	933	9,333	7	9,333	Note 3
	Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	556	5,556	11	5,556	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	14,892	$ 249,355	14	$ 249,355	Note 2
	S2-TEK INC.	Equity-method investee	Equity-method investments	9,591	68,180	24	68,180	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,360	17,445	5	17,445	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	1,075	16,110	2	16,110	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	965	9,121	2	9,121	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	579	8,261	4	8,261	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	-	31	-	(383)	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	4,695	-	3	-	Note 1
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	144,402	1	144,402	Note 4
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,397	139,735	7	139,735	Note 4
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	32,681	1	32,681	Note 4
	RITEK Technology Co., Ltd.	-	Available-for-sale financial assets	833	3,200	-	3,200	Note 4
	Aiptek International Inc.	-	Available-for-sale financial assets	60	-	-	-	Note 4
	Frankin Templetion Sinoa	-	Available-for-sale financial assets	1,994	20,000	-	20,000	Note 4
	UPAMC JAMES BOND MONEY	-	Available-for-sale financial assets	431	7,008	-	7,008	Note 4
	Catcher Technology Co., Ltd.	-	Available-for-sale financial assets	28	3,652	-	3,652	Note 4
	CASETEK CORP.	-	Available-for-sale financial assets	20	2,889	-	2,889	Note 4
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets	35	2,888	-	2,888	Note 4
	Pou Chen Corp.	-	Available-for-sale financial assets	80	2,479	-	2,479	Note 4
	TAI TUNG COMMUNICATION CO., LTD.	-	Available-for-sale financial assets	20	729	-	729	Note 4
	Zhen Ding Tech.	-	Available-for-sale financial assets	10	670	-	670	Note 4
	Flexium Interconnect, Inc.	-	Available-for-sale financial assets	7	641	-	641	Note 4
	PRIMAX CORP.	-	Available-for-sale financial assets	22	560	-	560	Note 4
	CHINA SYNTHETIC RUBBER CORP	-	Available-for-sale financial assets	9	284	-	284	Note 4
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,295	13,940	9	13,940	Note 3
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	426	4,136	2	4,136	Note 3
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	3,676	7	3,676	Note 3
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 3
	Socle Technology Corp.	-	Financial assets carried at cost	250	2,121	-	2,121	Note 3
	GemFor Tech. Co., Ltd.	-	Financial assets carried at cost	373	1,764	6	1,764	Note 3
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	-	7	-	Note 3
	WayTech Development Inc.	-	Financial assets carried at cost	1,500	-	5	-	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	8	-	-	-	Note 3
Russell Holdings Limited	<u>Stock</u>							
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	442	US$ 77 thousand	1	US$ 77 thousand	Note 1
	Aruba Networks, Inc.	-	Available-for-sale financial assets	10	US$ 254 thousand	-	US$ 254 thousand	Note 4
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	US$ 1,721 thousand	-	US$ 1,721 thousand	Note 3
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	US$ 456 thousand	5	US$ 456 thousand	Note 3
	Aicent, Inc.	-	Financial assets carried at cost	500	US$ 250 thousand	1	US$ 250 thousand	Note 3
	VisualOn Inc.	-	Financial assets carried at cost	377	US$ 131 thousand	3	US$ 131 thousand	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2013 Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	US$ 87 thousand	15	US$ 87 thousand	Note 3
	Synerchip Co., Ltd.	-	Financial assets carried at cost	6,452	US$ - thousand	12	US$ - thousand	Note 3
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	US$ - thousand	-	US$ - thousand	Note 3
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	US$ - thousand	1	US$ - thousand	Note 3
	OZ Optics Limited.	-	Financial assets carried at cost	1,000	US$ - thousand	8	US$ - thousand	Note 3
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	US$ - thousand	3	US$ - thousand	Note 3
Sunplus Venture Capital Co., Ltd.	Stock							
	Security	-	Investment in debt security with no activity Market	1	$ 14,520	-	14,520	Note 12
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	4,301	85,059	4	85,059	Note 1
	S2-TEK INC.	Equity-method investee	Equity-method investments	10,001	76,059	25	76,059	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	2,750	47,799	6	47,799	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	3,182	30,088	6	30,088	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	4,431	22,947	7	22,947	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	865	16,015	1	16,015	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	1,909	10,135	13	10,142	Note 1
	Han Young Technology Co., Ltd.	Equity-method investee	Equity-method investments	420	1,780	70	1,780	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	-	3	-	3	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	9,111	-	5	-	Note 1
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	103,606	1	103,606	Note 4
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	49,449	-	49,449	Note 4
	Aruba Networks, Inc.	-	Available-for-sale financial assets	4	2,746	-	2,585	Note 4
	Aiptek International Inc.	-	Available-for-sale financial assets	351	-	1	-	Note 4
	FSITC Money Market		Available-for-sale financial assets	290	50,353	-	50,353	Note 6
	Franklin Templeton Sinoam Money Market		Available-for-sale financial assets	5,998	50,143	-	50,143	Note 6
	Feature Integration Technology Inc.	-	Financial assets carried at cost	1,811	20,734	4	20,734	Note 3
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,303	14,025	9	14,025	Note 3
	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	13,691	Note 3
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	419	6,243	2	6,243	Note 3
	Socle Technology Corp.	-	Financial assets carried at cost	550	4,666	1	4,666	Note 3
	Genius Vision Digital	-	Financial assets carried at cost	750	1,500	8	1,500	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	49	-	-	-	Note 3
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	-	8	-	Note 3
	Simple Act Inc.	-	Financial assets carried at cost	1,990	-	10	-	Note 3
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	WayTech Development Inc.	-	Financial assets carried at cost	1,000	$ -	4	$ -	Note 3
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 3
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 3
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	-	-	Note 3
Ventureplus Group Inc.	Stock							
	Ventureplus Mauritius Inc.	Subsidiary of Ventureplus Group Inc.	Equity-method investments	44,175	1,000,258 thousand	100	1,000,258 thousand	Note 1
Ventureplus Mauritius Inc.	Stock							
	Ventureplus Cayman Inc.	Subsidiary of Ventureplus Mauritius Inc.	Equity-method investments	44,175	1,000,376 thousand	100	1,000,376 thousand	Note 1
Ventureplus Cayman Inc.	Stock							
	Sunplus Technology (Shanghai) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	475,411 thousand	99	475,411 thousand	Note 1
	Sunplus Pro-tek (Shenzhen) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	71,141 thousand	100	71,141 thousand	Note 1
	SunMedia Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	428,850 thousand	100	428,850 thousand	Note 1
	Sunplus App Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	10,280 thousand	80	10,280 thousand	Note 1
	Ytrip Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	13,241 thousand	73	13,241 thousand	Note 1
Magic sky Limited	HT mMobile Inc.	Equity-method investee	Equity-method investments	16,888	-	10	-	Note 1
Sunplus Technology (Shanghai) Co., Ltd.	ShenZhen Suntop Technology Co., Ltd.	Subsidiary of Sunplus Technology (Shanghai) Co., Ltd.	Equity-method investments	-	RMB (1,014) thousand	100	RMB (1,014) thousand	Note 1
	GF Money Market Fund class B shares	-	Available-for-sale financial assets	8,870	RMB 9,013 thousand		RMB 9,013 thousand	Note 6
Wei-Young Investment Inc.	Stock							
	Elitergroup Computer Systems	-	Available-for-sale financial assets	508	5,424	-	5,424	Note 4
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	108	1,724	-	1,724	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	18	93	-	174	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2013 Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
Generalplus Technology Inc.	<u>Stock</u>							
	Generalplus International (Samoa) Inc.	Subsidiary of Generalplus Technology Inc.	Equity-method investments	7,590	$ 125,139	100	$ 125,139	Note 1
	<u>Fund</u>							
	Union Money Market	-	Available-for-sale financial assets	4,297	55,210	-	55,210	Note 6
	ING Global Bond Porttolio	-	Available-for-sale financial assets	3,999	50,280	-	50,280	Note 6
	Eastspring Inv well Pool Money Market	-	Available-for-sale financial assets	1,063	14,061	-	14,061	Note 6
	Jih Sun Money Market	-	Available-for-sale financial assets	706	10,153	-	10,153	Note 6
	Allianz Golbal Investors Taiwan Money Market Fund	-	Available-for-sale financial assets	412	5,021	-	5,021	Note 6
Generalplus International (Samoa) Inc.	<u>Stock</u>							
	Generalplus (Mauritius) Inc.	Subsidiary of Generalplus International (Samoa) Inc.	Equity-method investments	7,590	125,115 thousand	100	125,115 thousand	Note 1
Generalplus (Mauritius) Inc.	<u>Stock</u>							
	Generalplus Technology (Shenzhen) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	7,200	118,174 thousand	100	118,174 thousand	Note 1
	Generalplus Technology (Hong Kong) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	390	6,941 thousand	100	6,941 thousand	Note 1
Ytrip Technology Co., Ltd.	<u>Stock</u>							
	1 Culture Communication Co., Ltd.	Subsidiary of Ytrip Technology Co., Ltd.	Equity-method investments	-	RMB 2,000 thousand	100	RMB 2,000 thousand	
Sunext Technology Co., Ltd.	<u>Fund</u>							
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	2,438	32,060	-	32,060	Note 6
	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	2,175	32,056	-	32,056	Note 6
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	1,954	29,048	-	29,048	Note 6
	Yuanta De-Bao Money Market Fund	-	Available-for-sale financial assets	2,056	24,044	-	24,044	Note 6
	ING Taiwan Money Market	-	Available-for-sale financial assets	884	14,035	-	14,035	Note 6
	Prudential Financial Money Market Fund	-	Available-for-sale financial assets	520	8,001	-	8,001	Note 6
Sunplus mMobile Inc.	Sunplus mMobile SAS	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	237	-	100	-	Note 1
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	4,008	80,039	-	80,039	Note 6
Sunplus Innovation Technology Inc.	<u>Fund</u>							
	Mega Diamond Money Market	-	Available-for-sale financial assets	7,426	90,000	-	90,000	Note 5
	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	5,451	80,769	-	80,769	Note 5
	<u>Stock</u>							
	Advanced Silicon SA	-	Financial assets carried at cost	2,000	15,993	9	15,993	Note 2
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	1,000	15,391	12	15,391	Note 2

(Continued)

Note 1: The net asset value was based on not reviewed financial data as of March 31, 2013.

Note 2: The net asset value was based on reviewed financial data as of March 31, 2013.

Note 3: The market value was based on carrying value as of March 31, 2013.

Note 4: The Market value was based on the closing price as of March 31, 2013.

Note 5: 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 6: The market value was based on the net asset value of fund as of March 31, 2013.

Note 7: The credit balance on the carrying value of the equity-method investment is reported under other current liabilities.

Note 8: Includes the deferred credit of $159 thousand.

Note 9: Includes the deferred credit of $27,329 thousand.

Note 10: Includes the deferred credit of $3,839 thousand.

Note 11: As of March 31, 2013, 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 $31,069 thousand and the holding of Sunlus Technology Company Limited of the shares of Giantplus Technology Co., Ltd. with a market value 415,887 thousand and Orise Technology Co., Ltd. with a market value 429,191 thousand had not been pledged or mortgaged.

Note 12: The value was based on amortization cost as of March 31, 2013.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
MARCH 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Giantplus Technology Co., Ltd.	Miaoli, Taiwan	LED	$ 881,315	$ 881,315	84,652	19	$ 682,344	$ (199,239)	$ (37,848)	-
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	536,298	536,298	47,290	34	922,565	80,253	27,302	Investee
	Ventureplus Group Inc.	Belize	Investment	US$ 44,175 thousand	US$ 42,985 thousand	44,175	100	1,000,035	(15,751)	(15,751)	Subsidiary
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	$ 699,988	$ 699,988	70,000	100	765,039	(1,858)	(1,858)	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	680,573	(4,820)	(4,820)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	622,075	36,855	12,641	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	63	535,995	(25,252)	(15,887)	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	US$ 14,760 thousand	US$ 14,760 thousand	14,760	100	280,025	(2,376)	(2,376)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	$ 924,730	$ 924,730	38,836	61	201,190	(37,495)	(22,929)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	196,148	1,466	535	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	307,565	307,565	12,441	83	56,589	(5,369)	4,657	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	9,434	20	20	Subsidiary
	Global Techplus Capital Inc.	Seychelles	Investment	US$ 200 thousand	US$ 200 thousand	200	100	6,756	178	178	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	$ 5,000	$ 5,000	500	100	4,151	(5)	(5)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	HK$ 11,075 thousand	HK$ 11,075 thousand	11,075	100	3,776	(378)	(378)	Subsidiary
	Magic Sky Limited	Samoa	Investment	US$ 6,000	US$ 6,000	6,000	100	-	-	-	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,196,392	2,196,392	48,999	99	(369,590)	(2,488)	(2,488)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	43,837	(33,018)	(6,488)	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	249,355	36,855	5,044	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	17,445	(37,495)	(1,984)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	16,110	(25,252)	(543)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,121	1,466	22	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,171	19,171	579	4	8,261	(5,369)	(207)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,778	36,889	9,591	24	68,180	(33,018)	(5,109)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,450	38,450	-	-	31	(2,488)	-	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	46,948	46,948	4,695	3	-	-	-	Investee
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	85,059	36,855	1,457	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	55,114	54,028	2,750	6	47,799	(25,252)	(1,374)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	31,818	31,818	3,182	6	30,088	(5,369)	73	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	22,947	(37,495)	(2,616)	Subsidiary
	Orise Technology Co, Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	16,015	80,253	514	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	13	10,135	(5,369)	(683)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	133,846	33,846	10,001	25	74,131	(33,018)	(5,325)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,784	-	-	3	(2,488)	-	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	100,204	100,204	9,111	5	-	-	-	Investee
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	US$ 2,119 thousand	US$ 2,119 thousand	442	1	US$ 77 thousand	(37,495)	US$ (9) thousand	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	$ 1,800	$ 1,800	108	-	$ 1,724	$ 36,855	$ 37	Subsidiary
	Sunext Technolgoy Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	93	(37,495)	(11)	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	US$ 44,175 thousand	US$ 44,175 thousand	44,175	100	1,000,258	(15,745)	(15,745)	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	US$ 44,175 thousand	US$ 42,985 thousand	44,175	100	1,000,376	(15,742)	(15,742)	Subsidiary
Ventureplus Cayman Inc.	Sunplus Technology Technology (Shanghai) Co., Ltd.	Shanghai, China	Research, development, manufacture and sale of ICs.	US$ 17,000 thousand	US$ 17,000 thousand	-	99	475,411	2,846	2,813	Subsidiary
	Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	ShenZhen, China	Research, development, manufacture and sale of ICs.	US$ 4,250 thousand	US$ 4,250 thousand	-	100	71,141	8,723	8,723	Subsidiary
	SunMedia Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US$ 20,000 thousand	US$ 20,000 thousand	-	100	428,850	(16,037)	(16,037)	Subsidiary
	Sunplus App Technology Co., Ltd.	Beijing, China	Research, development, manufacture and sale of ICs.	US$ 586 thousand	US$ 586 thousand	-	80	10,280	(1,575)	(1,260)	Subsidiary
	Ytrip Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US$ 2,275 thousand	US$ 1,085 thousand	-	73	13,241	(13,686)	(9,580)	Subsidiary
Sunext Technology Co., Ltd.	Great Sun Corp.	Samoa	Investment	US$ 750 thousand	US$ 750 thousand	750	100	-	17	17	Subsidiary
	Great Prosperous Corp.	Mauritius	Investment	US$ 1,962 thousand	US$ 1,962 thousand	1,962	100	-	-	-	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	US$ 7,590 thousand	US$ 7,590 thousand	7,590	100	125,139	900	900	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	US$ 7,590 thousand	US$ 7,590 thousand	7,590	100	125,115	900	900	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co., Ltd.	Shenzhen, China	After-sales service	US$ 7,200 thousand	US$ 7,200 thousand	7,200	100	118,174	1,467	1,467	Subsidiary
	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	US$ 390 thousand	US$ 390 thousand	390	100	6,941	(566)	(566)	Subsidiary
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	EUR 237 thousand	EUR 237 thousand	237	100	-	-	-	Subsidiary
Sunplus Technology Co., Ltd. (Shanghai)	ShenZhen Suntop Technology Co, Ltd.	Shenzheu, China	Design of software and hardware	RMB 8,000 thousand	RMB 2,000 thousand	-	100	RMB (1,014) thousand	RMB (170) thousand	RMB (170) thousand	Subsidiary
Ytrip Technology Co., Ltd.	1 Culture Communication Co., Ltd.	Chengdu, chian	Bussiness development	RMB thousand	RMB 2,000 thousand	16,888	100	RMB 1,871 thousand	RMB (129) thousand	RMB (129) thousand	Subsidiary

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
YEAR ENDED MARCH 31, 2013
(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, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2013	% Ownership of Direct or Indirect Investment	Investment Loss	Carrying Value as of March 31, 2013	Accumulated Inward Remittance of Earnings as of March 31, 2013
					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%	$ 2,813	$ 475,411 thousand	US$ - thousand
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	US$ 4,250 thousand	Note	US$ 4,250 thousand	US$ - thousand	US$ - thousand	US$ 4,250 thousand	100%	8,723	71,141 thousand	US$ - thousand
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	US$ 20,000 thousand	Note	US$ 20,000 thousand	US$ - thousand	US$ - thousand	US$ 20,000 thousand	100%	(16,037)	428,850 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%	(1,260)	10,280 thousand	US$ - thousand
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	US$ 20,000 thousand	Note	US$ 1,085 thousand	US$ 1,190 thousand	US$ - thousand	US$ 2,275 thousand	73%	(9,580)	13,241 thousand	US$ - thousand

Accumulated Investment in Mainland China as of March 31, 2013	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
US$44,111 thousand	US$46,105 thousand	$5,152,317

Note 1: Sunplus Technology Company Limited invested in a company located in Mainland China by investing in a company in a third country.

Note 2: The net asset value was based on not reviewed financial data as of March 31, 2013.

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
YEAR ENDED MARCH 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2012	% Ownership of Direct or Indirect Investment	Investment Loss (Note 2)	Carrying Value as of December 31, 2012	Accumulated Inward Remittance of Earnings as of December 31, 2012
					Outflow	Inflow					
Generalplus Shenzhen	Data processing service	US$ 7,200 thousand	Note 1	US$ 7,200 thousand	US$ - thousand	$ - thousand	US$ 7,200 thousand	100%	$ 1,467	$ 118,174	US$ - thousand

Accumulated Investment in Mainland China as of December 31, 2012	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment
US$7,200 thousand	US$7,200 thousand	$1,105,007

Note 1: Sunplus Technology Company Limited indirectly invested in a company located in Mainland China through investing in a company located in a third country.

Note 2: The investment loss is based on audited financial data as of March 31, 2013.

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEARS ENDED MARCH 31, 2013 and 2012
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Three Months ended March 31, 2013

Company Name	Counter-Party	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Technology Co., Ltd.	Generalplus Technology Corp.	1	Sales	$ 1,579	Note 1	0.09%
			Nonoperating income and gains	687	Note 2	0.04%
			Notes and accounts receivables	1,017	Note 1	0.01%
			Other receivables	721	Note 3	0.01%
	Sunext Technology Co., Ltd.	1	Sales	350	Note 1	0.09%
			Nonoperating income and gains	1,655	Note 2 and 4	0.02%
			Notes and accounts receivables	266	Note 1	-
			Other receivables	1,406	Note 3	0.01%
	Sunplus mMobile	1	Nonoperating income and gains	1,141	Note 2	0.07%
			Other receivables	248,660	Note 3	1.74%
	Sunplus Innovation Technology Inc.	1	Sales	272	Note 1	0.02%
			Nonoperating income and gains	1,664	Note 2	0.09%
			Notes and accounts receivables	74	Note 1	-
			Other receivables	1,129	Note 3	0.01%
Sunplus Technology Co., Ltd.	iCatch Technology, Inc.	1	Sales	484	Note 1	0.03%
			Nonoperating income and gains	2,544	Notes 2 and 4	0.15%
			Notes and accounts receivables	334	Note 1	-
			Other receivables	2,630	Note 3	0.02%
Sunext Technology Co., Ltd.	iCatch Technology, Inc.	3	Research and development	1,150	Note 2	0.01%
Sunplus Innovation Technology Inc.	Sunplus Technology (Shanghai) Co., Ltd.	3	Marketing expenses	148	Note 2	0.01%
			Accrued expense	148	Note 3	-
	Sunplus App Technology Co., Ltd.	3	Sales	159	Note 1	0.01%
Generalplus Technology Corp.	Sunplus Innovation Technology Inc.	3	Marketing expenses	878	Note 2	0.05%
			Intangible assets	8,190	Note 2	0.06%
	Sunplus mMedia Inc.	3	Research and development	9,110	Note 2	0.52%
			Intangible assets	27,329	Note 2	0.19%
			Accrued expenses	1,120	Note 2	0.01%
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	3	Marketing expenses	5,792	Note 2	0.33%
			Accrued expenses	7,503	Note 3	0.05%
	SunMedia Technology Co., Ltd.	3	Marketing expenses	4,441	Note 2	0.25%
			Accrued expenses	5,775	Note 3	0.04%
Sunplus Technology Co., Ltd. (Shanghai)	Generalplus Technology (Shenzhen) Corp.	2	Sales	2,063	Note 1	0.12%
	Ytrip Technology Co., Ltd.	2	Nonoperating income and gain	8,651	Note 2	0.49%

(Continued)

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

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

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

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

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

(Concluded)