Sunplus Technology Company Limited and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2013 and 2012 and Independent Accountants' Review Report

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

We have reviewed the accompanying consolidated balance sheets of Sunplus Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the nine months ended September 30, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

As disclosed in Note 4(2), the financial statements of minor subsidiaries included in the consolidated financial statements were unreviewed. The total assets of these subsidiaries as of September 30, 2013 and 2012 amounted to $5,865,958 thousand and $5,913,120 thousand, respectively, accounting for 41% and 38%, respectively, of the total consolidated assets, and the total liabilities amounted to $1,628,453 thousand and $1,299,535 thousand, respectively, accounting for 41% and 28%, respectively, of the total consolidated liabilities. For the three months ended September 30, 2013 and 2012, the total comprehensive loss of $126,678 thousand and total comprehensive income of $ 3,861 thousand, respectively, were 3,154% and 2%, respectively, of the total consolidated comprehensive income. For the nine months ended September 30, 2013 and 2012, the total comprehensive loss of $271,572 thousand and total comprehensive income of $26,438 thousand, respectively, were 109% and 10%, respectively, of the total consolidated comprehensive income. In addition, as disclosed in Note 13 to the consolidated financial statements, the carrying value of equity-method investments as of September 30, 2013 was $147,714 thousand. For the three months ended September 30, 2013, there was a net investment loss of $17,002 thousand. For the nine months ended September 30, 2013, there was a net investment loss of $57,284 thousand. These investment amounts and other investee information disclosed in Note 39 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' and subsidiaries' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries referred to the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards," and International Financial Reporting 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

November 13, 2013

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS								
Cash and cash equivalents (Notes 4 and 6)	$ 4,047,619	28	$ 4,492,896	31	$ 4,612,494	30	$ 4,775,205	34
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	15,194	-	-	-	-	-	44,644	-
Available-for-sale financial assets - current (Notes 4 and 8)	1,131,315	8	1,076,456	7	942,850	6	1,055,235	7
Debt investments with no active market - current (Notes 4 and 9)	14,520	-	14,520	-	-	-	-	-
Notes and trade receivables, net (Notes 4, 5, 11 and 36)	1,760,354	12	1,395,122	9	1,897,514	12	1,340,635	10
Other receivables (Note 36)	63,338	1	91,313	1	95,695	1	125,413	1
Inventories (Notes 4, 5 and 12)	1,080,860	8	1,722,048	12	1,916,335	12	1,062,945	8
Other current assets (Notes 17 and 37)	275,528	2	245,993	2	315,280	2	304,158	2
Total current assets	8,388,728	59	9,038,348	62	9,780,168	63	8,708,235	62
NONCURRENT ASSETS								
Available-for-sale financial assets - noncurrent (Notes 4 and 8)	1,046,158	7	632,573	4	1,492,644	10	1,126,099	8
Financial assets carried at cost (Notes 4 and 10)	256,788	2	216,080	2	333,255	2	353,037	2
Investments accounted for using the equity method (Notes 4, 13 and 37)	1,193,002	8	1,635,793	11	865,901	5	882,881	6
Property, plant and equipment (Notes 4, 5 , 14 and 37)	2,160,199	15	1,943,786	13	1,867,907	12	1,702,205	12
Investment properties (Notes 4, 5 and 15)	293,150	2	274,841	2	279,239	2	265,457	2
Intangible assets (Notes 4, 5 and 16)	361,179	3	442,646	3	623,038	4	662,274	5
Deferred tax assets (Notes 4, 5 and 27)	56,216	-	125,975	1	200,523	1	255,715	2
Other noncurrent assets (Notes 17, 33 and 37)	559,912	4	253,388	2	103,226	1	146,714	1
Total noncurrent assets	5,926,604	41	5,525,082	38	5,765,733	37	5,394,382	38
TOTAL	$ 14,315,332	100	$ 14,563,430	100	$ 15,545,901	100	$ 14,102,617	100

LIABILITIES AND EQUITY	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES								
Short-term bank borrowings (Notes 4 and 18)	$ 206,034	2	$ 485,991	3	$ 668,582	4	$ 943,612	7
Short-term bills payable (Note 19)	-	-	-	-	10,000	-	-	-
Trade payables (Note 20)	757,932	5	758,909	5	1,046,435	7	767,878	5
Current tax liabilities (Notes 4 and 27)	41,916	-	160,428	1	238,952	2	437,553	3
Provisions - current (Notes 4, 5 and 21)	17,732	-	23,028	-	11,703	-	9,059	-
Current portion of long-term bank loans (Notes 4, 18 and 37)	590,556	4	496,806	4	403,056	3	265,000	2
Deferred revenue - current (Notes 4 and 22)	95,964	1	1,522	-	1,522	-	1,522	-
Other current liabilities (Notes 22 and 36)	733,590	5	770,768	5	677,604	4	660,462	5
Total current liabilities	2,443,724	17	2,697,452	18	3,057,854	20	3,085,086	22
NONCURRENT LIABILITIES								
Long-term bank loans, net of current portion (Notes 4, 18 and 37)	1,084,151	8	1,368,398	10	1,316,944	8	-	-
Accrued pension liabilities (Notes 4 and 23)	163,097	1	164,040	1	128,381	1	130,251	1
Guarantee deposits (Note 33)	223,014	1	198,513	1	198,846	1	256,016	2
Deferred revenue - noncurrent (Notes 4 and 22)	80,298	1	4,616	-	4,765	-	5,215	-
Other noncurrent liabilities, net of current portion (Notes 4 and 22)	889	-	2,594	-	2,594	-	889	-
Total noncurrent liabilities	1,551,449	11	1,738,161	12	1,651,530	10	392,371	3
Total liabilities	3,995,173	28	4,435,613	30	4,709,384	30	3,477,457	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
Share capital (Notes 24)								
Common shares	5,969,099	42	5,969,099	41	5,969,099	39	5,969,099	42
Capital surplus (Notes 4, 24 and 29)	954,158	7	939,124	6	937,866	6	937,866	7
Retained earnings (Notes 24)								
Legal reserve	1,909,685	13	2,426,181	17	2,426,181	16	2,450,003	18
Special reserve	30,756	-	191,229	1	191,229	1	191,229	1
Accumulated deficit (retained earnings)	(142,533)	(1)	(903,390)	(6)	(102,106)	(1)	38,475	-
Other equity (Note 24)	156,801	1	103,648	1	(29,172)	-	(389,877)	(3)
Treasury shares (Notes 4, 24 and 37)	(155,236)	(1)	(155,236)	(1)	(155,236)	(1)	(155,236)	(1)
Total equity attributable to owners of the Company	8,722,730	61	8,570,655	59	9,237,861	60	9,041,559	64
NONCONTROLLING INTERESTS (Notes 4 and 24)	1,597,429	11	1,557,162	11	1,598,656	10	1,583,601	11
Total equity	10,320,159	72	10,127,817	70	10,836,517	70	10,625,160	75
TOTAL	$ 14,315,332	100	$ 14,563,430	100	$ 15,545,901	100	$ 14,102,617	100

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

(With Deloitte & Touche review report dated November 13, 2013)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 25)	$ 2,314,326	100	$ 2,466,673	100	$ 6,430,820	100	$ 6,746,272	100
OPERATING COSTS ((Notes 12, 23 ,26and 36)	1,387,141	60	1,504,862	61	3,863,471	60	4,081,052	60
GROSS PROFIT	927,185	40	961,811	39	2,567,349	40	2,665,220	40
OPERATING EXPENSES (Notes 23, 26 and 36)								
Selling and marketing	133,694	6	119,596	5	368,122	6	319,794	5
General and administrative	146,912	6	136,815	5	422,804	6	422,602	6
Research and development	601,399	26	712,050	29	1,795,244	28	2,060,731	31
Total operating expenses	882,005	38	968,461	39	2,586,170	40	2,803,127	42
INCOME (LOSS) FROM OPERATIONS	45,180	2	(6,650)	-	(18,821)	-	(137,907)	(2)
NONOPERATING INCOME								
Other income (Notes 26, 31 and 36)	52,107	2	46,996	2	95,683	1	84,541	1
Other gains and losses	(14,676)	(1)	(5,089)	-	105,981	2	(6,772)	-
Finance costs	(9,156)	-	(11,213)	(1)	(28,990)	(1)	(27,193)	-
Share of profit of associates and joint ventures	19,219	1	9,412	-	47,736	1	21,082	-
Total nonoperating income and expenses	47,494	2	40,106	1	220,410	3	71,658	1
PROFIT (LOSS) BEFORE INCOME TAX	92,674	4	33,456	1	201,589	3	(66,249)	(1)
INCOME TAX BENEFIT (Notes 4 and 27)	18,327	1	10,770	-	22,923	-	22,349	-
NET PROFIT (LOSS)	74,347	3	22,686	1	178,666	3	(88,598)	(1)
OTHER COMPREHENSIVE INCOME (LOSS)								
Exchange differences on translating foreign operations (Notes 4 and 24)	(4,877)	-	(33,590)	(1)	97,962	1	(58,630)	(1)
Unrealized gain (loss) on available-for-sale financial assets (Notes 4 and 24)	(65,453)	(3)	197,551	8	(26,509)	-	416,913	6
Other comprehensive income (loss) for the period, net of income tax	(70,330)	(3)	163,961	7	71,453	1	358,283	5
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	$ 4,017	-	$ 186,647	8	$ 250,119	4	$ 269,685	4

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owner of the Company	$ 37,555	2	$ (19,721)	(1)	$ 83,888	1	$ (164,403)	(2)
Noncontrolling interests	36,792	1	42,407	2	94,778	2	75,805	1
	$ 74,347	3	$ 22,686	1	$ 178,666	3	$ (88,598)	(1)
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO:								
Owner of the Company	$ (34,565)	(2)	$ 145,731	6	$ 137,041	2	$ 196,302	3
Noncontrolling interests	38,582	2	40,916	2	113,078	2	73,383	1
	$ 4,017	-	$ 186,647	8	$ 250,119	4	$ 269,685	4
EARNINGS (DEFICIT) PER SHARE (New Taiwan dollars)								
Basic	$ 0.06		$ (0.03)		$ 0.14		$ (0.28)	
Diluted	$ 0.06		$ (0.03)		$ 0.14		$ (0.28)	

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

(With Deloitte & Touche review report dated November 13, 2013) (Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Capital Stock Issued and Outstanding (Note 24)			Retained Earnings (Note 24)			Other Equity (Notes 4 and 24)					
	Shares (Thousands)	Amount	Capital Surplus (Notes 4, 24 and 29)	Legal Reserve	Special Reserve	Unappropriate d Earnings (Accumulatedlated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Treasury Shares (Notes 4, 24 and 36)	Total	Noncontrolling Interests (Notes 4 and 24)	Total Equity
BALANCE, JANUARY 1, 2012	596,910	$ 5,969,099	$ 937,866	$ 2,450,003	$ 191,229	$ 38,475	$ -	$ (389,877)	$ (155,236)	$ 9,041,559	$ 1,583,601	$ 10,625,160
Appropriation of the 2011 deficit												
Legal reserve	-	-	-	(23,822)	-	23,822	-	-	-	-	-	-
Net loss for the nine months ended September 30, 2012	-	-	-	-	-	(164,403)	-	-	-	(164,403)	75,805	(88,598)
Other comprehensive income for the nine months ended September 30, 2012, net of income tax	-	-	-	-	-	-	(55,790)	416,495	-	360,705	(2,422)	358,283
Total comprehensive income for the nine months ended September 30, 2012	-	-	-	-	-	(164,403)	(55,790)	416,495	-	196,302	73,383	269,685
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(58,328)	(58,328)
BALANCE, SEPTEMBER 30, 2012	596,910	$ 5,969,099	$ 937,866	$ 2,426,181	$ 191,229	$ (102,106)	$ (55,790)	$ 26,618	$ (155,236)	$ 9,237,861	$ 1,598,656	$ 10,836,517
BALANCE, JANUARY 1, 2013	596,910	$ 5,969,099	$ 939,124	$ 2,426,181	$ 191,229	$ (903,390)	$ (84,462)	$ 188,110	$ (155,236)	$ 8,570,655	$ 1,557,162	$ 10,127,817
Appropriation of the 2012deficit												
Legal reserve	-	-	-	(516,496)	-	516,496	-	-	-	-	-	-
Special reserve	-	-	-	-	(160,473)	160,473	-	-	-	-	-	-
Partial disposal of interests in subsidiaries	-	-	(11,550)	-	-	-	-	-	-	(11,550)	11,550	-
Changes in capital surplus from investments in associates and joint ventures accounted for by the equity method	-	-	24,665	-	-	-	-	-	-	24,665	-	24,665
Disposal of investments in associates	-	-	1,919	-	-	-	-	-	-	1,919	-	1,919
Net profit for the nine months ended September 30, 2013	-	-	-	-	-	83,888	-	-	-	83,888	94,778	178,666
Other comprehensive income for the nine months ended September 30, 2013, net of income tax	-	-	-	-	-	-	79,931	(26,778)	-	53,153	18,300	71,453
Total comprehensive income for the nine months ended September 30, 2013	-	-	-	-	-	83,888	79,931	(26,778)	-	137,041	113,078	250,119
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(84,361)	(84,361)
BALANCE, SEPTEMBER 30, 2013	596,910	$ 5,969,099	$ 954,158	$ 1,909,685	$ 30,756	$ (142,533)	$ (4,531)	$ 161,332	$ (155,236)	$ 8,722,730	$ 1,597,429	$ 10,320,159

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

(With Deloitte & Touche review report dated November 13, 2013)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 201,589	$ (66,249)
Adjustments for:		
Depreciation expenses	188,184	137,530
Amortization expenses	156,602	171,639
Gain on fair value change of financial assets designated as at fair value through profit or loss	(142)	(3,369)
Financial costs	28,990	27,193
Interest income	(25,365)	(32,842)
Dividend income	(30,044)	(30,005)
Share of profit of associates and joint ventures	(47,736)	(21,082)
(Gain) loss on disposal of property, plant and equipment	(6,721)	768
Loss on disposal of intangible assets	532	405
Gain on disposal of investments	(61,473)	(29,626)
Gain on disposal of subsidiaries	(22,752)	-
Impairment loss recognized on financial assets	1,633	35,288
Gain on reversal of impairment loss on financial assets	(654)	(14,213)
Unrealized gain on the transactions with associates and joint ventures	1,392	-
Realized gain on the transactions with associates and joint ventures	(450)	(450)
Net loss on foreign exchange	(4,301)	(58,969)
Amortization of prepaid lease payments	2,232	539
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets held for trading	(14,912)	46,671
Increase in trade receivables	(351,980)	(526,514)
(Increase) decrease in other receivables	(19,828)	29,001
Decrease (increase) in inventories	641,188	(852,180)
Increase in other current assets	(28,876)	(42,116)
Increase (decrease) in trade payables	(4,712)	268,982
(Decrease) increase in provisions	(5,296)	2,644
Increase in deferred revenue	170,574	-
Increase (decrease) in other current liabilities	(10,916)	28,764
Decrease in accrued pension liabilities	(943)	(1,870)
Cash generated from (used in) operations	755,815	(930,061)
Interest received	26,131	33,764
Dividend received	30,044	30,005
Interest paid	(30,900)	(25,669)
Income tax paid	(22,353)	(135,453)
Net cash generated from (used in) operating activities	758,737	(1,027,414)

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SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

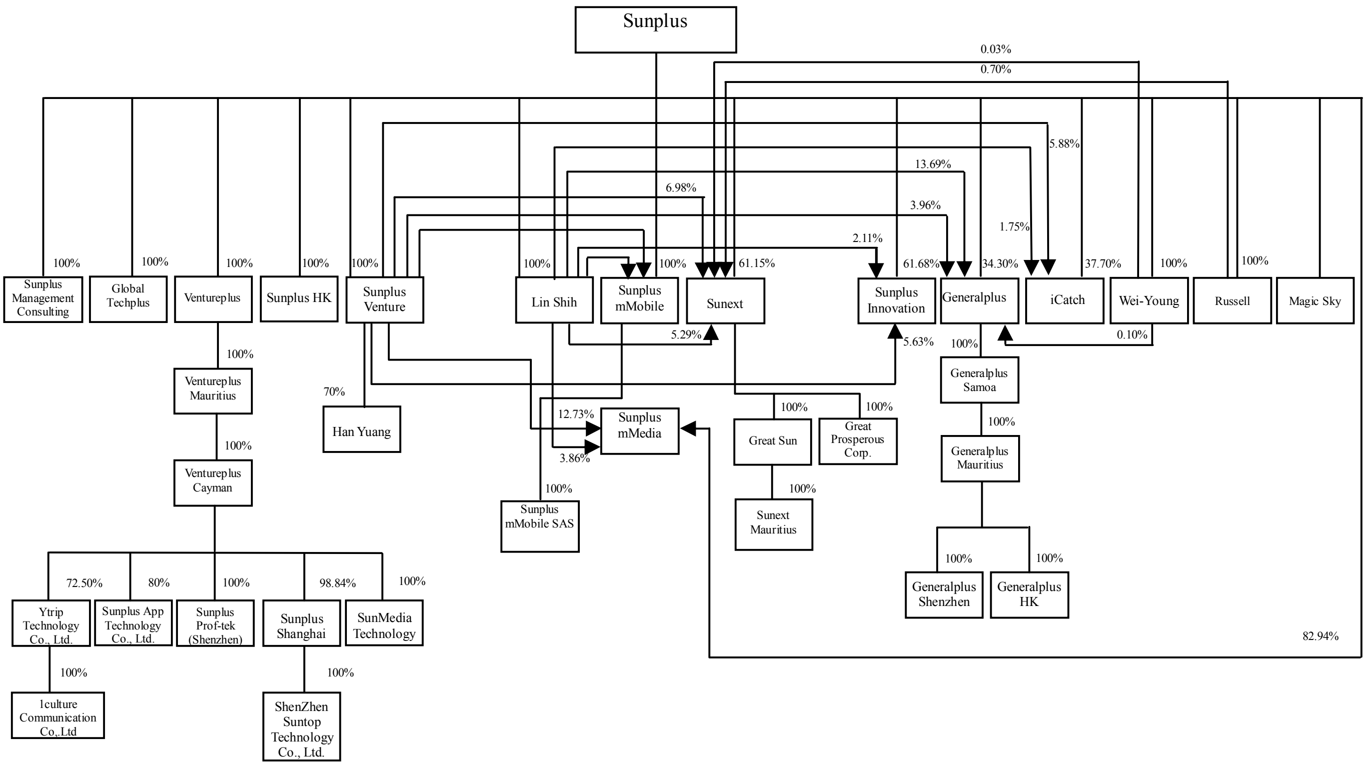
	For the Nine Months Ended September 30	
	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(818,014)	(1,487,273)
Proceeds of the sale of available-for-sale financial assets	$ 786,080	$ 1,642,635
Purchase of financial assets measured at cost	(49,776)	(33,071)
Proceeds of the sale of financial assets measured at cost	1,398	-
Capital return to the Company - financial assets carried at cost	13,082	17,990
Acquisition of associates	(195,899)	-
Net cash inflow on disposal of associates	319,447	-
Net cash inflow on disposal of subsidiaries	20,375	-
Payments for property, plant and equipment	(696,809)	(290,903)
Proceeds of the disposal of property, plant and equipment	9,141	1,807
Decrease in refundable deposits	242	9,648
Payments for intangible assets	(92,562)	(135,296)
Proceeds of the disposal of intangible assets	291	-
(Increase) decrease in other assets	(1,840)	35,474
Dividend received from associates	33,603	38,432
Net cash used in investing activities	(671,241)	(200,557)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(283,357)	(270,930)
Proceeds from short-term bills payable	-	10,000
Proceeds of long-term borrowings	212,254	1,750,000
Repayments of long-term borrowings	(403,056)	(295,000)
Proceeds of guarantee deposits received	24,158	-
Refund of guarantee deposits received	-	(52,824)
Dividends paid to noncontrolling interest	(58,043)	(78,287)
(Decrease) increase in noncontrolling interests	(25,677)	15,893
Effect of change in consolidated entities	(6,578)	-
Net cash (used in) generated from financing activities	(540,299)	1,078,852
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	7,526	(13,592)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(445,277)	(162,711)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,492,896	4,775,205
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 4,047,619	$ 4,612,494

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche review report dated November 13, 2013)

1. GENERAL INFORMATION

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

Following is a diagram of the relationship and ownership percentages between Sunplus and its investees (collectively, the "Group") as of September 30, 2013.



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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on November 13, 2013.

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

a. New and revised Standards, Amendments and Interpretations in issue but not yet effective

The Company and its entire controlled subsidiaries (the "Group") have not applied the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations (IFRIC), and Standing International (SIC) that have been issued by the IASB.

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

(Continued)

New, Revised Standards, Amendments and Interpretations		Effective Date Announced by IASB (Note)
Amendments to IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010
Amendments to IFRS 1	Government Loans	January 1, 2013
Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011
Amendment to IFRS 7	Disclosures-offsetting Financial Assets and Financial Liabilities	January 1, 2013
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date and Transition Disclosure	January 1, 2015
Amendment to IFRS 7	Disclosures - Transfers of Financial Assets	July 1, 2011
Amendment to IFRS 9	Financial Instruments	January 1, 2015
Amendment to IFRS 10	Consolidated Financial Statements	January 1, 2013
Amendment to IFRS 11	Joint Arrangements	January 1, 2013
Amendment to IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013
Amendments to IFRS 10, IFRS 12 and IFRS 27	Investment Entities	January 1, 2014
Amendment to IFRS 13	Fair Value Measurement	January 1, 2013
Amendment to IAS 1	Presentation of Items of Other Comprehensive Income	July 1, 2012
Amendment to IAS 12	Deferred Tax: Recovery of Underlying Assets	January 1, 2012
Amendment to IAS 19	Employee Benefits	January 1, 2013
Amendment to IAS 27	Separate Financial Statements	January 1, 2013
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2013
Amendment to IAS 32	Offsetting of Financial Assets and Financial Liabilities	January 1, 2014
Amendment to IAS 36	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
IFRIC 20	Stripping Costs in Production Phase of a Surface Mine	January 1, 2013
IFRIC 21	Levies	January 1, 2014

(Concluded)

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

b. Significant changes in accounting policy resulted from new and revised Standards, Amendments and Interpretations in issue but not yet effective.

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

1) IFRS 9 "Financial Instruments"

All recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are initially recognized when the Group becomes a party to the contractual provisions of the assets, and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortized cost or fair value). Specifically, financial assets that are held by the Group within a business model whose objective is to collect contractual cash cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the balance sheet date.

For financial liabilities, the main changes are with regard to the classification and measurement of financial liabilities designated as at fair value through profit or loss. IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

2) New issued and revised standards related to Consolidation, Joint Arrangement, and Associates

a) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The Group considers its ability of control over other entities for consolidation. The Group has control over an investee if and only if it has a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee and c) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

b) IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

c) Revision to IAS 28 "Investments in Associates and Joint Ventures"

Revised IAS 28 requires when a portion of an investment in associates meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Previously, when a portion of an investment in associates mets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

3) IFRS 13, "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

4) Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to IAS 1 require items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) will be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Previously, there were no such requirements.

5) Revision to IAS 19 "Employee Benefits"

The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The revision requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

6) Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made some consequential amendments to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that the disclosure of such recoverable amount is required during the period when an impairment loss has been recognized or reversed. Furthermore, the Group is required to disclose the discount rate used in current and previous measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

The Group is in the process of estimating the impact of the initial application of the Standards, Amendments and Interpretations on its financial position and results of operations. Disclosure will be provided until a detailed review of the impact has been completed and the consolidated financial statements have been approved and authorized for issuance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 14, 2009, the Financial Supervisory Commission (FSC) FSC announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations approved by the FSC.

The consolidated financial statements of the Group and its subsidiaries are the first IFRS interim financial statements for part of the period covered by its first IFRS financial statements, the consolidated financial statements for 2013. The date of transition to IFRSs was January 1, 2012. Refer to Note 41 for the impact of IFRS conversion on the consolidated financial statements.

a. Statement of Compliance

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

b. Basis for Consolidation

Basis of the consolidated financial statements

The consolidated financial statements incorporate the financial statements and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

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

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

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

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

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

The subsidiaries in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012	Note
Sunplus	Sunplus Management Consulting	Management	100.00	100.00	100.00	100.00	-
	Global Techplus	Investment	-	100.00	100.00	100.00	The investee completed liquidation in September 2013; thus it was excluded from the consolidated financial statement.
	Ventureplus	Investment	100.00	100.00	100.00	100.00	-
	Sunplus Technology (H.K.)	International trade	100.00	100.00	100.00	100.00	-
	Sunplus Venture	Investment	100.00	100.00	100.00	100.00	-
	Lin Shih Investment	Investment	100.00	100.00	100.00	100.00	-
	Sunplus mMobile .	Design of integrated circuits (ICs)	100.00	99.99	99.99	99.99	-
	Sunext Technology	Design and sale of ICs	61.15	61.15	61.15	61.15	-
	Sunplus Core (S2-TEK INC.)	Design of ICs	-	99.82	99.82	70.48	The investee became a jointly controlled operation in January 2013; thus, the investee was not included in the consolidated financial statements.
	Sunplus Innovation Technology	Design of ICs	61.68	62.91	62.97	63.93	-
	Generalplus Technology ("Generalplus")	Design of ICs	34.30	34.30	34.30	34.32	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	iCatch	Design of ICs	37.70	37.70	37.70	37.70	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
	Wei-Young Investment Inc.	Investment	100.00	100.00	100.00	100.00	-
	Russell Holdings Limited	Investment	100.00	100.00	100.00	100.00	-
	Magic Sky Limited	Investment	100.00	100.00	100.00	100.00	-
	Sunplus mMedia Inc.	Design of ICs	82.94	82.94	82.94	82.94	-
Global Techplus	Techplus Samoa	Investment	-	-	100.00	100.00	The investee completed liquidation in November 2012; thus it was excluded from the consolidated financial statements.
Ventureplus	Ventureplus Mauritius	Investment	100.00	100.00	100.00	100.00	-
Ventureplus Mauritius	Ventureplus Cayman	Investment	100.00	100.00	100.00	100.00	-
Ventrueplus Cayman	Ytrip Technology	Web research and development	72.50	72.50	72.50	77.76	-
	Sunplus App Technology	Manufacturing and sale of computer software; system integration services and information management and education.	80.00	80.00	80.00	80.00	-
	Sunplus Prof-tek Technology (Shenzhen)	Development and sale of computer software and system integration services	100.00	100.00	100.00	100.00	-
	Sunplus Technology Technology (Shanghai)	Manufacturing and sale of consumer and rental	98.84	98.84	98.84	98.84	-
	SunMedia Technology	Manufacturing and sale of computer software and system integration services	100.00	100.00	100.00	100.00	-
Sunplus Technology (Shanghai)	ShenZhen Suntop Technology	Design of software and hardware	100.00	100.00	100.00	100.00	-
Ytrip Technology	1culture Communication	Development and sale	100.00	-	-	-	The investee was established in February 2013
Sunplus Venture	Han Young Technology	Design of ICs	70.00	70.00	70.00	70.00	-
	Sunext Technology Co., Ltd. ("Sunext")	Design and sale of ICs	6.98	6.98	6.98	6.98	Sunplus and its subsidiaries had 74.15% equity in Sunext.
	Generalplus Technology Inc.	Design of ICs	3.95	3.95	3.95	3.96	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunplus Core (S2-TEK INC.)	Design of ICs	-	0.07	0.07	11.85	The investee became a jointly controlled operation in January 2013; thus, the investee was not included in the consolidated financial statements.
	Sunplus mMobile Inc.	Design of ICs	-	-	-	-	Sunplus and its subsidiaries had 100% equity in Sunplus mMobile

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012	Note
	Sunplus mMedia	Design of ICs	12.73	12.73	12.73	12.73	Sunplus and its subsidiaries had 99.53% equity in Sunplus mMedia.
Sunplus Venture	Sunplus Innovation	Design of ICs	5.63	5.44	5.52	5.41	Sunplus and its subsidiaries had 69.42% equity in Sunplus Innovation
	iCatch Technology, Inc.	Design of ICs	5.88	5.79	5.79	5.79	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc.
Lin Shih	Generalplus Technology	Design of ICs	13.69	13.69	13.69	13.69	Sunplus and its subsidiaries had 52.04% equity in Generalplus.
	Sunext Technology	Design and sale of ICs	5.29	5.29	5.29	5.29	Sunplus and the subsidiaries had 74.15% equity in Sunext.
	Sunplus Core (S2-TEK INC.)	Design of ICs	-	0.09	0.09	14.52	The investee become jointly controlled operations on January, thus, the investee was not included in the consolidated financial statements.
	Sunplus mMedia	Design of ICs	3.86	3.86	3.86	3.86	Sunplus and its subsidiaries had 99.53% equity in Sunplus mMedia.
	Sunplus mMobile	Design of ICs	-	-	-	-	Sunplus and its subsidiaries had 100% equity in Sunplus mMobile.
	Sunplus Innovation	Design of ICs	2.11	2.15	2.18	2.18	Sunplus and its subsidiaries had 69.42% equity in Sunplus Innovation
	iCatch Technology,	Design of ICs	1.75	1.75	1.75	1.75	Sunplus and its subsidiaries had 45.33% equity in iCatch Technology, Inc. and the Group had controlling interest over iCatch Technology, Inc.; thus, the investee was included in the consolidated financial statements.
Sunplus mMobile	Sunplus mMobile Holding Inc.	Investment	-	-	100.00	100.00	The investee completed liquidation in November 2012; thus it was excluded from the consolidated financial statements.
	Sunplus mMobile SAS	Design of ICs	100.00	100.00	100.00	100.00	-
Sunext Technology	Great Sun	Investment	100.00	100.00	100.00	100.00	The investee completed liquidation in March.
	Great Prosperous Corp.	Investment	100.00	100.00	100.00	100.00	The investee completed liquidation in October.
Great Sun	Sunext Mauritius	Investment	100.00	100.00	100.00	100.00	The investee completed liquidation in October.
Sunext Mauritius	Sunext (Shanghai)	Research, development, manufacture and sale of ICs.	-	-	100.00	100.00	The investee completed liquidation in November 2012; thus it was excluded from the consolidated financial statements.
Generalplus	Generalplus Samoa	Investment	100.00	100.00	100.00	100.00	-
Generalplus Samoa	Generalplus Mauritius	Investment	100.00	100.00	100.00	100.00	-
Generalplus Mauritius	Generalplus Shenzhen	After-sales service	100.00	100.00	100.00	100.00	-
	Generalplus HK	Sales	100.00	100.00	100.00	100.00	-
Wei-Young	Generalplus	Design of Ics	0.10	0.10	0.10	0.10	Sunplus and its subsidiaries had 52.04% equity in Generalplus
	Sunext Technology	Design and sale of Ics	0.03	0.03	0.03	0.03	Sunplus and its subsidiaries had 74.15% equity in Sunext
Russell	Sunext Technology	Design and sale of Ics	0.70	0.70	0.70	0.70	Sunplus and its subsidiaries had 74.15% equity in Sunext

(Concluded)

The financial statements for the nine months ended September 30, 2013 and 2012 of the subsidiaries included in the consolidated financial statements were unreviewed, except those of Generalplus.

c. Other Significant Accounting Policies

1) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The opening consolidated balance sheets as of the date of transition to IFRSs was prepared in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The applicable IFRSs have been applied retrospectively by the Group except for some aspects where other IFRSs prohibit retrospective application and specified areas where IFRS 1 grants limited exemptions from the requirements of other IFRSs. For the exemptions that the Group elected to use, refer to Note 41. The significant accounting policies are set out as follows:

2) Current and noncurrent assets and liabilities

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within 12 months after the reporting period, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than 12 months after the reporting period. All other assets such as property, plant and equipment and intangible assets are classified as noncurrent. Current liabilities are obligations incurred for trading purposes or to be settled within 12 months after the reporting period and liabilities that do not have an unconditional right to defer settlement for at least 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue. All other liabilities are classified as noncurrent.

3) Foreign currencies

The financial statements of each individual consolidated entity were expressed in the currencies that reflected their respective primary economic environments (functional currencies). The functional currency of the Group and presentation currency of the consolidated financial statements are both New Taiwan dollars ($).For the consolidated financial statements, the operating results and financial positions of each consolidated entity are translated into $. For the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currency) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to noncontrolling interests as appropriate).

4) Inventories

Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The inventories of Sunplus Technology Company Limited, Generalplus Technology Inc., Sunplus Innovation Technology Inc., Sunplus mMobile Inc., iCatch Technology Inc., and Sunplus mMedia Inc. are generally recorded at standard cost. On the balance sheet date, the cost is adjusted to approximate weighted-average cost method. Other subsidiaries' inventories are recorded at the weighted-average cost.

5) Investments in associates

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

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e., when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

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

The Group also recognizes the changes in the share of equity of associates and jointly controlled entity.

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

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

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

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

6) Property, plant and equipment

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

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

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

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

7) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

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

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

8) Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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

9) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

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

10) Impairment of tangible and intangible assets other than goodwill

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

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

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

11) Financial instruments

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

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

Financial assets

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

a) Measurement category

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

i. Financial assets at fair value through profit or loss

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

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

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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

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

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included/not included in the other gains and losses line item. Fair value is determined in the manner described in Note 35.

ii. Available-for-sale financial assets

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

Listed redeemable notes held by the Group that are traded in an active market are classified as available-for-sale financial assets and are stated at fair value at the end of each reporting period. Fair value is determined in the manner described in Note 35.

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

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

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

iii. Loans and receivables

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

b) Impairment of financial assets

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

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

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

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

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

a. Significant financial difficulty of the issuer or counterparty; or

b. Breach of contract, such as a default or delinquency in interest or principal payments; or

c. It becoming probable that the borrower will enter bankruptcy or financial re-organization; or

d. The disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

c) Derecognition of financial assets

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

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

Financial liabilities and Equity instruments

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

a) Equity instrument

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

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

b) Financial liabilities

Subsequent measurement

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

Derecognition of financial liabilities

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

12) Provisions

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

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

13) Revenue recognition

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

Sale of goods

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

a. The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b. The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c. The amount of revenue can be measured reliably;

d. It is probable that the economic benefits associated with the transaction will flow to the Group; and

e. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

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

Dividend and interest income

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

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

14) Leasing

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

The Group as lessor

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

The Group as lessee

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

15) Borrowing costs

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

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

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

16) Government grants

Government grants are recognized if there is reasonable assurance of the Group's compliance with the conditions attached to them and and of the receipt of the grants.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should buy, construct or otherwise acquire noncurrent assets are recognized in profit or loss as deductions from the carrying amounts of these assets over the useful lives of the assets.

17) Retirement benefit costs

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

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

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

18) Share-based payment arrangements

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

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

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

For the equity instruments acquired by the Group before January 1, 2012 (the date of transition to IFRSs), the Group chose a certain exemption stated in IFRS 1; refer to Note 41.

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

19) Taxation

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

Current tax

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

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

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

Estimated provision for sales returns and discounts

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

As of September 30, 2013, December 31, 2012, September 30, 2012, and January 1, 2012, the provisions for sales returns and discounts were $17,732 thousand, $23,028 thousand, $11,703 thousand and $9,059 thousand, respectively.

Impairment of goodwill

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

As of September 30, 2013, December 31, 2012, September 30, 2012, and January 1, 2012, the carrying amounts of goodwill were $30,596 thousand, $30,596 thousand, $226,172 thousand and $228,221 thousand, respectively

For the nine months than ended September 30, 2013 and 2012, the Group did not recognize any impairment loss.

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

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

For the nine months than ended September 30, 2013 and 2012, the Group did not recognize any impairment loss of tangible assets and intangible assets.

Estimated impairment of trade receivables

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

As of September 30, 2013, December 31, 2012, September 30, 2012, and January 1, 2012, the carrying amounts of trade receivables were $1,760,039 thousand, $1,394,802 thousand, $1,897,334 thousand and $1,340,562 thousand, respectively (after deducting allowances of $12 thousand, $48,411 thousand, $47,769 thousand and $58,781 thousand, respectively).

Reliability of deferred Income tax assets

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

As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, the deferred tax assets amounted to $56,216 thousand, $125,975 thousand, $200,523 thousand and $255,715 thousand, respectively.

Valuation of inventory

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

As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, the inventory balances were $1,080,860 thousand, $1,722,048 thousand, $1,916,335 thousand and $1,062,945thousand, respectively.

6. CASH AND CASH EQUIVALENTS

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Cash on hand	$ 4,612	$ 4,074	$ 3,934	$ 3,626
Checking accounts and demand deposits	1,151,082	1,038,563	1,108,593	1,208,134
Cash equivalent deposits in banks	2,837,905	3,397,466	3,446,597	3,563,445
Repurchase agreements collateralized by bonds	54,020	52,793	53,370	-
	$ 4,047,619	$ 4,492,896	$ 4,612,494	$ 4,775,205

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Bank balance	0.02%~3.05%	0.01%-3.25%	0.05%~3.5%	0.02%-3.5%
Repurchase agreement collateralized by bonds	1.1%~1.625%	1.625%	1.03%	-

Cash equivalents include time deposits that are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Financial assets held for trading				
Nonderivative financial assets				
Corporate bonds of domestic listed stocks	$ 15,194	$ -	$	$ 44,644

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Domestic investments				
- Mutual funds	$ 1,109,561	$ 1,064,889	$ 932,382	$ 1,035,219
- Quoted shares	1,061,037	644,140	1,503,112	1,146,115
Foreign investments				
- Quoted shares	6,875	-	-	-
	$ 2,177,473	$ 1,709,029	$ 2,435,494	$ 2,181,334

(Continued)

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Current	$ 1,131,315	$ 1,076,456	$ 942,850	$ 1,055,235
Noncurrent	1,046,158	632,573	1,492,644	1,126,099
	$ 2,177,473	$ 1,709,029	$ 2,435,494	$ 2,181,334

(Concluded)

For the nine months ended September 30, 2013 and 2012, the Group recognized impairment losses of $1,633 thousand and $35,288 thousand, respectively.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Fixed income fund	$ 14,520	$ 14,520	$ -	$ -
Current	$ 14,520	$ 14,520	$ -	$ -
Noncurrent	-	-	-	-
	$ 14,520	$ 14,520	$ -	$ -

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

10. FINANCIAL ASSETS MEASURED AT COST

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Domestic unlisted common shares	$ 256,788	$ 216,080	$ 333,255	$ 353,037

The above shares were classified as available for sale.

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

The Group believed that the above financial asset carried at cost had impairment losses of $3,234 thousand and $14,924 thousand as of September 30, 2013 and 2012, respectively, The Group recognized no impairment for the three months ended September 30, 2012 and 2013.

The Group recognized disposal gains of $1,398 thousand and $0 thousand as of September 30, 2013 and 2012, respectively. The Group recognized no disposal gain for the three months ended September 30, 2012 and 2013.

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Notes receivable	$ 315	$ 320	$ 180	$ 73
Accounts receivable	1,760,051	1,443,213	1,945,103	1,399,343
Allowance for doubtful accounts	(12)	(48,411)	(47,769)	(58,781)
	1,760,039	1,394,802	1,897,334	1,340,562
	$ 1,760,354	$ 1,395,122	$ 1,897,514	$ 1,340,635

Accounts receivable

The average credit period on sales of goods was 30 to 88 days without interest. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

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

Of the trade receivables balance (see the aging analysis below) that are past due at the end of the reporting period, the Group had not recognized an allowance for impairment for notes and trade receivables amounting to $6,966 thousand, $1,709 thousand, $18,248 thousand and $9,281 thousand as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, respectively, because there had been no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to make offsets against any amounts owed by the Group to the counter-party.

The aging of the receivables that are past due but not impaired was as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 60 days	$ 6,947	$ 1,709	$ 11,152	$ 5,395
61-90 days	13	-	569	3,874
91-120 days	6	-	6,527	12
	$ 6,966	$ 1,709	$ 18,248	$ 9,281

Movements of the allowance for impairment loss recognized on notes receivable and trade receivables were as follows:

	For the Three Months Ended September 30	
	2013	2012
Balance at January 1	$ 48,411	$ 58,781
Add: Impairment losses recognized on receivable	-	416
Less: Amounts written off during the period as uncollectible	(50,250)	(9,499)
Less: Reversal of the allowance for doubtful accounts	-	(691)
Foreign exchange translation gains (losses)	1,851	(1,238)
Balance at September 30	$ 12	$ 47,769

12. INVENTORIES

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Finished goods	$ 397,421	$ 557,202	$ 672,920	$ 469,285
Work in progress	517,313	1,004,071	894,127	498,566
Raw materials	166,126	160,775	349,288	95,094
	$ 1,080,860	$ 1,722,048	$ 1,916,335	$ 1,062,945

The costs of inventories recognized as cost of goods sold in the three months ended September 30, 2013 and 2012 were $3,855,368 thousand and $4,065,564 thousand, respectively.

The costs of inventories recognized as costs of goods sold in the three months ended September 30, 2103 and nine months ended September 30, 2013 were as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
(Gains) losses on inventory value recoveries	$ (11,845)	$ 14,447	$ 13,362	$ (1,973)
Losses on physical inventory	-	-	-	84
Inventory obsolescence	13,788	8,637	43,622	8,637
Income from scrap sales	(181)	(251)	(798)	(2,046)
	$ 1,762	$ 22,833	$ 56,186	$ 4,702

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Investments in associates	$ 1,045,288	$ 1,635,793	$ 865,901	$ 882,881
Investments in jointly controlled entities	147,714	-	-	-
	$ 1,193,002	$ 1,635,793	$ 865,901	$ 882,881

a. Investments in associates

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Listed companies				
Orise Technology, Co., Ltd.	$ 1,045,288	$ 910,634	$ 865,901	$ 882,881
Giantplus Technology Co., Ltd.	-	725,159	-	-
Unlisted companies				
HT mMobile Inc.	-	-	-	-
Jet Focus Ltd	-	-	-	-
	$ 1,045,288	$ 1,635,793	$ 865,901	$ 882,881

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

Name of Associate	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Orise Technology, Co., Ltd.	35%	35%	35%	35%
Giantplus Technology Co., Ltd	-	19%	-	-
HT mMobile Inc.	-	49.5%	49.5%	49.5%
Jet Focus Ltd	-	-	-	44%

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

On March 14, 2013, the Company's board of the directors resolved to participate in the tender offer made by Chunghwa Picture Tubes Ltd ("Chunghwa") to acquire shares in Giantplus Technology Co. ("Giantplus"). The Company planned to sell 77,834 thousand shares of Giantplus for cash of $4.03 per share and 0.72 common share of Tatung Co. for every share of Giantplus. As of April 12, 2013, the expiration date of the acquisition, the Company had disposed of 64,020 thousand shares and recognized a gain on disposal of $42,474 thousand. On April 10, 2013, the Company's board of directors sold 6,818 thousand shares more of Giantplus to Chunghwa for cash at $9.3 per share and recognized a gain on disposal of $5,648 thousand.

On February 29, 2012, HT mMobile Inc.'s (HT) board of directors approved a downsizing of its operations because of (a) the termination of merger negotiations with another company and (b) the resignation of high-level employees of the research and development (R&D) department, which have hampered product R&D. On the basis of a resolution passed in a meeting of HT's board of directors, the Group recognized an investment loss on HT, as well as the reduction of the carrying value of this investment to zero. The Group also recognized impairment losses of $405,612 thousand and $1,466 thousand on other receivables from HT mMobile Inc for the nine months ended September 30, 2011 and 2013, respectively. The Group reversed an impairment loss of $5,354 thousand for the three months ended September 30, 2013. HT's third interim board of directors also approved a plan for HT to undergo liquidation, and HT completed its liquidation on March 20, 2013.

The fair values of publicly traded investments accounted for using the equity method, which were based on the closing prices of those investments at the balance sheet date, are summarized as follows:

Name of Associate	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Orise Technology, Co., Ltd.	$ 2,460,730	$ 1,868,421	$ 1,798,596	$ 1,345,937
Giantplus Technology Co., Ltd		$ 772,872		

The summarized financial information of the Group's associates is set out below:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Total assets	$ 6,651,684	$ 18,487,785	$ 3,383,984	$ 3,166,286
Total liabilities	$ 3,688,541	$ 8,389,959	$ 888,577	$ 628,463

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Revenue	$ 2,315,298	$ 1,367,479	$ 7,205,683	$ 3,110,653
Profit for the period	$ 104,626	$ 25,773	$ 412,653	$ 57,961
Comprehensive income	$ 104,532	$ 25,773	$ 412,656	$ 57,932
Group's share of profits of associates	$ 36,221	$ 9,412	$ 105,020	$ 21,082

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

b. Investments in jointly controlled entities

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

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

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Current assets	$ 408,064	$ -	$ -	$ -
Noncurrent assets	$ 12,754	$ -	$ -	$ -
Current liabilities	$ 125,005	$ -	$ -	$ -
Noncurrent liabilities	$ -	$ -	$ -	$ -

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Sales	$ 120,595	$ -	$ 240,490	$ -
Costs of sales	$ 76,523	$ -	$ 156,883	$ -
Operating expenses	$ 74,299	$ -	$ 189,259	$ -
Nonoperating income and expenses	$ 633	$ -	$ 1,495	$ -
Income tax expense	$ -	$ -	$ -	$ -
Share of profit or loss of associates and joint ventures	$ (17,002)	$ -	$ (57,284)	$ -
Share of comprehensive income of associates and joint ventures	$ (17,002)	$ -	$ (57,284)	$ -

The financial statements as of and for nine months ended September 30, 2013 and 2012 that were used as basis for calculating the investments accounted for using the equity method and the share of profits and other comprehensive income of the Company had not been reviewed, except those of Orise Technology.

14. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Carrying amounts of each class of				
Buildings	$ 1,003,115	$ 1,042,590	$ 1,050,155	$ 1,103,482
Auxiliary equipment	101,936	111,428	113,612	52,837
Machinery and equipment	20,991	28,944	32,079	34,841
Testing equipment	133,468	99,905	107,745	90,805
Transportation equipment	3,344	4,279	4,073	5,272
Furniture and fixtures	53,566	59,244	59,910	69,478
Leasehold improvements	2,158	8,083	8,570	13,126
Other equipment	1,720	2,464	2,788	3,205
Construction in progress	839,901	586,849	488,975	329,159
	$ 2,160,199	$ 1,943,786	$ 1,867,907	$ 1,702,205

	For the Nine Months Ended September 30, 2012									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of period	$ 1,330,812	$ 96,182	$ 192,422	$ 267,661	$ 10,217	$ 217,749	$ 30,950	$ 8,509	$ 329,159	$ 2,483,661
Additions	9,907	74,592	20,125	55,942	-	15,343	124	700	175,251	351,984
Disposals	-	-	(4)	(20,197)	-	(20,780)	(7,891)	(52)	-	(48,930)
Transfer to investment	(50,595)	-	-	-	-	-	-	-	-	(50,595)
Effect of exchange rate changes	(4,860)	(355)	(20,319)	15,647	(369)	(294)	6,231	(335)	(15,435)	(1,9501)
Balance, end of period	1,285,264	170,419	192,224	319,053	9,848	212,600	29,414	8,822	488,975	2,716,619
Accumulated depreciation and impairment										
Balance, beginning of period	227,330	43,345	157,581	176,856	4,945	148,271	17,824	5,304	-	781,456
Additions	28,346	11,168	22,859	37,639	1,014	20,701	4,496	947	-	127,170
Disposals	-	-	(4)	(20,032)	-	(18,380)	(7,892)	(47)	-	(46,355)
Transfer to investment	(16,408)	-	-	-	-	-	-	-	-	(16,408)
Effect of exchange rate changes	(4,159)	2,294	(20,291)	(16,845)	(184)	2,098	6,416	(170)	-	2,849
Balance, end of period	235,109	56,807	160,145	211,308	5,775	152,960	20,844	6,034	-	848,712
	$ 1,050,155	$ 113,612	$ 32,079	$ 107,745	$ 4,073	$ 59,910	$ 8,570	$ 2,788	$ 488,975	$ 1,867,907

	Nine Months Ended September 30, 2013									
	Buildings	Auxiliary equipment	Machinery and equipment	Testing equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance, beginning of period	$ 1,284,209	$ 173,006	$ 185,924	$ 304,407	$ 10,351	$ 207,571	$ 20,131	$ 8,819	$ 586,849	$ 2,781,267
Additions	-	350	13,791	122,785	-	17,133	-	305	219,915	374,279
Disposals	-	-	(19,279)	(18,159)	-	(503)	-	(50)	-	(37,991)
Transfer for use	(32,356)	-	-	-	-	-	-	-	-	(32,356)
Effect of exchange rate changes	2,909	9,696	(32,323)	3,579	447	7,056	(8,350)	400	33,137	16,551
Balance, end of period	1,254,762	183,052	148,113	412,612	10,798	231,257	11,781	9,474	839,961	3,101,750
Accumulated depreciation and impairment										
Balance, beginning of period	241,619	61,578	156,980	204,502	6,072	148,327	12,048	6,355	-	837,481
Additions	26,136	14,448	20,553	88,102	1,027	25,287	564	2,333	-	178,450
Disposals	-	-	(19,279)	(16,109)	-	(137)	-	(46)	-	(35,571)
Transfer for use	(14,597)	-	-	-	-	-	-	-	-	(14,597)
Effect of exchange rate changes	(1,511)	5,090	(31,132)	2,649	355	4,214	(2,989)	(888)	-	(24,212)
Balance, end of period	251,647	81,116	127,122	279,144	7,454	177,691	9,623	7,754	-	941,551
	$ 1,003,115	$ 101,936	$ 20,991	$ 133,468	$ 3,344	$ 53,566	$ 2,158	$ 1,720	$ 839,901	$ 2,160,199

The above items of property, plant and equipment were depreciated on a straight-line basis over the following estimated useful lives of the assets:

	Xintec
Buildings	8-56 years
Auxiliary equipment	9-20 years
Machinery and equipment	1-10 years
Testing equipment	1-5 years
Transportation equipment	4-10 years
Furniture and fixtures	2-5 years
Leasehold improvements	2-11 years
Other equipment	3-10 years

Refer to Note 37 for the carrying amounts of property, plant and equipment that had been pledged by the Group to secure its borrowings.

15. INVESTMENT PROPERTIES

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Completed investment property	$ 293,150	$ 274,841	$ 279,239	$ 265,457

	For the Nine months Ended September 30	
	2013	2012
Cost		
Balance at January 1	$ 398,499	$ 360,704
Reclassification to investment	32,356	50,595
Effect of exchange rate differences	17,985	(13,898)
Balance at September 30	$ 448,840	$ 397,401

(Continued)

	For the Nine months Ended September 30	
	2013	2012
Accumulated depreciation		
Balance at January 1	$ 123,658	$ 95,247
Depreciation expense	9,734	10,360
Reclassification to investment	14,597	16,408
Effect of exchange rate differences	7,701	(3,853)
Balance at September 30	155,690	118,162
	$ 293,150	$ 279,239

(Concluded)

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

The Group

The fair values of the investment properties held by the Group were $365,155 thousand and $355,920 thousand as of September 30, 2013 and 2012, respectively.

Fair values were obtained through valuations made by an independent appraisal firm, Suzhou Feng-Zheng PingGu Firm, on March 31, 2013 and January 1, 2012. The Suzhou Feng-Zheng PingGu Firm used the replacement cost method to measure fair value.

Based on the appraisal firm's asset valuation statement, there were no significant differences between the invested properties' fair values as of September 30, 2013 and 2012 and those as of March 31, 2013 and January 1, 2012.

16. INTANGIBLE ASSETS

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Technology license fees	$ 216,145	$ 262,893	$ 234,139	$ 306,045
Software	57,628	88,974	116,336	77,188
Goodwill	30,596	30,596	226,172	228,221
Patents	56,729	59,759	45,852	49,899
Technological know-how	81	424	539	921
	$ 361,179	$ 442,646	$ 623,038	$ 662,274

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

	For the Nine Months Ended September 30,2012					
	Technology License Fees	**Software**	**Patents**	**Goodwill**	**Technological Know-how**	**Total**
Cost						
Balance at January 1	$ 1,439,623	$ 251,772	$ 97,099	$ 228,221	$ 1,922	$ 2,018,637
Additions	56,752	78,544	-	-	-	135,296
Disposals	-	(405)	-	-	-	(405)
Effect of foreign currency exchange differences	-	(712)	-	(2,049)	388	(2,373)
Balance at September 30	1,496,375	329,199	97,099	226,172	2,310	2,151,155
Accumulated amortization						
Balance at January 1	1,133,578	174,584	47,200	-	1,001	1,356,363
Amortization expense	128,658	38,581	4,047	-	353	171,639
Effect of foreign currency exchange differences	-	(302)	-	-	417	115
Balance at September 30	1,262,236	212,863	51,247	-	1,771	1,528,117
	$ 234,139	$ 116,336	$ 45,852	$ 226,172	$ 539	$ 623,038

	For the Nine Months Ended September 30,2012					
	Technology License Fees	**Software**	**Patents**	**Goodwill**	**Technological Know-how**	**Total**
Cost						
Balance at January 1	$ 995,166	$ 403,650	$ 112,353	$ 30,596	$ 2,402	$ 1,544,167
Additions	62,158	11,363	1,579	-	-	75,100
Decrease	-	(59,404)	-	-	-	(59,404)
Effect of exchange rate Differences	(13)	174	-	-	15	176
Balance at September 30	1,057,311	355,783	113,932	30,596	2,417	1,560,039
Accumulated amortization						
Balance at January 1	732,273	314,676	52,594	-	1,978	1,101,521
Amortization expense	109,210	42,424	4,609	-	359	156,602
Decrease	-	(58,581)	-	-	-	(58,581)
Effect of exchange rate differences	(317)	(364)	-	-	(1)	(682)
Balance at September 30	841,166	298,155	57,203	-	2,336	1,198,860
	$ 216,145	$ 57,628	$ 56,729	$ 30,596	$ 81	$ 361,179

These intangible assets were depreciated on a straight-line basis at the following rates per annum:

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

17. OTHER ASSETS

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Prepayment for equipment	$ 316,356	$ 2,310	$ 207	$ 45,095
Finance lease payables	129,040	125,495	29,269	30,991
Prepaid long-term investments	86,982	99,311	43,943	30,275
Pledged time deposits	91,130	89,329	89,336	121,287
Refundable deposits (Note 33)	8,308	8,551	9,893	19,541
Other	203,624	174,385	245,858	203,683
	$ 835,440	$ 499,381	$ 418,506	$ 450,872
Current	$ 275,528	$ 245,993	$ 315,280	$ 304,158
Noncurrent	559,912	253,388	103,226	146,714
	$ 835,440	$ 499,381	$ 418,506	$ 450,872

The amounts of the Group's finance lease payables for land grants in China as of September 30, 2013, January 1, 2013, September 30, 2012 and January 1, 2012 were $129,040 thousand, $125,495thousand, $29,269 thousand and $30,991 thousand, respectively.

18. LOANS

Short-term borrowings

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Unsecured borrowings				
Bank loans	$ 206,034	$ 485,991	$ 668,582	$ 943,612

The weighted average effective interest rates for bank loans from January 1, 2013 to September 30, 2013 and from January 1, 2012 to September 30, 2012 were 2.00% to 2.98% and 0.76% to 2.98% per annum, respectively.

Long-term borrowings

The borrowings of the Group were as follows:

	Maturity Date	Significant Covenant	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Floating rate borrowings						
Secured bank borrowings	2017.3.16	Repayable semiannually from March 2012	$ 544,444	$ 700,000	$ 700,000	$ -
Unsecured bank borrowings	2015.3.30	Repayable quarterly from March 2012	375,000	500,000	500,000	-
Unsecured bank borrowings	2015.3.28	Repayable quarterly from March 2012	187,500	250,000	250,000	-
Unsecured bank borrowings	2014..1.14	Repayable in March 2014	149,068	145,204	-	-
Unsecured bank borrowings	2014.6.15	Repayable in July 2014	149,068	-	-	-

(Continued)

	Maturity Date	Significant Covenant	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Secured bank borrowing	2015.2.28	Repayable semiannually from February 2012	$ 105,000	$ 135,000	$ 135,000	$ -
Unsecured bank borrowings	2015.2.28	Repayable semiannually from February 2012	105,000	135,000	135,000	-
Unsecured bank borrowings	2017.1.10	Repayable semiannually from February 2012	59,627	-	-	-
Unsecured bank borrowings	2012.7.31	Repayable quarterly from January 2010; fully settled	-	-	-	-
Unsecured bank borrowings	2012.2.28	Repayable quarterly from November 2009; fully settled	-	-	-	102,500
Secured banks borrowings	2014.3.31	Repayable semiannually from March 2010	-	-	-	75,500
Unsecured bank borrowings	2012.2.28	Repayable semiannually from February 2009; fully settled	-	-	-	30,000
Unsecured bank borrowings	2012.2.28	Repayable quarterly from January 2010; fully settled	-	-	-	30,000
Unsecured bank borrowings	2012.7.31	Lump sum repayemt; fully settled	-	-	-	27,000
			$ 1,674,707	$ 1,865,204	$ 1,720,000	$ 265,000
Current			$ 590,556	$ 496,806	$ 403,056	$ 265,000
Noncurrent			1,084,151	1,368,398	1,316,944	-
			$ 1,674,707	$ 1,865,204	$ 1,720,000	$ 265,000

(Concluded)

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

The effective borrowing rates as of September 30, 2013, January 1, 2013, September 30, 2012 and January 1, 2012 were 1.64% to 2.54%, 1.94% to 2.54%, 1.94% to 2.17% and 1.77% to 2.94%, respectively.

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

19. NOTES PAYABLES

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Issued by financial institutions	$ -	$ -	$ 10,000	$ -

20. TRADE PAYABLES

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Payable - operating	$ 757,932	$ 758,909	$ 1,046,435	$ 767,878

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

21. PROVISIONS

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Customer returns and rebates	$ 17,732	$ 23,028	$ 11,703	$ 9,059
Current	$ 17,732	$ 23,028	$ 11,703	$ 9,059
Noncurrent	-	-	-	-
	$ 17,732	$ 23,028	$ 11,703	$ 9,059

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

22. OTHER LIABILITIES

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Other payables				
Salaries or bonuses	$ 301,768	$ 310,606	$ 246,580	$ 263,726
Payables for purchases of equipment	219,426	127,786	4,459	5,838
Compensation due to directors and supervisors	76,066	1,543	46,479	-
Labor/health insurance	28,163	36,668	36,216	36,834
Payable for royalties	13,705	26,403	26,497	25,313
Professional service fees	6,801	10,308	7,036	12,352
Others	88,550	260,048	312,931	317,288
	$ 734,479	$ 773,362	$ 680,198	$ 661,351
Deferred revenue				
Arising from government grants	$ 77,893	$ -	$ -	$ -
Other	98,369	6,138	6,287	6,737
	$ 176,262	$ 6,138	$ 6,287	$ 6,737
Current				
−Other liabiities	$ 733,590	$ 770,768	$ 677,604	$ 660,462
−Deferred revenue	95,964	1,522	1,522	1,522
	$ 829,554	$ 772,290	$ 679,126	$ 661,984
Noncurrent				
−Other current liabilities	$ 889	$ 2,594	$ 2,594	$ 889
−Deferred revenue	80,298	4,616	4,765	5,215
	$ 81,187	$ 7,210	$ 7,359	$ 6,104

23. RETIREMENT BENEFIT PLANS

Defined contribution plans

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

The total expenses recognized in profit or loss for the three months ended September 30, 2013 and 2012 were $15,362 thousand and $17,107 thousand, respectively, and represented contributions payable to these plans by the Group at rates specified in the rules of the plans. The total expenses recognized in profit or loss for the nine months ended September 30, 2013 and 2012 were $46,902 thousand and $51,266 thousand, respectively, and represented contributions payable to these plans by the Group at rates specified in the rules of the plans.

Defined benefit plans

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

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on December 31, 2012. The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method. For the nine months ended September 30, 2013 and 2012, the Group recognized employee benefit expenses, calculated using the actuarially determined pension cost rate as of December 31, 2012 and January 1, 2012, respectively.

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

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

Employee benefit expenses for the nine months ended September 30, 2013 and 2012 were included in the following line items:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	**2012**	**2013**	**2012**
Operating cost	$ 192	$ 154	$ 571	$ 446
Marketing expenses	$ 135	$ 127	$ 340	$ 323
Administration expenses	$ 230	$ 147	$ 666	$ 509
Research and development expenses	$ 744	$ 886	$ 2,358	$ 2,276

The amounts included in the consolidated balance sheets arising from the Group's obligation on its defined benefit plans were as follows:

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

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

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

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

24. EQUITY

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Share capital				
Common shares	$ 5,969,099	$ 5,969,099	$ 5,969,099	$ 5,969,099
Capital surplus	954,158	939,124	937,866	937,866
Retained earnings	1,797,908	1,714,020	2,515,304	2,679,707
Others	156,801	103,648	(29,172)	(389,877)
Share buyback	(155,236)	(155,236)	(155,236)	(155,236)
Noncontrolling interests	1,597,429	1,557,162	1,598,656	1,583,601
	$ 10,320,159	$ 10,127,817	$ 10,836,517	$ 10,625,160

Share capital

Common shares:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	1,200,000	1,200,000	1,200,000	1,200,000
Shares authorized	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000

Fully paid common shares, which have a par value of $10.00, carry one vote per share and a right to dividends.

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Number of shares issued and fully paid (in thousands)	596,910	596,910	596,910	596,910
Shares issued	$ 5,969,099	$ 5,969,099	$ 5,969,099	$ 5,969,099

Capital surplus

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Arising from issuance of common shares	$ 709,215	$ 709,215	$ 709,215	$ 709,215
Arising from treasury share transactions	71,228	71,228	71,228	71,228
Arising from consolidation excess	173,715	158,681	157,423	157,423
	$ 954,158	$ 939,124	$ 937,866	$ 937,866

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

	Share Premium	Treasury Share Transactions	Consolidation Excess and Other
Balance at January 1, 2012	$ 709,215	$ 71,228	$ 157,423
Others	-	-	-
Balance at September 30, 2012	$ 709,215	$ 71,228	$ 157,423
Balance at January 1, 2013	$ 709,215	$ 71,228	$ 158,681
Others	-	-	15,034
Balance at September 30, 2013	$ 709,215	$ 71,228	$ 173,715

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

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

Retained earnings and dividend policy

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

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

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

Sunplus should estimate the bonus to employees and remuneration to directors and supervisors based on related laws and past experience. However, for working capital retention, the bonus to employees and remuneration to directors and supervisors were zero for 2012 and 2011. For the year ended December 31, 2012, based on the Group's Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, the Group did not accrue any bonus and remuneration expenses. Material differences between earlier estimates of bonuses and remuneration and the amounts subsequently proposed by the Board of Directors are adjusted for in the year of the proposal. If the actual amounts approved by the shareholders differ from the board of directors' proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate.

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

Under the ROC Company Law, legal reserve should be appropriated until the reserve equals Sunplus's paid-in capital. This reserve may be used to offset a deficit. In addition, when the legal reserve exceeds 25% of the Group's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

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

The appropriations from the 2012 and 2011 earnings were approved at the shareholders' meetings on April 10, 2013 and September 18, 2012, respectively. The appropriations, including dividends, were as follows:

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

The above appropriations were the same as those approved at the shareholders' meetings on April 10, 2013 and April 27, 2012.

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

Special reserves appropriated following first-time adoption of IFRSs

The exchange difference on translating foreign operations, which was transferred to retained earnings, was a negative $18,343 thousand dollar; thus, following IFRSs, the Group did not appropriate a special reserve.

Other equity items

Foreign currency translation reserve:

	For the Nine months Ended September 30	
	2013	**2012**
Balance at January 1	$ (84,462)	$ -
Exchange differences arising on translating the foreign operations	79,931	(55,790)
Balance at September 30	$ (4,531)	$ (55,790)

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

Unrealized gain/loss from available-for-sale financial assets:

	For the Nine months Ended September 30	
	2013	**2012**
Balance at January 1	$ 188,110	$ (389,877)
Changes in fair value of available-for-sale financial assets	(34,966)	351,430
Cumulative gain/loss reclassified to profit or loss upon disposal of available-for-sale financial assets	5,780	29,777
Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets	1,633	35,288
The proportionate share of other comprehensive income/losses reclassified to profit or loss upon partial disposal of associates	775	-
Balance at September 30	$ 161,332	$ 26,618

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

Noncontrolling interests

	For the Nine months Ended September 30	
	2013	2012
Balance at January 1	$ 1,557,162	$ 1,583,601
Attributable to noncontrolling interests:		
Share of profit for the year	94,778	75,805
Exchange difference arising on translation of foreign entities	18,031	(2,840)
Unrealized gains on available-for-sale financial assets	269	418
Partial disposal of interests in subsidiaries	11,500	-
Cash dividends distributed by subsidiaries	(58,043)	(74,221)
Disposal of subsidiaries	(127,705)	-
Others	1,387	(917)
Balance at September 30	$ 1,597,429	$ 1,598,656

Treasury shares

Purpose of Buyback	Shares Transferred to Employees (in Thousands of Shares)	Shares Held by Its Subsidiaries (in Thousands of Shares)	Total (in Thousands of Shares)
Number of shares at January 1 and September 30, 2012	4,915	3,560	8,475
Number of shares at January 1 and September 30, 2013	4,915	3,560	8,475

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

Purpose of Buyback	Shares Transferred to Employees (in Thousands of Shares)	Shares Held by Its Subsidiaries (in Thousands of Shares)	Total (in Thousands of Shares)
September 30, 2013			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 42,008
December 31, 2012			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 32,645
September 30, 2012			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 35,493
January 1, 2012			
Lin Shin Investment Co., Ltd	3,560	$ 63,401	$ 35,493

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

Global depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand common shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US$9.57 per unit. As of September 30, 2013, the outstanding 176 thousand units of GDRs represented 352 thousand common shares.

25. REVENUE

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Revenue from IC	$ 2,252,025	$ 2,419,277	$ 6,289,626	$ 6,620,617
Rental income from property	31,523	34,496	92,583	98,835
Other	30,778	12,900	48,611	26,820
	$ 2,314,326	$ 2,466,673	$ 6,430,820	$ 6,746,272

26. NET PROFIT

Net profit (loss) includes the following items:

Other income

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Interest income				
Bank deposits	$ 8,052	$ 11,159	$ 25,365	$ 32,842
Dividend imcome	30,028	29,991	30,044	30,005
Others	14,027	5,846	40,274	21,694
	$ 52,107	$ 46,996	$ 95,683	$ 84,541

Other gains and losses

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Net foreign exchange gains (losses)	$ (18,668)	$ (10,982)	$ 12,483	$ (19,026)
Gain on disposal of subsidiary	-	-	22,752	-
Gain (loss) on disposal of investments	(96)	6,277	61,473	29,626
Gain (loss) on reversal of impairment loss on financial assets	-	(828)	3,888	29,137

(Continued)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Net gain arising on financial assets designated as at FVTPL	$ 190	$ 366	$ 142	$ 3,369
Impairment loss on available-for-sale financial assets	-	-	(1,633)	(35,288)
Impairment loss on financial assets carried at cost	-	-	(3,234)	(14,924)
Others	3,898	78	10,110	334
	$ (14,676)	$ (5,089)	$ 105,981	$ (6,772)

(Concluded)

Finance costs

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Interest on bank loans	$ 9,156	$ 11,213	$ 28,990	$ 27,193

Information on capitalized interest is as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Capitalized interest	$ 3,404	$ -	$ 6,050	$
Capitalization rate	2.50%	-	2.50%	

Depreciation and amortization

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Property, plant and equipment	$ 66,017	$ 42,478	$ 178,450	$ 127,170
Investment property	3,350	3,599	9,734	10,360
Intangible assets	51,513	48,631	156,602	171,639
	$ 120,880	$ 94,708	$ 344,786	$ 309,169
An analysis of depreciation by function				
Operating costs	$ 5,907	$ 2,728	$ 19,759	$ 23,785
Operating expenses	63,460	43,349	168,425	113,745
	$ 69,367	$ 46,077	$ 188,184	$ 137,530

(Continued)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
An analysis of amortization by function				
Operating costs	$ 473	$ 105	$ 1,344	$ 365
Selling expenses	30	445	88	489
Administrative expenses	8,433	4,749	22,422	12,899
Research and development expenses	42,577	43,332	132,748	157,886
	$ 51,513	$ 48,631	$ 156,602	$ 171,639

(Concluded)

Operating expenses directly related to investment properties

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Direct operating expenses from investment property that generated rental income	$ 4,990	$ 5,381	$ 14,603	$ 15,488
Direct operating expenses from investment property that did not generate rental income	26,971	25,065	78,875	68,810
	$ 31,961	$ 30,446	$ 93,478	$ 84,298

Employee benefits expense

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Post-employment benefits				
Defined contribution plans	$ 15,362	$ 17,107	$ 46,902	$ 51,266
Defined benefit plans	1,301	1,314	3,935	3,554
Other employee benefits	580,410	620,428	1,685,247	1,755,120
Total employee benefits expense	$ 597,073	$ 638,849	$ 1,736,084	$ 1,809,940
An analysis of employee benefits expense by function				
Operating costs	$ 39,961	$ 34,871	$ 115,770	$ 106,984
Operating expenses	557,112	603,978	1,620,314	1,702,956
	$ 597,073	$ 638,849	$ 1,736,084	$ 1,809,940

Gain or loss on exchange rate changes

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Exchange rate gains	$ 10,201	$ 41,756	$ 77,011	$ 110,418
Exchange rate losses	(28,869)	(52,738)	(64,528)	(129,444)
	$ (18,668)	$ (10,982)	$ 12,483	$ (19,026)

27. INCOME TAXES

Income tax recognized in profit or loss

The major components of tax expense (income) were as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Current tax				
Current period	$ 14,405	$ 10,449	$ 18,098	$ 12,774
Prior periods	2,996	(40,158)	(65,009)	(45,517)
	17,401	(29,709)	(46,911)	(32,743)
Deferred tax				
In respect of the current period	981	40,565	69,759	55,192
Others	(55)	(86)	75	(100)
	926	40,479	69,834	55,092
Income tax expense recognized in profit or loss	$ 18,327	$ 10,770	$ 22,923	$ 22,349

A reconciliation of accounting profit and current income tax expenses is as follows:

	For the Nine months Ended September 30	
	2013	2012
Profit before tax	$ 201,589	$ (66,249)
Income tax expense at the 17% statutory rate	$ 34,270	$ (11,262)
Tax effect of adjusting items:		
Nondeductible expenses	(229,378)	(34,309)
Temporary differences	(4,686)	5,706
Tax-exempt income	(28,120)	(12,630)
Effects of consolidated income tax filing	(1,142)	(5,023)
Additional income tax on unappropriated earnings	309	561
Investment tax credits used	(309)	(561)
Additional income tax under the Alternative Minimum Tax Act	10,642	2,472
Current income tax expense	(218,414)	(55,046)

(Continued)

	For the Nine months Ended September 30	
	2013	2012
Deferred income tax expense		
Temporary differences	$ 69,759	$ 55,192
Unrecognized loss carryforwards	262,207	70,912
Effect of different tax rate of group entities operating in other jurisdictions	1,259	(3,192)
Adjustment of the applicable annual effective tax rate	(26,879)	-
Adjustments for prior years' tax	(65,009)	(45,517)
Income tax expense recognized in loss	$ 22,923	$ 22,349

(Concluded)

Integrated income tax

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Imputation credits accounts	$ 309,276	$ 248,248	$ 244,998	$ 201,494

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

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

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

Income tax assessments

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

28. EARNINGS PER SHARE

Unit: $ Per Share

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	**2012**	**2013**	**2012**
Basic gain (loss) per share	$ 0.06	$ (0.03)	$ 0.14	$ (0.28)
Diluted gain (loss) per share	$ 0.06	$ (0.03)	$ 0.14	$ (0.28)

The earnings and weighted average number of common shares outstanding in the computation of earnings per share as follows:

Net Profit (Loss) for the Period

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	**2012**	**2013**	**2012**
Profit(Loss) for the period attributable to owners of the Group	$ 37,555	$ (19,721)	$ 83,888	$ (164,403)
Effect of dilutive potential common shares:				
Employee share option	-	-	-	-
Earnings used in the computation of diluted earnings per share from	$ 37,555	$ (19,721)	$ 83,888	$ (164,403)

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

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	**2012**	**2013**	**2012**
Profit for the period attributable to owners of the Company	588,435	588,435	588,435	588,435
Effect of dilutive potential common shares:				
Employee share option	-	-	-	-
Earnings used in the computation of diluted earnings per share	588,435	588,435	588,435	588,435

29. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan

On September 11, 2007 (2007 option plan), the Securities and Futures Bureau approved the Company's adoption of an employee stock option plan. The plan provided for the grant of 25,000 thousand options, with each unit representing one common share. The option rights ~~are~~ had been granted to qualified employees of the Company and subsidiaries. A total of 25,000 thousand common shares had ~~have~~ been reserved for issuance. The options were valid for six years and exercisable at certain percentages after the second anniversary of the grant date. Stock option rights were 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 ~~Group's~~ Company's paid-in capital changed, the exercise price was adjusted accordingly. All options had been granted or canceled as of December 31, 2012.

Outstanding option rights were as follows:

	For the Three Months Ended September 30			
	2013		2012	
Employee share option plan	**Unit (In Thousands)**	**Weighted-average Price (NT$)**	**Unit (In Thousands)**	**Weighted-average Price (NT$)**
Beginning outstanding balance	18,880	$ 38.03	19,847	$ 38.03
Options canceled	(1,370)	-	(820)	-
	17,510		19,027	
Ending outstanding balance	17,510		19,027	

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

As of September 30, 2013, the outstanding and exercisable options were as follows:

September 30, 2013		January 1, 2013	
Exercise Price (NT$)	**Weighted- Average Remaining Contractual Life (Years)**	**Exercise Price (NT$)**	**Weighted- Average Remaining Contractual Life (Years)**
$37.90	0.12	$37.9	0.87
38.30	0.24	38.3	0.99

September 30 ,2012		January 1, 2012	
Exercise Price (NT$)	**Weighted- Average Remaining Contractual Life (Years)**	**Exercise Price (NT$)**	**Weighted- Average Remaining Contractual Life (Years)**
$37.90	1.12	$37.9	1.87
38.30	1.24	38.3	1.99

In their meeting on June 18, 2012, the Company's shareholders approved a restricted stock plan for employees with a total amount of $280,000 thousand, consisting of 28,000 thousand shares, and authorized the board of directors to determine the issue prices of the restricted shares.

As of September 30, 2013, the restricted stock plan for the Company's employees ~~of Sunplus's~~ had not been approved by the authorities, so it became invalid.

Generalplus Technology Inc.

Generalplus Technology Inc.'s Employee Stock Option Plans consisted of the 2007 plan and the 2009 plan. The options authorized to be granted under the 2007 plan and 2009 plan were at maximums of 2,700 thousand and 2,200 thousand, respectively. The 2007 plan options had all been granted. Under the 2009 plan, 2,177 options had been granted; this plan was later canceled and the options had expired as of December 31, 2010.

Information about the Generaplus's outstanding options for the nine months ended September 30, 2013 is as follows:

	2007 Plan	
	Nine Months Ended September 30, 2012	
	Number of Options (In Thousands)	Weightedaverage Exercise Price (NT$)
Share-Based Payment		
Balance, beginning of period	59	$ 10.0
Options exercised	(59)	10.0
Balance, end of period	-	

Sunplus Innovation Technology Inc.

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

Information about SITI's outstanding options for the three months ended September 30, 2013 and 2012 is as follows:

	For the Three Months Ended September 30			
	2013		2012	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance, beginning of period	752	$ 10.90	809	$ 11.60
Options exercised	-	-	(59)	11.60
Options canceled	(752)	-	-	-
Balance, end of period	-		750	
Balance, end of period	-		750	

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

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

September 30, 2012		January 1, 2012	
Exercise Price (NT$)	**Weighted- Average Remaining Contractual Life (Years)**	**Exercise Price (NT$)**	**Weighted- Average Remaining Contractual Life (Years)**
$11.6	0.86	$11.6	1.61

In their meeting on September 28, 2012, the shareholders of Sunplus Innovation Techology Inc. (SITI) approved a plan on a restricted employee stock ownership plan (ESOP), through which employees would receive 2,400 thousand shares amounting to $24,000 thousand, with no up-front cost and at a par value of NT$10.00; the Financial Supervisory Commission approved this plan on September 28, 2012.

On August 7, 2013, under the board of directors' approval, SITI executed the restricted ESOP, through which employees received 1,000 thousand shares at a par value of NT$10.00 with no up-front cost.

Under the restricted ESOP, employees who are still employed by SITI and pass the annual performance appraisal are eligible for a certain percentage of shareholding, as stated below.

a. 50% shareholding ratio after the second anniversary from the grant date;

b. 50% of the shareholding ratio after the third anniversary from the grant date. The restrictions under the ESOP are as follows:

a. During the duration of the restricted ESOP,the employee may not vend, discount, transfer, grant, enact, or any other methods.

b. During the duration of the restricted ESOP, employees may receive shares, dividends, or cash.

c. Shares must be handed over to the trustees after the publication of the ESOP , and the company may not request a return of the ESOP before the realization of the vestin condition. If employees fail to meet the vesting condition, SITI has the right to take back and cancel the limited employee stock ownership, but the Company will still grant employees stock and cash dividends generated during the vesting period.

30. GOVERNMENT GRANTS

In August 2013, Sun Media Technology Co., Ltd. received a government grant amounting to RMB16,390 thousand ($79,213 thousand) for the purchase of land on which to build a plant. This amount, which was recognized as deferred revenue, will be recognized in profit or loss over the useful life of the land.

The total revenue recognized ~~in~~ as profit for the nine months ended September 30, 2013 was $1,307 thousand.

31. DISPOSAL OF SUBSIDIARIES

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

Analysis of assets and liabilities over which control was lost

	January 21,2013
Current assets	
Cash and cash equivalents	$ 1,168
Other receivables	1
Prepaid expenses	7,562
Noncurrent assets	
Refundable deposits	360
Current liabilities	
Payables	(20)
Net assets disposed of	$ 9,071

Gain on disposal of subsidiary

	For the Nine Months Ended September 30, 2013
Fair value on January 21, 2013	$ 204,998
Noncontrolling interests	22,724
Cash	(195,899)
Net assets disposed of	(9,071)
Gain on disposal	$ 22,752

As described in Note 4(2), Global Techplus completed its liquidation procedure in September 2013; related information is as follows:

a. Gain on liquidation of subsidiary

	For the Nine Months Ended September 30
Capital return	
Net assets	$ 6,722
Gain on disposal	(6,578)
	$ 144

The gain on disposal was included in the operating profit for the eight months ended August 2013.

32. NONCASH TRANSACTIONS

In the nine months ended September 30, 2013 and 2012, the Group's payables decreased by $8,484 thousand and $8,342 thousand, respectively, when the Group made payments in the form of equipment.

In the nine months ended September 30, 2012, the Group's other receivables decreased by $24,535 thousand when the Group received equipment as payment.
In the nine months ended September 30, 2013 and 2012, the Group obtained intangible assets, resulting in accrued expenses decreasing by $17,462 and increasing by $23,691, respectively.

33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

Sunplus

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

Future annual minimum rentals under the leases are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 1 year	$ 8,034	$ 7,929	$ 7,929	$ 7,929
Over 1 year to 5 years	21,705	28,565	24,691	31,808
Over 5 years	13,437	12,090	17,946	16,776
	$ 43,176	$ 48,584	$ 50,566	$ 56,513
Refundable deposits	$ 296	$ 296	$ 296	$ 296

Sunplus Innovation

Sunplus Innovation leases office from Science-Based Industrial Park Administration (SBIPA) under renewable agreements expiring in December 2013 and December 2016. The SBIPA has the right to adjust the annual lease amount of $9,961 thousand.

The future lease payables are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 1 year	$ 5,867	$ 9,961	$ 9,991	$ 10,081
Over 1 year to 5 years	10,130	13,506	15,997	23,467
Over 5 years	-	-	-	-
	$ 15,997	$ 23,467	$ 25,988	$ 33,548
Refundable deposits	$ 1,660	$ 1,660	$ 1,660	$ 2,490

Generalplus

Generalplus leases land from Science-Based Industrial Park Administration under renewable agreements expiring in December 2020. The SBIPA has the right to adjust the annual lease amount of $1,474 thousand. Generalplus deposited $1,356 thousand (classified as restricted assets) as collateral for the land lease agreements.

Future annual minimum rentals under the leases are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 1 year	$ 1,474	$ 1,474	$ 1,356	$ 1,356
Over 1 year to 5 years	5,896	5,896	5,424	5,424
Over 5 years	3,316	4,421	4,407	5,424
	$ 10,686	$ 11,791	$ 11,187	$ 12,204

Sunext

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

The future lease payments are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 1 year	$ 230	$ 2,760	$ 1,201	$ 4,551
Over 1 year to 5 years	-	4,485	1,840	-
	$ 230	$ 7,245	$ 3,041	$ 4,551
Refundable deposits	$ 460	$ 460	$ 1,472	$ 1,472

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

i Catch leases office from Siming Inc. and Siha Inc. under renewable agreements expiring in February 2016; the lease payments were $1,688 thousand and $1,274, respectively.

The future lease payments are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 1 year	$ 2,926	$ 2,827	$ 1,178	$ 2,827
Over 1 year to 5 years	4,196	6,125	-	471
Over 5 years	-	-	-	-
	$ 7,122	$ 8,952	$ 1,178	$ 3,298
Refundable deposits	$ 521	$ 521	$ 521	$ 521

The Group as lessor

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

As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, deposits received under operating leases amounted to $20,430 thousand, $18,737 thousand, $18,648 thousand and $15,547 thousand, respectively.

The future minimum lease payments ~~of~~ for noncancelable operating lease ~~were~~ are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Up to 1 year	$ 98,938	$ 69,743	$ 83,199	$ 112,954
Over 1 year to 5 years	93,149	40,075	35,980	127,997
	$ 192,087	$ 109,818	$ 119,179	$ 240,951

34. CAPITAL MANAGEMENT

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

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

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

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

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

	September 30, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 256,788	$ -	$ 216,080	$ -
Debt investment with no active market	14,520	-	14,520	-

	September 30, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets carried at cost	$ 333,255	$ -	$ 353,037	$ -

2) Fair value measurements recognized in the balance sheets

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

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

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

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

September 30, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 15,194	$ -	$ -	$ 15,194
Available-for-sale financial assets				
Mutual funds	$ 1,109,561	$ -	$ -	$ 1,109,561
Securities listed in ROC	1,061,037	-	-	1,061,037
Securities listed in foreign	6,875	-	-	6,875
	$ 2,177,473	$ -	$ -	$ 2,177,473

December 31, 2012

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

September 30, 2012

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Mutual funds	$ 932,382	$ -	$ -	$ 932,382
Securities listed in ROC	1,503,112	-	-	1,503,112
	$ 2,435,494	$ -	$ -	$ 2,435,494

January 1, 2012

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

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

b. Categories of financial instruments

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Financial assets				
Fair value through profit or loss (FVTPL)				
Held for trading	$ 15,194	$ -	$ -	$ 44,644
Loans and receivables (i)	5,894,139	6,002,402	6,615,596	6,260,794
Available-for-sale financial assets (ii)	2,434,261	1,925,109	2,768,749	2,534,371
Financial liabilities				
Measured at amortized cost (iii)	2,861,687	3,308,617	3,643,863	2,232,506

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

(ii) The balance included available - for - sale financial assets carried at cost.

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

c. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

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

	September 30, 2013	**December 31, 2012**	**September 30, 2012**	**January 1, 2012**
Assets				
USD	83,591	60,472	73,364	65,352
JPY	415	550	594	638
RMB	505	650	525	453
HKD	150	112	132	169
EUR	3	35	118	95
GBP	3	456	455	460
Liabilities				
USD	47,631	42,040	47,295	36,427
RMB	1,050	147	92	187
HKD	-	20	9	10
GBP	-	-	-	5
EUR	-	-	305	2
JPY	-	-	20	

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group’s sensitivity to a US$1.00 increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. US$1.00 is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period. A positive number below indicates an increase in post-tax profit and other equity associated with New Taiwan dollars strengthen 1 dollar against the relevant currency.

	USD impact	
	For the Three Months Ended September 30	
	2013	**2012**
Profit or loss	$ (35,960)	$ (26,069)

b) Interest rate risk

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

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

	September 30, 2013	**December 31, 2012**	**September 30, 2012**	**January 1, 2012**
Fair value interest rate risk				
Financial assets	$ 2,646,455	$ 3,113,088	$ 2,912,759	$ 2,814,688
Financial liabilities	42,500	340,788	678,582	776,912
Cash flow interest rate risk				
Financial assets	1,487,065	1,464,435	1,785,796	2,077,914
Financial liabilities	1,838,241	2,010,407	1,720,000	431,700

Sensitivity analysis

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

Had interest rates increased/decreased by 0.125% basis point and all other variables held constant, the Group's post-tax profit for the nine months ended September 30, 2013 and 2012 would have decreased/increased by $439 thousand and $82 thousand.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.
The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

Had equity prices been 1% higher/lower, post-tax profit for the nine months ended September 30, 2013 and 2012 would have increased/decreased by $21,775 thousand and $24,355 thousand.

2) Credit risk

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

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

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.
Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade

receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Group's concentration of credit risk of 49%, 50%, 51% and 54% in total trade receivables as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, respectively, was related to the five largest customers within the property construction business segment.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, the Group had available unutilized overdraft and short-term bank loan facilities of approximately $2,612,370 thousand, $2,576,120 thousand, $2,159,138 thousand and $2,086,440 thousand, respectively.

a) Liquidity and interest risk rate tables

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

September 30, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 235,388	$ 1,060,615	$ 89,861	$ 34,704	$ -
Variable interest rate liabilities	2.06-2.98	44,782	98,336	517,229	1,119,361	-
Fixed interest rate liabilities	0.08-2.54	-	148,603	26,988	-	64,505
		$ 280,170	$ 1,307,554	$ 634,078	$ 1,154,065	$ 64,505

December 31, 2012

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

September 30, 2012

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to Less than 1 Year	More than 1Year, Less than 5 Years	5+ Years
Nonderivative Financial Liabilities						
Noninterest bearing	-	$ 463,166	$ 1,018,570	$ 131,558	$ 33,569	$ -
Variable interest rate liabilities	0.76-2.98	248,385	5,817	429,005	1,396,331	-
Fixed interest rate liabilities	0.93-1.97	190,418	394,955	-	-	46,862
		$ 901,969	$ 1,419,342	$ 560,563	$ 1,429,900	$ 46,862

January 1, 2012

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

b) Financing facilities

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Unsecured bank overdraft facility				
Amount used	$ 2,128,264	$ 2,186,840	$ 2,155,418	$ 915,920
Amount unused	2,612,370	2,576,120	2,159,138	2,086,440
	$ 4,740,634	$ 4,762,960	$ 4,314,556	$ 3,002,360

36. TRANSACTIONS WITH RELATED PARTIES

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

a. Trading transactions

	Sale of Goods For the Three Months Ended September 30		Sale of Goods For the Nine months Ended September 30	
	2013	2012	2013	2012
Associates	$ 8,688	$ 8,298	$ 24,814	$ 22,506
Joint ventures	8,632	-	21,760	-
	$ 17,320	$ 8,298	$ 46,574	$ 22,506

	Purchase of Goods		Purchase of Goods	
	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Associates	$ -	$ -	$ -	$ 1,210
Joint ventures	-	-	-	-
	$ -	$ -	$ -	$ 1,210

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

	Operating Expenses		Operating Expenses	
	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Associates	$ -	$ 66	$ -	$ 6,497
Joint ventures	14,653	-	31,171	-
	$ 14,653	$ 66	$ 31,171	$ 6,497

	Non-operating Income and Expenses		Non-operating Income and Expenses	
	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Associates	$ 104	$ 1,858	$ 5,443	$ 7,772
Joint ventures	6,000	-	15,216	-
	$ 6,104	$ 1,858	$ 20,659	$ 7,772

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

	Purchase of Assets		Purchase of Assets	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Associates	$ -	$ -	$ -	$ 24,535
Joint ventures	133	-	-	-
	$ 133	$ -	$ -	$ 24,535

	Disposal of Fixed Assets		Disposal of Intangible Assets	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Joint ventures	$ 2,392	$ -	$ 291	$ -

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

	Trade Receivables from Related Parties			
	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Associates	$ 8,603	$ 53,734	$ 54,953	$ 60,207
Joint ventures	11,721	-	-	-
Deduct: Allowance for doubtful accounts	-	48,400	47,769	51,130
	$ 20,324	$ 5,334	$ 7,184	$ 9,077

	Other Receivables			
	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Associates	$ 57	$ 53	$ -	$ 2,376
Joint ventures	1,668	-	-	-
	$ 1,725	$ 53	$ -	$ 2,376

Other receivables, including dividend receivable, amounted to $33,603 thousand and $38,524 thousand as of September 30, 2013 and 2012, respectively. The interest receivable and lease receivable amounting to $7,105 thousand from HT mMobile as of September 30, 2012 were recognized as impairment loss.

	Other Current Liabilities			
	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Associates	$ -	$ -	$ 21	$ 16
Joint ventures	15,200	-	-	-
	$ 15,200	$ -	$ 21	$ 16

	Deferred Income			
	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Associates	$ 1,848	$ 2,297	$ 2,447	$ 2,897

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

b. Financing to related party

The Group provided financing to HT mMobile, as follows:

	For the Nine Months Ended September 30,2012			
	Maximum Balance	Ending Balance	Interest Rate	Interest Income
HT mMobile	$ 400,000	$ 362,660 Note	1.475%-1.655%	$ 4,746

	For ~~Nine~~ the Nine Ended September 30,2013			
~~Financing to Related Party~~	Maximum Balance	Ending Balance	Interest Rate	Interest Income
HT mMobile	$ 362,460	$ - Note 2	1.655%	$ 1,465

Note 1: The Group had reversed the allowance of $37,070 thousand for the impairment loss on HT mMobile's inventory, fixed asset and software mortgages, and had received payments of $270 thousand in cash as of September 30, 2012; the remaining receivables ~~of~~ amounting to $362,660 was recognized as loss.

Note 2: HT mMobile had repaid $5,354 thousand by cash and the Group had reversed the allowance of $5,354 thousand as of September 30, 2013 because HT mMobile ~~has~~ completed ~~the~~ its liquidation procedure on March 20, 2013. Thus, the other receivables involving HTmMobile had zero balance as of September 30, 2013.

c. Compensation of directors, supervisors and management personnel:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2013	2012	2013	2012
Salaries and Incentives	$ 15,144	$ 13,047	$ 46,000	$ 35,015
Special compensation	878	963	2,825	2,672
Bonus	-	707	-	707
	$ 16,022	$ 14,717	$ 48,825	$ 38,394

37. PLEDGED OR MORTGAGED ASSETS

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Buildings, net	$ 717,831	$ 732,696	$ 737,651	$ 752,516
Orise stock	478,256	407,112	397,195	-
Pledged time deposits	91,130	89,329	89,336	121,287
Subsidiary's holding of Sunplus' stock	39,936	31,025	33,743	33,743
Giantplus stock	-	415,887	212,180	-
	$ 1,327,153	$ 1,676,049	$ 1,470,105	$ 907,546

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

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

	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets								
Monetary items								
USD	$ 83,591	$29.57	$ 60,472	$29.04	$ 73,364	$29.30	$ 65,352	$30.28
JPY	415	0.302	550	0.336	594	0.378	638	0.391
CNY	505	4.833	650	4.660	525	4.660	453	4.805
HKD	150	3.813	112	3.747	132	3.779	169	3.897
EUR	3	39.92	35	38.49	118	37.89	95	39.18
GDR	3	47.72	456	46.83	455	47.58	460	46.73
Nonmonetary items								
USD	500	29.57	500	29.04	500	29.30	500	30.28
EUR	510	39.92	510	38.49	510	37.89	894	39.18
Financial liabilities								
Monetary items								
USD	47,631	29.57	42,040	29.04	47,295	29.30	36,427	30.28
CNY	1,050	4.833	147	4.660	92	4.660	187	4.805
HKD	-	3.813	20	3.747	9	3.779	10	3.897
EUR	-	39.92	-	38.49	-	37.89	2	39.18
GDR	-	47.72	-	-	305	47.58	5	46.73
JPY	-	0.302	-	-	20	0.378	2	0.391

39. ADDITIONAL DISCLOSURES

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

a. Endorsement/guarantee provided: Table 1 (attached)

b. Financings provided: Table 2 (attached)

c. Marketable securities held: Table 3 (attached)

d. Marketable securities acquired and disposed of at costs or prices of at least $100 miion or 20% of the paid-in capital. Table 4 (attached)

e. Names, locations, and related information of investees on which the Group exercises significant influence: Table 5 (attached)

f. Information on investment in Mainland China: Table 6 (attached)

g. Intercompany relationships and significant intercompany transactions: Table 7 (attached)

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Group reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by subsegment and operating results for the three months ended September 30, 2013 and 2012 are shown in the accompanying consolidated comprehensive income statements, and the assets by segment as of September 30, 2013 and 2012 are shown in the accompanying consolidated balance sheets.

41. FIRST-TIME ADOPTION OF IFRSs

Basis of the preparation for financial information under IFRSs

The Group's consolidated financial statements for the nine months ended September 30, 2013 were the first IFRS interim financial statements. The Group not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

Effects of transition to IFRSs

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

a. Reconciliation of the consolidated balance sheet as of September 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Assets				
Notes and trade receivables, net	$ 1,885,811	$ 11,703	$ 1,897,514	5(2)
Deferred tax assets - current	19,820	(19,820)	-	5(1)
Other current assets	208,751	26,014	234,765	5(7) & 5(10)
Investments accounted for using the equity method	868,696	(2,795)	865,901	5(11)
Property, plant and equipment	1,865,055	2,852	1,867,907	5(8) & 5(9)
Investment property	-	279,239	279,239	5(8)
Intangible assets	639,208	(16,170)	623,038	5(7) & 5(10)
Rental Assets	282,299	(282,299)	-	5(8)
Deferred charges/Other assets	61,909	(11,446)	50,463	5(7), 5(9) & 5(10)
Deferred Income Tax Assets	180,703	19,820	200,523	5(1)
Liabilities				
Accrued Expenses and Other current liabilities	604,930	29,601	634,531	5(2), 5(3) & 5(12)
Accrued pension cost	101,038	27,343	128,381	5(4)
Equity				
Capital surplus - net assets from merger	935,412	(777,989)	157,423	5(5)
Cumulative translation adjustments/ foreign currency translation reserve	34,844	(90,634)	(55,790)	5(6)
Unrealized gain (loss) on financial instruments/unrealized gain (loss) on available-for-sale financial assets	(773,820)	800,438	26,618	-
Accumulated Loss	(143,109)	41,003	(102,106)	5(3), 5(4), 5(5), 5(6) & 5(11)
Minority Interest	1,621,320	(22,664)	1,598,656	5(5)

b. Reconciliation of the consolidated statement of comprehensive income for the nine months ended September 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating expenses	$ 2,802,560	$ 567	$ 2,803,127	5(3) & 5(4)
Gain on disposal of property, plant and equipment	(29)	29	-	5(3) & 5(4)
Loss on disposal of property, plant and equipment	1,201	(1,201)	-	5(3) & 5(4)
Other income and expenses	-	-	-	
Share of profits of associates and joint ventures	21,090	(108)	21,082	5(11)
Gains on sale of investments	51,995	(22,,369)	29,626	5(5)
Foreign exchange losses	19,155	(129)	19,026	5(6)
Other comprehensive income				
Exchange differences on translating foreign operations			(58,630)	-
Unrealized gain on available-for-sale financial assets			416,913	-

c. Reconciliation of the consolidated statement of comprehensive income for the three months ended September 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating expenses	$ 967,981	$ 480	$ 968,461	5(3) & 5(4)
Gain on disposal of property, plant and equipment	3	(3)	-	5(3) & 5(4)
Loss on disposal of property, plant and equipment	26	(26)	-	5(3) & 5(4)
Other income and expenses	-	-	-	
Share of profits of associates and joint ventures	9,094	318	9,412	5(11)
Gains on sale of investments	28,663	(22,386)	6,277	5(5) & 5(12)
Foreign exchange gains	11,393	(411)	10,982	5(6)
Other comprehensive income				
Exchange differences on translating foreign operations			(33,590)	-
Unrealized gain on available-for-sale financial assets			197,551	-

d. Exemptions from IFRS 1

The exemptions adopted by the Group on January 1, 2012 were the same as those indicated in the consolidated financial statements as of March 31, 2013. Refer to the Note 39 to the consolidated financial statements as of March 31, 2013 for detail information.

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

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

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

   In addition, under ROC GAAP, a deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of related asset or liability for financial reporting. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, it is classified as current or noncurrent on the basis of the expected length of time before it is realized or settled. Under IFRSs, a deferred tax asset or liability is classified as noncurrent.

   As of September 30, 2012, the amounts reclassified from deferred income tax assets - current to deferred income tax assets - noncurrent were $19,820 thousand, respectively.

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

   As of September 30, 2012, the amount reclassified from allowance for sales returns and others to provisions was $11,703 thousand.

3) Employee benefits - short-term accumulating compensated absences

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

   At the transition to IFRSs, the Group elected to recognize all the resulting accounting difference pertaining to compensated absences in retained earnings. As of September 30, 2012, other current liabilities had increased by $17,898 thousand. For the nine months ended September 30, 2012, the adjustments resulted in decreases in salary and wage expenses by $343 thousand. For the three months ended September 30, 2012, the adjustments resulted in increases in salary and wage expenses by $689 thousand.

4) Employee benefits - corridor approach

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

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

As of September 30, 2012, the Group had performed actuarial valuation based on IAS 19 and accordingly increased accrued pension cost by $27,343 thousand and decreased prepaid pension for a by $84 thousand, as required by IFRS 1. In addition, pension cost in fiscal 2012 for the nine months ended September 30, 2012 decreased by $949 thousand and also decreased by $233 thousand for the three months ended September 30, 2012.

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

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

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

According to the requirements of “IFRSs Q&A,” issued by Taiwan Stock Exchange Corporation (TWSE), the Group only need to reclassify capital surplus –long term investment into retained earnings, no retrospective adjustments were necessary. As of September 30, 2012, capital surplus – long term investments were adjusted for a decrease of $117,001 thousand, respectively. For the nine months ended September 30, 2012, gains on Sale of Investments were adjusted for increase of 373 thousand. For the three months ended September 30, 2012, gains on Sale of Investments were adjusted for increase of 356 thousand.

Under ROC GAAP, employee stock options granted by a subsidiary are recognized at the parent company’s ownership percentage as capital surplus - employee stock options under the equity attributable to the parent’s shareholders in the consolidated financial statements. Under IFRSs, the equity not attributable, directly or indirectly, to a parent is a noncontrolling interest. As of September 30, 2012, capital surplus – long term investments were adjusted for increases of $17,546 thousand, respectively.

6) Under ROC GAAP, various factors are simultaneously considered in determining functional currency. Under IAS 21 “Effect of Changes in Exchange Rates of Foreign Currencies,” the factors for determining functional currency are classified into primary and secondary on the basis of management’s weighing the importance of these factors. Under ROC GAAP, there is no assigning of priority to some factors over other factors. As of September 30, 2012, cumulative translation adjustments of the Group were adjusted for an increase of $18,214 thousand. For the nine months ended September 30, 2012 and for the three months ended September 30, 2012, the cumulative translation adjustments were also adjusted for increases of $129 thousand and 411 thousand, respectively.

7) Under ROC GAAP, deferred expense is recorded under other assets. Under IFRSs, the Group reclassified deferred expenses to intangible assets and prepaid expenses depending on the nature of these deferred expenses. As of September 30, 2012, the amount reclassified from deferred expenses to intangible assets was $16,927 thousand, respectively, and the amount reclassified to prepaid expenses was $27,289 thousand.

8) Under ROC GAAP, the Group's property that is leased to another entity is recorded as rental property under other assets. Under IFRSs, the Group reclassified these assets, held for earning rentals or for capital appreciation, or both, from other assets to investment property. As of September 30, 2012, the amount reclassified to investment property was $279,239 thousand, and the amount reclassified to property, plant and equipment was $3,060 thousand.~~.~~

9) Under ROC GAAP, prepayment for equipment is recorded under property, plant and equipment. Under IFRSs, prepayment for equipment is recorded and classified as either current asset or noncurrent asset based on their expectations of the realization. As of September 30, 2012, the amount reclassified to prepayments - noncurrent was $208 thousand.

10) Under ROC GAAP, held burgage is classified under intangible assets. Under IFRSs, burgage ~~is~~ was reclassified to lease prepayments in accordance with IAS 17 "Leases." As of September 30, 2012, the amounts reclassified to lease prepayments - current and lease prepayments - noncurrent were $721 thousand and $28,548 thousand, respectively.

11) In conformity with the Group's transition to IFRSs, the Group's associates accounted for using the equity method have also assessed the significant differences between their respective present accounting policies and IFRSs and made adjustments accordingly. The associates' area of major adjustments is in employees' benefits. As of September 30, 2012, the assessment of differences resulted in decreases of $2,795 thousand, respectively, and investments accounted for by the equity method for the nine months ended September 30, 2012 and for the three months ended September 30, 2012 decreased by $108 thousand and increased by $318 thousand.

12) Under ROC GAAP, an investor should continue to recognize losses if an investee's return to profitable operations are imminent (even if the investor has not [1] guaranteed the investee's obligations or (2) committed to provide further financial support to the investee). Under IFRSs, if an investor's share in the losses of an associate exceeds its interest in the associate, the investor will discontinue recognizing its share in the loss even if the investee's imminent return to profitable operations appears to be assured. However, additional losses are provided for, and a liability is recognized, to the extent that the investor has assumed legal or constructive obligations or made payments on behalf of the associate. As of January 1, 2012, the amount reclassified to other current liabilities - equity-method investments was $10,609 thousand. The Company disposed of its holding in Jet Focus in August 2012. The Company thus decreased other current liabilities - long-term equity investments by $10,609 thousand and capital surplus - long-term equity investments by $13,056 thousand and transferred $13,056 thousand to beginning retained earnings. For the three months ended September 30, 2012, a decrease of $22,742 thousand in the gain on disposal of investments was recognized, and this decrease was also recognized for the nine months ended September 30, 2012.

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/ Guarantee Provider	Counterparty		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Amount Actually drawn	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	Provided by Sunplus	Provided by the Subsidiary	Provided to the Mainland-Based Subsidiary
		Name	Nature of Relationship										
0 (Note1)	Sunplus Technology Company Limited ("Sunplus")	Sun Media Technology Co., Ltd.	3 (Note 3)	$ 872,273 (Note 5)	$ 682,640	$ 682,640	$ 682,640	-	7.83%	$ 1,744,546 (Note 6)	Yes	No	Yes
		Sunplus mMobile Inc.	2 (Note 3)	872,273 (Note 5)	220,000	85,000	85,000	-	0.97%	1,744,546 (Note 6)	Yes	No	No
		Ytrip Technology Co., Ltd.	3 (Note 3)	872,273 (Note 5)	58,460	58,460	58,460	-	0.67%	1,744,546 (Note 6)	Yes	No	Yes
		Sunext Technology Co., Ltd.	2 (Note 3)	872,273 (Note 5)	47,342	43,671	43,671	-	0.50%	1,744,546 (Note 6)	Yes	No	No
		Generalplus Technology Inc.	3 (Note 3)	872,273 (Note 5)	27,126	13,563	13,563	-	0.16%	1,744,546 (Note 6)	Yes	No	No
		Sunplus Innovation Technology Inc.	2 (Note 3)	872,273 (Note 5)	17,564	8,782	8,782	-	0.10%	1,744,546 (Note 6)	Yes	No	No
		iCatch Technology Inc.	1 (Note 3)	872,273 (Note 5)	12,701	6,350	6,350	-	0.70%	1,744,546 (Note 6)	No	No	No
		Sunplus Technology (Shanghai) Co., Ltd.	3 (Note 3)	872,273 (Note 5)	149,575	-	-	-	-	1,744,546 (Note 6)	Yes	No	Yes

Note 1: Issuer.

Note 2: Direct subsidiary.

Note 3: Common shares held by the Sunplus and its subsidiaries-at more than 50% of the investee company.

Note 4: This company is not a subsidiary of Sunplus but has a business relationship with Sunplus.

Note 5: For each transaction entity, the amount should not exceed 10% of the endorsement/guarantee provider's net equity as shown in the provider's latest financial statements.

Note 6: The amount should not exceed 20% of the endorsement/guarantee provider's net equity based on the latest financial statements.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Actual Provided	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")	Sunplus mMobile Inc.	Other receivables	$ 400,400	$ 161,400	$ 118,900	1.655%	Note 1	$ -	Note 2	$ -	-	$ -	$ 436,137 (Note 8)	$ 872,273 (Note 9)
		HT mMobile Inc.	Other receivables	362,460	- (Note 11)	-	1.655%	Note 1	-	Note 3	-	-	-	436,137 (Note 8)	872,273 (Note 9)
1	Sunplus Technology (Shanghai) Co., Ltd.	ShenZhen Suntop Technology Co., Ltd.	Other receivables	9,515	-	-	2.5752%	Note 1	-	Note 4	-	-	-	22,996 (Note 8)	45,991 (Note 9)
		Ytrip Technology Co., Ltd.	Other receivables	9,164	8,248	8,248	2.5752%	Note 1	-	Note 5	-	-	-	22,996 (Note 8)	45,991 (Note 9)
		Sun Media Technology Co., Ltd.	Other receivables	10,080	-	-	2.5752%	Note 1	-	Note 6	-	-	-	160,969 (Note 10)	183,964 (Note 10)
1	Sun Media Technology Co., Ltd.	Ytrip Technology Co., Ltd.	Other receivable	2,422	2,422	2,422	2.4024%	Note 1	-	Note 7	-	-	-	21,454 (Note 8)	43,908 (Note 9)

Note 1: Short-term financing.

Note 2: Sunplus Technology Company Limited provided more capital to Sunplus mMobile Inc.
Note 3: Sunplus Technology Company Limited provided cash for the operation of HT mMobile Inc.

Note 4: Sunplus Technology (Shanghai) Co., Ltd. provided funds to ShenZhen Suntop Technology Co., Ltd. for the latter's operating needs.

Note 5: Sunplus Technology (Shanghai) Co., Ltd. provided funds to Ytrip Technology Co., Ltd. for the latter's operating needs.

Note 6: Sunplus Technology (Shanghai) Co., Ltd. provided funds to Sun Media Technology Co., Ltd. for the latter's operating needs.

Note 7: Sun Media Technology Co., Ltd. provided funds to Ytrip Technology for the latter's operating needs.

Note 8: For each transaction entity, the amount should not exceed 5% of the Group's and Sunplus Technology (Shanghai) Co., Ltd. respective net equities as shown in their latest financial statements.

(Continued)

Note 9: The amount should not exceed 10% of the combined net equity of Sunplus ~~the Group's~~ and Sunplus Technology (Shanghai) Co., Ltd. based on their latest financial statements.

Note 10: For each transaction entity, the amount should not exceed 40% of Sunplus Technology (Shanghai)'s net equity as of the latest financial statement, and the each amount should not exceed 35% of the Company's net equity as of the latest financial statement because the borrowing company is the Group's parent company holding 100% by directly or indirectly.

Note 11: HT mMobile had repaid $5,354 thousand in cash and the Group had reversed the allowance of $5,354 thousand as of September 30 2013. HT mMobile completed its liquidation on March 20, 2013, so the Group wrote off the rest of the receivables from this subsidiary.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited (the "Company")	Stock							
	Ventureplus Group Inc.	Equity-method investee	Equity-method investments	45,650	$ 974,142	100	$ 974,142	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	47,290	1,028,033	34	1,029,425	Notes 2, 11 and 13
	Lin Shih Investment Co., Ltd.	Equity-method investee	Equity-method investments	70,000	703,761	100	703,761	Notes 1 and 5
	Sunplus Venture Capital Co., Ltd.	Equity-method investee	Equity-method investments	100,000	659,569	100	659,569	Note 1
	Generalplus Technology Inc	Equity-method investee	Equity-method investments	37,324	667,960	34	669,338	Notes 2 and 14
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	31,450	503,999	62	506,482	Notes 1 and 8
	Russell Holdings Limited	Equity-method investee	Equity-method investments	14,760	267,588	100	271,427	Notes 1 and 10
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	38,837	150,173	61	150,173	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	20,735	201,160	38	204,475	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	12,441	60,674	83	57,108	Notes 1 and 9
	S2-TEK INC.	Equity-method investee	Equity-method investments	908	40,143	2	68,010	Note 1
	Wei-Young Investment Inc.	Equity-method investee	Equity-method investments	1,400	10,976	100	10,976	Note 1
	Sunplus Management Consulting Inc.	Equity-method investee	Equity-method investments	500	4,123	100	4,123	Note 1
	Sunplus Technology (H.K.) Co., Ltd.	Equity-method investee	Equity-method investments	11,075	4,016	100	4,016	Note 1
	Magic Sky Limited	Equity-method investee	Equity-method investments	6,160	273	100	273	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	24,000	(134,819)	100	(134,819)	Notes 1 and 7
	Global View Co., Ltd.	The Company's supervisor	Available-for-sale financial assets	13,568	217,082	15	217,082	Note 4
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,968	24,891	-	24,891	Note 4
	RITEK Corp.	-	Available-for-sale financial assets	5,000	25,748	-	25,748	Note 4
	Tatung Company	-	Available-for-sale financial assets	46,094	356,771	2	356,771	Note 4
	Giantplus Technology Co., Ltd.	-	Available-for-sale financial assets	13,814	135,515	3	135,515	Note 4
	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	13,197	161,216	-	161,216	Note 6
	JF (Taiwan) First Money Market Fund	-	Available-for-sale financial assets	6,099	90,392	-	90,392	Note 6
	FSITC Money Market	-	Available-for-sale financial assets	290	50,491	-	50,491	Note 6
	Yuanta De-Bao Money Market Fund	-	Available-for-sale financial assets	2,564	30,076	-	30,076	Note 6
	JPMorgan GIBI EM Corp Bd	-	Available-for-sale financial assets	3,000	29,525	-	29,525	Note 6
	UPAMC James Bond Money Market	-	Available-for-sale financial assets	1,851	30,190	-	30,190	Note 6
	Taishin Ta-Chong Money Market	-	Available-for-sale financial assets	2,178	30,183	-	30,183	Note 6
	Prudential Financial Money Market	-	Available-for-sale financial assets	652	10,055	-	10,055	Note 6
	Capital Money Market	-	Available-for-sale financial assets	1,911	30,077	-	30,077	Note 6
	Eastspring Inv Fund Glbl EqFoF	-	Available-for-sale financial assets	1,150	14,258	-	14,258	Note 6
	JPNorgan Asia High Yieid Total Return Bond	-	Available-for-sale financial assets	1,249	14,104	-	14,104	Note 6
	Network Capital Global Fund	-	Financial assets carried at cost	600	6,000	7	6,000	Note 3
	Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	356	3,556	11	3,556	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	14,892	$ 268,213	14	$ 268,887	Note 2
	S2-TEK INC.	Equity-method investee	Equity-method investments	9,591	50,230	24	50,230	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,360	13,031	5	13,031	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	1,075	15,096	2	15,096	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	965	9,512	2	9,512	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	579	7,603	4	7,775	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	-	-	-	-	Note 1
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	116,820	1	116,820	Note 4
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,397	79,695	7	79,695	Note 4
	Sunplus Technology Co., Ltd.	Parent Company	Available-for-sale financial assets	3,560	42,008	1	42,008	Notes 4 and 11
	RITEK Technology Co., Ltd.	-	Available-for-sale financial assets	833	4,291	-	4,291	Note 4
	Aiptek International Inc.	-	Available-for-sale financial assets	60	-	-	-	Note 4
	Frankin Templetion Sinoa	-	Available-for-sale financial assets	1,994	20,066	-	20,066	Note 6
	Paradigm Pion Money Market	-	Available-for-sale financial assets	445	5,014	-	5,014	Note 6
	UPAMC JAMES BOND MONEY	-	Available-for-sale financial assets	431	7,030	-	7,030	Note 6
	Catcher Technology Co., Ltd.	-	Available-for-sale financial assets	15	2,348	-	2,348	Note 4
	Wistron Corp.	-	Available-for-sale financial assets	59	1,698	-	1,698	Note 4
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets	45	3,446	-	3,446	Note 4
	Pou Chen Corp.	-	Available-for-sale financial assets	20	687	-	687	Note 4
	Zhen Ding Tech.	-	Available-for-sale financial assets	-	-	-	-	Note 4
	Apex International Co.,Ltd.	-	Available-for-sale financial asset	20	660		660	Note 4
	Flexium Interconnect, Inc.	-	Available-for-sale financial assets	7	714	-	714	Note 4
	PRIMAX CORP.	-	Available-for-sale financial assets	22	505	-	505	Note 4
	NAN YA PRINTED CIRCUIT BOARD CORP.	-	Available-for-sale financial assets	30	1,143	-	1,143	Note 4
	Compal Electronic, INC	-	Available-for-sale financial assets	20	432	-	432	Note 4
	Yulon Corp.	-	Available-for-sale financial assets	42	2,079	-	2,079	Note 4
	HUANGHSIANG CONSTRUCTION	-	Available-for-sale financial assets	15	930	-	930	Note 4
	SINON CORPORATION	-	Available-for-sale financial assets	360	5,454	-	5,454	Note 4
	CHAMPION BUILDING MATERIALS CO., LTD.	-	Available-for-sale financial assets	50	630	-	630	Note 4
	JTOVCH CORP.	-	Available-for-sale financial assets	40	1,028	-	1,028	Note 4
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,295	13,490	10	13,940	Note 3
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	426	4,136	2	4,136	Note 3
	Advanced Optoelectronic Technology Inc.	-	Financial assets carried at cost	20	1,240	-	1,240	Note 3
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	3,676	5	3,676	Note 3
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 3
	Socle Technology Corp.	-	Financial assets carried at cost	250	2,121	-	2,121	Note 3
	GemFor Tech. Co., Ltd.	-	Financial assets carried at cost	373	1,764	6	1,764	Note 3
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	-	7	-	Note 3
	WayTech Development Inc.	-	Financial assets carried at cost	1,500	-	5	-	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	8	-	-	-	Note 3
	Les Enphants-CB	-	Financial assets at fair value through profit or loss -Current	90	9,198	-	9,198	Note 4
	Ubright Optright Corporation-CB	-	Financial assets at fair value through profit or loss -Current	20	2,009	-	2,009	Note 4
	CHINA ELECTRIC MFG.CO.,LTD.-CB	-	Financial assets at fair value through profit or loss -Current	30	2,984	-	2,984	Note 4
	Neo Solar Power Corporation-CB		Financial assets at fair value through profit or loss -Current	10	1,003	-	1,003	Note 4

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Russell Holdings Limited	Stock							
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	442	US$ 58 thousand	1	US$ 58 thousand	Note 1
	Aruba Networks, Inc.	-	Available-for-sale financial assets	10	US$ 171 thousand	-	US$ 171 thousand	Note 4
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	US$ 1,353 thousand	-	US$ 1,353 thousand	Note 3
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	US$ 456 thousand	5	US$ 456 thousand	Note 3
	Aicent, Inc.	-	Financial assets carried at cost	500	US$ 250 thousand	1	US$ 250 thousand	Note 3
	VisualOn Inc.	-	Financial assets carried at cost	377	US$ 131 thousand	3	US$ 131 thousand	Note 3
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	US$ 87 thousand	15	US$ 87 thousand	Note 3
	Synerchip Co., Ltd.	-	Financial assets carried at cost	6,452	US$ - thousand	12	US$ - thousand	Note 3
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	US$ - thousand	-	US$ - thousand	Note 3
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	US$ - thousand	1	US$ - thousand	Note 3
	OZ Optics Limited.	-	Financial assets carried at cost	1,000	US$ - thousand	8	US$ - thousand	Note 3
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	US$ - thousand	3	US$ - thousand	Note 3
Sunplus Venture Capital Co., Ltd.	Stock							
	Security	-	Investment in debt security with no activity Market	1	$ 14,520	-	$ 14,520	Note 12
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	4,301	90,506	4	91,395	Note 1
	S2-TEK INC.	Equity-method investee	Equity-method investments	10,001	57,341	25	57,341	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	2,871	47,414	6	47,414	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	3,232	31,879	6	31,879	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	4,431	17,127	7	17,127	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	865	17,255	1	17,467	Note 2
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	1,909	7,966	13	8,400	Note 1
	Han Young Technology Co., Ltd.	Equity-method investee	Equity-method investments	420	1,780	70	1,780	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	-	-	-	-	Note 1
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	83,816	1	83,816	Note 4
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	49,669	-	49,669	Note 4
	Aruba Networks, Inc.	-	Available-for-sale financial assets	4	1,831	-	1,831	Note 4
	Aiptek International Inc.	-	Available-for-sale financial assets	351	-	1	-	Note 4
	FSITC Money Market		Available-for-sale financial assets	290	50,500	-	50,500	Note 6
	Franklin Templeton Sinoam Money Market		Available-for-sale financial assets	4,999	50,310	-	50,310	Note 6
	Earocharm Holding Co.	-	Financial assets carried at cost	600	30,000	1	30,000	Note 3
	Feature Integration Technology Inc.	-	Financial assets carried at cost	1,811	20,734	4	20,734	Note 3
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,303	14,025	10	14,025	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital Co., Ltd.	Cyberon Corporation	-	Financial assets carried at cost	1,521	$ 13,691	18	$ 13,691	Note 3
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	419	6,243	2	6,243	Note 3
	Socle Technology Corp.	-	Financial assets carried at cost	550	4,666	1	4,666	Note 3
	Genius Vision Digital	-	Financial assets carried at cost	750	15,000	6	15,000	Note 3
	Sanjet Technology Corp.	-	Financial assets carried at cost	49	-	-	-	Note 3
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	-	8	-	Note 3
	Simple Act Inc.	-	Financial assets carried at cost	1,900	-	10	-	Note 3
	eWave System, Inc.	-	Financial assets carried at cost	1,833	-	22	-	Note 3
	WayTech Development Inc.	-	Financial assets carried at cost	1,000	-	4	-	Note 3
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 3
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 3
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 3
Ventureplus Group Inc.	Stock							
	Ventureplus Mauritius Inc.	Subsidiary of Ventureplus Group Inc.	Equity-method investments	45,650	974,361	100	974,361	Note 1
Ventureplus Mauritius Inc.	Stock							
	Ventureplus Cayman Inc.	Subsidiary of Ventureplus Mauritius Inc.	Equity-method investments	45,650	974,479	100	974,479	Note 1
Ventureplus Cayman Inc.	Stock							
	Sunplus Technology (Shanghai) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	489,803	99	489,803	Note 1
	Sunplus Pro-tek (Shenzhen) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	50,143	100	50,143	Note 1
	SunMedia Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	390,834	100	390,834	Note 1
	Sunplus App Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	10,478	80	10,478	Note 1
	Ytrip Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	31,825	73	31,825	Note 1
Sunplus Technology (Shanghai) Co., Ltd.	ShenZhen Suntop Technology Co., Ltd.	Subsidiary of Sunplus Technology (Shanghai) Co., Ltd.	Equity-method investments	-	RMB 1,006 thousand	100	RMB 1,006 thousand	Note 1
	GF Money Market Fund class B shares	-	Available-for-sale financial assets	7,040	RMB 7,348 thousand	-	RMB 7,348 thousand	Note 6
	China Merchants Fund class A shares	-	Available-for-sale financial assets	8,730	RMB 8,784 thousand	-	RMB 8,784 thousand	Note 6
	CHONGQING CHONG YOU INFORMATION TECHNOLOGY CO., LTD.	-	Financial assets carried at cost	-	RMB 3,835 thousand	1	RMB 3,835 thousand	Note 3
Wei-Young Investment Inc.	Stock							
	Elitergroup Computer Systems	-	Available-for-sale financial assets	508	6,500	-	6,500	Note 4
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	108	1,860	-	1,860	Note 2
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	18	69	-	48	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Generalplus Technology Inc.	Stock							
	Generalplus International (Samoa) Inc.	Subsidiary of Generalplus Technology Inc.	Equity-method investments	19,090	$ 477,524	100	$ 477,524	Note 2
	Fund							
	Union Money Market	-	Available-for-sale financial assets	803	10,351	-	10,351	Note 6
	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	549	8,114	-	8,114	Note 6
	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	3,486	35,080	-	35,080	Note 6
Generalplus International (Samoa) Inc.	Stock							
	Generalplus (Mauritius) Inc.	Subsidiary of Generalplus International (Samoa) Inc.	Equity-method investments	19,090	477,502	100	477,502	Note 2
Generalplus (Mauritius) Inc.	Stock							
	Generalplus Technology (Shenzhen) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	-	465,228	100	465,228	Note 2
	Generalplus Technology (Hong Kong) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	-	12,274	100	12,274	Note 1
Ytrip Technology Co., Ltd.	Stock							
	1 Culture Communication Co., Ltd.	Subsidiary of Ytrip Technology Co., Ltd.	Equity-method investments	-	RMB 887 thousand	100	RMB 887 thousand	
Sunext Technology	Stock							
	Great Sun Corp.	Subsidiary of Sunext Technology	Equity-method investments	725	-	100	-	Note 1
	Great Prosperous Corp.	Subsidiary of Sunext Technology	Equity-method investments	1,962	-	100	-	Note 1
	Fund							
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	1,898	25,039	-	25,039	Note 6
	Yuanta Wan Tai Money Fund	-	Available-for-sale financial assets	1,964	29,046	-	29,046	Note 6
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	1,343	20,029	-	20,029	Note 6
	Yuanta De-Bao Money Market Fund	-	Available-for-sale financial assets	1,281	15,024	-	15,024	Note 6
	ING Taiwan Money Market	-	Available-for-sale financial assets	377	6,009	-	6,009	Note 6
	Prudential Financial Money Market Fund	-	Available-for-sale financial assets	519	8,011	-	8,011	Note 6
Great Sun Corp.	Sunext (Mauritius) Inc.	Subsidiary of Great Sun Corp.	Equity-method investments	725	-	100	-	Note 1
Sunplus mMobile Inc.	Sunplus mMobile SAS	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	237	(8,188)	100	(8,188)	Notes 1 and 7
iCatch Technology Inc.	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets	7,985	80,079	-	80,079	Note 6

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Innovation Technology Inc.	Fund							
	Mega Diamond Money Market	-	Available-for-sale financial assets	7,426	$ 90,717	-	$ 90,717	Note 6
	Yuanta Wan Tai Money Market	-	Available-for-sale financial assets	5,451	80,605	-	80,605	Note 6
	Stock							
	Advanced Silicon SA	-	Financial assets carried at cost	2,000	15,993	9	15,993	Note 3
	Advanced NuMicro System, Inc.	-	Financial assets carried at cost	1,000	15,391	12	15,391	Note 3

Note 1: The net asset value was based on unreviewed financial data as of September 30, 2013.

Note 2: The net asset value was based on reviewed financial data as of September 30, 2013.

Note 3: The market value was based on carrying value as of September 30, 2013.

Note 4: The market value was based on the closing price as of September 30, 2013.

Note 5: The investment carrying value excluded the carrying value of $63,401 thousand of the shares of Sunplus Technology Company Limited held by its subsidiary.

Note 6: The market value was based on the net asset value of the fund as of September 30, 2013.

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

Note 8: Carrying value includes the deferred credit of $159 thousand and the downstream trading amounting to $2,324 thousand.

Note 9: Carrying value includes the deferred credit of $9,110 thousand.

Note 10: Carrying value includes the deferred credit of $3,839 thousand.

Note 11: As of September 30, 2013, the above marketable securities, except the holding of Lin Shih Investment Co., Ltd. of the shares of Sunplus Technology Company Limited with a market value $39,936 thousand and the holding of Sunlus Technology Company Limited of the shares of Orise Technology Co., Ltd., with a market value $ 478,256 thousand, had not been pledged or mortgaged.

Note 12: The value was based on amortization cost as of September 30, 2013.

Note 13: Carrying value includes the downstream trading amounting to $1,392 thousand.
Note 14: Carrying value includes the downstream trading ~~of~~ amounting to $1,378 thousand.

Note 15: Carrying value includes the downstream trading ~~of~~ amounting to $3,315 thousand.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST ——NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
NINE MONTHS ENDED SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Issuer of Marketable Security	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Unit (Thousands)	Amount	Unit (Thousands)	Amount	Unit (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Unit (Thousands)	Amount
	Stock													
Sunplus Technology Company Limited (“Sunplus”)	Giantplus Technology Co., Ltd.	Equity-method investments	CHUNGHWA PICTURE TUBES,LTD.	-	84,652	$ 725,158 (Note 1)	-	$ -	70,838	$ 646,256 (Note 4)	$ 570,995	$ 54,011 (Note 3)	13,814	$ 135,515 (Note 2)
Sunplus Venture Capital Co., Ltd.	S2-TEK INC.	Equity-method investments	S2-TEK INC.	Equity-method investee	12	(18,616) (Note 1)	10,000	100,000	-	-	-	-	10,001 (Note 5)	57,341 (Note 6)

Note 1: The amount was the carrying value of investments accounted for under the equity-method as of December 31, 2012.

Note 2: The ending balance includes the valuation gains on financial assets. Due to Sunplus’ loss of significant influence on Giantplus, the shares of Giantplus held by Sunplus were reclassified to noncurrent available-for-sale financial assets.

Note 3: Includes capital surplus and cumulative translation adjustments of gain on disposal.

Note 4: Includes cash of 319,447 thousand and Datong stock amounting to $326,809 thousand.

Note 5: Shares after reducing the capital to offset a deficit.

Note 6: The amount was the carrying value of investments accounted for the equity-method as of December 31, 2013.

TABLE 5

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ACQUISTION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OR PRICES OF AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
NINE MONTHS ENDED SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Generalplus ShenZhen	Building	2013.07.25	RMB 65,357 thousand	RMB 65,357 thousand	ShenZhen Investment Holding Co., Ltd.	-	-	-	-	$ -	-	Operation	None

TABLE 6

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Giantplus Technology Co., Ltd.	Miaoli, Taiwan	LED	$ -	$ 881,315	-	-	$ -	$ -	$ (38,204)	-
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	536,298	536,298	47,290	34	1,028,033	412,654	140,302	Investee (Note1)
	Ventureplus Group Inc.	Belize	Investment	US$ 45,650 thousand	US$ 44,175 thousand	45,650	100	974,142	(91,090)	(91,090)	Subsidiary
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	$ 699,988	$ 699,988	70,000	100	703,761	25,063	25,063	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	659,569	(4,648)	(4,648)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	667,960	287,106	98,479	Subsidiary (Note1)
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	414,663	31,450	62	503,999	(36,710)	(23,018)	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	US$ 14,760 thousand	US$ 14,760 thousand	14,760	100	267,588	(10,019)	(10,019)	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	$ 924,730	$ 924,730	38,837	61	150,173	(120,858)	(73,906)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	207,345	20,735	38	201,160	23,555	8,880	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	307,565	307,565	12,411	83	60,674	(22,412)	8,742	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	10,976	488	488	Subsidiary
	Global Techplus Capital Inc.	Seychelles	Investment	-	US$ 200 thousand	-	100	-	218	218	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	$ 5,000	$ 5,000	500	100	4,123	(28)	(28)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	HK$ 11,075 thousand	HK$ 11,075 thousand	11,075	100	4,016	(106)	(106)	Subsidiary
	Magic Sky Limited	Samoa	Investment	US$ 6,160	US$ 6,000	6,160	100	273	(4,503)	(4,503)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	2,435,392	2,196,392	24,000	100	(134,819)	(6,716)	(6,716)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	362,285	362,285	908	2	40,143	(104,157)	(10,182)	Subsidiary
Lin Shih Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	268,213	287,106	39,293	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	13,031	(120,858)	(6,394)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	15,096	(36,710)	(787)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	2	9,512	23,555	413	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,171	19,171	579	4	7,603	(22,412)	(865)	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	132,788	36,889	9,591	24	50,230	(104,157)	(23,059)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,450	38,450	-	-	31	(6,716)	-	Subsidiary
Sunplus Venture Capital Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,050	56,050	4,301	4	90,506	287,106	11,348	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	56,818	54,028	2,871	6	47,414	(36,710)	(1,990)	Subsidiary
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	31,818	31,818	3,232	6	31,879	23,555	1,363	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	17,127	(120,858)	(8,432)	Subsidiary
	Orise Technology Co, Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	17,255	412,654	2,567	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	13	7,966	(22,412)	(2,852)	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	S2-TEK INC.	Hsinchu, Taiwan	Design of ICs	133,846	33,846	10,001	25	57,341	(104,157)	(24,043)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,784	-	-	3	(6,716)	-	Subsidiary
Russell Holdings Limited	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	US$ 2,119 thousand	US$ 2,119 thousand	442	1	US$ 58 thousand	(120,858)	US$ (28) thousand	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	$ 1,800	$ 1,800	108	-	$ 1,860	$ 287,106	$ 285	Subsidiary
	Sunext Technolgoy Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	350	350	18	-	69	(120,858)	(34)	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	US$ 45,650 thousand	US$ 44,175 thousand	45,650	100	974,361	(91,087)	(91,087)	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	US$ 45,650 thousand	US$ 44,175 thousand	45,650	100	974,479	(91,085)	(91,085)	Subsidiary
Ventureplus Cayman Inc.	Sunplus Technology Technology (Shanghai) Co., Ltd.	Shanghai, China	Research, development, manufacture and sale of ICs.	US$ 17,000 thousand	US$ 17,000 thousand	-	99	489,803	14,694	14,524	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	50,143	(12,611)	(12,611)	Subsidiary
	SunMedia Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US$ 20,000 thousand	US$ 20,000 thousand	-	100	390,834	(56,428)	(56,428)	Subsidiary
	Sunplus App Technology Co., Ltd.	Beijing, China	Research, development, manufacture and sale of ICs.	US$ 586 thousand	US$ 586 thousand	-	80	10,478	(1,384)	(1,107)	Subsidiary
	Ytrip Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US$ 2,275 thousand	US$ 2,275 thousand	-	73	31,825	(45,089)	(35,445)	Subsidiary
Sunext Technology Co., Ltd.	Great Sun Corp.	Samoa	Investment	US$ 725 thousand	US$ 750 thousand	725	-	-	17	17	Subsidiary (Note3)
	Great Prosperous Corp.	Mauritius	Investment	US$ 1,962 thousand	US$ 1,962 thousand	1,962	100	-	-	-	Subsidiary
Great Sun Corp.	Sunext (Mauritius) Inc.	Mauritius	Investment	US$ 725 thousand	US$ 750 thousand	725	100	-	17	17	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	US$ 19,090 thousand	US$ 7,590 thousand	19,090	100	477,524	9,671	9,671	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	US$ 19,090 thousand	US$ 7,590 thousand	19,090	100	477,502	9,671	9,671	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co., Ltd.	Shenzhen, China	After-sales service	US$ 18,700 thousand	US$ 7,200 thousand	-	100	465,228	4,803	4,803	Subsidiary
	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	EUR 390 thousand	US$ 390 thousand	-	100	12,274	4,871	4,871	Subsidiary
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	EUR 237 thousand	EUR 237 thousand	237	100	(8,188)	-	-	Subsidiary
Sunplus Technology Co., Ltd. (Shanghai)	ShenZhen Suntop Technology Co, Ltd.	Shenzhen, China	Design of software and hardware	RMB 8,000 thousand	RMB 8,000 thousand	-	100	RMB 1,006 thousand	RMB (178) thousand	RMB (178) thousand	Subsidiary
Ytrip Technology Co., Ltd.	1 Culture Communication Co., Ltd.	Chengdu, China	Business development	RMB 11,063 thousand	RMB - thousand	-	100	RMB 887 thousand	RMB (1,113) thousand	RMB (1,113) thousand	Subsidiary

Note 1: Except those of Orise Technology and Generalplus Technology Inc., Co., Ltd, the financial statements of other companies have not been reviewed.

Note 2: As of September 30, 2013, capital registration had not been completed.

Note 3: In March 2013, Great Sun Corp. completed its liquidation.

Note 4: In September 2013, Global Techplus capital Inc. completed its liquidation.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
NINE MONTHS ENDED SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2013	% Ownership of Direct or Indirect Investment	Investment Loss (Note2)	Carrying Value as of September 30, 2013	Accumulated Inward Remittance of Earnings as of September 30, 2013
					Outflow	Inflow					
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	US$ 17,200 thousand	Note 1	US$ 17,000 thousand	US$ - thousand	US$ - thousand	US$ 17,000 thousand	99%	$ 14,524	$ 489,803	US$ - thousand
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software and system integration services	US$ 4,250 thousand	Note 1	US$ 4,250 thousand	US$ - thousand	US$ - thousand	US$ 4,250 thousand	100%	(12,611)	50,143	US$ - thousand
Sun Media Technology Co., Ltd.	Manufacturing and sale of computer software and system integration services	US$ 20,000 thousand	Note 1	US$ 20,000 thousand	US$ - thousand	US$ - thousand	US$ 20,000 thousand	100%	(56,428)	390,834	US$ - thousand
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software; system integration services and information management and education	RMB 5,000 thousand	Note 1	US$ 586 thousand	US$ - thousand	US$ - thousand	US$ 586 thousand	80%	(1,107)	10,478	US$ - thousand
Ytrip Technology Co., Ltd.	Computer system integration services and supplying general advertising and other information services.	RMB 20,000 thousand	Note 1	US$ 2,275 thousand	US$ 1,475 thousand	US$ - thousand	US$ 3,750 thousand	73%	(35,445)	31,825	US$ - thousand

Accumulated Investment in Mainland China as of September 30, 2013	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
US$45,586 thousand	US$46,105 thousand	$5,233,638

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITEDAND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
NINE MONTHS ENDED SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Generalplus Technology invested in Generalplus Shenzhen.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2013	Investment Flow		Accumulated Outflow of Investment from Taiwan as of December 31, 2012	% Ownership of Direct or Indirect Investment	Investment Loss (Note 3)	Carrying Value as of December 31, 2012	Accumulated Inward Remittance of Earnings as of December 31, 2012
					Outflow	Inflow					
Generalplus Shenzhen	Data processing service	US$ 18,700 thousand	Note 1	US$ 7,200 thousand	US$ 11,500 thousand	$ - thousand	US$ 18,700 thousand	100%	$ 4,803	$ 465,228	US$ - thousand

Accumulated Investment in Mainland China as of December 31, 2012	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
US$18,700 thousand	US$18,700 thousand	$1,187,682

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

Note 2: Based on the investee company in the same period unreviewed financial statements.

Note 3: Based on the investee company in the same period reviewed financial statement.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
NINE MONTHS ENDED September 30, 2013 and 2012
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Nine Months ended September 30, 2013

Company Name	Counter-Party	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Technology Co., Ltd.	Generalplus Technology Corp.	1	Sales	$ 7,554	Note 1	0.12%
			Nonoperating income and gains	2,138	Note 2	0.03%
			Notes and accounts receivable	1,819	Note 1	0.01%
			Research and development	15	Note 2	-
	Sunext Technology Co., Ltd.	1	Sales	1,337	Note 1	0.02%
			Nonoperating income and gains	4,341	Note 2 and 4	0.07%
			Notes and accounts receivable	366	Note 1	-
			Other receivables	924	Note 3	0.01%
	Sunplus mMobile	1	Nonoperating income and gains	3,850	Note 2	0.06%
			Other receivables	119,238	Note 3	0.83%
	Sunplus Innovation Technology Inc.	1	Sales	509	Note 1	0.01%
			Nonoperating income and gains	4,264	Note 2	0.07%
			Notes and accounts receivable	74	Note 1	-
			Other receivables	382	Note 3	-
			Research and development	100	Note 2	-
	iCatch Technology, Inc.	1	Sales	2,718	Note 2	0.04%
			Nonoperating income and gains	7,579	Notes 2 and 4	0.12%
			Notes and accounts receivable	1,111	Note 1	0.01%
			Other receivables	806	Note 3	0.01%
	Sunplus Technology Co., Ltd. (Shanghai)	1	Nonoperating income and gains	9	Note 2	-
	Sunplus Technology (H.K.) Co., Ltd.	1	Marketing expense	981	Note 2	0.02%
			Accrued expense	329	Note 3	-
Sunext Technology Co., Ltd.	iCatch Technology, Inc.	3	Research and development	1,150	Note 2	0.02%
Sunplus Innovation Technology Inc.	Sun Media Technology Co., Ltd.	3	Marketing expenses	804	Note 2	0.01%
			Accrued expense	804	Note 3	0.01%
	ShenZhen Suntop Technology Co., Ltd.	2	Marketing expenses	6,233	Note 2	0.10%
			Accrued expense	6,233	Note 3	0.04%
	Sunplus App Technology Co., Ltd.	3	Sales	159	Note 1	-
Generalplus Technology Corp.	Sunplus Innovation Technology Inc.	2	Marketing expenses	5,485	Note 2	0.09%
			Intangible assets	6,435	Note 2	0.04%
			Accred expense	1,950	Note 3	0.01%
	Sunplus mMedia Inc.	2	Research and development	27,329	Note 2	0.42%
			Intangible assets	9,110	Note 2	0.06%
			Marketing expense	1,740	Note 2	0.03%
			Accrued expenses	312	Note 3	-

(Continued)

Company Name	Counter-Party	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statements Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
iCatch Technology, Inc.	Sunplus Prof-tek (Shenzhen) Co., Ltd.	2	Marketing expenses	$ 17,246	Note 2	0.27%
			Accrued expenses	5,517	Note 3	0.04%
	SunMedia Technology Co., Ltd.	2	Marketing expenses	12,016	Note 2	0.19%
			Accrued expenses	3,905	Note 3	0.03%
Sunplus Technology Co., Ltd. (Shanghai)	Generalplus Technology (Shenzhen) Corp.	2	Sales	6,985	Note 1	0.11%
	Ytrip Technology Co., Ltd.	2	Other receivables	8,699	Note 3	0.06%

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

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

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

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

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