

Sunplus Technology Company Limited

**Financial Statements for the
Years Ended December 31, 2009 and 2008 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

We have audited the accompanying balance sheets of Sunplus Technology Company Limited as of December 31, 2009 and 2008, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunplus Technology Company Limited as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

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

We have also audited the consolidated financial statements of Sunplus Technology Company Limited and subsidiaries as of and for the years ended December 31, 2009 and 2008 and have issued an unqualified opinion thereon with an explanatory paragraph in each of our reports dated February 9, 2010 and February 27, 2009, respectively.

February 9, 2010

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

BALANCE SHEETS
DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2009		2008		LIABILITIES AND SHAREHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 1,579,825	10	\$ 914,057	7	Short-term loans (Note 14)	\$ -	-	\$ 647,600	5
Available-for-sale financial assets - current (Notes 2 and 6)	2,015,063	12	191,094	2	Accounts payable	867,748	5	307,210	2
Notes and accounts receivable, net (Notes 2, 7 and 23)	1,503,781	9	476,287	4	Income tax payable (Notes 2 and 20)	244,497	2	365,454	3
Other receivables (Note 23)	241,265	2	151,890	1	Long-term bank loans - current portion (Notes 15 and 24)	532,500	3	-	-
Inventories (Notes 2 and 8)	776,845	5	896,749	7	Deferred royalty income (Notes 2, 12 and 23)	11,956	-	12,428	-
Deferred income tax assets (Notes 2 and 20)	73,107	-	166,159	1	Accrued expenses (Note 23)	268,057	2	232,225	2
Other current assets	37,546	-	40,856	-	Other current liabilities (Notes 2 and 9)	667,681	4	166,424	1
Total current assets	6,227,432	38	2,837,092	22	Total current liabilities	2,592,439	16	1,731,341	13
LONG-TERM INVESTMENTS					LONG-TERM DEBT, NET OF CURRENT PORTION (Notes 15 and 24)	1,257,500	8	-	-
Equity-method investments (Notes 2, 9 and 24)	7,844,428	48	7,090,528	55	OTHER LIABILITIES				
Financial assets at fair value through profit or loss (Notes 2 and 5)	-	-	162,122	1	Deferred income (Notes 2 and 23)	31,832	-	37,995	-
Available-for-sale financial assets (Notes 2 and 6)	281,354	2	157,562	1	Accrued pension liability (Notes 2 and 16)	57,201	-	60,395	1
Financial assets carried at cost (Notes 2 and 10)	35,556	-	35,556	1	Guarantee deposits	150,920	1	151,053	1
Total long-term investments	8,161,338	50	7,445,768	58	Total other liabilities	239,953	1	249,443	2
PROPERTIES (Notes 2, 11 and 24)					Total liabilities	4,089,892	25	1,980,784	15
Cost					SHAREHOLDERS' EQUITY (Notes 2, 17 and 18)				
Buildings	795,683	5	688,983	5	Capital stock - NT\$10.00 par value				
Auxiliary equipment	186,364	1	184,963	2	Authorized - 1,200,000 thousand shares				
Machinery and equipment	430,326	3	414,508	3	Issued and outstanding - 596,910 thousand shares in 2009 and 598,203 thousand shares in 2008	5,969,099	36	5,982,028	46
Testing equipment	368,458	2	373,482	3	Capital surplus				
Transportation equipment	2,463	-	2,463	-	Additional paid-in capital - share issuance in excess of par	709,215	4	710,751	5
Furniture and fixtures	99,928	-	123,058	1	Treasury stock transactions	68,357	1	68,645	1
Leasehold improvements	89	-	459	-	Merger and others	1,093,729	7	808,162	6
Total cost	1,883,311	11	1,787,916	14	Retained earnings				
Less: Accumulated depreciation	1,039,684	6	951,590	8	Legal reserve	2,334,480	14	2,333,642	18
Net properties	843,627	5	836,326	6	Special reserve	428,914	3	-	-
INTANGIBLE ASSETS, NET (Notes 2 and 12)	318,756	2	551,787	4	Unappropriated earnings	1,542,755	9	1,590,992	13
OTHER ASSETS					Other				
Rental assets, net (Notes 2 and 24)	154,010	1	251,118	2	Cumulative translation adjustments	110,973	1	149,639	1
Deferred charges and others (Notes 2 and 13)	161,315	1	252,208	2	Unrealized gain (loss) on financial assets	116,449	1	(561,966)	(4)
Deferred income tax assets (Notes 2 and 20)	533,984	3	756,907	6	Treasury stock (at cost) - 3,560 thousand shares in 2009 and 4,853 thousand shares in 2008	(63,401)	(1)	(131,471)	(1)
Total other assets	849,309	5	1,260,233	10	Total shareholders' equity	12,310,570	75	10,950,422	85
TOTAL	\$ 16,400,462	100	\$ 12,931,206	100	TOTAL	\$ 16,400,462	100	\$ 12,931,206	100

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

(With Deloitte & Touche audit report dated February 9, 2010)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2009 AND 2008

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

	2009		2008	
	Amount	%	Amount	%
GROSS SALES	\$ 7,560,980		\$ 6,433,010	
SALES RETURNS AND ALLOWANCES	<u>211,380</u>		<u>339,831</u>	
NET SALES (Notes 2, 12 and 23)	7,349,600	100	6,093,179	100
COST OF SALES (Notes 3, 8 and 19)	4,925,424	67	3,788,265	62
REALIZED (UNREALIZED) INTERCOMPANY GAIN, NET (Note 2)	<u>10,431</u>	<u>-</u>	<u>(45,096)</u>	<u>(1)</u>
GROSS PROFIT	<u>2,434,607</u>	<u>33</u>	<u>2,259,818</u>	<u>37</u>
OPERATING EXPENSES (Notes 19 and 23)				
Marketing	218,185	3	92,528	1
General and administrative	266,887	4	216,042	4
Research and development	<u>1,363,095</u>	<u>18</u>	<u>1,532,685</u>	<u>25</u>
Total operating expenses	<u>1,848,167</u>	<u>25</u>	<u>1,841,255</u>	<u>30</u>
OPERATING INCOME	<u>586,440</u>	<u>8</u>	<u>418,563</u>	<u>7</u>
NONOPERATING INCOME AND GAINS				
Gain on disposal of investments, net (Note 2)	490,560	7	246,094	4
Administrative and support service revenue (Note 23)	94,287	1	127,919	2
Rental revenue (Note 23)	25,109	-	37,908	1
Dividend income (Note 2)	8,886	-	33,646	1
Valuation gain on financial assets, net (Notes 2 and 5)	6,528	-	27,889	-
Interest income	5,968	-	17,824	-
Guarantee deposit default	2,243	-	67,193	1
Reconciliation compensation (Note 26)	-	-	97,529	2
Exchange gain, net (Note 2)	-	-	5,095	-
Others (Notes 2 and 23)	<u>32,108</u>	<u>1</u>	<u>44,830</u>	<u>1</u>
Total nonoperating income and gains	<u>665,689</u>	<u>9</u>	<u>705,927</u>	<u>12</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized by the equity-method, net (Notes 2 and 9)	459,383	6	929,571	15
Exchange loss, net (Note 2)	52,155	1	-	-

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2009 AND 2008

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

	2009		2008	
	Amount	%	Amount	%
Interest expense	\$ 34,112	1	\$ 22,239	1
Valuation loss on financial liabilities, net (Notes 2 and 5)	-	-	960	-
Others (Note 2)	<u>8,816</u>	-	<u>11,696</u>	-
Total nonoperating expenses and losses	<u>554,466</u>	<u>8</u>	<u>964,466</u>	<u>16</u>
INCOME BEFORE INCOME TAX	697,663	9	160,024	3
INCOME TAX EXPENSE (Notes 2 and 20)	<u>316,148</u>	<u>4</u>	<u>151,641</u>	<u>3</u>
NET INCOME	<u>\$ 381,515</u>	<u>5</u>	<u>\$ 8,383</u>	<u>-</u>

	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 1.18</u>	<u>\$ 0.64</u>	<u>\$ 0.27</u>	<u>\$ 0.01</u>
Diluted	<u>\$ 1.18</u>	<u>\$ 0.64</u>	<u>\$ 0.27</u>	<u>\$ 0.01</u>

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

	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
NET INCOME	<u>\$697,663</u>	<u>\$381,515</u>	<u>\$168,498</u>	<u>\$ 16,857</u>
BASIC EPS				
Based on weighted-average shares				
Outstanding - 595,310 thousand shares in 2009 and 596,886 thousand shares in 2008	<u>\$1.17</u>	<u>\$0.64</u>	<u>\$0.28</u>	<u>\$0.03</u>
DILUTED EPS				
Based on weighted-average shares				
Outstanding - 595,310 thousand shares in 2009 and 596,890 thousand shares in 2008	<u>\$1.17</u>	<u>\$0.64</u>	<u>\$0.28</u>	<u>\$0.03</u>

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

(With Deloitte & Touche audit report dated February 9, 2010)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Capital Stock Issued and Outstanding (Note 17)		Capital Surplus (Notes 2, 17 and 18)					Retained Earnings (Note 17)				Others (Notes 2, 17 and 18)		Total Shareholders' Equity	
	Shares (Thousands)	Amount	Additional Paid-in Capital in Excess of Par	Treasury Stock	Long-term Investments	Merger	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Cumulative Translation Adjustments	Unrealized Valuation (Loss) Gain on Financial Assets		Treasury Stock
BALANCE, JANUARY 1, 2008	556,750	\$ 5,567,505	\$ 817,768	\$ 60,171	\$ 518,555	\$ 157,423	\$ 1,553,917	\$ 2,127,492	\$ 17,260	\$ 3,499,870	\$ 5,644,622	\$ 63,135	\$ 185,415	\$ (131,471)	\$ 12,883,123
Appropriation of prior year's earnings															
Legal reserve	-	-	-	-	-	-	-	206,150	-	(206,150)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	(17,260)	17,260	-	-	-	-	-
Bonus to employees - stock	13,500	135,000	-	-	-	-	-	-	-	(135,000)	(135,000)	-	-	-	-
Bonus to employees - cash	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)	-	-	-	(15,000)
Remuneration to directors and supervisors	-	-	-	-	-	-	-	-	-	(23,090)	(23,090)	-	-	-	(23,090)
Stock dividends - NT\$0.29990 per share	16,665	166,637	-	-	-	-	-	-	-	(166,637)	(166,637)	-	-	-	-
Cash dividends - NT\$2.49920 per share	-	-	-	-	-	-	-	-	-	(1,388,644)	(1,388,644)	-	-	-	(1,388,644)
Capital stock transferred from capital surplus	11,109	111,092	(111,092)	-	-	-	(111,092)	-	-	-	-	-	-	-	-
Issuance of shares upon exercise of employee stock options	179	1,794	4,075	-	-	-	4,075	-	-	-	-	-	-	-	5,869
Adjustment arising from changes in percentage of ownership of investees	-	-	-	-	134,100	-	134,100	-	-	-	-	-	-	-	134,100
Adjustment of capital surplus - others	-	-	-	-	(1,916)	-	(1,916)	-	-	-	-	-	-	-	(1,916)
Net income in 2008	-	-	-	-	-	-	-	-	-	8,383	8,383	-	-	-	8,383
Translation adjustments on long-term investments	-	-	-	-	-	-	-	-	-	-	-	86,504	-	-	86,504
Cash dividends received by subsidiaries from the Company	-	-	-	8,474	-	-	8,474	-	-	-	-	-	-	-	8,474
Adjustment for changes in equity in equity-method investees	-	-	-	-	-	-	-	-	-	-	-	-	(468,807)	-	(468,807)
Valuation loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	(278,574)	-	(278,574)
BALANCE, DECEMBER 31, 2008	598,203	5,982,028	710,751	68,645	650,739	157,423	1,587,558	2,333,642	-	1,590,992	3,924,634	149,639	(561,966)	(131,471)	10,950,422
Retirement of treasury stock	(1,293)	(12,929)	(1,536)	(53,605)	-	-	(55,141)	-	-	-	-	-	-	68,070	-
Acquisition of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,385)	(114,385)
Treasury stock assigned to employees	-	-	-	53,317	-	-	53,317	-	-	-	-	-	-	114,385	167,702
Appropriation of prior year's earnings:															
Legal reserve	-	-	-	-	-	-	-	838	-	(838)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	428,914	(428,914)	-	-	-	-	-
Adjustment arising from changes in percentage of ownership of investees	-	-	-	-	313,909	-	313,909	-	-	-	-	-	-	-	313,909
Adjustment of capital surplus - others	-	-	-	-	(28,342)	-	(28,342)	-	-	-	-	-	-	-	(28,342)
Net income in 2009	-	-	-	-	-	-	-	-	-	381,515	381,515	-	-	-	381,515
Translation adjustments on long-term investments	-	-	-	-	-	-	-	-	-	-	-	(38,666)	-	-	(38,666)
Adjustment for changes in equity in equity-method investees	-	-	-	-	-	-	-	-	-	-	-	-	552,910	-	552,910
Valuation gain on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	125,505	-	125,505
BALANCE, DECEMBER 31, 2009	<u>596,910</u>	<u>\$ 5,969,099</u>	<u>\$ 709,215</u>	<u>\$ 68,357</u>	<u>\$ 936,306</u>	<u>\$ 157,423</u>	<u>\$ 1,871,301</u>	<u>\$ 2,334,480</u>	<u>\$ 428,914</u>	<u>\$ 1,542,755</u>	<u>\$ 4,306,149</u>	<u>\$ 110,973</u>	<u>\$ 116,449</u>	<u>\$ (63,401)</u>	<u>\$ 12,310,570</u>

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

(With Deloitte & Touche audit report dated February 9, 2010)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 381,515	\$ 8,383
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	564,527	730,003
Loss (gain) on disposal of properties and deferred charges	327	(167)
Valuation gain on financial assets, net	(6,528)	(24,584)
Investment loss recognized by the equity-method, net	459,383	929,571
Cash dividends received from equity-method investees	149,997	236,037
Gain on disposal of investments, net	(490,560)	(246,094)
Cumulative translation adjustments of capital returned by equity-method investees	-	1,262
Unrealized (realized) intercompany gain, net	(10,431)	45,096
Unrealized (realized) royalty income	4,066	(20,919)
Deferred income tax	315,975	68,720
Cost of assigning treasury stock to employees	53,317	-
Accrued pension liability	(3,194)	(2,554)
Net changes in operating assets and liabilities		
Held-for-trading financial instruments	-	(2,222)
Notes and accounts receivable	(1,027,494)	1,037,165
Other receivables	(59,280)	88,230
Inventories	119,904	207,252
Other current assets	3,310	29,264
Accounts payable	560,538	(647,674)
Income tax payable	(120,957)	(71,796)
Accrued expenses	35,832	(263,511)
Other current liabilities	536	(6,669)
Net cash provided by operating activities	<u>930,783</u>	<u>2,094,793</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
Financial assets at fair value through profit or loss	168,650	30,840
Equity-method investments	646,141	93,085
Available-for-sale financial assets	553,830	3,645,023
Properties and deferred charges	2,274	1,402
Proceeds of capital return by investee	8,511	157,101
Acquisition of:		
Equity-method investments	(245,605)	(1,126,958)
Available-for-sale financial assets	(2,374,000)	(2,987,000)
Properties	(50,134)	(80,618)
Increase in deferred charges and others	(96,006)	(172,577)
Increase in intangible assets	(20,943)	(53,084)
Net cash used in investing activities	<u>(1,407,282)</u>	<u>(492,786)</u>

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SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars)

	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	\$ (647,600)	\$ 147,600
Decrease in guarantee deposits	(133)	(95,970)
Increase in long-term debt	2,050,000	-
Decrease in long-term debt	(260,000)	-
Cash paid for acquisition of treasury stock	(114,385)	-
Cost of assigning treasury stock to employees	114,385	-
Remuneration paid to directors and supervisors	-	(38,090)
Cash dividends	-	(1,388,644)
Proceeds of the exercise of stock options	-	5,869
	<u>1,142,267</u>	<u>(1,369,235)</u>
Net cash provided by (used in) financing activities		
	<u>1,142,267</u>	<u>(1,369,235)</u>
NET INCREASE IN CASH	665,768	232,772
CASH, BEGINNING OF YEAR	<u>914,057</u>	<u>681,285</u>
CASH, END OF YEAR	<u>\$ 1,579,825</u>	<u>\$ 914,057</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income tax paid	<u>\$ 121,130</u>	<u>\$ 128,468</u>
Interest paid	<u>\$ 35,376</u>	<u>\$ 17,634</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of rental assets into properties	<u>\$ 97,108</u>	<u>\$ 11,242</u>
Reclassification of credit balance on carrying value of long-term investments into other current liabilities	<u>\$ 514,137</u>	<u>\$ 38,030</u>
Reclassification of properties into deferred charges and others	<u>\$ -</u>	<u>\$ 46,399</u>
Current portion of long-term debts	<u>\$ 532,500</u>	<u>\$ -</u>
PARTIAL CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of properties	\$ (36,448)	\$ (82,479)
Increase (decrease) in payables to contractors and equipment suppliers	<u>(13,686)</u>	<u>1,861</u>
Cash paid	<u>\$ (50,134)</u>	<u>\$ (80,618)</u>
Disposal of equity-method investments	\$ 676,236	\$ 93,085
Increase in receivables from disposal of equity-method investments	<u>(30,095)</u>	<u>-</u>
	<u>\$ 646,141</u>	<u>\$ 93,085</u>

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

(With Deloitte & Touche audit report dated February 9, 2010)

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

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

1. ORGANIZATION AND OPERATIONS

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

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

As of December 31, 2009 and 2008, the Company had 589 and 576 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Significant accounting policies are summarized as follows:

Current/Noncurrent Assets and Liabilities

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

Financial Assets/Liabilities at Fair Value Through Profit or Loss

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

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

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

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

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

Available-for-sale Financial Assets

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

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

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

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

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

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

Revenue Recognition

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

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

Allowance for Doubtful Accounts and Allowance for Sales Returns and Discounts

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

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

Inventories

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

Financial Assets Carried at Cost

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

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

Equity-method Investments

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

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

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

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

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

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

Properties and Rental Assets

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

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

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

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

Intangible Assets

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

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

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

Deferred Charges

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

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

Government Subsidies

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

Pension Costs

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

Stock-based Compensation

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

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

Bonuses to Employees, Directors and Supervisors

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

Treasury Stock

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

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

The ARDF issued Interpretation 2007-266, which requires companies applying the Black-Scholes model to evaluate the service cost incurred when assigning treasury stock to employees as incentives.

Income Tax

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

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

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

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

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

Foreign-currency Transactions

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

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

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

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

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

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

Reclassifications

Certain accounts in the financial statements as of and for the year ended December 31, 2008 have been reclassified to conform to the presentation of financial statements as of and for the year ended December 31, 2009.

3. ACCOUNTING CHANGES

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

In March 2007, the Accounting Research and Development Foundation (ARDF) of the R.O.C. issued Interpretation 2007-052 that requires companies to recognize as compensation expenses bonuses paid to employees, directors and supervisors beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. This accounting change had no impact on the Company's net income for the year ended December 31, 2008.

- b. Accounting for Employee Stock Options

On January 1, 2008, the Company adopted the newly released SFAS No. 39 - "Accounting for Share-based Payment" to account for employee stock options. The accounting changes had no impact on the Company's net income for the year ended December 31, 2008.

c. Accounting for Inventories

Effective January 1, 2009, the Company adopted the newly revised SFAS No. 10 - "Accounting for Inventories." The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item-by-item except when the grouping of similar or related items is appropriate; (2) unallocated overheads are recognized as cost of sales in the period in which they are incurred; and (3) abnormal cost, write-downs of inventories and any reversal of write-downs are recorded as cost of sales for the period. The adoption resulted in decrease of \$36,425 thousand in net income and decrease of \$0.06 in net income per share for the year ended December 31, 2009. The Company also reclassified the nonoperating loss of \$120,000 thousand and nonoperating income of \$21,854 thousand in 2008 to the cost of goods sold for the year ended December 31, 2008.

4. CASH

	December 31	
	2009	2008
Savings accounts	\$ 265,047	\$ 464,333
Time deposits	1,312,850	448,000
Checking accounts	910	964
Cash on hand	<u>1,018</u>	<u>760</u>
	<u>\$ 1,579,825</u>	<u>\$ 914,057</u>

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The company did not enter into derivative contracts during the year ended December 31, 2009.

The Company entered into derivative contracts in 2008 to hedge the effect of exchange rate fluctuations on net foreign currency-denominated assets and liabilities. The strategy is to hedge against most of the market price risks to which the Company is exposed.

The Company had no outstanding forward exchange contracts as of December 31, 2008.

Net gains arising from financial instruments held for trading were \$2,344 thousand in 2008.

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

	Principal Amount (In Thousands)	Carrying Amount	Maturity
<u>2008</u>			
Inverse floaters: Time deposits with floating interest rate indexed to LIBOR rates	<u>\$ 5,000</u>	<u>\$ 162,122</u>	April 2014 (Note)

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

Net gains arising from financial assets designated at fair value through profit or loss were \$6,528 thousand and \$25,286 thousand for the years ended December 31, 2009 and 2008, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>December 31</u>	
	2009	2008
Open-end funds	\$ 2,015,063	\$ 191,094
Domestic quoted stocks	<u>281,354</u>	<u>157,562</u>
	2,296,417	348,656
Deduct: Current portion	<u>2,015,063</u>	<u>191,094</u>
	<u>\$ 281,354</u>	<u>\$ 157,562</u>

7. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	2009	2008
Notes and accounts receivable - other	\$ 1,574,023	\$ 549,051
Notes and accounts receivable - related parties	<u>11,670</u>	<u>19,148</u>
	1,585,693	568,199
Deduct: Allowance for doubtful accounts	56,912	56,912
Allowance for sales returns and discounts	<u>25,000</u>	<u>35,000</u>
	<u>\$ 1,503,781</u>	<u>\$ 476,287</u>

Movements of the allowance for doubtful receivables were as follows:

	<u>Years Ended December 31</u>	
	2009	2008
Balance, beginning of year	\$ 56,912	\$ 78,193
Deduct: Amounts written off	<u>-</u>	<u>21,281</u>
Balance, end of year	<u>\$ 56,912</u>	<u>\$ 56,912</u>

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

	<u>Years Ended December 31</u>	
	2009	2008
Balance, beginning of year	\$ 35,000	\$ -
Add: Provision for sales returns and discounts	-	35,000
Deduct: Reversal of provision for sales returns and discounts	<u>10,000</u>	<u>-</u>
Balance, end of year	<u>\$ 25,000</u>	<u>\$ 35,000</u>

8. INVENTORIES

	<u>December 31</u>	
	<u>2009</u>	<u>2008</u>
Finished goods and merchandise	\$ 302,285	\$ 281,217
Work-in-process	353,593	284,104
Raw materials	<u>120,967</u>	<u>331,428</u>
	<u>\$ 776,845</u>	<u>\$ 896,749</u>

As of December 31, 2009 and 2008, the allowance for inventory devaluation was \$151,088 thousand and \$99,324 thousand, respectively.

As of December 31, 2009 and 2008, the costs of inventories recognized as cost of goods sold were \$4,925,424 thousand and \$3,788,265 thousand, respectively. For the years ended December 31, 2009 and 2008, these inventory costs included the followings:

	<u>Years Ended December 31</u>	
	<u>2009</u>	<u>2008</u>
Inventory write-downs	\$ 160,000	\$ 12,0000
Compensation income	(15,196)	(10,110)
Income from scrap sales	<u>(9,384)</u>	<u>(11,744)</u>
	<u>\$ 135,420</u>	<u>\$ 98,146</u>

9. EQUITY-METHOD INVESTMENTS

	<u>December 31</u>			
	<u>2009</u>		<u>2008</u>	
	Amount	% of Owner- ship	Amount	% of Owner- ship
Giantplus Technology Co., Ltd.	\$ 1,774,129	21	\$ 1,870,627	21
Orise Technology Co., Ltd.	1,119,384	45	1,245,799	55
Lin Shih Investment Co., Ltd.	944,771	100	607,241	100
Sunplus Venture Capital Co., Ltd.	870,703	100	624,889	100
Generalplus Technology Inc.	680,779	45	475,292	41
Sunext Technology Co., Ltd.	557,098	64	244,058	79
Sunplus Innovation Technology Inc.	505,171	81	392,361	84
Ventureplus Group Inc.	501,021	100	428,478	100
Russell Holdings Limited	420,632	100	419,813	100
HT mMobile Inc.	214,182	30	-	-
iCatch Technology, Inc.	209,447	83	-	-
Waveplus Technology Co., Ltd.	20,911	41	16,742	41
Wei-Young Investment Inc.	10,047	100	5,167	100
Global Techplus Capital Inc.	7,382	100	7,852	100
Sunplus Technology (H.K.) Co., Ltd.	4,626	100	4,817	100
Sunplus Management Consulting Inc.	4,145	100	4,194	100
Sunplus Core Technology Co., Ltd.	-	-	17,857	57

(Continued)

	December 31			
	2009		2008	
	Amount	% of Owner- ship	Amount	% of Owner- ship
Sunplus mMedia Inc.	\$ -	-	\$ 708,757	78
Goldkey Technology Corp.	-	-	<u>16,584</u>	12
	<u>\$ 7,844,428</u>		<u>\$ 7,090,528</u>	
Credit balance on carrying value of long-term investments (recorded as other current liabilities)				
Sunplus mMobile Inc.	\$ 581,110	91	\$ 141,111	91
Sunplus Core technology Co., Ltd.	66,748	57	-	-
Sunplus mMedia Inc.	<u>7,390</u>	83	<u>-</u>	-
	<u>\$ 655,248</u>		<u>\$ 141,111</u>	

(Concluded)

As of December 31, 2008, the Company and its subsidiaries collectively owned 25% of Goldkey Technology Corp., Ltd. Thus, this investment was accounted for by the equity method. In March 2009, the Company and its subsidiaries sold the shares of Goldkey Technology Corp.

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

	December 31, 2009		
	Balance, Beginning of Year	Increase	Balance, End of Year
Goodwill	<u>\$ 155,506</u>	<u>\$ 12,656</u>	<u>\$ 168,162</u>

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

In their meeting on March 10, 2009, the shareholder's meeting of Sunplus mMobile Inc. (SmM) approved the spin-off of its communication business unit (BU) by decreasing SmM's capital to establish HT mMobile Inc. ("HT mMobile"). The carrying value of this BU was \$189,867 thousand. SmM's shareholders of Sunplus mMobile will own HT mMobile in the same proportion of their ownership of SmM. Thus, the Company obtained 91% of HT mMobile. As of December 31, 2009, the Company owned 30% of HT mMobile.

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

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

The consolidated financial statements as of and for the years ended December 31, 2009 and 2008 had included all subsidiaries.

The financial statements used as basis for calculating the carrying values of the equity-method investments and the related investment gains and losses in 2009 and 2008 had all been audited, except those of Global Techplus Inc. and Sunplus Management Consulting Inc.. The Company's management believed that had the financial statements of these two investees been audited, there would have been no material effect on the Company's financial statements. The investment incomes (losses) of investees were as follows:

	Years Ended December 31	
	2009	2008
Giantplus Technology Co., Ltd.	\$ (80,621)	\$ 57,999
Orise Technology Co., Ltd.	154,599	146,333
Lin Shih Investment Co., Ltd.	69,689	27,884
Sunplus Venture Capital Co., Ltd.	3,126	91,518
Generalplus Technology Inc.	89,550	78,265
Sunext Technology Co., Ltd.	214,210	43,617
Sunplus Innovation Technology Inc.	18,805	57,835
Ventureplus Group Inc.	79,184	(125,214)
Russell Holdings Limited	(29,275)	(58,672)
HT mMobile Inc.	(365,299)	-
iCatch Technology, Inc.	2,102	-
Waveplus Technology Co., Ltd.	4,015	(2,813)
Wei-Young Investment Inc.	187	191
Global Techplus Capital Inc.	(285)	1,486
Sunplus Technology (H.K.) Co., Ltd.	(75)	8,864
Sunplus Management Consulting Inc.	(49)	(30)
Sunplus Core Technology Co., Ltd.	(84,605)	(63,001)
Sunplus mMedia Inc.	(270,042)	(28,867)
Goldkey Technology Corp.	312	4,145
Sunplus mMobile Inc.	<u>(264,911)</u>	<u>(1,169,111)</u>
	<u>\$ (459,383)</u>	<u>\$ (929,571)</u>

Fair values of listed equity-method investments calculated at their closing prices as of December 31, 2009 and 2008 were as follows:

	December 31	
	2009	2008
Orise Technology Co., Ltd.	\$ 4,822,866	\$ 1,665,279
Giantplus Technology Co., Ltd.	<u>1,790,387</u>	<u>888,845</u>
	<u>\$ 6,613,253</u>	<u>\$ 2,554,124</u>

10. FINANCIAL ASSETS CARRIED AT COST

	December 31	
	2009	2008
Unlisted domestic stocks	<u>\$ 35,556</u>	<u>\$ 35,556</u>

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

11. PROPERTIES

Year Ended December 31, 2009								
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<u>Cost</u>								
Balance, beginning of year	\$ 688,983	\$ 184,963	\$ 414,508	\$ 373,482	\$ 2,463	\$ 123,058	\$ 459	\$ 1,787,916
Increase	-	2,884	25,491	7,015	-	1,058	-	36,448
Decrease	-	1,483	9,673	12,039	-	24,188	370	47,753
Reclassification	106,700	-	-	-	-	-	-	106,700
Balance, end of year	<u>795,683</u>	<u>186,364</u>	<u>430,326</u>	<u>368,458</u>	<u>2,463</u>	<u>99,928</u>	<u>89</u>	<u>1,883,311</u>
<u>Accumulated depreciation</u>								
Balance, beginning of year	113,447	141,393	316,522	276,980	2,186	100,636	426	951,590
Depreciation	15,246	9,053	43,065	41,104	138	10,202	7	118,815
Decrease	-	1,409	9,384	10,531	-	23,560	345	45,229
Reclassification	14,508	-	-	-	-	-	-	14,508
Balance, end of year	<u>143,201</u>	<u>149,037</u>	<u>350,203</u>	<u>307,553</u>	<u>2,324</u>	<u>87,278</u>	<u>88</u>	<u>1,039,684</u>
Balance, end of year, net	<u>\$ 652,482</u>	<u>\$ 37,327</u>	<u>\$ 80,123</u>	<u>\$ 60,905</u>	<u>\$ 139</u>	<u>\$ 12,560</u>	<u>\$ 1</u>	<u>\$ 843,627</u>

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

Year Ended December 31, 2008								
	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<u>Cost</u>								
Balance, beginning of year	\$ 688,983	\$ 179,140	\$ 378,667	\$ 402,639	\$ 5,573	\$ 128,706	\$ 459	\$ 1,784,167
Increase	-	5,823	35,948	37,933	-	2,775	-	82,479
Decrease	-	-	107	6,522	3,110	5,213	-	14,952
Reclassification	-	-	-	(60,568)	-	(3,210)	-	(63,778)
Balance, end of year	<u>688,983</u>	<u>184,963</u>	<u>414,508</u>	<u>373,482</u>	<u>2,463</u>	<u>123,058</u>	<u>459</u>	<u>1,787,916</u>
<u>Accumulated depreciation</u>								
Balance, beginning of year	104,528	127,925	262,980	249,336	5,101	93,769	394	844,033
Depreciation	20,161	13,468	53,645	49,348	195	13,075	32	149,924
Decrease	-	-	103	5,515	3,110	5,018	-	13,746
Reclassification	(11,242)	-	-	(16,189)	-	(1,190)	-	(28,621)
Balance, end of year	<u>113,447</u>	<u>141,393</u>	<u>316,522</u>	<u>276,980</u>	<u>2,186</u>	<u>100,636</u>	<u>426</u>	<u>951,590</u>
Balance, end of year, net	<u>\$ 575,536</u>	<u>\$ 43,570</u>	<u>\$ 97,986</u>	<u>\$ 96,502</u>	<u>\$ 277</u>	<u>\$ 22,422</u>	<u>\$ 33</u>	<u>\$ 836,326</u>

12. INTANGIBLE ASSETS

Year Ended December 31, 2009			
	Technology License Fee	Patents	Total
<u>Cost</u>			
Balance, beginning of year	\$ 2,629,091	\$ 97,849	\$ 2,726,940
Increase	20,943	-	20,943
Decrease	2,000	-	2,000
Balance, end of year	<u>2,648,034</u>	<u>97,849</u>	<u>2,745,883</u>
<u>Accumulated amortization</u>			
Balance, beginning of year	2,143,411	31,742	2,175,153
Amortization expense	248,555	5,419	253,974
Decrease	2,000	-	2,000
Balance, end of year	<u>2,389,966</u>	<u>37,161</u>	<u>2,427,127</u>
	<u>\$ 258,068</u>	<u>\$ 60,688</u>	<u>\$ 318,756</u>

	Year Ended December 31, 2008		
	Technology License Fee	Patents	Total
<u>Cost</u>			
Balance, beginning of year	\$ 2,576,007	\$ 97,849	\$ 2,673,856
Increase	<u>53,084</u>	<u>-</u>	<u>53,084</u>
Balance, end of year	<u>2,629,091</u>	<u>97,849</u>	<u>2,726,940</u>
<u>Accumulated amortization</u>			
Balance, beginning of year	1,805,759	26,198	1,831,957
Amortization expense	<u>337,652</u>	<u>5,544</u>	<u>343,196</u>
Balance, end of year	<u>2,143,411</u>	<u>31,742</u>	<u>2,175,153</u>
	<u>\$ 485,680</u>	<u>\$ 66,107</u>	<u>\$ 551,787</u>

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

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

13. DEFERRED CHARGES AND OTHERS

	December 31	
	2009	2008
Software and system design, net	\$ 152,352	\$ 242,946
Golf club membership fees	7,800	7,800
Refundable deposits	<u>1,163</u>	<u>1,462</u>
	<u>\$ 161,315</u>	<u>\$ 252,208</u>

14. SHORT-TERM LOANS

	December 31, 2008
Working capital loans - US\$4,500 thousand; annual interest rate from 1.81%- 3.24% in 2008	<u>\$ 647,600</u>

15. LONG-TERM DEBT

	December 31, 2009
Medium - to long-term credit bank loans:	
Repayable quarterly from February 2010 to February 2012 in installments; annual floating-rate interest - 1.4232% in 2009	\$ 820,000
Repayable semi-annually from February 2009 to February 2012 in installments; annual floating-rate interest - 2.2100% in 2009	120,000
Repayable quarterly from April 2010 to April 2012 in installments; annual floating-rate interest 1.4232% in 2009	30,000
Medium - to long-term secured loans:	
Repayable semi-annually from March 2010 to March 2014 in installments; annual floating-rate interest - 1.805% in 2009	700,000
Repayable semi-annually from February 2009 to February 2012 in installments; annual floating-rate interest - 2.2100% in 2009	<u>120,000</u>
	1,790,000
Deduct: Current portion	<u>532,500</u>
	<u>\$ 1,257,500</u>

Based on the loan contracts, the Company provided buildings and shares of Giantplus Technology Co., Ltd. and Orise Technology Co., Ltd. as collaterals for the above loans (Note 24). The loan contracts contain financial covenants which require the Company to maintain certain financial ratios (debt ratio, current ratio, times interest-earned ratio and financing provided) on the basis of semi-annual and annual consolidated financial statements. However, the violation of the limitation on the ratios is not deemed to be the violation of the contracts. The financial ratios of consolidated financial statements for the year ended December 31, 2009 had met the requirement of loan contracts.

16. PENSION PLAN

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Such pension costs were \$29,401 thousand and \$30,192 thousand for the years ended December 31, 2009 and 2008, respectively.

Before the promulgation of the Act, the Company has had a defined benefit pension plan under the Labor Standards Law. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension plan provides benefits based on the length of service and the average basic salary of the employee's final year of service. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. The fund is deposited in the committee's name in the Bank of Taiwan as the survivor entity. The Company recognized pension costs of \$2,257 thousand and \$3,643 thousand for the years ended December 31, 2009 and 2008, respectively.

Defined benefit pension fund balances were \$111,551 thousand and \$103,810 thousand as of December 31, 2009 and 2008, respectively.

Other information on the defined benefit pension plan is as follows:

a. Components of net pension costs

	Years Ended December 31	
	2009	2008
Service costs	\$ 2,284	\$ 2,713
Interest costs	3,295	4,060
Projected return on plan assets	(2,728)	(2,990)
Amortization	<u>(594)</u>	<u>(140)</u>
Net pension costs	<u>\$ 2,257</u>	<u>\$ 3,643</u>

b. Reconciliation of the fund status of the plan and accrued pension costs

	December 31	
	2009	2008
Benefit obligation		
Vested benefit obligation	\$ -	\$ -
Non-vested benefit obligation	<u>54,932</u>	<u>47,466</u>
Accumulated benefit obligation	54,932	47,466
Additional benefits based on future salaries	<u>89,033</u>	<u>84,322</u>
Projected benefit obligation	143,965	131,788
Fair value of plan assets	<u>(112,270)</u>	<u>(106,100)</u>
Funded status	31,695	25,688
Unrecognized net transition obligation	(1,856)	(2,347)
Unrecognized net gain	<u>27,362</u>	<u>37,054</u>
Accrued pension liability	<u>\$ 57,201</u>	<u>\$ 60,395</u>
Vested benefit	<u>\$ -</u>	<u>\$ -</u>

c. Actuarial assumptions

	Years Ended December 31	
	2009	2008
Discount rate used in determining present values	2.00%	2.50%
Future salary increase rate	5.50%	6.00%
Expected rate of return on plan assets	2.00%	2.50%

17. SHAREHOLDERS' EQUITY

a. Employee stock option plan

On March 6, 2003 (2003 option plan) and September 11, 2007 (2007 option plan), the Securities and Futures Bureau approved the Company's adoption of an employee stock option plan. The plan provides for the grant of 30,000 thousand options and 25,000 thousand options in 2003 and 2007 plan, respectively, with each unit representing one common share. The option rights are granted to qualified employees of the Company and subsidiaries. A total of 55,000 thousand common shares have been reserved for issuance. The options are valid for six years and exercisable at certain percentages after the second anniversary of the grant date. Stock option rights are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Stock Exchange on the grant date. If the Company's paid-in-capital changes, the exercise price is adjusted accordingly. All options had been granted or canceled as of December 31, 2009.

Outstanding option rights were as follows:

	2003 Option Plan			
	2009		2008	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	5,082	\$40.31	5,154	\$47.07
Options issued	-	-	243	40.34
Options exercised	-	-	(179)	32.70
Options canceled	<u>(5,082)</u>	-	<u>(136)</u>	-
Ending outstanding balance	<u>-</u>		<u>5,082</u>	

	2007 Option Plan			
	2009		2008	
	Unit (In Thousands)	Weighted- average Price (NT\$)	Unit (In Thousands)	Weighted- average Price (NT\$)
Beginning outstanding balance	24,646	\$40.52	25,000	\$47.58
Options granted	-	-	-	-
Options issued	-	-	1,209	40.52
Options canceled	<u>(1,788)</u>	-	<u>(1,563)</u>	-
Ending outstanding balance	<u>22,858</u>		<u>24,646</u>	

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

As of December 31, 2009, the outstanding and exercisable options were as follows:

	2007 Option Plan				
	Options Outstanding			Options Exercisable	
	Number of Options (In Thousands)	Weighted- average Remaining Contractual Life (Years)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Exercise Price (NT\$)					
\$ 40.40	16,558	3.87	\$40.40	-	\$40.40
40.90	6,300	3.99	40.90	-	40.90

The pro forma information for the years ended December 31, 2009 and 2008 assuming employee stock options granted before December 31, 2007 were accounted for under SFAS No. 39 is as follows:

	Years Ended December 31	
	2009	2008
Net income (loss)		
Net income as reported	<u>\$ 381,515</u>	<u>\$ 8,383</u>
Pro forma net income (loss)	<u>\$ 192,295</u>	<u>\$ (253,942)</u>
Earnings (loss) per share (E/LPS; in New Taiwan dollars)		
Basic EPS as reported	<u>\$ 0.64</u>	<u>\$ 0.01</u>
Pro forma basic E/LPS	<u>\$ 0.32</u>	<u>\$ (0.43)</u>
Diluted EPS as reported	<u>\$ 0.64</u>	<u>\$ 0.01</u>
Pro forma diluted E/LPS	<u>\$ 0.32</u>	<u>\$ (0.43)</u>

b. Global depositary receipts

In March 2001, the Company issued 20,000 thousand units of Global Depositary Receipts (GDRs), representing 40,000 thousand common shares consisting of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (code: SUPD) with an issuance price of US\$9.57 per unit. As of December 31, 2009, the outstanding 275 thousand units of GDRs represented 550 thousand common shares.

c. Capital surplus

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

d. Appropriation of earnings and dividends

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

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

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

The Company should estimate the bonus to employees and remuneration to directors and supervisors based on related laws and past experience. However, to retain the working capital, the bonus to employees and remuneration to directors and supervisors is zero for the year ended December 31, 2009. And for the year ended December 31, 2008, based on the Company's Articles of Incorporation, the bonus and remuneration should be appropriated only when there is remaining income after the appropriation of dividends. Thus, the Company did not accrue any bonus and remuneration expenses. Material differences between earlier estimates of bonuses and remuneration and the amounts subsequently proposed by the Board of Directors are adjusted for in the current year. If the actual amounts approved by the shareholders differ from the board of directors' proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate.

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

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

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

The appropriations of the 2008 and 2007 earnings were approved at the shareholders' meetings (which is corresponding to Board Of Directors meeting) on April 30, 2009 and June 13, 2008, respectively. The appropriations, including dividends, were as follows:

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

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

Unrealized gain or loss on financial instruments

For the years ended December 31, 2009 and 2008, the movements of unrealized gain or loss on financial instruments were as follows:

	Available- for-sale Financial Assets	Equity- method Investments	Total
<u>Year ended December 31, 2009</u>			
Balance, beginning of year	\$ (438,577)	\$ (123,389)	\$ (561,966)
Recognized in shareholders' equity	<u>125,505</u>	<u>552,910</u>	<u>678,415</u>
Balance, end of year	<u>\$ (313,072)</u>	<u>\$ 429,521</u>	<u>\$ 116,449</u>
<u>Year ended December 31, 2008</u>			
Balance, beginning of year	\$ (160,003)	\$ 345,418	\$ 185,415
Sales for the year	(122,842)	-	(122,842)
Recognized in shareholders' equity	<u>(155,732)</u>	<u>(468,807)</u>	<u>(624,539)</u>
Balance, end of year	<u>\$ (438,577)</u>	<u>\$ (123,389)</u>	<u>\$ (561,966)</u>

18. TREASURY STOCK (COMMON STOCK)

(Units: Shares in Thousands)

Purpose of Purchase	Beginning Shares	Increase	Decrease	Ending Shares
<u>2009</u>				
Company stocks held by subsidiaries	3,560	-	-	3,560
For subsequent transfer to employees	<u>1,293</u>	<u>6,629</u>	<u>(7,922)</u>	<u>-</u>
	<u>4,853</u>	<u>6,629</u>	<u>(7,922)</u>	<u>3,560</u>
<u>2008</u>				
Company stocks held by subsidiaries	3,390	170	-	3,560
For subsequent transfer to employees	<u>1,293</u>	<u>-</u>	<u>-</u>	<u>1,293</u>
	<u>4,683</u>	<u>170</u>	<u>-</u>	<u>4,853</u>

Starting from January 2002, the Company accounted for its issued shares amounting to \$95,605 thousand held by a subsidiary, Lin Shih Investment Co., Ltd. as treasury stock. As of December 31, 2009 and 2008, the book values of these stocks were \$63,401 thousand and \$63,401 thousand, and the market values of these stocks were \$124,422 thousand and \$46,814 thousand, respectively.

Under the Securities and Exchange Act, the Company should neither pledge treasury stock nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The Company had retired all the treasury stock on February 19, 2009 and had completed the related registration of the change in the number of its issued shares. On June 25, 2009, the Board of Directors approved a share buyback plan to repurchase the Company's common shares up to 20,000 thousand shares between June 26, 2009 and August 25, 2009, with the buyback price ranging from NT\$11.50 to NT\$17.50. As of December 31, 2009, the Company had bought back 6,629 thousand shares for \$114,385 thousand. On October 6, 2009, the Board of Directors approved to assign the 6,629 thousand shares of treasury stock to employees. The subsidiaries holding treasury stock; however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

19. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Years Ended December 31					
	2009			2008		
	Classified as Cost of Sales	Classified as Operating Expense	Total	Classified as Cost of Sales	Classified as Operating Expense	Total
Labor cost						
Salary	\$ 72,285	\$ 765,093	\$ 837,378	\$ 56,733	\$ 600,046	\$ 656,779
Labor/health insurance	4,430	34,364	38,794	4,458	34,297	38,755
Pension	3,328	28,330	31,658	3,645	30,190	33,835
Welfare benefit	1,977	13,112	15,089	1,970	12,294	14,264
Meal	1,595	10,165	11,760	1,714	10,634	12,348
	<u>\$ 83,615</u>	<u>\$ 851,064</u>	<u>\$ 934,679</u>	<u>\$ 68,520</u>	<u>\$ 687,461</u>	<u>\$ 755,981</u>
Depreciation	<u>\$ 46,717</u>	<u>\$ 72,098</u>	<u>\$ 118,815</u>	<u>\$ 57,853</u>	<u>\$ 86,451</u>	<u>\$ 144,304</u>
Amortization	<u>\$ 1,943</u>	<u>\$ 438,853</u>	<u>\$ 440,796</u>	<u>\$ 6,638</u>	<u>\$ 573,441</u>	<u>\$ 580,079</u>

20. INCOME TAX

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

	2009	2008
Income tax expense on income before income tax at statutory rate	\$ 174,406	\$ 39,996
Tax effects of adjustments:		
Permanent differences	(321,359)	155,250
Temporary differences	6,261	18,218
Tax effects of consolidation income tax filing	<u>(68,235)</u>	<u>(203,660)</u>
Income tax expense before tax credits	<u>\$ (208,927)</u>	<u>\$ 9,804</u>

- b. Income tax expense consisted of the following:

	2009	2008
Income tax expense before tax credits	\$ -	\$ 9,804
Net change in deferred income tax assets	315,975	68,720
Adjustment of prior years' income tax expense	173	54,676
Additional income tax under the Alternative Minimum Tax Act	<u>-</u>	<u>18,441</u>
	<u>\$ 316,148</u>	<u>\$ 151,641</u>

c. Deferred income tax assets were as follows:

	December 31	
	2009	2008
Current:		
Investment tax credits	\$ 414,927	\$ 299,193
Temporary differences	1,528	7,947
Deduct: Valuation allowance	<u>343,348</u>	<u>140,981</u>
	<u>\$ 73,107</u>	<u>\$ 166,159</u>
Noncurrent:		
Investment tax credits	\$ 726,969	\$ 939,119
Loss carryforwards	167,134	-
Temporary differences	9,636	17,063
Deduct: Valuation allowance	<u>369,755</u>	<u>199,275</u>
	<u>\$ 533,984</u>	<u>\$ 756,907</u>

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

As of December 31, 2009, loss carryforwards and investment tax credits were as follows (recorded as deferred tax assets) :

Regulatory Basis of Tax Credits	Items	Total Creditable Amounts	Remaining Creditable Amounts	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	\$ 3,606	\$ -	2009
		<u>1,005</u>	<u>1,005</u>	2011
		<u>\$ 4,611</u>	<u>\$ 1,005</u>	
Statute for Upgrading Industries	Research and development expenditures	\$ 295,551	\$ -	2009
		414,927	414,927	2010
		257,812	257,812	2011
		264,711	264,711	2012
		<u>203,441</u>	<u>203,441</u>	2013
		<u>\$ 1,436,442</u>	<u>\$ 1,140,891</u>	
Income Tax Law	Loss carryforwards	<u>\$ 167,134</u>	<u>\$ 167,134</u>	2019

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

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

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

e. Integrated income tax information is as follows:

	December 31	
	2009	2008
Shareholders' imputation credit account	<u>\$ 189,896</u>	<u>\$ 74,942</u>
Unappropriated earnings until 1997	<u>\$ 452,310</u>	<u>\$ 452,310</u>

The expected and actual creditable tax ratios for the 2009 and 2008 earnings were 17.41% and 6.77%, respectively

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

21. EARNINGS PER SHARE

The numerators and denominators used in computing earnings per share (EPS) were as follows:

	Amounts (Numerator)		Share (Denominator) (In Thousands)	EPS (Dollars)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>2009</u>					
Net income	<u>\$ 697,663</u>	<u>\$ 381,515</u>			
Basic EPS					
Income of common shareholders	\$ 697,663	\$ 381,515	591,750	<u>\$ 1.18</u>	<u>\$ 0.64</u>
Effect of dilutive securities					
Stock options	-	-	-		
Diluted EPS					
Income of common and potential common shareholders	<u>\$ 697,663</u>	<u>\$ 381,515</u>	<u>591,750</u>	<u>\$ 1.18</u>	<u>\$ 0.64</u>
<u>2008</u>					
Net income	<u>\$ 160,024</u>	<u>\$ 8,383</u>			
Basic EPS					
Income of common shareholders	\$ 160,024	\$ 8,383	593,326	<u>\$ 0.27</u>	<u>\$ 0.01</u>
Effect of dilutive securities					
Stock options	-	-	4		
Diluted EPS					
Income of common and potential common shareholders	<u>\$ 160,024</u>	<u>\$ 8,383</u>	<u>593,330</u>	<u>\$ 0.27</u>	<u>\$ 0.01</u>

The employee stock option stated in Note 17 represents potential common stock. Thus, the Company tested the effects of employee stock options by the treasury method in accordance with Statement of Financial Accounting Standards No. 24 - "Earnings Per Share". The test showed the stock options were anti-dilutive for the year ended December 31, 2009. As a result, the potential common shares were excluded from the calculation of diluted EPS.

22. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	December 31			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 162,122	\$ 162,122
Available-for-sale financial assets (current and noncurrent)	2,296,417	2,296,417	348,656	348,656
Financial assets carried at cost	35,556	-	35,556	-
Liability				
Long-term debt (including current portion)	1,790,000	1,790,000	-	-

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

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

c. Gains recognized for the changes in fair value of financial instruments using valuation techniques were \$6,528 thousand and \$26,806 thousand for the years ended December 31, 2009 and 2008.

- d. As of December 31, 2009 and 2008, financial assets exposed to cash flow interest rate risk were \$265,047 thousand and \$626,455 thousand, respectively; financial assets exposed to fair value interest rate risk were \$1,312,850 thousand and \$448,000 thousand, respectively. As of December 31, 2009, financial liabilities exposed to cash flow interest rate risk were \$1,790,000 thousand. As of December 31, 2008, financial liabilities exposed to fair value interest rate risk were \$647,600 thousand.
- e. Interest income arising from the financial assets other than the financial assets at fair value through profit or loss for the years ended December 31, 2009 and 2008 were \$3,216 thousand and \$11,118 thousand, respectively; interest expense arising from the financial assets other than the financial assets at fair value through profit or loss for the years ended December 31, 2009 and 2008 were \$34,112 thousand and \$22,239 thousand, respectively.
- f. Financial risks
 - 1) Market risk. The financial instruments held by the Company are exposed to interest rate, foreign exchange rate and price risks.
 - 2) Credit risk. The Company will incur a loss if the counter-parties or third-parties breach the contracts. Contracts with positive fair values on the balance sheet date are evaluated for credit risk. The counter-parties or third-parties to the foregoing contracts are reputable financial institutions and business organizations. Management believes that the Company's exposure to default by those parties is low.
 - 3) Liquidity risk. Investments in inverse floaters and financial assets carried at cost do not have an active market. Thus, the liquidity risk of these investments is material. On the other hand, held-for-trading and available-for-sale security investments are expected to be settled readily at amounts approximating their fair values in active markets. However, the Company also has some equity-method investments with no quoted market prices in an active market, which are expected to have material liquidity risk.
 - 4) Interest rate risk. As of December 31, 2009, the interest rates of long term debt are floating, which would fluctuate with market interest rates.

23. RELATED-PARTY TRANSACTIONS

The Company's related parties were as follows:

- a. Giantplus Technology Co., Ltd. ("Giantplus") - equity-method investee
- b. Waveplus Technology Co., Ltd. ("Waveplus") - equity-method investee
- c. Sunext Technology Co., Ltd. ("Sunext") - 64% subsidiary
- d. Sunplus Core Technology Co., Ltd. ("Sunplus Core") - 57% subsidiary
- e. Generalplus Technology Inc. ("Generalplus") - equity-method investee
- f. Coolsand Technologies SARL ("Coolsand") - equity-method investee of Russell Holding Ltd.
- g. Synerchip Technology Co., Ltd. ("Synerchip Technology") - financial assets carried at cost of Russell Holding Ltd. (Note)
- h. Sunplus Innovation Technology Inc. ("Sunplus Innovation") - 81% subsidiary
- i. Sunplus mMobile Inc. ("Sunplus mMobile") - 91% subsidiary

- j. HT mMobile Inc. (“HT mMobile”) - equity-method investee
- k. Sunplus Technology (H.K.) Co., Ltd. (“Sunplus H.K.”) - 100% subsidiary
- l. Orise Technology Co., Ltd. (“Orise”) - equity-method investee
- m. Sunplus mMedia Inc. (“Sunplus mMedia”) - 83% subsidiary
- n. iCatch Technology, Inc. (“iCatch”) - 83% subsidiary
- o. Sunplus Technology (Shanghai) Co., Ltd. (“Sunplus Shanghai”) - 99% indirect subsidiary
- p. Sunplus Prof-tek (Shenzhen) Co., Ltd. (“Sunplus Prof-tek”) - 100% indirect subsidiary
- q. SunMedia Technology Co., Ltd. (“SunMedia”) - 100% indirect subsidiary
- r. Sunplus mMobile Limited - 100% indirect subsidiary
- s. Others - please refer to Note 27 for related parties that did not have business transactions with the Company in the current period.

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

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

	Years Ended December 31			
	2009		2008	
	Amount	%	Amount	%
Sales				
Sunplus mMedia	\$ 42,384	1	\$ 59,323	1
Orise	34,922	1	74,271	1
Generalplus	15,410	-	27,509	1
Sunplus Core	12,525	-	3,346	-
HT mMobile	12,308	-	-	-
Sunplus Innovation	7,527	-	13,063	-
Waveplus	6,090	-	248	-
Sunext	4,076	-	23,979	1
Sunplus mMobile	3,327	-	16,768	-
iCatch	769	-	-	-
Synerchip Technology	430	-	5,432	-
Coolsand	-	-	20,973	-
	<u>\$ 139,768</u>	<u>2</u>	<u>\$ 244,912</u>	<u>4</u>

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

	Years Ended December 31			
	2009		2008	
	Amount	%	Amount	%
Operating expense				
Sunplus Prof-tek	\$ 29,063	1	\$ 61,296	3
SunMedia	15,593	1	5,755	-
Sunplus Shanghai	9,755	1	21,218	1
Sunplus Core	6,333		8,109	1
Sunplus H.K.	2,298	-	3,131	-
Sunext	-	-	1,310	-
Others	<u>244</u>	<u>-</u>	<u>184</u>	<u>-</u>
	<u>\$ 63,286</u>	<u>3</u>	<u>\$ 101,003</u>	<u>5</u>

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

	Years Ended December 31			
	2009		2008	
	Amount	%	Amount	%
Nonoperating income and gains				
Sunplus mMedia	\$ 49,296	7	\$ 82,908	12
HT mMobile	39,551	6	-	-
Sunplus mMobile	13,554	2	60,008	8
Sunplus Core	10,093	2	9,398	1
Generalplus	5,066	1	8,052	1
Sunplus Innovation	4,798	1	7,431	1
Orise	2,613	-	4,787	1
iCatch	1,667	-	-	-
Sunext	1,346		7,529	1
Synerchip Technology	108	-	273	-
Waveplus	11	-	550	-
Giantplus	<u>-</u>	<u>-</u>	<u>1,447</u>	<u>-</u>
	<u>\$ 128,103</u>	<u>19</u>	<u>\$ 182,383</u>	<u>25</u>

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

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

	December 31			
	2009		2008	
	Amount	%	Amount	%
Accounts receivable:				
Orise	\$ 4,770	-	\$ 7,880	2
HT mMobile	2,411	-	-	-
Generalplus	1,682	-	2,380	1
Sunplus mMedia	1,002	-	5,059	1
iCatch	807	-	-	-
Sunplus Innovation	579	-	1,179	-
Sunext	360	-	445	-
Sunplus Core	59	-	225	-
Sunplus mMobile	-	-	1,644	-
Waveplus	-	-	264	-
Synerchip Technology	-	-	72	-
	<u>\$ 11,670</u>	<u>-</u>	<u>\$ 19,148</u>	<u>4</u>
Other receivables				
Sunplus mMobile	\$ 60,000	25	\$ 4,601	4
HT mMobile	13,992	6	-	-
iCatch	1,667	1	-	-
Sunplus Core	615	-	771	-
Generalplus	419	-	327	-
Sunplus Innovation	361	-	376	-
Sunext	251	-	143	-
Orise	161	-	263	-
Sunplus mMedia	12	-	5,596	4
Waveplus	1	-	3	-
Synerchip Technology	-	-	46	-
	<u>\$ 77,479</u>	<u>32</u>	<u>\$ 12,126</u>	<u>8</u>

For the year ended December 31, 2009, the Company provided financing to Sunplus mMobile, as follows:

	Year Ended December 31, 2009			
	Maximum Balance	Ending Balance	Interest Rate	Interest Income
Sunplus mMobile	<u>\$ 60,000</u>	<u>\$ 60,000</u>	The highest short-term loan interest rate borrowing from financial institution (1.2% in 2009)	<u>\$ 13</u>
			December 31	
			2009	2008
			Amount	Amount
			%	%
Accrued expenses				
Sunplus mMedia	\$ 544	-	\$ -	-
Sunplus Core	414	-	-	-
	<u>\$ 958</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

	December 31			
	2009		2008	
	Amount	%	Amount	%
Deferred royalty income (current and noncurrent)				
Sunplus Core	\$ 37,600	86	\$ 47,200	93
Generalplus	5,793	13	-	-
Orise	183	-	1,282	2
Sunext	<u>-</u>	<u>-</u>	<u>1,729</u>	<u>4</u>
	<u>\$ 43,576</u>	<u>99</u>	<u>\$ 50,211</u>	<u>99</u>

	December 31			
	2009		2008	
	Amount	%	Amount	%
Endorsement/guarantee provided				
Sunplus mMobile	\$ 940,000		\$ 577,293	
Sunplus Core	293,192		60,000	
Sunplus Shanghai	231,800		306,000	
Sunext	134,459		630,000	
HT mMobile	30,000		-	
Sunplus mMedia	24,082		227,000	
Waveplus	20,000		20,000	
Generalplus	15,614		30,000	
Orise	10,193		-	
Sunplus Innovation	9,562		130,000	
Synerchip Technology	<u>-</u>		<u>10,000</u>	
	<u>\$ 1,708,902</u>		<u>\$ 1,990,293</u>	

	Years Ended December 31			
	2009		2008	
	Amount	%	Amount	%
Properties and intangible assets				
Proceeds of the disposal of properties:				
HT mMobile	\$ 1,070	48	-	-
Sunplus mMobile	61	3	74	5
Sunplus mMedia	21	1	28	2
Orise	17	-	-	-
Sunplus Core	6	-	55	4
Sunplus mMobile Limited	-	-	700	51
Sunplus Innovation	<u>-</u>	<u>-</u>	<u>11</u>	<u>1</u>
	<u>\$ 1,175</u>	<u>52</u>	<u>\$ 868</u>	<u>63</u>
Acquisition of fixed assets:				
Sunplus Innovation	\$ -	-	\$ 200	-
Sunplus mMedia	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>
	<u>\$ -</u>	<u>-</u>	<u>\$ 215</u>	<u>-</u>

Compensation of directors, supervisors and management personnel:

	Years Ended December 31	
	2009	2008
Salaries and incentives	\$ 23,312	\$ 29,356
Special compensation	<u>327</u>	<u>138</u>
	<u>\$ 23,639</u>	<u>\$ 29,494</u>

24. MORTGAGED OR PLEDGED ASSETS

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

	December 31, 2009
Giantplus stocks	\$ 838,318
Orise stocks	276,779
Buildings, net (including assets leased to others)	<u>792,156</u>
	<u>\$ 1,907,253</u>

25. SIGNIFICANT LONG-TERM OPERATING LEASES

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

Future annual minimum rentals under the leases are as follows:

Year	Amount
2010	\$ 7,862
2011	7,862
2012	7,862
2013	7,862
2014	7,862
2015 and thereafter	<u>32,695</u>
	<u>\$ 72,005</u>

26. GAIN ON SETTLEMENT COMPENSATION

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

27. ADDITIONAL DISCLOSURES

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

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

28. SEGMENT INFORMATION

- a. Industry: The Company only manufactures and sells value-added consumer integrated circuits (ICs).
- b. Geographic information: Not applicable.
- c. Export sales:

Area	Years Ended December 31	
	2009	2008
Southeast Asia	\$ 6,541,273	\$ 4,953,791
Others	<u>64,862</u>	<u>516,704</u>
	<u>\$ 6,606,135</u>	<u>\$ 5,470,495</u>

- d. Sales to customer representing at least 10% of net sales:

Customer	Years Ended December 31			
	2009		2008	
	Amount	%	Amount	%
A	\$ 2,269,016	31	\$ 1,672,714	27
B	1,845,278	25	1,417,376	23
C	755,900	10	209,837	3

SUNPLUS TECHNOLOGY COMPANY LIMITED

ENDORSEMENT/GUARANTEE PROVIDED

YEAR ENDED DECEMBER 31, 2009

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

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/Guarantee Amounts Allowable
		Name	Nature of Relationship						
0	Sunplus Technology Company Limited	Sunplus mMobile Inc.	91% subsidiary	\$ 1,231,057 (Note 1)	\$ 970,000	\$ 940,000	\$ -	7.63%	\$ 2,462,114 (Note 2)
		Sunplus Core Technology Co., Ltd.	57% subsidiary	1,231,057 (Note 1)	293,192	293,192	-	2.38%	2,462,114 (Note 2)
		Sunplus Technology (Shanghai) Co., Ltd.	99% indirect subsidiary	1,231,057 (Note 1)	319,800	231,800	-	1.88%	2,462,114 (Note 2)
		Sunext Technology Co., Ltd.	64% subsidiary	1,231,057 (Note 1)	630,000	134,459	-	1.09%	2,462,114 (Note 2)
		HT mMobile Inc.	Equity-method investee	1,231,057 (Note 1)	209,663	30,000	-	0.24%	2,462,114 (Note 2)
		Sunplus mMedia Inc.	83% subsidiary	1,231,057 (Note 1)	227,000	24,082	-	0.20%	2,462,114 (Note 2)
		Waveplus Technology Co., Ltd.	Equity-method investee	1,231,057 (Note 1)	20,000	20,000	-	0.16%	2,462,114 (Note 2)
		Generalplus Technology Inc.	Equity-method investee	1,231,057 (Note 1)	30,000	15,614	-	0.13%	2,462,114 (Note 2)
		Orise Technology Co., Ltd.	Equity-method investee	1,231,057 (Note 1)	10,193	10,193	-	0.08%	2,462,114 (Note 2)
		Sunplus Innovation Technology Inc.	81% subsidiary	1,231,057 (Note 1)	130,000	9,562	-	0.08%	2,462,114 (Note 2)
		Synerchip Technology Co., Ltd.	Note 3	1,231,057 (Note 1)	10,000	-	-	-	2,462,114 (Note 2)

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

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

Note 3: Russell Holding Limited decreased its equity interest in Synerchip Technology Co., Ltd., thus, it is no longer an equity-method investee.

SUNPLUS TECHNOLOGY COMPANY LIMITED

FINANCINGS PROVIDED

YEAR ENDED DECEMBER 31, 2009

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

No.	Financing Company	Counter-party	Financial Statement Account	Maximum Balance for the Year	Ending Balance	Interest Rate	Type of Financing	Transaction Amount	Reason for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit
											Item	Value		
0	Sunplus Technology Company Limited	Sunplus mMobile Inc.	Other receivables	\$ 60,000	\$ 60,000	Note 3	Note 1	\$ -	Note 2	\$ -	-	\$ -	\$ 615,529 (Note 4)	\$1,231,057 (Note 5)

Note 1: Short-term financing.

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

Note 3: The highest short-term loan interest rate for borrowing from financial institutions (1.2% in 2009).

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

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

TABLE 3

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES HELD

DECEMBER 31, 2009

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

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Technology Company Limited	<u>Stock</u>							
	Giantplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	84,652	\$ 1,774,129	21	\$ 1,774,129	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	60,665	1,119,384	45	1,119,422	Notes 7 and 10
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	19,590	(7,390)	83	125,360	Notes 1, 6 and 8
	Sunplus Venture Capital Co., Ltd.	Equity-method investee	Equity-method investments	100,000	870,703	100	870,703	Note 1
	Lin Shih Investment Co., Ltd.	Equity-method investee	Equity-method investments	70,000	944,771	100	944,771	Notes 1 and 4
	Generalplus Technology Inc	Equity-method investee	Equity-method investments	38,832	680,779	45	680,779	Note 1
	Ventureplus Group Inc.	Equity-method investee	Equity-method investments	24,900	501,021	100	501,021	Note 1
	Russell Holdings Limited	Equity-method investee	Equity-method investments	14,760	420,632	100	424,470	Notes 1 and 9
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	29,762	505,171	81	505,171	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	40,837	557,098	64	415,991	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	8,898	(66,748)	57	(51,543)	Notes 1 and 6
	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	1,302	20,911	41	20,911	Note 1
	Global Techplus Capital Inc.	Equity-method investee	Equity-method investments	200	7,382	100	7,382	Note 1
	Wei-Young Investment Inc.	Equity-method investee	Equity-method investments	1,400	10,047	100	10,047	Note 1
	Sunplus Technology (H.K.) Co., Ltd.	Equity-method investee	Equity-method investments	11,075	4,626	100	4,626	Note 1
	Sunplus Management Consulting Inc.	Equity-method investee	Equity-method investments	500	4,145	100	4,145	Note 1
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	54,545	(581,110)	91	(566,664)	Notes 1 and 6
	HT mMobile Inc.	Equity-method investee	Equity-method investments	37,261	214,182	30	214,182	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	20,735	209,447	83	209,447	Note 1
	Global View Co., Ltd.	The Company's supervisor	Available-for-sale financial assets	13,568	203,515	12	203,515	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	5,000	43,996	-	43,996	Note 3
	United Microelectronics Corp.	-	Available-for-sale financial assets	1,967	33,843	-	33,843	Note 3
	Technology Partners Venture Capital Corp.	-	Financial assets carried at cost	2,222	22,223	11	22,223	Note 2
	Network Capital Global Fund	-	Financial assets carried at cost	1,333	13,333	7	13,333	Note 2
	<u>Fund</u>							
	Manulife Wan Li Bond Fund	-	Available-for-sale financial assets	1,060	14,018	-	14,018	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	9,476	143,426	-	143,426	Note 5
	ING Taiwan Bond Fund	-	Available-for-sale financial assets	6,412	100,010	-	100,010	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	20,509	299,440	-	299,440	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	1,697	289,216	-	289,216	Note 5
	Fuh-Hwa Yuli Bond Fund	-	Available-for-sale financial assets	7,766	100,069	-	100,069	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	10,514	145,259	-	145,259	Note 5
Polaris De-Bao Fund	-	Available-for-sale financial assets	7,846	90,069	-	90,069	Note 5	
IBT 1699 Bond Fund	-	Available-for-sale financial assets	22,107	285,092	-	285,092	Note 5	
IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	3,471	47,032	-	47,032	Note 5	
Taishin Lucky Fund	-	Available-for-sale financial assets	20,822	221,322	-	221,322	Note 5	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Mega Diamond Bond Fund	-	Available-for-sale financial assets	15,096	\$ 180,106	-	\$ 180,106	Note 5
	UPAMC James Bond Fund	-	Available-for-sale financial assets	3,128	50,003	-	50,003	Note 5
	Cathay Bond Fund	-	Available-for-sale financial assets	4,182	50,001	-	50,001	Note 5
Sunplus mMobile Inc.	Sunplus mMobile SAS	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	237	12,737	100	12,737	Note 1
	Sunplus mMobile Limited	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	1,710	(374)	100	(374)	Notes 1 and 6
	Sunplus mMobile Holding Inc.	Subsidiary of Sunplus mMobile Inc.	Equity-method investments	2,580	(3)	100	(3)	Notes 1 and 6
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Subsidiary of Sunplus mMobile Holding Inc.	Equity-method investments	2,580	US\$ - thousand	100	US\$ - thousand	Note 1
Lin Shih Investment Co., Ltd.	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	807	11,802	25	12,958	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,360	34,265	5	34,265	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	14,154	247,082	16	247,081	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,057	(11,512)	13	(11,915)	Notes 1 and 6
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	1,389	1,387	2	(14,441)	Notes 1 and 6
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	965	9,743	4	9,743	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	439	2,505	-	2,505	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	911	10,777	4	6,692	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	650	10,113	2	10,933	Note 1
	Sunplus Technology Company Limited	Parent company	Available-for-sale financial assets	3,560	124,422	1	124,422	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	5,274	331,209	1	331,209	Note 3
	RITEK Corp.	-	Available-for-sale financial assets	833	7,333	-	7,333	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	136	5,707	-	5,707	Note 3
	Radiant Innovation Inc.	-	Available-for-sale financial assets	2,222	71,562	8	71,562	Note 3
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	4,272	79,643	7	79,643	Note 2
	NCTU Spring Venture Capital Co., Ltd.	-	Financial assets carried at cost	2,000	-	6	-	Note 2
	GemFor Tech. Co., Ltd.	-	Financial assets carried at cost	353	4,007	6	4,007	Note 2
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	426	8,273	2	8,273	Note 2
	WayTech Development Inc.	-	Financial assets carried at cost	1,500	-	5	-	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,295	13,940	9	13,940	Note 2
	Socle Technology Corp.	-	Financial assets carried at cost	250	6,250	-	6,250	Note 2
	Glokie Technology Corp.	-	Financial assets carried at cost	2,300	23,000	14	23,000	Note 2
	Genius Vision Digital Co., Ltd.	-	Financial assets carried at cost	600	6,000	13	6,000	Note 2
	Lingri Technology Co., Ltd.	-	Financial assets carried at cost	304	3,040	19	3,040	Note 2
	Sanjet Technology Corp.	-	Financial assets carried at cost	63	537	-	537	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Russell Holdings Limited	<u>Stock</u> Jet Focus Limited	Equity-method investee	Equity-method investments	4,794	US\$ (350) thousand	44	US\$ (350) thousand	Note 6
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	442	US\$ 2,231 thousand	1	US\$ 142 thousand	Note 1
	Shang-Hai Fudan Microelectronics Company Limited	-	Available-for-sale financial assets	7,280	US\$ 1,502 thousand	-	US\$ 1,502 thousand	Note 3
	Synerchip Co., Ltd.	-	Financial assets carried at cost	4,236	US\$ - thousand	19	US\$ - thousand	Note 2
	InveStar Excelsus Venture Capital (Int'l), Inc., LDC	-	Financial assets carried at cost	-	US\$ - thousand	19	US\$ - thousand	Note 2
	OZ Optics Limited.	-	Financial assets carried at cost	1,000	US\$ 250 thousand	8	US\$ 250 thousand	Note 2
	Aicent, Inc.	-	Financial assets carried at cost	1,000	US\$ 500 thousand	2	US\$ 500 thousand	Note 2
	Ortega Info System, Inc.	-	Financial assets carried at cost	2,557	US\$ - thousand	-	US\$ - thousand	Note 2
	Asia B2B on Line Inc.	-	Financial assets carried at cost	1,000	US\$ - thousand	3	US\$ - thousand	Note 2
	Asia Tech Taiwan Venture L.P.	-	Financial assets carried at cost	-	US\$ 2,173 thousand	5	US\$ 2,173 thousand	Note 2
	Ether Precision Inc.	-	Financial assets carried at cost	1,250	US\$ 500 thousand	1	US\$ 500 thousand	Note 2
	Innobrige Venture Fund ILP	-	Financial assets carried at cost	-	US\$ 1,400 thousand	-	US\$ 1,400 thousand	Note 2
	Innobrige International Inc.	-	Financial assets carried at cost	4,000	US\$ 800 thousand	15	US\$ 800 thousand	Note 2
	VisualOn Inc.	-	Financial assets carried at cost	377	US\$ 200 thousand	3	US\$ 200 thousand	Note 2
	Azalea Networks Inc.	-	Financial assets carried at cost	850	US\$ 1,150 thousand	2	US\$ 1,150 thousand	Note 2
Sunplus Venture Capital Co., Ltd.	<u>Stock</u> Joing Technology Co., Ltd.	Equity-method investee	Equity-method investments	3,400	-	39	-	Note 1
	Waveplus Technology Co., Ltd.	Equity-method investee	Equity-method investments	387	6,212	12	6,212	Note 1
	Sunext Technology Co., Ltd.	Equity-method investee	Equity-method investments	4,431	45,128	7	45,128	Note 1
	Han Young Technology Co., Ltd.	Equity-method investee	Equity-method investments	420	1,780	70	1,780	Note 1
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	4,625	81,204	5	81,204	Note 1
	Orise Technology Co., Ltd.	Equity-method investee	Equity-method investments	865	15,463	1	15,463	Note 1
	Sunplus Core Technology Co., Ltd.	Equity-method investee	Equity-method investments	2,000	(11,585)	13	(11,585)	Notes 1 and 6
	Sunplus mMobile Inc.	Equity-method investee	Equity-method investments	65	1,594	-	(668)	Note 1
	Sunplus mMedia Inc.	Equity-method investee	Equity-method investments	3,006	18,437	13	18,178	Note 1
	HT mMobile Inc.	Equity-method investee	Equity-method investments	20	139	-	139	Note 1
	Sunplus Innovation Technology Inc.	Equity-method investee	Equity-method investments	1,029	17,297	3	17,297	Note 1
	iCatch Technology, Inc.	Equity-method investee	Equity-method investments	3,182	32,141	13	32,141	Note 1
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	2,441	37,099	-	37,099	Note 3
	AIPTEK International Inc.	-	Available-for-sale financial assets	803	33,588	1	33,588	Note 3
	Ability Enterprise Co., Ltd.	-	Available-for-sale financial assets	3,784	237,635	1	237,635	Note 3
Radiant Innovation Inc.	-	Available-for-sale financial assets	853	27,473	3	27,473	Note 3	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	eWave System, Inc.	-	Financial assets carried at cost	1,833	\$ -	22	\$ -	Note 2
	Softchina Venture Capital Corp.	-	Financial assets carried at cost	407	-	8	-	Note 2
	Information Technology Total Services	-	Financial assets carried at cost	51	-	-	-	Note 2
	Book4u Company Limited	-	Financial assets carried at cost	9	-	-	-	Note 2
	VenGlobal International Fund	-	Financial assets carried at cost	1	-	3	-	Note 2
	Simple Act Inc.	-	Financial assets carried at cost	1,900	19,000	10	19,000	Note 2
	Feature Integration Technology Inc.	-	Financial assets carried at cost	2,035	24,237	5	24,237	Note 2
	Chiabon Venture Capital Co., Ltd.	-	Financial assets carried at cost	3,000	30,000	5	30,000	Note 2
	Cyberon Corporation	-	Financial assets carried at cost	1,170	13,691	14	13,691	Note 2
	WayTech Development Inc.	-	Financial assets carried at cost	1,000	-	4	-	Note 2
	Miracle Technology Co., Ltd.	-	Financial assets carried at cost	1,303	14,025	9	14,025	Note 2
	Socle Technology Corp.	-	Financial assets carried at cost	550	13,750	1	13,750	Note 2
	MaxEmil Photonics Corp.	-	Financial assets carried at cost	419	12,485	2	12,485	Note 2
	Minton Optic Industry Co., Ltd.	-	Financial assets carried at cost	5,000	75,000	8	75,000	Note 2
	Capella Micro System, Inc.	-	Financial assets carried at cost	662	9,450	2	9,450	Note 2
	Smec Media & Entertainment Corp.	-	Financial assets carried at cost	2,000	-	7	-	Note 2
	Azalea Networks Inc	-	Financial assets carried at cost	280	12,923	1	12,923	Note 2
	Sanjet Technology Corp.	-	Financial assets carried at cost	369	3,163	1	3,163	Note 2
Generalplus Technology Inc.	<u>Stock</u> Generalplus International (Samoa) Inc.	Subsidiary of Generalplus Technology Inc.	Equity-method investments	5,590	24,070	100	24,070	Note 1
	<u>Fund</u> IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	14,225	192,736	-	192,736	Note 5
	Mega Diamond Bond Fund	-	Available-for-sale financial assets	12,930	154,275	-	154,275	Note 5
Generalplus International (Samoa) Inc.	<u>Stock</u> Generalplus (Mauritius) Inc.	Subsidiary of Generalplus International (Samoa) Inc.	Equity-method investments	5,590	US\$ 752 thousand	100	US\$ 752 thousand	Note 1
Generalplus (Mauritius) Inc.	<u>Stock</u> Generalplus Technology (Shenzhen) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	5,200	US\$ 619 thousand	100	US\$ 619 thousand	Note 1
	Generalplus Technology (Hong Kong) Co., Ltd.	Subsidiary of Generalplus (Mauritius) Inc.	Equity-method investments	390	US\$ 133 thousand	100	US\$ 133 thousand	Note 1
Sunext Technology Co., Ltd.	<u>Stock</u> Great Sun Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	750	3,980	100	3,980	Note 1
	Great Prosperous Corp.	Subsidiary of Sunext Technology Co., Ltd.	Equity-method investments	650	3,813	100	3,813	Note 1
	<u>Fund</u> FSITC Bond Fund	-	Available-for-sale financial assets	491	83,697	-	83,697	Note 5
	Yuanta Wan Tai Bond Fund	-	Available-for-sale financial assets	4,769	69,011	-	69,011	Note 5
	Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,963	75,123	-	75,123	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	3,427	50,034	-	50,034	Note 5
	IBT 1699 Bond Fund	-	Available-for-sale financial assets	3,878	50,012	-	50,012	Note 5

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Great Sun Corp.	IBT Ta Chong Bond Fund	-	Available-for-sale financial assets	3,691	\$ 50,014	-	\$ 50,014	Note 5
	Capital Income Fund	-	Available-for-sale financial assets	3,893	60,003	-	60,003	Note 5
Sunext (Mauritius) Inc.	<u>Stock</u> Sunext (Mauritius) Inc.	Subsidiary of Great Sun Corp.	Equity-method investments	750	US\$ 91 thousand	100	US\$ 91 thousand	Note 1
Waveplus Technology Co., Ltd.	<u>Stock</u> Sunext Technology (Shanghai)	Subsidiary of Sunext (Mauritius) Inc.	Equity-method investments	-	US\$ 90 thousand	100	US\$ 90 thousand	Note 1
Ventureplus Group Inc.	<u>Stock</u> Waveplus Design, Inc.	Subsidiary of Waveplus Technology Co., Ltd.	Equity-method investments	1,000	US\$ - thousand	100	US\$ - thousand	Note 1
Ventureplus Mauritius Inc.	<u>Stock</u> Ventureplus Mauritius Inc.	Subsidiary of Ventureplus Group Inc.	Equity-method investments	24,900	US\$ 15,668 thousand	100	US\$ 15,668 thousand	Note 1
Ventureplus Cayman Inc.	<u>Stock</u> Ventureplus Cayman Inc.	Subsidiary of Ventureplus Mauritius Inc.	Equity-method investments	24,900	US\$ 15,672 thousand	100	US\$ 15,672 thousand	Note 1
Wei-Young Investment Inc.	<u>Stock</u> Sunplus Technology (Shanghai) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 10,185 thousand	99	US\$ 10,185 thousand	Note 1
	Sunplus Pro-tek (Shenzhen) Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 3,096 thousand	100	US\$ 3,096 thousand	Note 1
	SunMedia Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 2,065 thousand	100	US\$ 2,065 thousand	Note 1
	Sunplus App Technology Co., Ltd.	Subsidiary of Ventureplus Cayman Inc.	Equity-method investments	-	US\$ 117 thousand	80	US\$ 117 thousand	Note 1
Sunplus Innovation Technology Inc.	<u>Stock</u> UNIWILL Co., Ltd.	-	Available-for-sale financial assets	508	7,744	-	7,744	Note 3
	Generalplus Technology Inc.	Equity-method investee	Equity-method investments	104	1,737	-	1,818	Note 1
Global Techplus Capital Inc.	<u>Fund</u> Prudential Financial Bond Fund	-	Available-for-sale financial assets	4,636	70,164	-	70,164	Note 5
	FSITC Taiwan Bond Fund	-	Available-for-sale financial assets	12,867	187,862	-	187,862	Note 5
	FSITC Bond Fund	-	Available-for-sale financial assets	176	30,037	-	30,037	Note 5
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets	2,898	40,042	-	40,042	Note 5
Global Techplus Capital Inc.	<u>Stock</u> Advanced Silicon SA	-	Financial assets carried at cost	1,000	30,179	12	30,179	Note 2
	<u>Stock</u> Techplus Capital Samoa Inc.	Subsidiary of Global Techplus Capital Inc.	Equity-method investments	-	US\$ - thousand	100	US\$ - thousand	Note 1

(Continued)

Note 1: The net asset value was based on audited financial data as of December 31, 2009.

Note 2: The market value is based on carrying value as of December 31, 2009.

Note 3: The market value is based on the closing price as of December 31, 2009.

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

Note 5: The market value was based on the net asset value of fund as of December 31, 2009.

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

Note 7: Includes deferred credits \$38 thousand.

Note 8: Includes deferred credit \$145,412 thousand.

Note 9: Includes deferred credit \$3,838 thousand.

Note 10: As of December 31, 2009, the above marketable securities, except the holdings of Lin Shih Investment Co., Ltd. in Sunplus Technology Company Limited, with a market value \$118,286 thousand and the holdings of Sunplus Technology Limited Company in Giantplus Technology Company Limited and Orise Technology Company Limited, with carrying values of \$838,318 thousand and \$276,779 thousand, respectively, had not been pledged or mortgaged.

(Concluded)

TABLE 4

SUNPLUS TECHNOLOGY COMPANY LIMITED

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2009

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

Company Name	Type and Issuer of Marketable Security	Financial Statement Account	Beginning Balance		Acquisition		Disposal				Ending Balance	
			Units (Thousands)	Amount	Units (Thousands)	Amount	Unit (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Unit (Thousands)	Amount
Sunplus Technology Company Limited	Orise Technology Co. Ltd.	Equity-method Investments	72,090	\$ 1,245,799 (Note 3)	-	\$ -	11,425	\$ 670,295	\$ 207,787	\$ 477,506 (Note 4)	60,665	\$ 1,119,384 (Note 5)
	FSITC Bond Fund	Available-for-sale financial assets	177	30,032 (Note 2)	1,520	259,000	-	-	-	-	1,697	289,216 (Note 1)
	Prudential Financial Bond Fund	Available-for-sale financial assets	-	-	14,433	218,000	4,957	75,000	74,868	132	9,476	143,426 (Note 1)
	FSITC Taiwan Bond Fund	Available-for-sale financial assets	-	-	20,509	299,000	-	-	-	-	20,509	299,440 (Note 1)
	Polaris De-Bao Fund	Available-for-sale financial assets	2,273	26,026 (Note 2)	9,417	108,000	3,844	44,051	44,000	51	7,846	90,069 (Note 1)
	Fuh-Hwa Bond Fund	Available-for-sale financial assets	-	-	21,379	295,000	10,865	150,000	149,919	81	10,514	145,259 (Note 1)
	Yuanta Commercial Bank Money Market Common Trust Fund	Available-for-sale financial assets	13,114	135,036 (Note 2)	-	-	13,114	135,083	135,036	47	-	-
	Fuh-Hwa Yuli Bond Fund	Available-for-sale financial assets	-	-	7,766	100,000	-	-	-	-	7,766	100,069 (Note 1)
	Mega Diamond Bond Fund	Available-for-sale financial assets	-	-	15,096	180,000	-	-	-	-	15,096	180,106 (Note 1)
	ING Taiwan Bond Fund	Available-for-sale financial assets	-	-	9,621	150,000	3,209	50,040	50,000	40	6,412	100,010 (Note 1)
	Taishin Lucky Fund	Available-for-sale financial assets	-	-	28,165	299,000	7,343	78,000	77,957	43	20,822	221,322 (Note 1)
	IBT 1699 Bond Fund	Available-for-sale financial assets	-	-	22,107	285,000	-	-	-	-	22,107	285,092 (Note 1)
	HT mMobile Inc.	Equity-method Investments	-	-	37,261	372,608	-	-	-	-	37,261	214,182 (Note 5)
	Sunplus mMobile Inc.	Equity-method Investments	120,000	(141,111) (Note 3)	-	-	17,261	172,608	172,608	-	54,545 (Note 6)	(581,110) (Note 5)
	Sunplus mMedia Inc.	Equity-method Investments	64,500	708,757 (Note 3)	3,924	54,936	48,834	500,775	500,775	-	19,590	(7,390) (Note 5)
	Generalplus Technology Inc.	Equity-method Investments	27,942	475,292 (Note 3)	11,477	181,172	587	10,307	10,307	-	38,832	680,779 (Note 5)
	Sunplus Innovation Technology Inc.	Equity-method Investments	22,660	392,361 (Note 3)	7,436	112,259	334	5,595	5,595	-	29,762	505,171 (Note 5)
	iCatch Technology, Inc.	Equity-method Investments	-	-	20,735	207,345	-	-	-	-	20,735	209,447 (Note 5)
	Generalplus Technology Inc.	IBT Ta Chong Bond Fund	Available-for-sale financial assets	-	-	14,225	192,000	-	-	-	-	14,225
Mega Diamond Bond Fund		Available-for-sale financial assets	-	-	28,277	336,500	15,347	183,000	182,611	389	12,930	154,275 (Note 1)
Capital Income Fund		Available-for-sale financial assets	-	-	13,087	201,400	13,087	201,539	201,400	139	-	-
Sunplus Innovation Technology Inc.	FSITC Taiwan Bond Fund	Available-for-sale financial assets	-	-	13,175	192,000	309	4,500	4,497	3	12,867	187,862 (Note 1)
	Prudential Financial Bond Fund	Available-for-sale financial assets	-	-	7,281	110,000	2,646	40,000	39,968	32	4,636	70,164 (Note 1)
Sunplus mMedia Inc.	FSITC Taiwan Bond Fund	Available-for-sale financial assets	1,081	15,729 (Note 2)	6,174	90,000	7,255	105,840	105,612	228	-	-
	Yuanta Wan Tai Bond Fund	Available-for-sale financial assets	3,466	50,014 (Note 2)	6,228	90,000	9,694	140,160	140,000	160	-	-

(Continued)

Company Name	Type and Issuer of Marketable Security	Financial Statement Account	Beginning Balance		Acquisition		Disposal				Ending Balance	
			Units (Thousands)	Amount	Units (Thousands)	Amount	Unit (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Unit (Thousands)	Amount
Sunext Technology Co., Ltd.	Prudential Financial Bond Fund	Available-for-sale financial assets	-	\$ -	7,278	\$ 110,000	2,315	\$ 35,000	\$ 34,981	19	\$ 4,963	\$ 75,123 (Note 1)
	FSITC Bond Fund	Available-for-sale financial assets	-	-	705	120,000	214	36,500	36,453	47	491	83,697 (Note 1)
	Yuanta Wan Tai Bond Fund	Available-for-sale financial assets	-	-	9,616	139,000	4,847	70,024	70,000	24	4,769	69,011 (Note 1)

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

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

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

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

Note 5: The carrying value of the equity-method investment as of December 31, 2009.

Note 6: Shares after the cancellation of common stock.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

YEAR ENDED DECEMBER 31, 2009

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

Company Name	Types of Property	Transaction Date	Transaction Amount	(Payment)/Sale Term	Counter-party	Nature of Relationships	Prior Transaction of Company Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Ownership	Relationships	Transfer Date	Amount			
Sunplus Technology Company Limited	Generalplus Technology Inc.	2009.12	\$ 181,172	\$ - (Note 3)	Sunplus mMedia Inc.	Equity-method investee	-	-	-	\$ -	Note 3	Equity-method investee	-
	Sunplus Innovation Technology Inc.	2009.12	112,258	- (Note 3)	Sunplus mMedia Inc.	Equity-method investee	-	-	-	-	Note 3	Equity-method investee	-
	iCatch Technology, Inc.	2009.12	207,345	- (Note 4)	Sunplus mMedia Inc.	Equity-method investee	-	-	-	-	Note 4	Equity-method investee	-
	Sunplus mMedia Inc.	2009.12	500,775	- (Notes 3 and 4)	(Notes 3 and 4)	Equity-method investee	-	-	-	-	Notes 3 and 4	Equity-method investee	-
	Sunplus mMobile Inc.	2009.03	(172,608)	- (Note 2)	HT mMobile Inc.	Equity-method investee	-	-	-	-	Note 2	Equity-method investee	-
	HT mMobile Inc.	2009.03	172,608	- (Note 2)	Sunplus mMobile Inc.	Equity-method investee	-	-	-	-	Note 2	Equity-method investee	-
	HT mMobile Inc.	2009.09	200,000	200,000 (Note 1)	Note 1	Equity-method investee	-	-	-	-	Note 1	Equity-method investee	-

Note 1: Participation in share issuance.

Note 2: The transaction amount was based on the net book value of the spun-off communication business unit of Sunplus mMobile on the spin-off date. Through this spin-off as well as a capital reduction in March 2009, Sunplus mMobile Inc. established HT mMobile Inc.

Note 3: Sunplus mMedia Inc. spun off its product lines to Sunplus Innovation Technology Inc. and Generalplus Technology Inc. and reduced its capital in December 2009. The shareholders of Sunplus mMedia Inc. received the shares of Sunplus Innovation Technology Inc. and Generalplus Technology Inc. at percentages that are the same as those of their respective percentages of ownership of Sunplus mMedia Inc.

Note 4: The transaction amount was based on the net book value of a spun-off product line on the spin-off date. Through this spin-off as well as a capital reduction in December 2009, Sunplus mMedia established iCatch Technology, Inc.

SUNPLUS TECHNOLOGY COMPANY LIMITED

DISPOSAL OF LONG-TERM INVESTMENTS AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2009

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

Company Name	Types of Property	Transaction Date	Transaction Amount	(Payment)/Sale Term	Counter-party	Nature of Relationships	Prior Transaction of Company Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Ownership	Relationships	Transfer Date	Amount			
Sunplus Technology Company Limited	Orise Technology Co., Ltd.	2009.04 2009.06 2009.07 2009.11 2009.12	\$ 670,295	\$ 670,295	-	Equity-method investee	-	-	-	\$ -	Note	Equity-method investee	-

Note: Sold in Taiwan stock exchange market.

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

DECEMBER 31, 2009

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Sunplus Technology Company Limited	Giantplus Technology Co., Ltd.	Tofen Chen, Miaoli, Taiwan	Manufacture of TN/STN LCDs and LCD modules	\$ 881,314	\$ 881,314	84,652	21	\$ 1,774,129	\$ (387,651)	\$ (80,621)	Investee
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	687,979	816,719	60,665	45	1,119,384	299,360	154,599	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	306,739	752,579	19,590	83	(7,390)	(159,390)	(270,042)	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	999,982	999,982	100,000	100	870,703	3,126	3,126	Subsidiary
	Lin Shih Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	944,771	69,689	69,689	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	316,864	146,000	38,832	45	680,779	223,039	89,550	Subsidiary
	Ventureplus Group Inc.	Belize	Investment	US\$ 24,900 thousand	US\$ 24,700 thousand	24,900	100	501,021	79,184	79,184	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies.	Investment	US\$ 14,760 thousand	US\$ 14,760 thousand	14,760	100	420,632	(29,012)	(29,275)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	414,663	308,000	29,762	81	505,171	22,904	18,805	Subsidiary
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	946,705	946,705	40,837	64	557,098	279,903	214,210	Subsidiary
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	105,470	105,470	8,898	57	(66,748)	(121,671)	(84,605)	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	35,517	35,517	1,302	41	20,911	9,863	4,015	Subsidiary
	Goldkey Technology Corp.	Taipei, Taiwan	Design of ICs	-	25,541	-	-	-	2,672	312	Investee
	Global Techplus Capital Inc.	Seychelles	Investment	US\$ 200 thousand	US\$ 200 thousand	200	100	7,382	(285)	(285)	Subsidiary
	Wei-Young Investment Inc.	Hsinchu, Taiwan	Investment	30,157	30,157	1,400	100	10,047	187	187	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	HK\$ 11,075 thousand	HK\$ 11,075 thousand	11,075	100	4,626	(75)	(75)	Subsidiary
	Sunplus Management Consulting Inc.	Hsinchu, Taiwan	Management	5,000	5,000	500	100	4,145	(49)	(49)	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	372,608	-	37,261	30	214,182	(530,737)	(365,299)	Investee
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	207,345	-	20,735	83	209,447	2,534	2,102	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,507,392	1,680,000	54,545	91	(581,110)	(271,329)	(264,911)	Subsidiary
Lin Shih Investment Co., Ltd.	Goldkey Technology Corp.	Taipei, Taiwan	Design of ICs	-	18,402	-	-	-	2,672	315	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	369,316	369,316	3,360	5	34,265	279,903	17,634	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	94,576	91,726	807	25	11,802	9,863	2,147	Subsidiary
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	20,073	20,000	2,057	13	(11,512)	(121,671)	(15,598)	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	38,376	42,770	1,389	2	1,387	(271,329)	(6,268)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	19,171	34,755	911	4	10,777	(159,390)	(5,082)	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	9,763	6,234	650	2	10,113	22,904	385	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	4,394	-	439	-	2,505	(530,737)	(8,520)	Investee
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	9,645	-	965	4	9,743	2,534	98	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	82,166	65,000	14,154	16	247,082	223,039	40,225	Subsidiary
Sunplus Venture Capital Co., Ltd.	Joing Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	51,000	51,000	3,400	39	-	-	-	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	385,709	385,709	4,431	7	45,128	279,903	23,240	Subsidiary
	Han Young Technology Co., Ltd.	Taipei, Taiwan	Design of ICs	4,200	4,200	420	70	1,780	-	-	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	17,227	-	1,029	3	17,297	22,904	55	Subsidiary
	HT mMobile Inc.	Hsinchu, Taiwan	Design of ICs	204	-	20	-	139	(530,737)	(411)	Investee
	iCatch Technology, Inc.	Hsinchu, Taiwan	Design of ICs	31,818	-	3,182	13	32,141	2,534	323	Subsidiary
	Waveplus Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	76,016	76,016	387	12	6,212	9,863	1,193	Subsidiary
	Orise Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	10,800	10,800	865	1	15,463	299,360	1,940	Investee
	Sunplus Core Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	20,000	20,000	2,000	13	(11,585)	(121,671)	(15,598)	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	42,802	15,000	4,625	5	81,204	223,039	9,524	Subsidiary
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	1,784	1,988	65	-	1,594	(271,329)	(298)	Subsidiary
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	116,679	3,006	13	18,437	(159,390)	(19,566)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Russell Holdings Limited	Jet Focus Limited	Cayman Islands, British West Indies	Investment	US\$ 6,050 thousand	US\$ 6,050 thousand	4,794	44	US\$ (350) thousand	US\$ 270 thousand	US\$ - thousand	Investee
	Sunext Technology Co., Ltd.	Hsinchu, Taiwan	Design and sale of ICs	US\$ 2,119 thousand	US\$ 2,119 thousand	442	1	US\$ 2,231 thousand	\$ 279,903	US\$ 70 thousand	Subsidiary
Sunext Technology Co., Ltd.	Great Sun Corp.	Smaoa	Investment	US\$ 750 thousand	US\$ 1,750 thousand	750	100	\$ 3,980	\$ 187	\$ 187	Subsidiary
	Great Prosperous Corp.	Mauritius	Investment	US\$ 650 thousand	-	650	100	3,813	(17,538)	(17,538)	Subsidiary
Great Sun Corp.	Sunext (Mauritius) Inc.	Mauritius	Investment	US\$ 750 thousand	US\$ 750 thousand	750	100	US\$ 91 thousand	US\$ (28) thousand	US\$ (28) thousand	Subsidiary
Sunext (Mauritius) Inc.	Sunext Technology (Shanghai) Co., Ltd.	Shanghai, China	Design of software	US\$ 750 thousand	US\$ 750 thousand	-	100	US\$ 90 thousand	US\$ (28) thousand	US\$ (28) thousand	Subsidiary
Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	US\$ 24,900 thousand	US\$ 24,700 thousand	24,900	100	US\$ 15,668 thousand	US\$ 2,398 thousand	US\$ 2,398 thousand	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	US\$ 24,900 thousand	US\$ 24,700 thousand	24,900	100	US\$ 15,672 thousand	US\$ 2,398 thousand	US\$ 2,398 thousand	Subsidiary
Ventureplus Cayman Inc.	Sunplus Technology (Shanghai) Co., Ltd.	Shanghai, China	Manufacture and sale of ICs.	US\$ 17,000 thousand	US\$ 17,000 thousand	-	99	US\$ 10,185 thousand	US\$ 1,313 thousand	US\$ 1,298 thousand	Subsidiary
	Sunplus Prof-tek (Shenzhen) Co., Ltd.	ShenZhen, China	Research, development, manufacture and sale of ICs.	US\$ 4,250 thousand	US\$ 4,250 thousand	-	100	US\$ 3,096 thousand	US\$ 831 thousand	US\$ 831 thousand	Subsidiary
	SunMedia Technology Co., Ltd.	Chengdu, China	Research, development, manufacture and sale of ICs.	US\$ 3,000 thousand	US\$ 3,000 thousand	-	100	US\$ 2,065 thousand	US\$ 521 thousand	US\$ 521 thousand	Subsidiary
	Sunplus App Technology Co., Ltd.	Beijing, China	Research, development, manufacture and sale of ICs.	US\$ 586 thousand	US\$ 450 thousand	-	80	US\$ 117 thousand	US\$ (308) thousand	US\$ (247) thousand	Subsidiary
Waveplus Technology Co., Ltd.	Waveplus Design, Inc.	U.S.A.	Design of WLANs	US\$ 500 thousand	US\$ 500 thousand	1,000	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Smaoa	Investment	US\$ 5,590 thousand	US\$ 3,090 thousand	5,590	100	24,070	(68,878)	(68,878)	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	US\$ 5,590 thousand	US\$ 3,090 thousand	5,590	100	US\$ 752 thousand	US\$ (2,085) thousand	US\$ (2,085) thousand	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Shenzhen) Co., Ltd.	Shenzhen, China	After-sales service	US\$ 5,200 thousand	US\$ 2,700 thousand	5,200	100	US\$ 619 thousand	US\$ (2,141) thousand	US\$ (2,141) thousand	Subsidiary
	Genralplus Technology (Hong Kong) Co., Ltd.	Hong Kong	Sales	US\$ 390 thousand	US\$ 390 thousand	390	100	US\$ 133 thousand	US\$ 56 thousand	US\$ 56 thousand	Subsidiary
Sunplus mMobile Inc.	Sunplus mMobile SAS	France	Design of ICs	EUR 237 thousand	EUR 237 thousand	237	100	12,737	1,450	1,450	Subsidiary
	Sunplus mMobile Limited	U.K.	Design of ICs	GBP 1,710 thousand	GBP 500 thousand	1,710	100	(374)	(598)	(598)	Subsidiary
	Sunplus mMobile Holding Inc.	Smaoa	Investment	US\$ 2,580 thousand	US\$ 2,580 thousand	2,580	100	(3)	(2,174)	(2,174)	Subsidiary
Sunplus mMobile Holding Inc.	Bright Sunplus mMobile Inc.	Mauritius	Research and development of intellectual property rights	US\$ 2,580 thousand	US\$ 2,515 thousand	2,580	100	US\$ (-) thousand	US\$ (66) thousand	US\$ (66) thousand	Subsidiary
Wei-Young Investment Inc.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	1,800	-	104	-	1,737	223,039	129	Subsidiary
Global Techplus Capital Inc.	Techplus Capital Samoa Inc.	Smaoa	Investment	US\$ - thousand	US\$ - thousand	-	100	US\$ - thousand	US\$ - thousand	US\$ - thousand	Subsidiary

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

FORWARD EXCHANGE CONTRACTS OF INVESTEE COMPANY

Generalplus Technology used derivative contracts in 2009 and 2008 to hedge against the effect of exchange rate fluctuations on net foreign currency but had no outstanding forward exchange contracts as of December 31, 2009 and 2008.

On financial assets designated at fair value through profit or losses, there were a net income of \$200 thousand in 2009 and a net loss of \$6,693 thousand in 2008.

TABLE 9

SUNPLUS TECHNOLOGY COMPANY LIMITED

**INFORMATION ON INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Loss	Carrying Value as of December 31, 2009	Accumulated Inward Remittance of Earnings as of December 31, 2009
					Outflow	Inflow					
Sunplus Technology (Shanghai) Co., Ltd.	Manufacturing and sale of consumer ICs	US\$ 17,200 thousand	Note 1	US\$ 17,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 17,000 thousand	99	US\$ 1,298 thousand	US\$ 10,185 thousand	US\$ - thousand
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development and sale of computer software. Service of System Integration	US\$ 4,250 thousand	Note 1	US\$ 4,250 thousand	US\$ - thousand	US\$ - thousand	US\$ 4,250 thousand	100	US\$ 831 thousand	US\$ 3,096 Thousand	US\$ - thousand
SunMedia Technology Co., Ltd.	Manufacturing and sale of computer software. Service of System Integration	US\$ 3,000 thousand	Note 1	US\$ 3,000 thousand	US\$ - thousand	US\$ - thousand	US\$ 3,000 thousand	100	US\$ 521 thousand	US\$ 2,065 Thousand	US\$ - thousand
Sunplus App Technology Co., Ltd.	Manufacturing and sale of computer software. Service of System Integration and information management education	RMB 3,750 thousand	Note 1	US\$ 450 thousand	US\$ 136 thousand	US\$ - thousand	US\$ 586 thousand	80	US\$ (247) thousand	US\$ 117 thousand	US\$ - thousand

Accumulated Investment in Mainland China as of December 31, 2009	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$24,836 thousand	US\$52,800 thousand	\$7,386,342

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