

Sunplus Technology Company Limited

**Financial Statements for the
Three Months Ended March 31, 2010 and 2009 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and the Shareholders
Sunplus Technology Company Limited

We have reviewed the accompanying balance sheets of Sunplus Technology Company Limited as of March 31, 2010 and 2009, and the related statements of income and cash flows for the three months then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

As disclosed in Note 9 to the financial statements, the carrying values of equity-method investments as of March 31, 2010 and 2009 were NT\$8,233,237 thousand and NT\$7,118,058 thousand, respectively. As of March 31, 2010 and 2009, there were credit balances of NT\$716,796 thousand and NT\$416,712 thousand on the carrying values of these investments. For the three months ended March 31, 2010 and 2009, the related investment net losses were NT\$36,357 thousand and NT\$318,484 thousand, respectively. These investment amounts and other investee information disclosed in Note 25 to the financial statements were based on the investees' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the equity-method investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the financial statements of Sunplus Technology Company Limited as of and for the three months ended March 31, 2010, and 2009 referred to in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As disclosed in Note 3 to the accompanying financial statements, the Company adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 10 - "Inventories" on January 1, 2009.

April 15, 2010

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

BALANCE SHEETS

MARCH 31, 2010 AND 2009

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

(Reviewed, Not Audited)

ASSETS	2010		2009	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 4)	\$ 1,504,263	9	\$ 1,870,283	14
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	-	-	168,384	1
Available-for-sale financial assets - current (Notes 2 and 5)	1,566,031	10	468,347	3
Accounts receivable, net (Notes 2, 7 and 22)	1,228,668	8	589,283	4
Other receivables (Note 22)	307,448	2	172,111	1
Inventories (Notes 2, 3 and 8)	942,680	6	684,163	5
Deferred income tax assets (Notes 2 and 19)	54,814	-	110,700	1
Other current assets (Note 22)	54,761	-	46,067	-
Total current assets	5,658,665	35	4,109,338	29
LONG-TERM INVESTMENTS				
Equity-method investments (Notes 2 and 9)	8,233,237	51	7,118,058	51
Available-for-sale financial assets (Notes 2 and 6)	263,819	2	182,744	2
Financial assets carried at cost (Notes 2 and 10)	35,556	-	35,556	-
Total long-term investments	8,532,612	53	7,336,358	53
PROPERTIES (Notes 2, 11 and 23)				
Cost				
Buildings	795,683	5	724,275	5
Auxiliary equipment	189,522	1	184,963	1
Machinery and equipment	420,658	3	414,508	3
Testing equipment	350,692	2	373,741	3
Transportation equipment	2,463	-	2,463	-
Furniture and fixtures	97,283	-	122,531	1
Leasehold improvements	89	-	459	-
Total cost	1,856,390	11	1,822,940	13
Less: Accumulated depreciation	1,031,926	6	984,627	7
Construction in progress and prepayments for equipment	1,329	-	-	-
Net properties	825,793	5	838,313	6
INTANGIBLE ASSETS, NET (Notes 2 and 12)	275,462	2	487,806	4
OTHER ASSETS				
Rental assets, net (Notes 2, 22 and 23)	153,128	1	218,935	2
Deferred charges and others (Notes 2 and 13)	157,854	1	213,755	1
Deferred income tax assets (Notes 2 and 19)	537,479	3	737,178	5
Total other assets	848,461	5	1,169,868	8
TOTAL	\$ 16,140,993	100	\$ 13,941,683	100

LIABILITIES AND SHAREHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Accounts payable	\$ 823,803	5	\$ 354,435	2
Income tax payable (Notes 2 and 19)	268,186	2	365,454	3
Accrued expenses	201,630	1	146,320	1
Long-term bank loans - current portion (Notes 14 and 23)	625,000	4	140,000	1
Deferred royalty income (Notes 2, 12 and 22)	11,772	-	10,608	-
Other current liabilities (Notes 2, 9 and 22)	724,481	4	434,780	3
Total current liabilities	2,654,872	16	1,451,597	10
LONG-TERM BANK LOANS, NET OF CURRENT PORTION (Notes 14 and 23)	728,000	5	1,680,000	12
OTHER LIABILITIES				
Deferred income (Notes 2, 11 and 22)	28,889	-	35,412	-
Accrued pension liability (Notes 2 and 15)	56,500	-	59,507	1
Guarantee deposits	150,036	1	154,605	1
Total other liabilities	235,425	1	249,524	2
Total liabilities	3,618,297	22	3,381,121	24
SHAREHOLDERS' EQUITY (Notes 2, 16 and 17)				
Capital stock - NT\$10.00 par value				
Authorized - 1,200,000 thousand shares				
Issued and outstanding - 596,910 thousand shares	5,969,099	37	5,969,099	43
Capital surplus				
Additional paid-in capital - share issuance in excess of par	709,215	4	709,215	5
Treasury stock transactions	68,357	1	15,040	-
Merger and others	1,107,276	7	768,950	6
Retained earnings				
Legal reserve	2,334,480	14	2,333,642	17
Special reserve	428,914	3	-	-
Unappropriated earnings	1,851,459	12	1,101,800	8
Other				
Cumulative translation adjustments	98,737	1	178,343	1
Unrealized gain (loss) on financial assets	18,560	-	(452,126)	(3)
Treasury stock (at cost) - 3,560 thousand shares	(63,401)	(1)	(63,401)	(1)
Total shareholders' equity	12,522,696	78	10,560,562	76
TOTAL	\$ 16,140,993	100	\$ 13,941,683	100

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

(With Deloitte & Touche review report dated April 15, 2010)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2010 AND 2009

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

(Reviewed, Not Audited)

	2010		2009	
	Amount	%	Amount	%
GROSS SALES	\$ 1,689,293		\$ 1,025,906	
SALES RETURNS AND ALLOWANCES	<u>24,263</u>		<u>96,788</u>	
NET SALES (Notes 2, 12 and 22)	1,665,030	100	929,118	100
COST OF SALES (Notes 2, 3, 8 and 18)	1,060,005	64	681,122	73
REALIZED INTERCOMPANY GAIN, NET (Note 2)	<u>2,583</u>	-	<u>2,675</u>	-
GROSS PROFIT	<u>607,608</u>	<u>36</u>	<u>250,671</u>	<u>27</u>
OPERATING EXPENSES (Notes 18 and 22)				
Marketing	64,981	4	59,923	6
General and administrative	66,368	4	53,838	6
Research and development	<u>342,521</u>	<u>20</u>	<u>286,215</u>	<u>31</u>
Total operating expenses	<u>473,870</u>	<u>28</u>	<u>399,976</u>	<u>43</u>
OPERATING INCOME (LOSS)	<u>133,738</u>	<u>8</u>	<u>(149,305)</u>	<u>(16)</u>
NONOPERATING INCOME AND GAINS				
Gain on disposal of investments, net (Note 2)	225,131	14	11,102	1
Administrative and support service revenue (Note 22)	13,589	1	23,518	2
Rental revenue (Note 22)	4,251	-	8,207	1
Foreign exchange gain, net (Note 2)	1,438	-	5,316	1
Interest income	1,374	-	488	-
Valuation gain on financial assets, net (Notes 2 and 5)	-	-	6,262	1
Others (Notes 2 and 22)	<u>11,590</u>	<u>1</u>	<u>5,121</u>	-
Total nonoperating income and gains	<u>257,373</u>	<u>16</u>	<u>60,014</u>	<u>6</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized by the equity-method, net (Notes 2 and 9)	36,357	2	318,484	34
Interest expense	6,572	1	4,887	1
Others (Note 2)	<u>991</u>	-	<u>1,342</u>	-
Total nonoperating expenses and losses	<u>43,920</u>	<u>3</u>	<u>324,713</u>	<u>35</u>

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2010 AND 2009

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

(Reviewed, Not Audited)

	2010		2009	
	Amount	%	Amount	%
INCOME (LOSS) BEFORE INCOME TAX	\$ 347,191	21	\$ (414,004)	(45)
INCOME TAX EXPENSE (Notes 2 and 19)	<u>38,487</u>	<u>2</u>	<u>75,188</u>	<u>8</u>
NET INCOME (LOSS)	<u>\$ 308,704</u>	<u>19</u>	<u>\$ (489,192)</u>	<u>(53)</u>

	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS (LOSS) PER SHARE (New Taiwan dollars; Note 20)				
Basic (New Taiwan dollars)	<u>\$ 0.59</u>	<u>\$ 0.52</u>	<u>\$ (0.70)</u>	<u>\$ (0.82)</u>
Diluted (New Taiwan dollars)	<u>\$ 0.59</u>	<u>\$ 0.52</u>	<u>\$ (0.70)</u>	<u>\$ (0.82)</u>

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

	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
NET INCOME (LOSS)	<u>\$ 347,191</u>	<u>\$ 308,704</u>	<u>\$ (414,004)</u>	<u>\$ (489,192)</u>
BASIC EPS (New Taiwan dollars)				
Based on weighted-average shares outstanding - 596,910 thousand shares in 2010 and 597,499 thousand shares in 2009	<u>\$0.58</u>	<u>\$0.52</u>	<u>\$(0.69)</u>	<u>\$(0.82)</u>
DILUTED EPS(New Taiwan dollars)				
Based on weighted-average shares outstanding - 596,910 thousand shares in 2010 and 597,499 thousand shares in 2009	<u>\$0.58</u>	<u>\$0.52</u>	<u>\$(0.69)</u>	<u>\$(0.82)</u>

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

(With Deloitte & Touche review report dated April 15, 2010)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 308,704	\$ (489,192)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	109,490	151,819
Valuation gain on financial assets	-	(6,262)
Gain on disposal of investments, net	(225,131)	(11,102)
Investment loss recognized by the equity-method, net	36,357	318,484
Gain on disposal of properties	(1,170)	(5)
Realized intercompany gain, net	(2,583)	(2,675)
Realized royalty income	(544)	(1,728)
Deferred income tax	14,798	75,188
Accrued pension liability	(701)	(888)
Net changes in operating assets and liabilities		
Accounts receivable	275,113	(112,996)
Other receivables	13,817	(20,221)
Inventories	(165,835)	212,586
Other current assets	(17,215)	(5,211)
Accounts payable	(43,945)	47,225
Income tax payable	23,689	-
Accrued expenses	(66,427)	(85,905)
Other current liabilities	<u>(2,655)</u>	<u>(2,158)</u>
Net cash provided by operating activities	<u>255,762</u>	<u>66,959</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of :		
Equity-method investments	328,940	5,940
Available-for-sale financial assets	480,132	179,134
Properties	4,666	61
Capital return by equity-method investee	-	8,512
Acquisition of:		
Available-for-sale financial assets	(30,000)	(456,000)
Equity-method investments	(547,570)	-
Properties	(10,340)	(5,942)
Increase in intangible assets	(7,374)	(3,568)
Increase in deferred charges and others	(31,894)	(14,822)
Other receivables	<u>(80,000)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>106,560</u>	<u>(286,685)</u>

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SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	\$ -	\$ (647,600)
Proceeds from long-term bank loans	-	1,820,000
Repayments of long-term bank loans	(437,000)	-
Increase (decrease) in guarantee deposits	<u>(884)</u>	<u>3,552</u>
Net cash provided by (used in) financing activities	<u>(437,884)</u>	<u>1,175,952</u>
NET INCREASE (DECREASE) IN CASH	(75,562)	956,226
CASH, BEGINNING OF PERIOD	<u>1,579,825</u>	<u>914,057</u>
CASH, END OF PERIOD	<u>\$ 1,504,263</u>	<u>\$ 1,870,283</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ 8,578	\$ 6,308
Income tax paid	<u>\$ -</u>	<u>\$ -</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of credit balance on the carrying value of long-term investments into other current liabilities	<u>\$ 61,548</u>	<u>\$ 275,601</u>
Reclassification of rental assets into properties	<u>\$ -</u>	<u>\$ 30,843</u>
Current portion of long-term bank loans	<u>\$ 625,000</u>	<u>\$ 140,000</u>
PARTIAL CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of properties	\$ (8,247)	\$ (855)
Decrease in payables to contractors and equipment suppliers	<u>(2,093)</u>	<u>(5,087)</u>
Cash paid	<u>\$ (10,340)</u>	<u>\$ (5,942)</u>

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

(With Deloitte & Touche review report dated April 15, 2010)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2010 AND 2009

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

(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

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

The Company’s shares have been listed on the Taiwan Stock Exchange since January 2000. Some of the Company’s shares have been issued in the form of Global Depository Receipts (GDRs), which have been listed on the London Stock Exchange since March 2001 (refer to Note 16).

As of March 31, 2010 and 2009, the Company had 601 and 570 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Significant accounting policies are summarized as follows:

Current/Noncurrent Assets and Liabilities

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

Financial Assets/Liabilities at Fair Value Through Profit or Loss

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

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

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

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

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

Available-for-sale Financial Assets

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

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

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

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

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

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

Revenue Recognition

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

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

Allowance for Doubtful Accounts and Allowance for Sales Returns and Discounts

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

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

Inventories

Inventories consist of raw materials, work-in-process, finished goods and merchandise. Effective January 1, 2009, inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made on an item-by-item basis, 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 necessary selling costs. Inventories are recorded at standard costs and adjusted to approximate weighted-average cost at the end of the period.

Financial Assets Carried at Cost

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

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

Equity-method Investments

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

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

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

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

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

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

Properties and Rental Assets

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

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

Depreciation is provided on a straight-line basis over estimated useful lives as follows: buildings - 7 to 55 years; auxiliary equipment - 3 to 10 years; machinery and equipment - 4 to 5 years; testing equipment - 2 to 4 years; transportation equipment - 4 to 6 years; furniture and fixtures - 2 to 11 years; leasehold improvements - 3 years; and rental assets - 7 to 55 years. Properties and rental assets still in use beyond their initially estimated useful lives are further depreciated over their newly estimated useful lives.

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

Intangible Assets

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

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

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

Deferred Charges

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

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

Pension Costs

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

Stock-based Compensation

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

Employee stock options granted between January 1, 2004 and December 31, 2007 were accounted for under the interpretations issued by the Accounting Research and Development Foundation (ARDF). The Company adopted the intrinsic value method, under which compensation cost was recognized on a straight-line basis over the vesting period.

Treasury Stock

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

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

Income Tax

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

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

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

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

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

Foreign-currency Transactions

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

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

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

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

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

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

Reclassifications

Certain accounts in the financial statements as of and for the three months ended March 31, 2009 have been reclassified to conform to the presentation of financial statements as of and for the three months ended March 31, 2010.

3. ACCOUNTING CHANGES

Accounting for Inventories

Effective January 1, 2009, the Company adopted the newly revised SFAS No. 10, "Accounting for Inventories." The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item-by-item except when the grouping of similar or related items is appropriate; (2) unallocated overheads are recognized as cost of sales in the period in which they are incurred; and (3) abnormal cost, write-downs of inventories and any reversal of write-downs are recorded as cost of sales for the period. The adoption resulted in increase of NT\$35,213 thousand in net loss and increase of NT\$0.06 in net loss per share for the three months ended March 31, 2009.

4. CASH

	March 31	
	2010	2009
Savings accounts	\$ 217,233	\$ 648,193
Time deposits	1,285,500	1,220,010
Checking accounts	910	935
Cash on hand	<u>620</u>	<u>1,145</u>
	<u>\$ 1,504,263</u>	<u>\$ 1,870,283</u>

5. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	Principal Amount (In Thousands)	Carrying Amount	Maturity
<u>March 31, 2009</u>			
Inverse floaters: Time deposits with floating interest rate indexed to LIBOR rates	<u>\$ 5,000</u>	<u>\$ 168,384</u>	April 2014 (Note)

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

Net gain arising from financial assets designated at fair value through profit or loss was \$6,262 thousand for the three months ended March 31, 2009.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31	
	2010	2009
Open-end funds	\$ 1,566,031	\$ 468,347
Domestic listed stocks	<u>263,819</u>	<u>182,744</u>
	1,829,850	651,091
Current portion	<u>1,566,031</u>	<u>468,347</u>
	<u>\$ 263,819</u>	<u>\$ 182,744</u>

7. ACCOUNTS RECEIVABLE

	March 31	
	2010	2009
Accounts receivable - other	\$ 1,297,807	\$ 660,899
Accounts receivable - related parties	<u>12,773</u>	<u>20,296</u>
	1,310,580	681,195
Deduct: Allowance for doubtful accounts	56,912	56,912
Deduct: Allowance for sales returns and discounts	<u>25,000</u>	<u>35,000</u>
	<u>\$ 1,228,668</u>	<u>\$ 589,283</u>

8. INVENTORIES

	March 31	
	2010	2009
Finished goods and merchandise	\$ 409,189	\$ 203,273
Work-in-process	406,489	320,635
Raw materials	<u>127,002</u>	<u>160,255</u>
	<u>\$ 942,680</u>	<u>\$ 684,163</u>

As of March 31, 2010 and 2009, the allowance for losses was \$196,122 thousand and \$144,324 thousand, respectively.

As of March 31, 2010 and 2009, the cost of goods sold related to inventories were \$1,060,005 thousand and \$681,122 thousand, respectively, which included inventory write-downs of \$45,033 thousand and \$45,000 thousand, income from scrap sales of \$5,501 thousand and \$2,847 thousand and compensation income of \$0 thousand and \$3,507 thousand for the three months ended March 31, 2010 and 2009, respectively.

9. EQUITY-METHOD INVESTMENTS

	March 31			
	2010		2009	
	Amount	% of Owner-ship	Amount	% of Owner-ship
Giantplus Technology Co., Ltd.	\$ 1,779,899	21	\$ 1,767,470	21
Orise Technology Co., Ltd.	1,097,632	42	1,261,706	54
Ventureplus Group Inc.	1,049,784	100	468,270	100
Lin Shih Investment Co., Ltd.	889,313	100	641,363	100
Sunplus Venture Capital Co., Ltd.	812,751	100	670,218	100
Generapplus Technology Inc.	686,528	43	470,205	41
Sunext Technology Co., Ltd.	580,132	61	322,995	79
Sunplus Innovation Technology Inc.	530,294	79	397,606	84
Russell Holdings Limited	407,016	100	411,787	100
iCatch Technology, Inc.	198,585	83	-	-
HT mMobile Inc.	153,605	29	115,850	91
Waveplus Technology Co., Ltd.	23,138	41	18,161	41
Wei-Young Investment Inc.	9,255	100	6,547	100
Global Techplus Capital Inc.	7,339	100	8,118	100
Sunplus Management Consulting Inc.	4,121	100	4,178	100
Sunplus Technology (H.K.) Co., Ltd.	3,845	100	6,276	100
Sunplus mMedia Inc.	-	-	546,744	78
Sunplus Core Technology Co., Ltd.	-	-	564	57
	<u>\$ 8,233,237</u>		<u>\$ 7,118,058</u>	
Credit balance on carrying value of long-term investments (recorded as other current liabilities)				
Sunplus mMobile Inc.	\$ 616,825	91	\$ 416,712	91
Sunplus Core Technology Co., Ltd.	75,852	57	-	-
Sunplus mMedia Inc.	<u>24,119</u>	83	<u>-</u>	-
	<u>\$ 716,796</u>		<u>\$ 416,712</u>	

Movements of the difference between the cost of investment and the Company's share in investees' net assets allocated to goodwill for the three months ended March 31, 2010 and 2009 were as follows:

	March 31, 2010		
	Balance, Beginning of Period	Increase	Balance, End of Period
Goodwill	<u>\$ 168,162</u>	<u>\$ 6,905</u>	<u>\$ 161,257</u>
	March 31, 2009		
	Balance, Beginning of Period	Increase	Balance, End of Period
Goodwill	<u>\$ 155,506</u>	<u>\$ -</u>	<u>\$ 155,506</u>

In their meeting on March 10, 2009, the shareholder's meeting of Sunplus mMobile Inc.(SmM) approved the spin-off of its communication business unit (BU) by decreasing SmM's capital to establish HT mMobile Inc. ("HT mMobile"). The carrying value of this BU was \$189,867 thousand. SmM's shareholders of Sunplus mMobile will own HT mMobile in the same proportion of their ownership of SmM. Thus, the Company obtained 91% of HT mMobile. As of March 31, 2010, the Company owned 29% of HT mMobile.

In their meeting on November 4, 2009, the shareholder's meeting of Sunplus mMedia Inc ("mMedia") approved the spin-off of its product line of PC Cam with a carrying value of \$135,352 thousand and product lines of MP3, PMP and DPF with a carrying value of \$218,442 thousand to Sunplus Innovation Technology Inc. and Generalplus Technology Inc., respectively. In addition, mMedia spun off its product line of DSC with a carrying value of \$250,000 thousand and also decreased its capital to establish a company, iCatch Technology, Inc. ("iCatch").

The shareholder's meeting of mMedia also approved the reduction of capital, the shareholders of mMedia received the shares of Sunplus Innovation Technology Inc. and Generalplus Technology Inc. at the percentage the same as those of their respective percentage of ownership of Sunplus mMedia.

The carrying value of the investments accounted for by the equity-method and the related investment incomes (losses) were based on the investees' unreviewed financial statements for the same reporting periods as those of the Company. The Company's management believed that these unreviewed financial statements of investees would have no material effects on the Company's financial statements. The investment incomes (losses) of investees were as follows:

	Three Months Ended March 31	
	2010	2009
Giantplus Technology Co., Ltd.	\$ 6,536	\$ (103,734)
Orise Technology Co., Ltd.	41,245	17,755
Ventureplus Group Inc.	10,999	25,791
Lin Shih Investment Co., Ltd.	1,439	19,647
Sunplus Venture Capital Co., Ltd.	(13,477)	5,885
Generapplus Technology Inc.	8,980	(5,086)
Sunext Technology Co., Ltd.	50,904	78,937
Sunplus Innovation Technology Inc.	27,110	5,244
Russell Holdings Limited	(32,638)	(27,146)
iCatch Technology, Inc.	(10,862)	-
HT mMobile Inc.	(66,537)	(56,755)
Waveplus Technology Co., Ltd.	2,227	1,419
Wei-Young Investment Inc.	39	(6)
Global Techplus Capital Inc.	-	1
Sunplus Management Consulting Inc.	(24)	(16)
Sunplus Technology (H.K.) Co., Ltd.	(750)	1,294
Sunplus mMedia Inc.	(16,729)	(161,762)
Sunplus Core Technology Co., Ltd.	(9,104)	(17,299)
Goldkey Technology Corp.	-	312
Sunplus mMobile Inc.	<u>(35,715)</u>	<u>(102,965)</u>
	<u>\$ (36,357)</u>	<u>\$ (318,484)</u>

Fair values of listed equity-method investments calculated at their closing prices as of March 31, 2010 and 2009 were as follows:

	March 31	
	2010	2009
Orise Technology Co., Ltd.	\$ 3,483,231	\$ 2,725,001
Giantplus Technology Co., Ltd.	<u>1,574,525</u>	<u>1,396,756</u>
	<u>\$ 5,057,756</u>	<u>\$ 4,121,757</u>

10. FINANCIAL ASSETS CARRIED AT COSTS

	March 31	
	2010	2009
Domestic unlist stocks	<u>\$ 35,556</u>	<u>\$ 35,556</u>

The above investments did not have quoted prices in an active market and their fair value could not be reliably measured. Thus, they were carried at cost.

11. PROPERTIES

Three Months Ended March 31, 2010									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Prepayments for Equipment	Total
<u>Cost</u>									
Balance, beginning of period	\$ 795,683	\$ 186,364	\$ 430,326	\$ 368,458	\$ 2,463	\$ 99,928	\$ 89	\$ -	\$ 1,883,311
Increase	-	3,158	-	3,590	-	170	-	1,329	8,247
Decrease	-	-	9,668	21,356	-	2,815	-	-	33,839
Balance, end of period	<u>795,683</u>	<u>189,522</u>	<u>420,658</u>	<u>350,692</u>	<u>2,463</u>	<u>97,283</u>	<u>89</u>	<u>1,329</u>	<u>1,857,719</u>
<u>Accumulated depreciation</u>									
Balance, beginning of period	143,201	149,037	350,203	307,553	2,324	87,278	88	-	1,039,684
Depreciation	4,158	1,965	8,264	6,701	18	1,479	-	-	22,585
Decrease	-	-	9,568	18,210	-	2,565	-	-	30,343
Balance, end of period	<u>147,359</u>	<u>151,002</u>	<u>348,899</u>	<u>296,044</u>	<u>2,342</u>	<u>86,192</u>	<u>88</u>	<u>-</u>	<u>1,031,926</u>
Balance, end of period, net	<u>\$ 648,324</u>	<u>\$ 38,520</u>	<u>\$ 71,759</u>	<u>\$ 54,648</u>	<u>\$ 121</u>	<u>\$ 11,091</u>	<u>\$ 1</u>	<u>\$ 1,329</u>	<u>\$ 825,793</u>

Three Months Ended March 31, 2009									
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements		Total
<u>Cost</u>									
Balance, beginning of period	\$ 688,983	\$ 184,963	\$ 414,508	\$ 373,482	\$ 2,463	\$ 123,058	\$ 459	\$ -	\$ 1,787,916
Increase	-	-	-	855	-	-	-	-	855
Decrease	-	-	-	596	-	-	527	-	1,123
Reclassification	<u>35,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,292</u>
Balance, end of period	<u>724,275</u>	<u>184,963</u>	<u>414,508</u>	<u>373,741</u>	<u>2,463</u>	<u>122,531</u>	<u>459</u>	<u>-</u>	<u>1,822,940</u>
<u>Accumulated depreciation</u>									
Balance, beginning of period	113,447	141,393	316,522	276,980	2,186	100,636	426	-	951,590
Depreciation	3,700	2,323	10,207	10,805	35	2,581	4	-	29,655
Decrease	-	-	-	540	-	527	-	-	1,067
Reclassification	<u>4,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,449</u>
Balance, end of period	<u>121,596</u>	<u>143,716</u>	<u>326,729</u>	<u>287,245</u>	<u>2,221</u>	<u>102,690</u>	<u>430</u>	<u>-</u>	<u>984,627</u>
Balance, end of period, net	<u>\$ 602,679</u>	<u>\$ 41,247</u>	<u>\$ 87,779</u>	<u>\$ 86,496</u>	<u>\$ 242</u>	<u>\$ 19,841</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 838,313</u>

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

12. INTANGIBLE ASSETS

	Three Months Ended March 31, 2010		
	Technology License Fees	Patents	Total
<u>Cost</u>			
Balance, beginning of period	\$ 2,648,034	\$ 97,849	\$ 2,745,883
Increase	<u>7,374</u>	<u>-</u>	<u>7,374</u>
Balance, end of period	<u>2,655,408</u>	<u>97,849</u>	<u>2,753,257</u>
<u>Accumulated amortization</u>			
Balance, beginning of period	2,389,966	37,161	2,427,127
Amortization expense	<u>49,318</u>	<u>1,350</u>	<u>50,668</u>
Balance, end of period	<u>2,439,284</u>	<u>38,511</u>	<u>2,477,795</u>
Balance, end of period, net	<u>\$ 216,124</u>	<u>\$ 59,338</u>	<u>\$ 275,462</u>
	Three Months Ended March 31, 2009		
	Technology License Fees	Patents	Total
<u>Cost</u>			
Balance, beginning of period	\$ 2,629,091	\$ 97,849	\$ 2,726,940
Increase	<u>3,568</u>	<u>-</u>	<u>3,568</u>
Balance, end of period	<u>2,632,659</u>	<u>97,849</u>	<u>2,730,508</u>
<u>Accumulated amortization</u>			
Balance beginning of period	2,143,411	31,742	2,175,153
Amortization expense	<u>66,175</u>	<u>1,374</u>	<u>67,549</u>
Balance, end of period	<u>2,209,586</u>	<u>33,116</u>	<u>2,242,702</u>
Balance, end of period, net	<u>\$ 423,073</u>	<u>\$ 64,733</u>	<u>\$ 487,806</u>

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

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

13. DEFERRED CHARGES AND OTHERS

	March 31	
	2010	2009
Software and system design, net	\$ 149,561	\$ 204,533
Certificate of golf club membership	7,800	7,800
Refundable deposits	<u>493</u>	<u>1,422</u>
	<u>\$ 157,854</u>	<u>\$ 213,755</u>

14. LONG-TERM BANK LOANS

	March 31	
	2010	2009
Medium- to long-term credit bank loans:		
Repayable quarterly from February 2010 to February 2012; annual floating-rate interest - 1.3842% in 2010 and 2.1590% in 2009	\$ 710,000	\$ 820,000
Repayable semiannually from February 2009 to February 2012; annual floating-rate interest - 1.9000% in 2010 and 2.2100% in 2009	90,000	150,000
Medium- to long-term secured loans:		
Repayable semiannually from March 2010 to March 2014; annual floating-rate interest - 1.805% in 2010 and 2009	463,000	700,000
Repayable semiannually from February 2009 to February 2012; annual floating-rate interest - 1.9000% in 2010 and 2.2100% in 2009	<u>90,000</u>	<u>150,000</u>
	1,353,000	1,820,000
Less: Current portion	<u>625,000</u>	<u>140,000</u>
	<u>\$ 728,000</u>	<u>\$ 1,680,000</u>

Under the loan contracts, the Company provided buildings and shares of Giantplus Technology Co., Ltd. and Orise Technology Co., Ltd. as collaterals for the above loans (Note 23). The loan contracts contain financial covenants which require the Company to maintain certain financial ratios (debt ratio, current ratio, times interest-earned ratio and financing provided) on the basis of semiannual and annual consolidated financial statements. However, the violation of the limitation on the ratios is not deemed to be the violation of the contracts.

15. PENSION PLAN

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Related pension costs were \$7,797 thousand and \$7,520 thousand for the three months ended March 31, 2010 and 2009, respectively.

Before the promulgation of the Act, the Company has had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension plan provides benefits based on the length of service and the average basic salary of the employee's final six months of service. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. The fund is deposited in the committee's name in the Bank of Taiwan as the survivor entity. The Company recognized pension costs of \$573 thousand and \$565 thousand for the three months ended March 31, 2010 and 2009, respectively.

Defined benefit pension fund balances were \$114,609 thousand and \$107,552 thousand as of March 31, 2010 and 2009, respectively.

16. SHAREHOLDERS' EQUITY

a. Employee stock option plan

On March 6, 2003 (2003 option plan) and September 11, 2007 (2007 option plan), the Securities and Futures Bureau approved the Company's adoption of an employee stock option plan. The plan provides for the grant of 30,000 thousand options and 25,000 thousand options in 2003 and 2007 plan, respectively, with each unit representing one common share. The option rights are granted to qualified employees of the Company and subsidiaries. A total of 55,000 thousand common shares have been reserved for issuance. The options are valid for six years and exercisable at certain percentages after the second anniversary of the grant date. Stock option rights are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Stock Exchange on the grant date. If the Company's paid-in-capital changes, the exercise price is adjusted accordingly. All options had been granted or canceled as of March 31, 2010.

Outstanding option rights were as follows:

	2003 Option Plan			
	2010		2009	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	-	\$ -	5,082	\$ 40.31
Options canceled	-		(161)	
Ending outstanding balance	-		4,921	

	2007 Option Plan			
	2010		2009	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	22,858	\$ 40.52	24,646	\$ 40.52
Options canceled	(70)		(567)	
Ending outstanding balance	22,788		24,079	

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

As of March 31, 2010, the outstanding and exercisable options were as follows:

Exercise Price (NT\$)	2007 Option Plan				
	Options Outstanding			Options Exercisable	
	Number of Options (In Thousands)	Weighted- average	Weighted- average	Number of Options (In Thousands)	Weighted- average
		Remaining Contractual Life (Years)	Exercise Price (NT\$)		Exercise Price (NT\$)
\$ 40.40	16,488	3.62	\$40.40	16,488	\$40.40
40.90	6,300	3.74	40.90	6,300	40.90

The pro forma information for the three months ended March 31, 2010 and 2009 assuming employee stock options granted before December 31, 2007 were accounted for under Statement of Financial Accounting Standards No. 39 - "Share-Based Payment" is as follows:

	Three Months Ended March 31	
	2010	2009
Net income (loss)		
Net income (loss) as reported	\$ 308,704	\$ (489,192)
Pro forma net income (loss)	<u>\$ 308,704</u>	<u>\$ (542,946)</u>
Earnings (loss) per share (E/LPS); (in New Taiwan dollars)		
Basic E/LPS as reported	<u>\$0.52</u>	<u>\$(0.82)</u>
Pro forma basic E/LPS	<u>\$0.52</u>	<u>\$(0.91)</u>
Diluted E/LPS as reported	<u>\$0.52</u>	<u>\$(0.82)</u>
Pro forma diluted E/LPS	<u>\$0.52</u>	<u>\$(0.91)</u>

b. Global Depositary Receipts (GDRs)

In March 2001, the Company issued 20,000 thousand units of Global Depositary Receipts (GDRs), representing 40,000 thousand common shares consisting of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of March 31, 2010, the outstanding 275 thousand units of GDRs represented 550 thousand common shares.

c. Capital Surplus

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

d. Appropriation of Earnings and Dividend Policy

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

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

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

The Company should estimate the bonus to employees and remuneration to directors and supervisors based on related laws and past experience. However, to retain the working capital, the bonus to employees and remuneration to directors and supervisors is zero for the three month ended March 31, 2010. And for the three month ended March 31, 2009, based on the Company's Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, the Company did not accrue any bonus and remuneration expenses. Material differences between earlier estimates of bonuses and remuneration and the amounts subsequently proposed by the Board of Directors are adjusted for in the current year. If the actual amounts approved by the shareholders differ from the board of directors' proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate.

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

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

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

The appropriation of the earnings of 2009 was approved by the Board of Directors on March 17, 2010 and the appropriation of the earnings of 2008 was approved in the shareholders' meeting on April 30, 2009. The appropriations, including dividends, were as follows:

	For Fiscal Year 2009		For Fiscal Year 2008	
	Appropriation of Earnings	Dividends Per Share (NT\$)	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal capital reserve	\$ 38,151	\$ -	\$ 838	\$ -
Special capital reserve	<u>(428,914)</u>	-	<u>428,914</u>	-
	<u>\$ (390,763)</u>		<u>\$ 429,752</u>	

The appropriation of the earnings of 2009 is expected to be approved in the shareholders' meeting on June 14, 2010.

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

Unrealized Gain or Loss on Financial Instruments

For the three months ended March 31, 2010 and 2009, the movements of unrealized gain or loss on financial instrument were as follows:

	Available-for-sale Financial Assets	Equity-method Investments	Total
<u>Three months ended March 31, 2010</u>			
Balance, beginning of period	\$ (313,072)	\$ 429,521	\$ 116,449
Recognized in shareholders' equity	<u>(17,062)</u>	<u>(80,827)</u>	<u>(97,889)</u>
Balance, end of period	<u>\$ (330,134)</u>	<u>\$ 348,694</u>	<u>\$ 18,560</u>
<u>Three months ended March 31, 2009</u>			
Balance, beginning of period	\$ (438,577)	\$ (123,389)	\$ (561,966)
Recognized in shareholders' equity	<u>25,435</u>	<u>84,405</u>	<u>109,840</u>
Balance, end of period	<u>\$ (413,142)</u>	<u>\$ (38,984)</u>	<u>\$ (452,126)</u>

17. TREASURY STOCK

(Units: Shares in Thousands)

Purpose of Purchase	Beginning Shares	Decrease	Ending Shares
<u>Three months ended March 31, 2010</u>			
Company stocks held by subsidiaries	<u>3,560</u>	<u>-</u>	<u>3,560</u>
<u>Three months ended March 31, 2009</u>			
Company stocks held by subsidiaries	3,560	-	3,560
For subsequent transfer to employees	<u>1,293</u>	<u>(1,293)</u>	<u>-</u>
	<u>4,853</u>	<u>(1,293)</u>	<u>3,560</u>

Starting from January 2002, the Company accounted for its issued shares amounting to \$95,605 thousand held by a subsidiary, Lin Shin Investment Co., Ltd., as treasury stock. As of March 31, 2010, the book values and market values of these stocks were \$63,401 thousand and \$102,528 thousand, respectively. As of March 31, 2009, the book values and market values of these stocks were \$63,401 thousand and \$55,358 thousand, respectively.

Under the Securities and Exchange Act, the Company should neither pledge treasury stock nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The Company had canceled all the treasury stock on February 19, 2009 and had completed the related registration of the change in the number of its issued shares. The subsidiaries holding treasury stock, however, retain shareholders' rights on their holdings, except the rights to participate in any share issuance for cash and to vote.

18. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

Three Months Ended March 31						
	2010			2009		
	Classified as Cost of Sales	Classified as Operating Expense	Total	Classified as Cost of Sales	Classified as Operating Expense	Total
Labor cost						
Salary	\$ 19,890	\$ 192,366	\$ 212,256	\$ 11,662	\$ 112,133	\$ 123,795
Labor/health insurance	1,142	9,509	10,651	1,184	8,892	10,076
Pension	832	7,538	8,370	864	7,221	8,085
Welfare benefit	591	4,144	4,735	353	2,319	2,672
Meal	401	2,798	3,199	409	2,527	2,936
	<u>\$ 22,856</u>	<u>\$ 216,355</u>	<u>\$ 239,211</u>	<u>\$ 14,472</u>	<u>\$ 133,092</u>	<u>\$ 147,564</u>
Depreciation	<u>\$ 9,109</u>	<u>\$ 13,476</u>	<u>\$ 22,585</u>	<u>\$ 11,126</u>	<u>\$ 18,529</u>	<u>\$ 29,655</u>
Amortization	<u>\$ 426</u>	<u>\$ 85,597</u>	<u>\$ 86,023</u>	<u>\$ 625</u>	<u>\$ 120,199</u>	<u>\$ 120,824</u>

19. INCOME TAX

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

	Three Months Ended March 31	
	2010	2009
Income (loss) before income tax at statutory rate	\$ 69,438	\$ (103,501)
Tax effects of adjustments:		
Tax-exempt income	(21,627)	-
Permanent differences	(37,754)	76,846
Temporary differences	5,555	20,897
Loss carryforwards	(8,226)	-
Tax effects of consolidation income tax filing	<u>(7,386)</u>	<u>-</u>
Income tax expense before tax credits	<u>\$ -</u>	<u>\$ (5,758)</u>

- b. Income tax expense consisted of the following:

	Three Months Ended March 31	
	2010	2009
Income tax expense before tax credits	\$ -	\$ -
Net change in deferred income tax assets	14,798	75,188
Additional income tax under Alternative Minimum Tax Act	<u>23,689</u>	<u>-</u>
	<u>\$ 38,487</u>	<u>\$ 75,188</u>

c. Deferred income tax assets were as follows:

		March 31	
		2010	2009
Current:			
Investment tax credits		\$ 414,927	\$ 299,193
Temporary differences		1,154	5,700
Deduct: Valuation allowance		<u>361,267</u>	<u>194,193</u>
		<u>\$ 54,814</u>	<u>\$ 110,700</u>
Noncurrent:			
Investment tax credits		\$ 726,969	\$ 971,436
Temporary differences		7,820	14,312
Loss carryforwards		158,908	5,758
Deduct: Valuation allowance		<u>356,218</u>	<u>254,328</u>
		<u>\$ 537,479</u>	<u>\$ 737,178</u>

In May 2009, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduces a profit-seeking enterprise's income tax rate from 25% to 20%, effective 2010.

The income tax rate for calculating the deferred income tax of 2010 and 2009 was 20% and 25%, respectively.

Under Article 10 of the Statute for Industrial Innovation (SII) passed by the Legislative Yuan on April 16, 2010, a profit-seeking enterprise may deduct up to 15% of its research and development expenditures from its income tax payable for the fiscal year in which these expenditures are incurred, but this deduction should not exceed 30% of the income tax payable for that fiscal year. This incentive is retroactive to January 1, 2010 and effective till December 31, 2019.

As of March 31, 2010, loss carryforwards and investment tax credits were as follows (recorded as deferred tax assets) :

Regulatory Basis of Tax Credits	Items	Total Creditable Amounts	Remaining Creditable Amounts	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	<u>\$ 1,005</u>	<u>\$ 1,005</u>	2011
Statute for Upgrading Industries	Research and development expenditures	\$ 414,927	\$ 414,927	2010
		257,812	257,812	2011
		264,711	264,711	2012
		<u>203,441</u>	<u>203,441</u>	2013
		<u>\$ 1,140,891</u>	<u>\$ 1,140,891</u>	
Income Tax Law	Loss carryforwards	<u>\$ 167,134</u>	<u>\$ 158,908</u>	2019

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

<u>Project</u>	<u>Tax Exemption Period</u>
Eighth expansion	January 1, 2010 to December 31, 2014
Ninth expansion	January 3, 2007 to January 2, 2012
Tenth expansion	August 31, 2006 to August 30, 2011
Eleventh expansion	January 1, 2008 to December 31, 2012
Twelfth expansion	January 1, 2009 to December 31, 2013
Thirteenth expansion	January 1, 2010 to December 31, 2014

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

- e. Integrated income tax information is as follows:

	<u>March 31</u>	
	<u>2010</u>	<u>2009</u>
Shareholders' imputation credit account	<u>\$ 190,034</u>	<u>\$ 74,942</u>
Unappropriated earnings until 1997	<u>\$ 452,310</u>	<u>\$ 452,310</u>

The expected and actual creditable tax ratios for 2009 and 2008, respectively, were 17.43% and 6.77%, respectively.

The ratio for the imputation credits allocated to shareholders of the Company is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2009 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

20. EARNINGS (LOSS) PER SHARE

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

	Amounts (Numerator)		Share (Denominator) (In Thousands)	E/LPS (Dollars)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>Three months ended March 31, 2010</u>					
Net income	<u>\$ 347,191</u>	<u>\$ 308,704</u>			
Basic and diluted income per share					
Income of common shareholders	<u>\$ 347,191</u>	<u>\$ 308,704</u>	<u>593,350</u>	<u>\$ 0.59</u>	<u>\$ 0.52</u>
<u>Three months ended March 31, 2009</u>					
Net loss	<u>\$ (414,004)</u>	<u>\$ (489,192)</u>			
Basic and diluted loss per share					
Loss of common shareholders	<u>\$ (414,004)</u>	<u>\$ (489,192)</u>	<u>593,939</u>	<u>\$ (0.70)</u>	<u>\$ (0.82)</u>

The employee stock option stated in Note 16 represents potential common stock. Thus, the Company tested the effects of employee stock options by the treasury method in accordance with Statement of Financial Accounting Standards No. 24 - "Earnings Per Share". The test showed the stock options were anti-dilutive for the three months ended March 31, 2010 and 2009. As a result, the potential common shares were excluded from the calculation of diluted EPS.

21. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	March 31			
	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative instruments</u>				
Assets				
Financial assets at fair value through profit or loss (including current and noncurrent portions)	\$ -	\$ -	\$ 168,384	\$ 168,384
Available-for-sale financial assets (including current and noncurrent portions)	1,829,850	1,829,850	651,091	651,091
Financial assets carried at cost	35,556	-	35,556	-
Liability				
Long-term bank loans (including current portion)	1,353,000	1,353,000	1,820,000	1,820,000

b. Methods and assumptions used in determining fair values of financial assets and liabilities, based on quoted market prices or valuation techniques, were as follows:

- 1) For cash, accounts receivable, other receivables, and accounts payable, the carrying amounts reported in the balance sheets approximate their fair values because of their short maturities.
- 2) Fair values of financial assets at fair value through profit or loss and available-for-sale financial assets are based on their quoted prices in active markets. For those instruments not traded in active markets, their fair values are determined using valuation techniques incorporating estimates and assumptions that are consistent with prevailing market conditions. For those derivatives with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.
- 3) Financial assets carried at cost are investments in unquoted shares, which have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, no fair value is presented.
- 4) Fair value of long-term bank loans is estimated using the present value of future cash flows discounted by the interest rates the Company may obtain for similar loans (e.g., similar maturities). The fair values of long-term bank loans with floating interest rates are equivalent to their carrying values.

c. The Company did not enter into derivative contracts during the three months ended March 31, 2010 and 2009.

- d. Gains recognized for the changes in fair value of financial instruments using valuation techniques were \$6,262 thousand for the three months ended March 31, 2010.
- e. As of March 31, 2010 and 2009, financial assets exposed to cash flow interest rate risk amounted to \$217,233 thousand and \$816,577 thousand, respectively; financial assets exposed to fair value interest rate risk amounted to \$1,285,500 thousand and \$1,220,010 thousand, respectively. As of March 31, 2010 and 2009, financial liabilities exposed to cash flow interest rate risk amounted to \$1,353,000 thousand and \$1,820,000 thousand, respectively.
- f. Interest revenues arising from the financial assets other than the financial assets at fair value through profit or loss for the three months ended March 31, 2010 and 2009 were \$1,374 thousand and \$488 thousand, respectively; interest expenses arising from financial assets other than the financial assets at fair value through profit or loss for the three months ended March 31, 2010 and 2009 were \$6,572 thousand and \$4,887 thousand, respectively.
- g. Financial risks
 - 1) Market risk. The financial instruments held by the Company are exposed to interest rate, foreign exchange rate and price risks. Fair values of inverse floaters are influenced by exchange rate fluctuations. Fair values of available-for-sale security investments are affected by fluctuations of quoted prices.
 - 2) Credit risk. The Company will incur a loss if the counter-parties or third parties breach the contracts. Contracts with positive fair values on the balance sheet date are evaluated for credit risk. The counter-parties or third-parties to the foregoing contracts are reputable financial institutions and business organizations. Management believes that the Company's exposure to default by those parties is low.
 - 3) Liquidity risk. Investments in inverse floaters and financial assets carried at cost do not have an active market. Thus, the liquidity risk of these investments is material. On the other hand, held-for-trading and available-for-sale security investments are expected to be settled readily at amounts approximating their fair values in active markets. However, the Company also has some equity-method investments with no quoted market prices in an active market, which are expected to have material liquidity risk.
 - 4) Interest rate risk. As of March 31, 2010 and 2009, the interest rates of long-term bank loans were floating, which would fluctuate with market interest rates.

22. RELATED-PARTY TRANSACTIONS

The Company's related parties were as follows:

- a. Waveplus Technology Co., Ltd. ("Waveplus") - equity-method investee
- b. Sunext Technology Co., Ltd. ("Sunext") - 61% subsidiary
- c. Sunplus Core Technology Co., Ltd. ("Sunplus Core") - 57% subsidiary
- d. Generalplus Technology Inc. ("Generalplus") - equity-method investee
- e. Synerchip Technology Co., Ltd. ("Synerchip Technology") - financial assets carried at cost of Russell Holding Ltd. (Note)
- f. Sunplus Innovation Technology Inc. ("Sunplus Innovation") - 79% subsidiary

- g. Sunplus mMobile Inc. (“Sunplus mMobile”) - 91% subsidiary
- h. HT mMobile Inc. (“HT mMobile”) - equity-method investee
- i. Sunplus Technology (H.K.) Co., Ltd. (“Sunplus H.K.”) - 100% subsidiary
- j. Orise Technology Co., Ltd. (“Orise”) - equity-method investee
- k. Sunplus mMedia Inc. (“Sunplus mMedia”) - 83% subsidiary
- l. iCatch Technology, Inc. (“iCatch”) - 83% subsidiary
- m. Sunplus Technology (Shanghai) Co., Ltd. (“Sunplus Shanghai”) - 99% indirect subsidiary
- n. Sunplus Prof-tek (Shenzhen) Co., Ltd. (“Sunplus Prof-tek”) - 100% indirect subsidiary
- o. SunMedia Technology Co., Ltd. (“SunMedia”) - 100% indirect subsidiary
- p. Others - please refer to Note 25 for related parties that did not have business transactions with the Company in the current period.

Note: Russell Holding Limited (“Russell”) decreased its equity interest in Synerchip Technology; thus, Russell treated investment as a financial asset carried at cost. The transactions made with Synerchip Technology as of and for the year ended March 31, 2009 are disclosed only for reference.

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

	Three Months Ended March 31			
	2010		2009	
	Amount	%	Amount	%
Sales:				
Orise	\$ 8,644	1	\$ 8,697	1
Generaplus	3,701	-	2,984	-
Sunplus Core	2,534	-	3,418	1
iCatch	1,860	-	-	-
Sunplus Innovation	1,626	-	2,481	-
HT mMobile	1,511	-	1,279	-
Sunext	323	-	2,365	-
Sunplus mMedia	-	-	12,631	2
Sunplus mMobile	-	-	3,325	-
Waveplus	-	-	2,907	-
Synerchip Technology	-	-	361	-
	<u>\$ 20,199</u>	<u>1</u>	<u>\$ 40,448</u>	<u>4</u>

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

The products sold to related parties were custom-made; thus, the related selling prices were not comparable with those for third parties.

	Three Months Ended March 31			
	2010		2009	
	Amount	%	Amount	%
Operating expense				
Sunplus Core	\$ 5,586	1	\$ 1,690	-
Sunplus Prof-tek	-	-	22,545	6
SunMedia	-	-	11,976	3
Sunplus Shanghai	-	-	7,687	2
Other	<u>259</u>	<u>-</u>	<u>237</u>	<u>-</u>
	<u>\$ 5,845</u>	<u>1</u>	<u>\$ 44,135</u>	<u>11</u>

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

	Three Months Ended March 31			
	2010		2009	
	Amount	%	Amount	%
Nonoperating income and gains				
HT mMobile	\$ 8,508	3	\$ 2,884	4
iCatch	4,978	2	-	-
Sunplus Core	2,057	1	2,265	4
Generaplus	1,428	1	638	1
Sunplus mMobile	1,410	1	10,433	16
Sunplus Innovation	872	-	1,080	2
Orise	493	-	558	1
Sunext	307	-	164	-
Sunplus mMedia	36	-	14,372	23
Waveplus	5	-	-	-
Synerchip Technology	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>
	<u>\$ 20,094</u>	<u>8</u>	<u>\$ 32,460</u>	<u>51</u>

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

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

	March 31			
	2010		2009	
	Amount	%	Amount	%
Accounts receivable:				
Orise	\$ 6,267	1	\$ 5,744	1
Generaplus	2,872	-	1,928	-
iCatch	1,277	-	-	-
Sunplus Innovation	1,130	-	979	-
HT mMobile	885	-	1,278	-
Sunext	292	-	445	-
Sunplus Core	50	-	607	-
Sunplus mMedia	-	-	5,649	1
Waveplus	-	-	3,142	1
Sunplus mMobile	-	-	373	-
Synerchip Technology	-	-	151	-
	<u>\$ 12,773</u>	<u>1</u>	<u>\$ 20,296</u>	<u>3</u>
Other receivables				
Sunplus mMobile	\$ 140,725	46	\$ 5,564	3
HT mMobile	12,669	4	2,884	2
iCatch	6,523	2	-	-
Sunplus Core	608	-	697	-
Sunext	317	-	85	-
Sunplus Innovation	292	-	356	-
Generaplus	291	-	239	-
Orise	170	-	227	-
Sunplus mMedia	24	-	14,700	9
Waveplus	3	-	-	-
Synerchip Technology	-	-	44	-
	<u>\$ 161,622</u>	<u>52</u>	<u>\$ 24,796</u>	<u>14</u>

For the three months ended March 31, 2010, the Company provided financing to Sunplus mMobile, as follows:

Financing to Related Party	Three Months Ended March 31, 2010			
	Maximum Balance	Ending Balance	Interest Rate	Interest Income
Sunplus mMobile	<u>\$140,000</u>	<u>\$140,000</u>	The highest short-term loan interest rate borrowing from financial institution (1.2% in 2010)	<u>\$ 338</u>

	March 31			
	2010		2009	
	Amount	%	Amount	%
Prepaid other expensive Sunplus H.K.	\$ <u>-</u>	<u>-</u>	\$ <u>2,379</u>	<u>5</u>
Accrued expenses				
Sunplus mMedia	\$ 153	-	\$ 113	-
Sunplus Innovation	38	-	23	-
Sunplus Core	33	-	479	-
Orise	20	-	19	-
Generaplus	12	-	-	-
Sunplus Prof-tek	-	-	6,655	5
SunMedia	-	-	4,493	3
Sunplus Shanghai	-	-	2,416	2
Sunplus mMobile	<u>-</u>	<u>-</u>	<u>94</u>	<u>-</u>
	\$ <u>256</u>	<u>-</u>	\$ <u>14,292</u>	<u>10</u>
Deferred royalty income (including current and non-current portion)				
Sunplus Core	\$ 35,200	87	\$ 44,800	97
Generalplus	5,250	12	-	-
Orise	<u>-</u>	<u>-</u>	<u>1,008</u>	<u>2</u>
	\$ <u>40,450</u>	<u>99</u>	\$ <u>45,808</u>	<u>99</u>
Endorsement/guarantee provided:				
Sunplus mMobile	\$ 910,000		\$ 670,000	
Sunplus Core	293,192		140,000	
Sunplus Shanghai	228,430		319,800	
Sunext	134,459		530,000	
HT mMobile	30,000		-	
Sunplus mMedia	24,082		100,000	
Waveplus	20,000		20,000	
Generalplus	15,614		30,000	
Orise	10,193		-	
Sunplus Innovation	9,562		60,000	
Synerchip Technology	<u>-</u>		<u>10,000</u>	
	\$ <u>1,675,532</u>		\$ <u>1,879,800</u>	
	Three Months Ended March 31			
	2010		2009	
	Amount	%	Amount	%
Proceeds of the disposal of fixed assets:				
HT mMobile	\$ 3,643	78	-	-
iCatch	22	1	-	-
Sunplus mMobile	<u>-</u>	<u>-</u>	<u>61</u>	<u>100</u>
	\$ <u>3,665</u>	<u>79</u>	\$ <u>61</u>	<u>100</u>

23. MORTGAGED OR PLEDGED ASSETS

Following are the Company's assets pledged as collateral for long-term bank loans:

	March 31	
	2010	2009
Giantplus stocks	\$ 841,044	\$ 835,171
Orise stocks	287,388	262,527
Buildings, net (including rental assets)	<u>787,201</u>	<u>807,021</u>
	<u>\$ 1,915,633</u>	<u>\$ 1,904,719</u>

24. SIGNIFICANT LONG-TERM OPERATING LEASES

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

Future annual minimum rentals under the leases are as follows:

Year	Amount
2010 (2nd to 4th quarter)	\$ 5,897
2011	7,862
2012	7,862
2013	7,862
2014	7,862
2015 and thereafter	<u>32,695</u>
	<u>\$ 70,040</u>

25. ADDITIONAL DISCLOSURES

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

- a. Endorsement/guarantee provided: Table 1 (attached)
- b. Financings provided: Table 2 (attached)
- c. Marketable securities held: Table 3 (attached)
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- e. Acquisition of long-term investments costs of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
- f. Disposal of long-term investments at costs of at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached)

- g. Names, locations, and related information of investees on which the Company exercises significant influences: Table 7 (attached)
- h. Information on investment in Mainland China: Table 8 (attached)

TABLE 1**SUNPLUS TECHNOLOGY COMPANY LIMITED****ENDORSEMENT/GUARANTEE PROVIDED****THREE MONTHS ENDED MARCH 31,2010****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable
		Name	Nature of Relationship						
0	Sunplus Technology Company Limited	Sunplus mMobile Inc.	91% subsidiary	\$ 1,252,270 (Note 1)	\$ 940,000	\$ 910,000	\$ -	7.27%	\$ 2,504,539 (Note 2)
		Sunplus Core Technology Co., Ltd.	57% subsidiary	1,252,270 (Note 1)	293,192	293,192	-	2.34%	2,504,539 (Note 2)
		Sunplus Technology (Shanghai) Co., Ltd.	99% indirect subsidiary	1,252,270 (Note 1)	231,800	228,430	-	1.82%	2,504,539 (Note 2)
		Sunext Technology Co., Ltd.	61% subsidiary	1,252,270 (Note 1)	134,459	134,459	-	1.07%	2,504,539 (Note 2)
		HT mMobile Inc.	Equity-method investee	1,252,270 (Note 1)	30,000	30,000	-	0.24%	2,504,539 (Note 2)
		Sunplus mMedia Inc.	83% subsidiary	1,252,270 (Note 1)	24,082	24,082	-	0.19%	2,504,539 (Note 2)
		Waveplus Technology Co., Ltd.	Equity-method investee	1,252,270 (Note 1)	20,000	20,000	-	0.16%	2,504,539 (Note 2)
		Generalplus Technology Inc.	Equity-method investee	1,252,270 (Note 1)	15,614	15,614	-	0.12%	2,504,539 (Note 2)
		Orise Technology Co., Ltd.	Equity-method investee	1,252,270 (Note 1)	10,913	10,193	-	0.08%	2,504,539 (Note 2)
		Sunplus Innovation Technology Inc.	79% subsidiary	1,252,270 (Note 1)	9,562	9,562	-	0.08%	2,504,539 (Note 2)

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

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

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED

FINANCINGS PROVIDED
THREE MONTHS ENDED MARCH 31,2010
(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 receivable	\$ 140,000	\$ 140,000	Note 3	Note 1	\$ -	Note 2	\$ -	-	\$ -	\$ 626,135 (Note 4)	\$ 1,252,270 (Note 5)

- Note 1: Short-term financing.
- Note 2: Sunplus Technology Company Limited provided cash for the operation of Sunplus mMobile Inc. .
- Note 3: The highest short-term loan interest rate for borrowing from financial institutions (1.2% in 2010).
- Note 4: For each transaction entity, the amount should not exceed 5% of the Company’s net equity as of the latest financial statements.
- Note 5: The amount should not exceed 10% of the Company’s net equity based on the latest financial statements.

TABLE 3

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES HELD

MARCH 31, 2010

(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, 2010				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited	<u>Stock</u>							
	Giantplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	84,652	\$ 1,779,899	21	\$ 1,779,899	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	57,290	1,097,632	42	1,097,632	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	19,590	(24,119)	83	99,736	Notes 1, 6 and 7
	Sunplus Venture Capital Co., Ltd.	Equity-method investee	Equity-method investments	100,000	812,751	100	812,751	Note 1
	Lin Shih Investment Co., Ltd.	Equity-method investee	Equity-method investments	70,000	889,313	100	889,313	Notes 1 and 4
	Generalplus Technology Inc	Equity-method investee	Equity-method investments	38,832	686,528	43	686,528	Note 1
	Ventureplus Group Inc.	Equity-method investee	Equity-method investments	41,900	1,049,784	100	1,049,784	Note 1
	Russell Holdings Limited	Equity-method investee	Equity-method investments	14,760	407,016	100	410,855	Notes 1 and 8
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	29,762	530,294	79	530,294	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	38,836	580,132	61	445,936	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	8,898	(75,852)	57	(58,695)	Notes 1 and 6
	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	1,302	23,138	41	23,138	Note 1
	Global Techplus Capital Inc.	Equity-method investee	Equity-method investments	200	7,339	100	7,339	Note 1
	Wei-Young Investment Inc.	Equity-method investee	Equity-method investments	1,400	9,255	100	9,255	Note 1
	Sunplus Technology (H.K.) Co., Ltd.	Equity-method investee	Equity-method investments	11,075	3,845	100	3,845	Note 1
	Sunplus Management Consulting Inc.	Equity-method investee	Equity-method investments	500	4,121	100	4,121	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	54,545	(616,825)	91	(600,235)	Notes 1 and 6
	HT mMobile Inc.	Equity-method investee	Equity-method investments	37,261	153,605	29	153,605	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	20,735	198,585	83	198,585	Note 1
	Global View Co., Ltd.	The Company's supervisor	Available-for-sale financial assets	13,568	189,268	12	189,268	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	5,000	41,396	-	41,396	Note 3
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,967	33,155	-	33,155	Note 3
	Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	2,222	22,223	-	22,223	Note 2
	Network Capital Global Fund	-	Financial assets carried at cost	1,333	13,333	-	13,333	Note 2
	<u>Fund</u>							
	Manulife Wan Li Bond Fund	-	Available-for-sale financial assets	1,060	14,023	-	14,023	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	9,476	143,492	-	143,492	Note 5
	ING Taiwan Bond Fund	-	Available-for-sale financial assets	6,412	100,060	-	100,060	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	17,085	249,574	-	249,574	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	348	59,339	-	59,339	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	3,278	45,312	-	45,312	Note 5
	Polaris De-Bao Fund	-	Available-for-sale financial assets	7,846	90,113	-	90,113	Note 5
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	22,107	285,291	-	285,291	Note 5
	IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	3,471	47,067	-	47,067	Note 5
	Taishin Lucky Fund	-	Available-for-sale financial assets	20,822	221,452	-	221,452	Note 5

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2010				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus mMobile Inc.	Mega Diamond Bond Fund	-	Available-for-sale financial assets	15,096	\$ 180,241	-	\$ 180,241	Note 5
	UPAMC James Bond Fund	-	Available-for-sale financial assets	5,004	80,044	-	80,044	Note 5
	Cathay Bond Fund	-	Available-for-sale financial assets	4,182	50,023	-	50,023	Note 5
	Sunplus mMobile SAS	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	237	14,112	100	14,112	Note 1
	Sunplus mMobile Limited	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	1,710	(374)	100	(374)	Note 1
	Sunplus mMobile Holding Inc.	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	2,580	(3)	100	(3)	Note 1
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Subsidiary of Sunplus mMobile Holding Inc.	Equity-method investments	2,580	US\$ - thousand	100	US\$ - thousand	Note 1
Lin Shih Investment Co., Ltd.	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	807	13,182	25	14,337	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,360	38,619	5	38,619	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	14,245	251,969	16	251,969	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,335	(12,945)	15	(13,349)	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	2,956	248	5	(15,579)	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	965	9,238	4	9,238	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	4,561	40,502	4	40,502	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	911	9,585	4	5,500	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	733	11,877	2	12,696	Note 1
	Sunplus Technology Company Limited	Parent company	Available-for-sale financial assets	3,560	102,528	1	102,528	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	278,468	1	278,468	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	833	6,899	-	6,899	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	136	4,650	-	4,650	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,222	68,895	8	68,895	Note 3
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	79,643	7	79,643	Note 2
	NCTU Spring Venture Capital Co., Ltd.	-	Financial assets carried at cost	2,000	-	6	-	Note 2
	GemFor Tech. Co., Ltd.	-	Financial assets carried at cost	353	4,007	6	4,007	Note 2
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	426	8,273	2	8,273	Note 2
	WayTech Development Inc.	-	Financial assets carried at cost	1,500	-	5	-	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,295	13,940	9	13,940	Note 2
	Socle Technology Corp.	-	Financial assets carried at cost	250	6,250	-	6,250	Note 2
	Glokie Technology Corp.	-	Financial assets carried at cost	2,300	23,000	14	23,000	Note 2
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	6,000	9	6,000	Note 2
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 2
	Sanjet Technology Corp.	-	Financial assets carried at cost	63	537	-	537	Note 2
Russell Holdings Limited	<u>Stock</u>							
	Jet Focus Limited	Equity-method investee	Equity-method investments	4,794	US\$ (350) thousand	44	US\$ (350) thousand	Note 6
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	442	US\$ 2,249 Thousand	1	US\$ 159 thousand	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2010				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Shang-Hai Fudan Microelectronics Company Limited	-	Available-for-sale financial assets	7,280	US\$ 2,175 thousand	-	US\$ 2,175 thousand	Note 3
	Synerchip Co., Ltd.	-	Financial assets carried at cost	4,236	US\$ - thousand	19	US\$ - thousand	Note 2
	InveStar Excelsus Venture Capital (Int'l), Inc., LDC	-	Financial assets carried at cost	-	US\$ - thousand	19	US\$ - thousand	Note 2
	OZ Optics Limited.	-	Financial assets carried at cost	1,000	US\$ - thousand	8	US\$ - thousand	Note 2
	Aicent, Inc.	-	Financial assets carried at cost	1,000	US\$ 500 thousand	2	US\$ 500 thousand	Note 2
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	US\$ - thousand	-	US\$ - thousand	Note 2
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	US\$ - thousand	3	US\$ - thousand	Note 2
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	US\$ 1,855 thousand	5	US\$ 1,855 thousand	Note 2
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	US\$ 500 thousand	1	US\$ 500 thousand	Note 2
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	US\$ 1,400 thousand	-	US\$ 1,400 thousand	Note 2
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	US\$ 800 thousand	15	US\$ 800 thousand	Note 2
	VisualOn Inc.	-	Financial assets carried at cost	377	US\$ 200 thousand	3	US\$ 200 thousand	Note 2
	Azalea Networks Inc.	-	Financial assets carried at cost	850	US\$ 1,150 thousand	2	US\$ 1,150 thousand	Note 2
	<u>Stock</u>							
	Joing Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,400	-	39	-	Note 1
	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	387	6,874	12	6,874	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	4,431	50,870	7	50,870	Note 1
	Han Young Technology Co., Ltd.	Equity-method investee	Equity-method investments	420	1,780	70	1,780	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	4,625	82,265	5	82,265	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	865	16,138	1	16,138	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,000	(13,193)	13	(13,193)	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	65	1,554	-	(707)	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	3,006	14,505	13	14,246	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	20	102	-	102	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	1,029	17,931	3	17,931	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	3,182	30,474	13	30,474	Note 1
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	37,709	-	37,709	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	803	27,368	1	27,368	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	37,844	199,795	1	199,795	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	853	26,449	3	26,449	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2010				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	eWave System, Inc.	-	Financial assets carried at cost	1,833	\$ -	22	\$ -	Note 2
	Softchina Venture Capital Corp.	-	Financial assets carried at cost	407	-	8	-	Note 2
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 2
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 2
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 2
	Simple Act Inc.	-	Financial assets carried at cost	1,900	19,000	10	19,000	Note 2
	Feature Integration Technology Inc.	-	Financial assets carried at cost	2,035	24,237	5	24,237	Note 2
	Chiabon Venture Capital Co., Ltd.	-	Financial assets carried at cost	3,000	30,000	5	30,000	Note 2
	Cyberon Corporation	-	Financial assets carried at cost	1,521	13,691	18	13,691	Note 2
	WayTech Development Inc.	-	Financial assets carried at cost	1,000	-	4	-	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,303	14,025	9	14,025	Note 2
	Socle Technology Corp.	-	Financial assets carried at cost	550	13,750	1	13,750	Note 2
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	419	12,485	2	12,485	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	75,000	8	75,000	Note 2
	Capella Micro System, Inc.	-	Financial assets carried at cost	662	9,450	2	9,450	Note 2
	Azalea Networks Inc	-	Financial assets carried at cost	280	12,923	1	12,923	Note 2
	Sanjet Technology Corp.	-	Financial assets carried at cost	369	3,163	1	3,163	Note 2
Generalplus Technology Inc.	<u>Stock</u> Generalplus International (Samoa) Inc.	Subsidiary of Generalplus Technology Inc.	Equity-method investments	6,590	20,809	100	20,809	Note 1
	<u>Fund</u> IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	22,337	302,880	-	302,880	Note 5
	Mega Diamond Bond Fund	-	Available-for-sale financial assets	6,227	74,350	-	74,350	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,359	66,009	-	66,009	Note 5
Generalplus International (Samoa) Inc.	<u>Stock</u> Generalplus (Mauritius) Inc.	Subsidiary of Generalplus International (Samoa) Inc.	Equity-method investments	6,590	US\$ 654 thousand	100	US\$ 654 thousand	Note 1
Generalplus (Mauritius) Inc.	<u>Stock</u> Generalplus Technology (Shenzhen) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	6,200	US\$ 550 thousand	100	US\$ 550 thousand	Note 1
	Generalplus Technology (Hong Kong) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	390	US\$ 103 thousand	100	US\$ 103 thousand	Note 1
Sunext Technology Co., Ltd.	<u>Stock</u> Great Sun Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	750	10,477	100	10,477	Note 1
	Great Prosperous Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	1,000	9,004	100	9,004	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2010				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	<u>Fund</u>							
	FSITC Bond Fund	-	Available-for-sale financial assets	315	\$ 53,730	-	\$ 53,730	Note 5
	Yuanta Wan Tai Bond Fund	-	Available-for-sale financial assets	4,769	69,046	-	69,046	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,963	75,158	-	75,158	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	3,427	50,058	-	50,058	Note 5
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	3,878	50,047	-	50,047	Note 5
	IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	3,691	50,051	-	50,051	Note 5
Great Sun Corp.	<u>Stock</u>							
	Sunext (Mauritius) Inc.	Subsidiary of Great Sun Corp.	Equity-method investments	750	US\$ 87 thousand	100	US\$ 87 thousand	Note 1
Sunext (Mauritius) Inc.	<u>Stock</u>							
	Sunext Technology (Shanghai)	Subsidiary of Sunext (Mauritius) Inc.	Equity-method investments	-	US\$ 86 thousand	100	US\$ 86 thousand	Note 1
Waveplus Technology Co., Ltd.	<u>Stock</u>							
	Waveplus Design, Inc.	Subsidiary of Waveplus Technology Co., Ltd.	Equity-method investments	1,000	US\$ - thousand	100	US\$ - thousand	Note 1
Ventureplus Group Inc.	<u>Stock</u>							
	Ventureplus Mauritius Inc.	Subsidiary of Ventureplus Group Inc.	Equity-method investments	41,900	US\$ 33,018 thousand	100	US\$ 33,018 thousand	Note 1
Ventureplus Mauritius Inc.	<u>Stock</u>							
	Ventureplus Cayman Inc.	Subsidiary of Ventureplus Mauritius Inc.	Equity-method investments	41,900	US\$ 33,022 thousand	100	US\$ 33,022 thousand	Note 1
Ventureplus Cayman Inc.	<u>Stock</u>							
	Sunplus Technology (Shanghai) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 10,455 thousand	99	US\$ 10,455 thousand	Note 1
	Sunplus Pro-tek (Shenzhen) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 3,183 thousand	100	US\$ 3,183 thousand	Note 1
	SunMedia Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 19,065 thousand	100	US\$ 19,065 thousand	Note 1
	Sunplus App Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 111 thousand	80	US\$ 111 thousand	Note 1
Wei-Young Investment Inc.	<u>Stock</u>							
	Sunnext Technology Co., Ltd.	Equity-method investee	Equity-method investments	18	373	-	373	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	104	1,760	-	1,842	Note 1
	UNIWILL Co., Ltd.	-	Available-for-sale financial assets	508	6,906	-	6,906	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2010				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Innovation Technology Inc.	<u>Fund</u>							
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,636	\$ 70,164	-	\$ 70,164	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	12,867	187,862	-	187,862	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	176	30,037	-	30,037	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	2,898	40,042	-	40,042	Note 5
	<u>Stock</u>							
	Advanced Silicon SA	-	Financial assets carried at cost	1,000	30,179	12	30,179	Note 2
Global Techplus Capital Inc.	<u>Stock</u>							
	Techplus Capital Samoa Inc.	Subsidiary of Global Techplus Capital Inc.	Equity-method investments	-	US\$ - thousand	100	US\$ - thousand	Note 1
Sunplus mMedia Inc.	<u>Fund</u>							
	Allianz Global Investors Bond Fund	-	Available-for-sale financial assets	1,668	20,000	-	20,000	Note 5
iCatch Technology, Inc.	<u>Fund</u>							
	Allianz Global Investors Bond Fund	-	Available-for-sale financial assets	1,668	20,000	-	20,000	Note 5

Note 1: The net asset value was based on audit financial data as of March 31, 2010.

Note 2: The market value is based on carrying value as of March 31, 2010.

Note 3: The market value is based on the closing price as of March 31, 2010.

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

Note 5: The market value was based on the net asset value of fund as of March 31, 2010.

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

Note 7: Includes deferred credits \$136,517 thousand.

Note 8: Includes deferred credit \$3,839 thousand.

Note 9: As of March 31, 2010, 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 \$97,472 thousand and the holdings of Sunplus Technology Limited Company of the shares of Giantplus Technology Company Limited and Orise Technology Company Limited, with carrying values of \$841,044 thousand and \$287,388 thousand respectively, had not been pledged or mortgaged.

(Concluded)

TABLE 4

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31,2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Issuer of Marketable Security	Financial Statement Account	Beginning Balance		Acquisition		Disposal				Ending Balance	
			Units (Thousands)	Amount	Units (Thousands)	Amount	Unit (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Unit (Thousands)	Amount
Sunplus Technology Company Limited	Orise Technology Co. Ltd.	Equity-method Investments	60,665	1,119,384 (Note 3)	-	\$ -	3,375	\$ 229,241	\$ 62,701	171,381 (Note 4)	57,290	\$ 1,097,632 (Note 5)
	FSITC Bond Fund	Available-for-sale financial assets	1,697	289,216 (Note 2)	-	-	1,349	230,000	229,735	265	348	59,339 (Note 1)
	Fuh-Hwa Bond Fund	Available-for-sale financial assets	10,514	145,259 (Note 2)	-	-	7,237	100,000	99,855	145	3,278	45,312 (Note 1)
	Fuh-Hwa Yuli Bond Fund	Available-for-sale financial assets	7,766	100,069	-	-	7,766	100,133	100,000	133	-	-
	Ventureplus Group Inc.	Equity-method Investments	24,900	501,021 (Note 3)	17,000	547,570	-	-	-	-	41,900	1,049,784 (Note 5)
Generalplus Technology Inc.	IBT Ta Chong Bond Fund	Available-for-sale financial assets	14,225	192,736 (Note 2)	8,112	110,000	-	-	-	-	22,337	302,880 (Note 1)

- Note 1: The ending balance includes the valuation gains on financial assets.
- Note 2: The beginning balance includes the valuation gains on financial assets.
- Note 3: The carrying value of the equity-method investment as of December 31, 2009.
- Note 4: Includes an investment gain classified under capital surplus.
- Note 5: The carrying value of the equity-method investment as of March 31, 2010.

TABLE 5

SUNPLUS TECHNOLOGY COMPANY LIMITED

ACQUISITION OF LONG-TERM INVESTMENTS AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31,2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	(Payment)/Sale Term	Counter-party	Nature of Relationships	Prior Transaction of Company Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Ownership	Relationships	Transfer Date	Amount			
Sunplus Technology Company Limited	Ventureplus Group Inc.	99.01	\$ 547,570	\$ (547,570)	-	Equity-method investee	-	-	-	\$ -	Note	Equity-method investee	-

Note: Participation in share issuance.

SUNPLUS TECHNOLOGY COMPANY LIMITED

DISPOSAL OF LONG-TERM INVESTMENTS AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Types of Property	Transaction Date	Original Acquisition Date	Carrying Amount	Proceeds Collection Status	Gain on Disposal	Counter-party	Nature of Relationships	Purpose of Disposal	Price Reference	Purpose of Acquisition	Other Terms
Sunplus Technology Company Limited	Orise Technology Co., Ltd.	99.01 99.02	94.12 95.07 96.06 97.08	\$ 62,701	\$229,241	\$171,381	-	Equity-method investee	Financial planning	Note	Equity-method investee	-

Note : Sold on the Taiwan stock exchange.

TABLE 7

SUNPLUS TECHNOLOGY COMPANY LIMITED

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES

MARCH 31,2010

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2010			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2010	December 31, 2009	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Giantplus Technology Co., Ltd.	Tofen Chen, Miaoli, Taiwan	Manufacture of TN/STN LCDs and LCD modules	\$ 881,314	\$ 881,314	84,652	21	\$ 1,779,899	\$ 31,538	\$ 6,536	Investee
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	649,705	687,979	57,290	42	1,097,632	96,690	41,245	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	306,739	306,739	19,590	83	(24,119)	(30,895)	(16,729)	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	812,751	(13,477)	(13,477)	Subsidiary
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	889,313	1,439	1,439	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	316,864	316,864	38,832	43	686,528	20,489	8,980	Subsidiary
	Ventureplus Group Inc.	Belize	Investment	US\$ 41,900 thousand	US\$ 24,900 thousand	41,900	100	1,049,784	10,999	10,999	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	US\$ 14,760 thousand	US\$ 14,760 thousand	14,760	100	407,016	(32,638)	(32,638)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	29,762	79	530,294	23,062	27,110	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	924,730	946,705	38,836	61	580,132	82,301	50,904	Subsidiary
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	105,470	105,470	8,898	57	(75,852)	(12,539)	(9,104)	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	35,517	35,517	1,302	41	23,138	5,471	2,227	Subsidiary
	Global Techplus Capital Inc.	Seychelles	Investment	US\$ 200 thousand	US\$ 200 thousand	200	100	7,339	-	-	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	9,255	39	39	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	HK\$ 11,075 thousand	HK\$ 11,075 thousand	11,075	100	3,845	(750)	(750)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,121	(24)	(24)	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	372,608	372,608	37,261	29	153,605	(230,072)	(66,537)	Investee
	i Catch Technology. Ltd.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	83	198,585	(13,097)	(10,862)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,507,392	1,507,392	54,545	91	(616,825)	(36,928)	(35,715)	Subsidiary
Lin Shih Investment Co., Ltd.	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	38,619	82,301	4,354	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	94,576	94,576	807	25	13,182	5,471	1,380	Subsidiary
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	20,467	20,073	2,335	15	(12,945)	(12,539)	(1,827)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,410	38,376	2,956	5	248	(36,928)	(1,173)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,171	19,171	911	4	9,585	(30,895)	(1,192)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	11,111	9,763	733	2	11,877	23,062	416	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	45,608	4,394	4,561	4	40,502	(230,072)	(3,216)	Investee
	i Catch Technology. Ltd.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	4	9,238	(13,097)	(505)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	83,851	82,166	14,245	16	251,969	20,489	3,248	Subsidiary
Sunplus Venture Capital Co., Ltd.	Joining Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	51,000	51,000	3,400	39	-	-	-	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	50,870	82,301	5,742	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	17,227	17,227	1,029	3	17,931	23,062	634	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	204	204	20	-	102	(230,072)	(36)	Investee
	i Catch Technology. Ltd.	Hsinchu, Taiwan	Design of ICs	31,818	31,818	3,182	13	30,474	(13,097)	(1,667)	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	76,016	76,016	387	12	6,874	5,471	662	Subsidiary
	Orise Technology Co, Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	16,138	96,690	675	Investee
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	20,000	20,000	2,000	13	(13,193)	(12,539)	(1,608)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	42,802	42,802	4,625	5	82,265	20,489	1,061	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,784	65	-	1,554	(36,928)	(40)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	3,006	13	14,505	(30,895)	(3,932)	Subsidiary
Russell Holdings Limited	Jet Focus Limited	Cayman Islands, British West Indies	Investment	US\$ 6,050 thousand	US\$ 6,050 thousand	4,794	44	US\$ (350) thousand	US\$ 35 thousand	US\$ - thousand	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	US\$ 2,119 thousand	US\$ 2,119 thousand	442	1	US\$ 2,249 thousand	\$ 82,301	US\$ 18 thousand	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2010			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2010	December 31, 2009	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunext Technology Co., Ltd.	Great Sun Corp.	Smaoa	Investment	US\$ 750 thousand	US\$ 750 thousand	750	100	\$ 10,477	\$ 6,549	\$ 6,549	Subsidiary
	Great Prosperous Corp.	Mauritius	Investment	US\$ 1,000 thousand	650	1,000	100	9,004	(5,941)	(5,941)	Subsidiary
Great Sun Corp.	Sunext (Mauritius) Inc.	Mauritius	Investment	US\$ 750 thousand	US\$ 750 thousand	750	100	US\$ 87 thousand	US\$ (4) thousand	US\$ (4) thousand	Subsidiary
Sunext (Mauritius) Inc.	Sunext Technology (Shanghai) Co., Ltd.	Shanghai, China	Design of software	US\$ 750 thousand	US\$ 750 thousand	-	100	US\$ 86 thousand	US\$ (4) thousand	US\$ (4) thousand	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	US\$ 41,900 thousand	US\$ 24,900 thousand	41,900	100	US\$ 33,018 thousand	US\$ 344 thousand	US\$ 344 thousand	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	US\$ 41,900 thousand	US\$ 24,900 thousand	41,900	100	US\$ 33,022 thousand	US\$ 344 thousand	US\$ 344 thousand	Subsidiary
Ventureplus Cayman Inc.	Sunplus Technology (Shanghai) Co., Ltd.	Shanghai, China	Manufacture and sale of ICs.	US\$ 17,000 thousand	US\$ 17,000 thousand	-	99	US\$ 10,455 thousand	US\$ 273 thousand	US\$ 269 thousand	Subsidiary
	Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	ShenZhen, China	Research, development, manufacture and sale of ICs.	US\$ 4,250 thousand	US\$ 4,250 thousand	-	100	US\$ 3,183 thousand	US\$ 87 thousand	US\$ 87 thousand	Subsidiary
	SunMedia Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US\$ 20,000 thousand	US\$ 3,000 thousand	-	100	US\$ 19,065 thousand	US\$ (6) thousand	US\$ (6) thousand	Subsidiary
	Sunplus App Technology Co., Ltd.	Beijing, China	Research, development, manufacture and sale of ICs.	US\$ 586 thousand	US\$ 586 thousand	-	80	US\$ 111 thousand	US\$ (7) thousand	US\$ (6) thousand	Subsidiary
Waveplus Technology Co., Ltd.	Waveplus Design, Inc.	U.S.A.	Design of WLANs	US\$ 500 thousand	US\$ 500 thousand	1,000	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Smaoa	Investment	US\$ 6,590 thousand	US\$ 5,590 thousand	6,590	100	20,809	(34,987)	(34,987)	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	US\$ 6,590 thousand	US\$ 5,590 thousand	6,590	100	US\$ 654 thousand	US\$ (1,097) thousand	US\$ (1,097) thousand	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co., Ltd.	Shenzhen, China	After-sales service	US\$ 6,200 thousand	US\$ 5,200 thousand	6,200	100	US\$ 550 thousand	US\$ (1,067) thousand	US\$ (1,067) thousand	Subsidiary
	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	US\$ 390 thousand	US\$ 390 thousand	390	100	US\$ 103 thousand	US\$ (29) thousand	US\$ (29) thousand	Subsidiary
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	EUR 237 thousand	EUR 237 thousand	237	100	14,112	1,375	1,375	Subsidiary
	Sunplus mMobile Limited	U.K.	Design of ICs	GBP 1,710 thousand	GBP 1,710 thousand	1,710	100	(374)	-	-	Subsidiary
	Sunplus mMobile Holding Inc.	Smaoa	Investment	US\$ 2,580 thousand	US\$ 2,580 thousand	2,580	100	(3)	-	-	Subsidiary
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Mauritius	Research and development of intellectual property rights	US\$ 2,580 thousand	US\$ 2,580 thousand	2,580	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	1,800	1,800	104	-	1,760	20,489	24	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	-	18	-	373	82,301	23	Subsidiary
Global Techplus Capital Inc.	Techplus Capital Samoa Inc.	Smaoa	Investment	US\$ - thousand	US\$ - thousand	-	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary

(Concluded)

TABLE 8

SUNPLUS TECHNOLOGY COMPANY LIMITED

INFORMATION ON INVESTMENT IN MAINLAND CHINA
THREE MONTHS ENDED MARCH 31,2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2010	% Ownership of Direct or Indirect Investment	Investment Loss	Carrying Value as of March 31, 2010	Accumulated Inward Remittance of Earnings as of March 31, 2010
					Outflow	Inflow					
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	US\$ 17,200 thousand	Note	US\$ 17,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 17,000 thousand	99	US\$ 269 thousand	US\$ 10,455 thousand	US\$ - thousand
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software. Service of System Integration	US\$ 4,250 thousand	Note	US\$ 4,250 thousand	US\$ - thousand	US\$ - thousand	US\$ 4,250 thousand	100	US\$ 87 thousand	US\$ 3,183 Thousand	US\$ - thousand
SunMedia Technology Co., Ltd.	Manufacturing and sale of computer software. Service of System Integration	US\$ 20,000 thousand	Note	US\$ 3,000 thousand	US\$ 17,000 thousand	US\$ - thousand	US\$ 20,000 thousand	100	US\$ (6) thousand	US\$ 19,065 Thousand	US\$ - thousand
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software. Service of System Integration and information management education	RMB 3,750 thousand	Note	US\$ 586 thousand	US\$ - thousand	US\$ - thousand	US\$ 586 thousand	80	US\$ (6) thousand	US\$ 111 thousand	US\$ - thousand

Accumulated Investment in Mainland China as of March 31, 2010	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$41,836 thousand	US\$52,800 thousand	\$7,513,618

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