SILICONWARE PRECISION INDUSTRIES CO., LTD.

FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2011 AND 2010

For the convenience of readers and for information purpose only, the report of independent accountants and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language report of independent accountants and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
Siliconware Precision Industries Co., Ltd.

We have audited the accompanying non-consolidated balance sheets of Siliconware Precision Industries Co., Ltd. as of December 31, 2011 and 2010, and the related non-consolidated statements of income, of changes in stockholders' equity and of 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 Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those 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 accompanying non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Siliconware Precision Industries Co., Ltd. as of December 31, 2011 and 2010, and the results of its non-consolidated operations and its non-consolidated cash flows for the years then ended, in conformity with the "Rules Governing the Preparation of Financial Reports by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling" and accounting principles generally accepted in the Republic of China.

Siliconware Precision Industries Co., Ltd. has prepared the consolidated financial statements as of and for the years ended December 31, 2011 and 2010. We have audited such consolidated financial statements and issued unqualified opinions thereon.

March 21, 2012

The accompanying non-consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and report of the independent accountants are not intended for use by those who are not informed about the accounting principles or audit standards generally accepted in the Republic of China, and their applications in practice.

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	December 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash (Note 4)	$ 14,261,175	$ 14,065,803
Notes receivable, net	9,958	20,273
Accounts receivable, net (Note 5)	9,322,751	8,828,985
Other financial assets, current (Notes 22 and 23)	591,459	1,326,720
Inventories (Note 6)	3,587,587	3,194,886
Deferred income tax assets, current (Note 18)	306,708	587,187
Other current assets－other	520,589	509,289
	28,600,227	28,533,143
Long-term Investments		
Available-for-sale financial assets, noncurrent (Notes 7 and 26)	3,198,180	4,887,007
Financial assets carried at cost, noncurrent (Notes 8 and 26)	1,932,643	1,449,343
Long-term investments under equity method (Note 9)	6,024,942	4,946,153
	11,155,765	11,282,503
Property, Plant and Equipment (Notes 10 and 21)		
Cost:		
Land	2,903,192	2,903,192
Buildings	15,974,357	14,208,648
Machinery and equipment	50,577,787	47,650,886
Utility equipment	793,882	725,185
Furniture and fixtures	957,021	862,129
Other equipment	2,711,192	2,379,150
	73,917,431	68,729,190
Less: Accumulated depreciation	(37,979,984)	(33,969,181)
Construction in progress and prepayments for equipment	3,111,394	3,564,212
	39,048,841	38,324,221
Other Assets		
Refundable deposits	9,361	7,081
Deferred charges	1,034,008	671,909
Deferred income tax asset, noncurrent (Note 18)	1,273,264	1,071,750
Other assets－other	57,375	69,704
	2,374,008	1,820,444
TOTAL ASSETS	$ 81,178,841	$ 79,960,311

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SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	December 31, 2011	December 31, 2010
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable (Note 21)	$ 6,033,134	$ 6,857,925
Income tax payable (Note 18)	475,613	490,104
Accrued expenses (Note 21)	2,825,328	2,906,959
Other payables (Notes 11 and 21)	2,818,845	3,564,674
Other current liabilities	174,656	78,730
	12,327,576	13,898,392
Long-term Liabilities		
Long-term loans (Notes 12 and 26)	9,532,335	4,368,158
Other Liabilities		
Other Liabilities－others (Note 13)	524,060	397,580
Total Liabilities	22,383,971	18,664,130
Stockholders' Equity		
Capital stock (Notes 1 and 14)	31,163,611	31,163,611
Capital reserve (Note 15)		
Additional paid-in capital	14,290,224	14,290,224
Premium arising from merger	1,929,136	1,929,136
Other	234,167	234,167
Retained earnings (Note 16)		
Legal reserve	7,162,092	6,599,402
Unappropriated earnings	4,871,009	5,644,961
Unrealized gain on available-for-sale financial assets	111,072	1,788,512
Cumulative translation adjustments	375,051	(85,264)
Net loss not recognized as pension cost	(377,304)	(268,568)
Treasury stock (Note 17)	(964,188)	-
Total Stockholders' Equity	58,794,870	61,296,181
Commitments and Contingencies (Note 23)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 81,178,841	$ 79,960,311

The accompanying notes are an integral part of these non-consolidated financial statements.

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT EARNINGS PER SHARE)

	For the years ended December 31,	
	2011	2010
Operating Revenues		
Sales (Note 21)	$ 56,895,030	$ 60,669,603
Sales allowances	(341,639)	(597,320)
Net operating revenues	56,553,391	60,072,283
Cost of Goods Sold (Notes 6 and 21)	(47,953,942)	(51,025,567)
Gross Profit	8,599,449	9,046,716
Unrealized Intercompany Profit	107	35
Realized Intercompany Profit	8,599,556	9,046,751
Operating Expenses (Note 21)		
Selling expenses	(808,196)	(487,906)
General and administrative expenses	(1,437,159)	(1,276,390)
Research and development expenses	(1,975,809)	(1,504,411)
	(4,221,164)	(3,268,707)
Operating Income	4,378,392	5,778,044
Non-operating Income and Gain		
Interest income (Note 26)	48,068	30,068
Investment income recognized under the equity method (Note 9)	567,724	490,145
Others (Note 21)	667,398	338,838
	1,283,190	859,051
Non-operating Expenses and Losses		
Interest expenses (Notes 10 and 26)	(44,329)	(6,533)
Others (Note 21)	(167,078)	(297,218)
	(211,407)	(303,751)
Income from Continuing Operations before Income Tax	5,450,175	6,333,344
Income Tax Expense (Note 18)	(612,932)	(706,437)
Net Income	$ 4,837,243	$ 5,626,907

	2011 Before tax	2011 After tax	2010 Before tax	2010 After tax
Basic Earnings Per Share (in dollars) (Note 19)				
Net income	$ 1.76	$ 1.56	$ 2.03	$ 1.81
Diluted Earnings Per Share (in dollars) (Note 19)				
Net income	$ 1.75	$ 1.55	$ 2.02	$ 1.80

The accompanying notes are an integral part of these non-consolidated financial statements.

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Capital Stock	Capital Reserve	Retained Earnings: Legal Reserve	Retained Earnings: Unappropriated Earnings	Unrealized Gain on Available-for-sale Financial Assets	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Treasury Stock	Total
Balance at January 1, 2010	$ 31,163,611	$ 16,453,527	$ 5,720,419	$ 8,937,249	$ 767,157	$ 208,577	($ 169,314)	$ -	$ 63,081,226
Appropriations of earnings for prior years (Note 1)									
Legal reserve	-	-	878,983	(878,983)	-	-	-	-	-
Cash dividends	-	-	-	(8,040,212)	-	-	-	-	(8,040,212)
Long-term investment adjustment for investee company's cumulative translation adjustments	-	-	-	-	-	(293,841)	-	-	(293,841)
Unrealized gain on available-for-sale financial assets	-	-	-	-	1,021,355	-	-	-	1,021,355
Net loss not recognized as pension cost	-	-	-	-	-	-	(99,254)	-	(99,254)
Net income	-	-	-	5,626,907	-	-	-	-	5,626,907
Balance at December 31, 2010	$ 31,163,611	$ 16,453,527	$ 6,599,402	$ 5,644,961	$ 1,788,512	($ 85,264)	($ 268,568)	$ -	$ 61,296,181

Note 1: The directors' and supervisors' remunerations and employees' bonuses amounted to $79,108 thousand and $893,357 thousand, respectively, have been deducted from the statements of income.

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SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings						
	Capital Stock	Capital Reserve	Legal Reserve	Unappropriated Earnings	Unrealized Gain on Available-for-sale Financial Assets	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Treasury Stock	Total
Balance at January 1, 2011	$ 31,163,611	$ 16,453,527	$ 6,599,402	$ 5,644,961	$ 1,788,512	($ 85,264)	($ 268,568)	$ -	$ 61,296,181
Appropriations of earnings for prior years (Note 2)									
Legal reserve	-	-	562,690	(562,690)	-	-	-	-	-
Cash dividends	-	-	-	(5,048,505)	-	-	-	-	(5,048,505)
Long-term investment adjustment for investee company's cumulative translation adjustments	-	-	-	-	-	460,315	-	-	460,315
Unrealized gain on available-for-sale financial assets	-	-	-	-	(1,677,440)	-	-	-	(1,677,440)
Treasury stock repurchase	-	-	-	-	-	-	-	(964,188)	(964,188)
Net loss not recognized as pension cost	-	-	-	-	-	-	(108,736)	-	(108,736)
Net income	-	-	-	4,837,243	-	-	-	-	4,837,243
Balance at December 31, 2011	$ 31,163,611	$ 16,453,527	$ 7,162,092	$ 4,871,009	$ 111,072	$ 375,051	($ 377,304)	($964,188)	$ 58,794,870

Note 2: The directors' and supervisors' remunerations and employees' bonuses amounted to $50,642 thousand and $560,945 thousand, respectively, have been deducted from the statements of income.

The accompanying notes are an integral part of these non-consolidated financial statements.

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the years ended December 31,	
	2011	2010
Cash flows from operating activities		
Net income	$ 4,837,243	$ 5,626,907
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,115,149	7,834,123
Amortization	540,479	422,970
Provision for (reversal of) bad debt expense	4,623	(260,721)
Provision for (reversal of) sales allowance	5,467	(294,643)
Provision for (reversal of) loss on obsolescence and decline in market value of inventories	28,344	(23,029)
Loss on liquidation of investment carried at cost	3,087	-
Long-term investment income under the equity method	(567,724)	(490,145)
Unrealized intercompany profit	(107)	(35)
Gain on disposal of property, plant and equipment	(120,962)	(51,685)
Provision for loss on idle assets	105,470	105,054
Exchange loss (gain) on valuation of foreign currency long-term loans	171,750	(157,500)
Amortization of arrangement fee of long-term co-financing loans	2,427	322
(Increase) decrease in assets:		
Notes receivable	10,315	19,629
Accounts receivable	(503,856)	2,489,323
Other financial assets, current	218,930	(93,602)
Inventories	(421,045)	(440,822)
Deferred income tax assets	90,352	204,791
Other current assets －other	(21,300)	16,319
Increase (decrease) in liabilities:		
Accounts payable	(824,791)	(783,186)
Income tax payable	(14,491)	(359,247)
Accrued expenses	(81,631)	(541,616)
Other payables	(31,140)	139,562
Other current liabilities	33,733	(5,852)
Accrued pension liabilities	24,722	27,677
Net cash provided by operating activities	11,605,044	13,384,594

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SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the years ended December 31, 2011	2010
Cash flows from investing activities		
Increase in security deposits	$ -	($ 58,100)
Increase of long-term investment under equity method	(50,750)	(1,112,375)
Increase of financial assets carried at cost	(490,000)	(1,133,950)
Proceeds from liquidation of investments carried at cost	3,613	-
Acquisition of property, plant and equipment	(9,721,333)	(13,185,546)
Proceeds from disposal of property, plant and equipment	668,191	1,301,315
(Payment for) receipt of refundable deposits	(2,280)	826
Payment for deferred charges	(892,971)	(650,656)
Net cash used in investing activities	(10,485,530)	(14,838,486)
Cash flows from financing activities		
Proceeds from long-term loans	5,000,000	4,525,336
Receipt of deposit-in	88,524	-
Repurchase of treasury stock	(964,188)	-
Payment for cash dividends	(5,048,478)	(8,040,177)
Net cash used in financing activities	(924,142)	(3,514,841)
Net increase (decrease) in cash	195,372	(4,968,733)
Cash at the beginning of the year	14,065,803	19,034,536
Cash at the end of the year	$ 14,261,175	$ 14,065,803
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 65,272	$ 4,119
Less: capitalized interest	(26,106)	(292)
Interest paid (excluding capitalized interest)	$ 39,166	$ 3,827
Cash paid for income tax	$ 537,071	$ 860,893
Supplemental disclosures of partial cash paid for investing activities:		
Acquisition of property, plant and equipment	$ 9,006,617	$ 14,530,958
Net decrease (increase) in other payble due to the acquisition of equipment	714,716	(1,345,412)
Cash paid	$ 9,721,333	$ 13,185,546
Non-cash financing activities		
Current portion of long-term loans	$ -	$ -

The accompanying notes are an integral part of these non-consolidated financial statements.

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
UNLESS STATED OTHERWISE)

1. HISTORY AND ORGANIZATION

Siliconware Precision Industries Co., Ltd. (the "Company") was incorporated as a company limited by shares under the Company Law of the Republic of China (R.O.C.) in May 1984 and was listed on the Taiwan Stock Exchange in April 1993. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. As of December 31, 2011, the Company has 17,719 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with the "Rules Governing the Preparation of Financial Reports by Securities Issuers" and generally accepted accounting principles in the Republic of China. Significant accounting policies are summarized as follows:

Use of Estimates

The preparation of financial statements in conformity with the aforementioned guidelines, law and principles requires management to make reasonable assumptions and estimates of matters that are inherently uncertain. Actual results may differ from those estimates.

Foreign Currency Transactions

The Company maintains its accounts in New Taiwan dollars. Transactions denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates prevailing on the transaction dates. Receivables, other monetary assets and liabilities denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from the aforementioned translations are recognized in the current year's results.

Classification of Current and Noncurrent Assets / Liabilities

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as noncurrent assets:

(1) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operation cycle;

(2) Assets held mainly for trading purposes;

(3) Assets expected to be realized within twelve months from the balance sheet date;

(4) Cash or cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as noncurrent liabilities:

(1) Liabilities arising from operating activities that are expected to be paid off within the

normal operating cycle;

(2) Liabilities arising mainly from trading activities;

(3) Liabilities that are to be paid off within twelve months from the balance sheet date;

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

Accounts Receivable

A. Accounts receivable expected to be collected over one year are recorded at present value by using predetermined interest rate whereas those expected to be collected within one year are not reported at present value due to the fact that the difference between the maturity value and the fair value discounted by implicit interest rate is immaterial and the frequency of transactions is high.

B. The Company originally estimated allowance for doubtful accounts based on the evaluation of collectibility and aging analysis. Effective January 2011, the Company implemented the amended accounting standard, R.O.C. SFAS No.34, “Financial Instruments: Recognition and Measurement” to assess on balance sheet date whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is recognized and measured as the difference between asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the Company will reverse the previously recognized impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

Allowance for Sales Discounts

The allowance for sales discounts is provided based on the estimated allowance to be incurred and is recorded as deduction of accounts receivable.

Inventories

Inventories are recorded at cost when acquired under a perpetual inventory system and adjusted to cost using the weighted–average method at the balance sheet date. The allowance for loss on obsolescence and decline in market value is recorded based on inventory aging and obsolescence, when necessary. Inventories are stated at the lower of cost or net realizable value by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and necessary selling expenses.

Non-current assets held for sale

Non-current assets (or disposal groups) whose carrying amount will be recovered principally through a sale transaction, rather than continuing utilization, are measured at the lower of carrying amount or fair value less transaction cost.

Available-for-sale Financial Assets

A. Investments in equity securities are recorded at the transaction date.

B. Available-for-sale securities are measured at fair value at balance sheet date with changes in fair value recorded as adjustments to the shareholders' equity. The accumulated adjustments of unrealized gain or loss are realized in earnings in the period when the financial assets are disposed. Fair values of listed securities are measured at their closing price at balance sheet date.

C. The Company recognizes impairment loss whenever there is objective evidence of impairment. Subsequent recovery of such impairment loss shall be recorded as adjustments to shareholder's equity rather than current year's profit or loss.

Financial Assets Carried at Cost

A. Financial assets carried at cost are recorded at the transaction date and are initially measured at fair value plus transaction cost related to the acquisition or issuance.

B. Investments in unlisted stocks or stocks in emerging stock market are carried at their original cost because their fair values cannot be reliably measured.

C. The Company recognizes impairment loss whenever there is objective evidence of impairment. Subsequent recovery of such impairment loss shall not be reversed.

Long-term Investments Accounted for under Equity Method

A. Long-term equity investments in which the Company owns at least 20% of the voting stocks of the investee companies are accounted for under the equity method, unless the Company cannot exercise significant influence over the investee company. The excess of the acquisition cost over the investee's fair value of the identifiable net assets acquired is capitalized as goodwill and tested for impairment annually. No retrospective adjustment is required for amortization recognized in previous years. Long-term equity investments in which the Company holds more than 50% of the voting stocks or has controlling interests over the investee companies are accounted for under the equity method and are included in the quarterly consolidated financial statements.

B. Unrealized gains and losses from transactions between the Company and investee companies accounted for under the equity method are deferred. Profit (loss) from sales of depreciable assets between the investee and the Company is amortized to income over the assets' economic service lives. Unrealized gain from other types of intercompany transactions is reported as deferred credits classified as current or noncurrent liabilities. Gains or losses on sales from equity method investees to the Company are deferred in proportion to the Company's ownership percentages in the investees until those are realized through transactions with third parties.

C. When the Company's proportional interest in an equity investee changes after the equity investee issues new shares, the effect of change in the Company's holding ratio on long-term investment is adjusted to capital reserve. If capital reserve account is insufficient, the effect is then charged to retained earnings.

D. The Company's proportionate share of the foreign investee's cumulative translation adjustments related to the translation of the foreign investee's financial statements into New Taiwan dollars is recognized as "Cumulative Translation Adjustments" in stockholders' equity.

Property, Plant and Equipment

A. Property, plant and equipment are stated at historical cost. Interest incurred relating to the construction of property, plant and equipment is capitalized accordingly.

B. Depreciation is provided on the straight-line method over the assets' estimated economic service lives. The service lives of fixed assets are 5 to 15 years, except for buildings, which are 35 to 55 years.

C. Maintenance and repairs are expensed as incurred. Significant renewals and improvements are capitalized and depreciated accordingly. When fixed assets are disposed, their original cost and accumulated depreciation are removed from the corresponding accounts, with gain or loss recorded as non-operating income or loss.

D. Idle assets are stated at the lower of book value or net realizable value and are reclassified to other assets. Differences between book value and net realizable value are reported as losses in current earnings.

Deferred Charges

Costs of computer software system purchased externally and tooling costs are recognized as deferred charges and amortized on the straight-line basis over the useful lives of 2 to 3 years.

Pension Cost

Under a defined benefit plan, the net pension cost is computed based on an actuarial valuation. The unrecognized net asset or net obligation at transition is amortized over 15 years on a straight-line basis. Under a defined contribution plan, the Company makes monthly contribution to employees' individual pension accounts. These contributions are recorded as pension costs in the current period.

Income Tax

A. The Company computes its income tax based on the income before tax. In accordance with R.O.C. SFAS No. 22, "Accounting for Income Taxes", the income tax effect resulting from temporary differences and investment tax credits is recorded as deferred income tax assets or liabilities using the asset and liability method. Deferred tax assets or liabilities are further classified into current or noncurrent and carried at net balance. Valuation allowance on deferred tax assets is provided to the extent that it is more likely than not that the tax benefit will not be realized.

B. The Company adopted R.O.C. SFAS No. 12, "Accounting for Investment Tax Credits", in determining the investment tax credits. The investment tax credits relating to the acquisition cost of qualifying equipment or technology, qualifying research and development expenditure, and qualifying personnel training expenditure are recognized as income tax adjustments in the period the tax credits arise.

C. Over or under provisions of prior years' income tax liabilities are included in the current period's income tax expense.

D. The Taiwan imputation tax system requires that any undistributed earnings be subject to an additional 10% corporate income tax, which is recognized as income tax expense at the time when the stockholders resolve the distribution of retained earnings.

E. Pursuant to the R.O.C. Alternative Minimum Tax Act, the Company will calculate Alternative Minimum Tax (AMT), a supplemental 10% tax on taxable income including most income that is exempted from regular income tax under various legislations, in addition to the regular tax. If the amount of alternative minimum tax is greater than that of the regular tax, the excess amount shall be reported as current tax expense.

F. When a change in tax law is enacted, the Company is required to recalculate deferred tax assets and liabilities accordingly. The amount of difference shall be recognized as current income tax adjustment.

Revenues and Costs

Revenues are recognized when services are provided based on transaction terms and when collectibility is reasonably assured. Related costs are recorded as incurred based on matching principle and related expenses are recognized as current expenses under accrual basis.

Employees' Bonuses and Directors' and Supervisors' Remunerations

Effective January 1, 2008, pursuant to R.O.C. EITF 96-052, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration" as prescribed by the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, the Company should no longer treat such bonuses and remunerations as a reduction of retained earnings but record cost/expense and related liability when the Company has legal obligations and could reasonably estimate such amount. Any difference between estimated amount and distributed amount resolved in the stockholders' meeting in the subsequent year shall be adjusted in the income/loss of the following year. In addition, according to R.O.C. EITF 97-127, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", shares of the distributed stocks will be calculated based on the closing price at the previous day of the stockholders' meeting and after considering the effect of ex-dividend and ex-right.

Treasury Stock

A. When the Company acquires outstanding shares as treasury stock, the acquisition cost will be debited to the "Treasury Stock" account, as the deduction of stockholders' equity.

B. When the Company sells treasury stock, if the selling price is above the book value, the difference should be credited to the "Capital Reserve – from treasury stock transactions" account. If the selling price is below the book value, the difference should first be offset against capital reserve from the same class of treasury stock transactions, and the remainder, if any, should be debited to retained earnings.

C. When the Company's treasury stock is retired, the account "Treasury Stock" should be credited, and the “Capital Reserve – Premium on Stock” account and “Capital Stock” account should be debited proportionately according to the share ratio. An excess of the carrying value of treasury stock over the sum of its par value and premium on stock first be offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, debited to retained earnings. An excess of the sum of the par value and premium on stock of treasury stock over its carrying value should be credited to capital reserve from the same class of treasury stock transactions

D. The cost of treasury stock is accounted for on weighted-average basis.

Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by taking into consideration additional common shares that would have been outstanding if the equivalent diluted shares had been issued.

Impairment Loss of Non-financial Assets

A. The Company recognizes impairment loss whenever an event occurs or evidence indicates the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is measured at the higher of net selling price or value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows expected to arise in its remained useful life.

B. An impairment loss recognized in prior years is reversed if the impairment loss caused by a specific external event of an exceptional nature is not expected to recur. However, the restored amount is limited to the amount of impairment loss previously recognized. Impairment loss for goodwill cannot be reversed.

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2011, the Company implemented the amendments of R.O.C. SFAS No. 34, “Accounting for Financial Instruments”. The change in accounting principle does not cause significant impact on the financial statements for the year ended December 31, 2011.

Effective January 1, 2011, the Company adopted R.O.C. SFAS No. 41, “Disclosure of Operating Segment Information” to replace R.O.C. SFAS No. 20, “Disclosure of Segment Information.” The Company, following the standard, restated segment’s information of 2010 while first adoption. The change in accounting principle does not cause impact on the consolidated net income and earnings per share in 2011.

4. CASH

	December 31, 2011	December 31, 2010
Cash on hand and petty cash	$ 947	$ 1,241
Savings accounts and checking accounts	1,037,575	1,232,114
Time deposits	13,222,653	12,832,448
	$ 14,261,175	$ 14,065,803

As of December 31, 2011 and 2010, the interest rates for time deposits ranged from 0.35 % to 1.39 % and from 0.17 % to 0.83 %, respectively.

5. ACCOUNTS RECEIVABLE, NET

	December 31, 2011	December 31, 2010
Accounts receivable	$ 9,502,674	$ 9,041,665
Less :		
Allowance for sales discounts	(152,036)	(146,569)
Allowance for doubtful accounts	(27,887)	(66,111)
	$ 9,322,751	$ 8,828,985

6. INVENTORIES

	December 31, 2011	December 31, 2010
Raw materials and supplies	$ 3,079,497	$ 2,682,150
Work in process	394,726	426,719
Finished goods	197,673	141,982
	3,671,896	3,250,851
Less : Allowance for loss on obsolescence and decline in market value of inventories	(84,309)	(55,965)
	$ 3,587,587	$ 3,194,886

The above allowance for loss on obsolescence and decline in market value of inventories resulted from the valuation of raw materials and supplies.

	For the years ended December 31,	
Expense / loss incurred related to inventories :	2011	2010
Cost of goods sold	$ 48,020,954	$ 51,138,710
Decline in (recovery of) market value and loss on obsolescence	28,344	(23,029)
Others	(95,356)	(90,114)
	$ 47,953,942	$ 51,025,567

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS, NONCURRENT

	December 31,	
	2011	2010
Cost of listed securities	$ 5,167,332	$ 5,167,332
Valuation adjustment	174,821	1,863,648
Accumulated impairment loss	(2,143,973)	(2,143,973)
	$ 3,198,180	$ 4,887,007

8. FINANCIAL ASSETS CARRIED AT COST, NONCURRENT

	December 31,	
	2011	2010
Unlisted securities	$ 2,326,103	$ 1,842,803
Accumulated impairment loss	(393,460)	(393,460)
	$ 1,932,643	$ 1,449,343

A. There are no active quoted prices or reliable fair value for unlisted securities, and therefore, these investments are measured at cost.

B. The Company's Board of Directors resoloved to purchase 133,000 thousand common shares of ChipMOS Technologies Inc. (ChipMOS Taiwan), a 100% owned subsidiary of ChipMOS Technologies (Bermuda) Ltd. (ChipMOS Bermuda). The purchase of 133,000 shares of ChipMOS Taiwan represents approximately 15.78% of the ownership of ChipMOS Taiwan. Consideration of the share purchase totaled $1,630,580, which is determined based on the valuation report provided by Horizon Securities Ltd. as well as mutual agreement between the Company and ChipMOS Bermuda. Both parties signed the share purchase / sales agreements on February 26, 2010. As of January 7, 2011, the Company has obtained entire purchased shares accordingly.

9. LONG-TERM INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

Details of long-term investments in stocks are summarized as follows:

	December 31,			
	2011		2010	
Investee company	Amount	Percentage of ownership	Amount	Percentage of ownership
Equity method :				
SPIL (B.V.I.) Holding Limited	$ 5,851,367	100.00%	$ 4,797,235	100.00%
Vertical Circuits, Inc.	110,671	30.69%	148,918	30.69%
AcSiP Technology Corp. (AcSiP)	62,904	16.73%	-	-
	$ 6,024,942		$ 4,946,153	

A. To upgrade assembly related technology, the Company purchased preferred shares of Vertical Circuits, Inc. (VCI) amounted to US$ 5,000,000 in December 2010, and obtained 30.69% of the voting right on VCI. In May 2011, the Company acquired common-shares of AcSiP Technology Corp. (AcSiP) by paying $ 50,750 and obtained 20% of the voting right of AcSiP. As a result of the increase of AcSiP's issued shares, the Company's ownership on AcSiP decreased to 16.73% as of December 31, 2011. The Company assesses and determines that the Company maintains significant influence over the investee and, therefore, continues to record the investment on AcSiP under equity method.

B. For the years ended December 31, 2011 and 2010, the Company recognized investment income of $567,724 and $490,145, respectively, for all investees accounted for under the equity method based on investees' audited financial statements for the same periods by weighted-average percentage of stock ownership.

C. For the years ended December 31, 2011 and 2010, the Company prepared the consolidated consolidation financial statements, and consolidated its 100% owned subsidiaries.

10. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2011		
	Cost	Accumulated depreciation	Book value
Land	$ 2,903,192	$ -	$ 2,903,192
Buildings	15,974,357	(5,425,920)	10,548,437
Machinery and equipment	50,577,787	(30,123,759)	20,454,028
Utility equipment	793,882	(459,303)	334,579
Furniture and fixtures	957,021	(533,939)	423,082
Other equipment	2,711,192	(1,437,063)	1,274,129
Construction in progress and prepayments for equipment	3,111,394	-	3,111,394
	$ 77,028,825	($ 37,979,984)	$ 39,048,841

	December 31, 2010		
	Cost	Accumulated depreciation	Book value
Land	$ 2,903,192	$ -	$ 2,903,192
Buildings	14,208,648	(4,404,967)	9,803,681
Machinery and equipment	47,650,886	(27,465,134)	20,185,752
Utility equipment	725,185	(388,633)	336,552
Furniture and fixtures	862,129	(478,679)	383,450
Other equipment	2,379,150	(1,231,768)	1,147,382
Construction in progress and prepayments for equipment	3,564,212	-	3,564,212
	$ 72,293,402	($ 33,969,181)	$ 38,324,221

A. Information about capitalized interest expense was as follows:

	For the years ended December 31,	
	2011	2010
Total interest expense including capitalized interest	$ 70,435	$ 6,825
Capitalized interest (Included in property, plant and equipment)	(26,106)	(292)
Interest expense	$ 44,329	$ 6,533
Interest capitalization rate	0.8911%~1.1599%	0.8911%

B. On February 26, 2010, the Company’s Board of Directors resolved to sell certain equipments to ChipMOS Taiwan. Proceeds of the transaction totaled $1,630,580, which is determined based on the appraisal report issued by China Credit Information Service, Ltd. as well as mutual agreement between the Company and ChipMOS Taiwan. Both parties signed the equipment purchase / sales agreement on February 26, 2010. The proceed from the disposal has been collected by January 4, 2011.

11. OTHER PAYABLES

	December 31,			
	2011		2010	
Payables for equipment acquisition	$	1,882,637	$	2,597,353
Other payables		936,208		967,321
	$	2,818,845	$	3,564,674

12. LONG-TERM LOANS

			December 31,	
Name of financial institution	Line of credit	Loan period and repayment method	2011	2010
Mega International Commercial Bank	NT $5 billions and US $0.15 billion	2010.10.29~2015.10.29		
(The management bank of co-financing loans)		Repayables in 6 semi-annually installments starting from April 2013	$ 9,548,750	$ 4,377,000
Less: Amortization of arrangement fee of long-term co-financing loans			(16,415)	(8,842)
			$ 9,532,335	$ 4,368,158
Available credit line			$ -	$ 5,000,000
Interest rate			0.8911%~1.6552%	0.8911%

A. In order to fulfill operational and capital expenditures, the Company has entered into a co-financing-loan agreement in October 2010 with eleven financial institutions, including Mega International Commercial Bank, the management bank. The line of credits consisted of credit amount of NT$ 5 billions and US$ 0.15 billion with credit period of five years under floating interest rate.

B. Pursuant to the above loan agreement, the Company should maintain certain financial covenants, such as current ratio, debt ratio as well as the ratio of interest coverage, calculated based on both semi-annual and annual audited financial statements. As of December 31, 2011, the Company was in compliance with all of the loan covenants.

13. PENSION PLAN AND NET PERIODIC PENSION COST

A. In accordance with the Labor Standards Act, the Company has a funded defined benefit pension plan covering all eligible employees prior to the enforcement of the Labor Pension Act ("the Act"), effective on July 1, 2005 and employees choosing to continue to be subject to the pension mechanism under the Labor Standards Law after the enforcement of the Act. Pension benefits are generally based on service years and six-month average wages and salaries before retirement of the employee. Two units are earned per year for the first 15 years of service and one unit is earned for each additional year of service with a maximum of 45 units. Under the funding policy of the plan, the Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the pension fund, which is the custodian for labor pension, deposited with the Bank of Taiwan.

B. In accordance with the Labor Pension Act, effective July 1, 2005, the Company has a defined contribution pension plan covering employees (excluding foreign employees) who chose to be subject to the pension mechanism under this Act. The Company makes monthly contributions to the employees' individual pension accounts on a basis no less than 6% of each employee's monthly salary or wage. The principal and accrued dividends from an employee's personal pension account are claimed monthly or in full at one time. Under this pension plan, net periodic pension costs amounting to $386,148 and $356,469 were recognized for the years ended December 31, 2011 and 2010, respectively.

C. The following tables set forth the actuarial assumptions, funded status and amounts recognized for the Company's defined benefit pension plan:

(1) Assumptions used in actuarial calculations:

	For the years ended December 31,	
	2011	2010
Discount rate	2.00%	2.00%
Long-term rate of compensation increase	2.00%	2.00%
Expected rate of return on plan assets	2.00%	2.50%

	December 31,	
	2011	2010
Vested benefit	($ 160,206)	($ 155,412)
Vested benefit obligation	($ 158,398)	($ 135,300)
Accumulated benefit obligation	($ 1,639,945)	($ 1,524,750)

(2) Changes in benefit obligation during the years ended December 31, 2011 and 2010:

	For the years ended December 31,	
	2011	2010
Projected benefit obligation at the beginning of the year	($ 2,120,024)	($ 1,922,596)
Service cost	(28,866)	(33,034)
Interest cost	(42,183)	(43,083)
Loss on projected benefit obligation	(46,010)	(154,768)
Benefit paid	79,705	33,457
Projected benefit obligation at the end of the year	($ 2,157,378)	($ 2,120,024)

(3) Changes in plan assets during the years ended December 31, 2011 and 2010:

	For the years ended December 31,	
	2011	2010
Fair value of plan assets at the beginning of the year	$ 1,176,476	$ 1,143,276
Actual return on plan assets	13,837	16,981
Employer contributions	48,655	49,676
Benefits paid	(79,705)	(33,457)
Fair value of plan assets at the end of the year	$ 1,159,263	$ 1,176,476

(4) Funded status at December 31, 2011 and 2010:

	December 31,	
	2011	2010
Fair value of plan assets	$ 1,159,263	$ 1,176,476
Projected benefit obligation	(2,157,378)	(2,120,024)
Funded status	(998,115)	(943,548)
Prior service cost	13,212	14,262
Unrecognized net actuarial loss	894,737	863,842
Additional pension liability	(390,516)	(282,830)
Accured pension liability	($ 480,682)	($ 348,274)

(5) Components of net periodic pension cost for the years ended December 31, 2011 and 2010:

	For the years ended December 31,	
	2011	2010
Service cost	$ 28,866	$ 33,034
Interest cost	42,183	43,083
Expected return on plan assets	(29,762)	(23,215)
Amortization of unrecognized net transition assets	-	(912)
Amortization of prior service cost	1,050	1,050
Amortization of unrecognized loss	31,040	24,313
Net periodic pension cost	$ 73,377	$ 77,353

14. CAPITAL STOCK

A. As of December 31, 2011, the authorized capital of the Company was $36,000,000 and the paid-in capital was $31,163,611 with par value of $10 (in dollars) per share.

B. The Company issued $1,500,000 American Depositary Shares (“ADSs”), represented by 30,000,000 units of ADSs, in June 2000. Each ADS represents five shares of common stock of the Company with an offering price of US$8.49 per ADS. As of December 31, 2011, the outstanding ADSs amounted to 88,870,636 units. Major terms and conditions of the ADSs are summarized as follows:

(1) Voting Rights:

ADS holders will have no rights to vote directly in shareholders’ meetings with respect to the Deposited Shares. The Depositary shall provide voting instruction to the Chairman of the Company and vote on behalf of the Deposited shares evidenced by ADSs. If the Depositary receives voting instructions from holders of at least 51% of the outstanding ADSs to vote in the same direction on a resolution, the Depositary will vote in the manner as instructed.

(2) Distribution of Dividends:

ADS holders are deemed to have the same rights as holders of common shares with respect to the distribution of dividends.

15. CAPITAL RESERVE

A. According to the Company Law of the R.O.C., the capital reserve arising from paid-in capital in excess of par on the issuance of stocks, from merger, from the conversion of convertible bonds and from donation shall be exclusively used to cover accumulated deficits or transferred to capital proportionally either in issuing common stock or in returning cash. Other capital reserve shall be exclusively used to cover accumulated deficits. The amount of capital reserve used to increase capital is limited to 10% of the common stock each year when the Company has no accumulated deficits. The capital reserve can only be used to cover accumulated deficits when the legal reserve is insufficient to cover the deficits.

B. According to the Company Law of the R.O.C., the capital reserve is allowed to be transferred to capital in the following year after the registration of capitalization is approved.

16. RETAINED EARNINGS

A. According to the Company's Articles of Incorporation, current year’s earnings before tax, if any, shall be distributed in the following order:

(1) Pay all taxes and duties;

(2) Offset prior years' operating losses, if any;

(3) Set aside 10% of the remaining amount after deducting (1) and (2) as legal reserve;

(4) Set aside no more than 1% of the remaining amount after deducting items (1), (2), and (3) as directors’ and supervisors’ remunerations.

(5) After items (1), (2), (3), and (4) were deducted, 10% of the remaining amount may be allocated as employee bonus and 90% as stockholders' dividend. The distributed amount is subject to the resolution adopted by the Board of Directors and approved at the stockholders' meeting.

B. Legal reserve can only be used to offset deficits or transfer to capital in issuing common stock or in distributing cash. The amount of legal reserve can be used to increase capital shall be limited under the portion of the reserve balance exceeds 25% of the capital stock.

C. In accordance with the R.O.C. Securities and Future Bureau (SFB) regulation, in addition to legal reserve and prior to distribution of earnings, the Company should set aside a special reserve in an amount equal to the net change in the reduction of prior year’s stockholders’ equity, resulting from adjustments, such as cumulative translation adjustments and unrealized loss on available-for-sale financial assets. Such special reserve is not available for dividend distribution. In the subsequent year(s), if the year-end balances of the cumulative translation adjustments and unrealized losses on available-for-sale financial assets no longer result in a net reduction in the stockholders' equity, the special reserve previously set aside will then be available for distribution.

D. The Taiwan imputation tax system requires that any undistributed current earnings of a company derived on or after January 1, 1998 be subject to an additional 10% corporate income tax if the earnings are not distributed in the following year. As of December 31, 2011, the undistributed earning was $4,871,009.

E. As of December 31, 2011, the balance of stockholders' imputation tax credit account of the Company was $24,461. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings distributed in 2011 is 9.08%. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings to be distributed in 2012 is expecting to be approximately 10.27%. However, the rate is subject to changes based on the balance of stockholders' imputation tax credit account, the undistributed earnings, and other tax credit amount in accordance with the R.O.C. tax law at the dividend allocation date.

F. The distributions of 2010 and 2009 dividends had been resolved at the stockholders' meetings on June 22, 2011 and June 15, 2010, respectively. Details are summarized below:

	2010		2009	
	Amounts	Dividends per share (in dollars)	Amounts	Dividends per share (in dollars)
Cash dividends	$ 5,048,505	$ 1.62	$ 8,040,212	$ 2.58

At the stockholders' meeting on June 22, 2011, the Company's stockholders also resolved to distribute $560,945 as employees' cash bonuses and $50,642 as directors' and supervisors' remunerations, respectively. The distributed amount is the same as the estimated amount accrued in 2010. Any information in relation to the Company's earnings of distribution after the shareholders' approval will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

G. In March 21, 2012, the Board of Directors proposed the following dividends for 2011:

	2011	
	Amounts	Dividends per share (in dollars)
Cash dividends	$ 4,371,213	$ 1.42

At the stockholders' meeting on March 21, 2012, the Company's stockholders also proposed to distribute $485,690 as employees' cash bonuses and $43,535 as directors' and supervisors' remunerations, respectively. As of March 21, 2012, our stockholders have not approved the distribution. Any information in relation to the Company's earnings of distribution after the shareholders' approval will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

H. According to the Articles of Incorporation of the Company, for the years ended December 31, 2011 and 2010, the Company accrued $485,690 and $560,945 as employees' bonuses and $43,535 and $50,642 as directors' and supervisors' remuneration, respectively, which were accrued based on 10% and 1% of net income after considering the required legal reserve.

17. TREASURY STOCK

The Company did not purchase any treasury stock during 2010. In 2011, the treasury stock purchased by the Company is as follow:

	2011			
Reason	Balance as of January 1, 2011 (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	December 31, 2011 (thousand shares)
To transfer to employees	-	38,042	-	38,042

On August 8, 2011, the Board of Directors approved a share repurchase program for the repurchase of up to 50,000 thousand shares of the Company's common stock. As of December 31, 2011, the Company repurchased 38,042 thousand shares of the Company's common stock pursuant to this share repurchase program, at an average price of NT$25.35 (in dollars) per share. The closing price was $27.10 (in dollars) on December 31, 2011.

Pursuant to the Security Exchange Act, the treasury stocks held by the Company cannot be pledged as collaterals, nor have rights to receive the dividend or to vote.

18. INCOME TAX

	For the years ended December 31, 2011	2010
Income tax expense calculated at the statutory tax rate	$ 926,530	$ 1,076,668
Permanent differences	(204,881)	(279,294)
Investment tax credits	(91,231)	(270,691)
Changes in allowance for deferred tax assets	(27,184)	(32,076)
Adjustment for deferred tax assets due to change of statutory tax rate	-	80,848
Under provision from prior years	8,127	8,387
Alternative minimum tax	-	122,595
Additional 10% tax on unappropriated earnings	1,571	-
Income tax expense	612,932	706,437
Adjustment:		
Net changes of deferred tax assets	(78,965)	(244,650)
Directly debit shareholders' equity	(11,387)	39,859
Increase in income tax payable	(8,104)	(4,549)
Prepaid and withholding taxes	(38,863)	(6,993)
Income tax payable	$ 475,613	$ 490,104

A. For the years ended December 31, 2011 and 2010, significant portion of the permanent differences were derived from the revenue from assembly of certain integrated circuit products which were exempted from income tax and the income tax exemption of capital gain from domestic security transactions.

B. The details of deferred income tax assets and liabilities arising from temporary differences and investment tax credits as of December 31, 2011 and 2010 were as follows:

	December 31, 2011		December 31, 2010	
	Amount	Tax Effect	Amount	Tax Effect
Current:				
Temporary differences:				
Unrealized loss on obsolescence and decline in market value of inventories	$ 127,580	$ 21,689	$ 97,762	$ 16,619
Unrealized sales allowance	152,037	25,846	146,569	24,917
Unrealized foreign currency exchange loss (gain)	40,857	6,946	(58,841)	(10,003)
Reversal of valuation allowance for doubtful accounts	-	-	(21,261)	(3,614)
Investment tax credits		252,227		559,268
		$ 306,708		$ 587,187
Noncurrent :				
Temporary differences:				
Depreciation expense	($ 92,420)	($ 15,711)	($ 159,311)	($ 27,083)
Unrealized gain arising from valuation for financial assets	(374,993)	(63,749)	(441,977)	(75,136)
Impairment loss	2,218,381	377,125	2,218,381	377,125
Deferred asset － intercompany profit	42,718	7,262	48,646	8,270
Unrealized loss on idle assets	152,906	25,993	212,869	36,187
Investment tax credits		1,017,443		854,670
		1,348,363		1,174,033
Valuation allowance for deferred income tax assets		(75,099)		(102,283)
		$ 1,273,264		$ 1,071,750

Valuation allowance for deferred income tax assets relates primarily to unrealized loss of holding foreign long-term investment and allowance for investment tax credits from equipment, qualifying research and development expenditure.

C. The Company’s income tax returns have been assessed and approved by the Tax Authority through 2008.

D. As of December 31, 2011, the Company’s unused portion of investment tax credits, under the “Statue for Upgrading Industries”, were as follows:

Nature of Investment Tax Credits	Deductible Amount	Unused Amount	Expiration Years
Acquisition costs of qualifying machinery and equipment	$ 967,962	$ 963,993	2012 to 2015
Qualifying research and development expenditure	556,392	305,677	2012 to 2013
	$ 1,524,354	$ 1,269,670	

E. The Company has met the requirement of "Incentives for Emerging Important Strategic Industries in Manufacturing and Technology Services" for its capitalization plans in 2005 and 2006 and is exempted from income tax for revenues arising from the assembly and testing of certain integrated circuit products for a five-year period from 2008, respectively. The five-year income tax exemptions will expire in December 2012 and May 2013, respectively. Also, the Industrial Development Bureau of Ministry of Economic Affairs has issued permission for the five-year income tax exemption of the Company's 2007 registered capitalization plan in 2008.

19. EARNINGS PER SHARE

	For the year ended December 31, 2011				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share			(in thousands)	(in dollars)	
Net income	$ 5,450,175	$ 4,837,243	3,102,858	$ 1.76	$ 1.56
Dilutive effect of employee bonus	-	-	18,913		
Diluted earnings per share	$ 5,450,175	$ 4,837,243	3,121,771	$ 1.75	$ 1.55

	For the year ended December 31, 2010				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share			(in thousands)	(in dollars)	
Net income	$ 6,333,344	$ 5,626,907	3,116,361	$ 2.03	$ 1.81
Dilutive effect of employee bonus	-	-	16,901		
Diluted earnings per share	$ 6,333,344	$ 5,626,907	3,133,262	$ 2.02	$ 1.80

A. The treasury stocks held by the Company have been considered in the calculation of weighted-average outstanding common stock in 2011.

B. Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would be increased from employees' stock bonus issuance in the weighted-average number of common shares outstanding during the reporting year, which taking into account the dilutive effects of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year that include the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year. Since capitalization of employees' bonus no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalized), the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.

20. PERSONNEL COSTS, DEPRECIATION AND AMORTIZATION

	For the year ended December 31, 2011		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 7,270,231	$ 1,781,006	$ 9,051,237
Labor and health insurance	655,022	133,703	788,725
Pension expense	361,311	98,214	459,525
Other	507,991	126,149	634,140
	$ 8,794,555	$ 2,139,072	$ 10,933,627
Depreciation	$ 7,742,418	$ 372,731	$ 8,115,149
Amortization	$ 305,710	$ 223,502	$ 529,212

	For the year ended December 31, 2010		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 7,199,137	$ 1,506,525	$ 8,705,662
Labor and health insurance	600,116	103,039	703,155
Pension expense	353,285	80,537	433,822
Other	555,392	104,906	660,298
	$ 8,707,930	$ 1,795,007	$ 10,502,937
Depreciation	$ 7,543,405	$ 290,718	$ 7,834,123
Amortization	$ 313,919	$ 96,768	$ 410,687

21. RELATED PARTY TRANSACTIONS

A. Name and Relationship with Related Parties:

Name of Related Parties	Relationship with the Company
SPIL (B.V.I.) Holding Limited	Subsidiary of the Company
SPIL (Cayman) Holding Limited	Indirect subsidiary of the Company
Siliconware USA, Inc.	Indirect subsidiary of the Company
Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company
Vertical Circuits, Inc. (VCI)	Equity investee of the Company (Note 1)
AcSiP Technology Corp. (AcSiP)	Equity investee of the Company (Note 2)

Note 1: The Company obtained the ownership of VCI on December 1, 2010, and therefore, the investee became a related party of the Company from the same day. The disclosures of related party transactions include the transactions incurred in both 2011 and 2010.

Note 2: The Company obtained the ownership of AcSiP on May 26, 2011, and therefore, the investee became a related party of the Company from the same day. The disclosures of related party transactions include the transactions incurred in 2011 only.

B. Significant Transactions with Related Parties:

(1) Sales

	For the years ended December 31,			
	2011		2010	
	Amount	% of net sales	Amount	% of net sales
Siliconware Technology (Suzhou) Limited	$ 35,209	–	$ 7,361	–
Vertical Circuits, Inc.	4,014	–	2,989	–
AcSiP Technology Corp.	27,246	–	-	–
	$ 66,469	–	$ 10,350	–

The sales prices and collection terms provided to related parties were generally comparable to those provided to non-related parties.

(2) Purchases

	For the years ended December 31,			
	2011		2010	
	Amount	% of net purchase	Amount	% of net purchase
Siliconware Technology (Suzhou) Limited	$ 11,444	-	$ 195,381	1

The purchase prices and payment terms provided by Siliconware Technology (Suzhou) Limited were determined based on mutual agreement due to no comparable transactions with others.

(3) Accounts Receivable

	December 31, 2011		December 31, 2010	
	Amount	% of accounts receivable	Amount	% of accounts receivable
Vertical Circuits, Inc.	$ 275	-	$ 415	-
AcSiP Technology Corp.	9,860	-	-	-
	$ 10,135	-	$ 415	-

(4) Accounts Payable

	December 31, 2011		December 31, 2010	
	Amount	% of accounts payable	Amount	% of accounts payable
Siliconware Technology (Suzhou) Limited	$ 1,546	-	$ 5,079	-

(5) Compensation Expense / Accrued Expense

	As of and for the years ended December 31,			
	2011		2010	
	Commission expense	Accrued expense	Commission expense	Accrued expense
Siliconware USA, Inc.	$ 351,805	$ 25,869	$ 373,430	$ 21,653

The Company paid compensation, based on the agreement, to Siliconware USA, Inc. for communicating and maintaining relationships with the customers headquartered in the North America.

(6) New Product Development Expense / Deferred Charges

	As of and for the yeasr ended December 31,			
	2011		2010	
	New product expense	Deferred charges	New product expense	Deferred charges
Vertical Circuits, Inc.	$ 3,494	$ 8,426	$ 3,494	$ 11,920

(7) Other Incomes / Other Receivables

	As of and for the years ended December 31,			
	2011		2010	
	Other income	Other receivables	Other income	Other receivables
Siliconware Technology (Suzhou) Limited	$ 89,446	$ 35,922	$ 57,479	$ 21,263
Others	10	41	-	-
	$ 89,456	$ 35,963	$ 57,479	$ 21,263

The Company charged Siliconware Technology (Suzhou) Ltd. for using certain technology of the Company.

(8) Property Transaction

	As of and for the year ended December 31, 2011				
	Name of the property	Sales amount	Book value	Gain on disposal of property, plant and equipment	Other receivables
Siliconware Technology (Suzhou) Ltd.	Equipment	$ 65,847	$ 56,063	$ 9,784	$ 4,465
	Name of the property	Purchase amount	Other payables		
Siliconware Technology (Suzhou) Ltd.	Equipment	$ 7,462	$ 786		

	As of and for the year ended December 31, 2010				
	Name of the property	Sales amount	Book value	Gain on disposal of property, plant and equipment	Other receivables
Siliconware Technology (Suzhou) Ltd.	Equipment	$ 52,325	$ 42,456	$ 9,869	$ 29,481
	Name of the property	Purchase amount	Other payables		
Siliconware Technology (Suzhou) Ltd.	Equipment	$ 13,301	$ -		

(9) Salaries / Remunerations Paid to Directors, Supervisors, and Managements

	For the years ended December 31,	
	2011	2010
Salary	$ 28,216	$ 31,593
Remuneration / compensation	20,973	50,718
Operating expenses	1,461	1,029
Earnings distribution	69,080	81,728
	$ 119,730	$ 165,068

i. Salary includes base salary, job allowance, retirement pension, and etc.
ii. Compensation includes various kinds of bonus, other financial incentives, and etc.

iii. Operating expenses include transportation fare, dormitory, and other kinds of practical subsidies.

iv. Earnings distribution means directors' and supervisors' remuneration and employees' bonus recognized for the current period.

v. Please refer to the Company's annual report to stockholders for other related information.

22. ASSETS PLEDGED AS COLLATERALS

As of December 31, 2011 and 2010, the following assets have been pledged as collaterals against certain obligations of the Company:

Assets	December 31, 2011	December 31, 2010	Subject of collaterals
Time deposits (shown as other financial assets, current)	$ 336,700	$ 336,700	Guarantees for customs duties and leasing lands

23. COMMITMENTS AND CONTINGENCIES

A. As of December 31, 2011, the Company's issued but unused letters of credit for imported machinery and equipment was approximately $10,925.

B. For the needs of its future operations, the Company entered into several construction agreements amounting to $1,951,500 of which $36,790 remained unpaid as of December 31, 2011.

C. The Company entered into several contracts with five foreign companies for the use of certain technologies and patents. The Company agreed to pay royalty fees according to the contracts. Contracts are valid through March 2012, May 2014, December 2015, May 2018, and until all patents included in the contracts expire or until both parties agree to terminate the contracts, respectively.

D. On March 1, 2006, the Company was informed of a lawsuit brought by Tessera in the United States District Court for the Northern District of California against it, its subsidiary, Siliconware USA, Inc., and other semiconductor companies (California Litigation). Tessera alleged that some of our packaging services have infringed patents owned by Tessera and that we breached a license agreement with Tessera. In May 2007, the parties stipulated to a stay pending a final determination of an investigation (605 Case) directed against other parties (including certain co-defendants in the California Litigation) conducted by the International Trade Commission (ITC). Pursuant to the stipulation, the court stayed the litigation. In December 2011, according to Tessera's petition, the California Litigation lifted the stay and the case will move forward.

In February 2007, the Company filed requests for reexamination of five patents with the U.S. Patent and Trademark Office, or the USPTO, four of which being asserted by Tessera against the Company in the California Litigation. The USPTO has rejected all of the asserted patent claims on the grounds that each claim is invalid in view of certain prior art. With Right of Appeal Notice, some of the adverse decisions have been appealed to the Board of Patent Appeals and Interferences by Tessera.

Because litigation is inherently unpredictable, the Company is unable to accurately predict the ultimate outcome.

24. SIGNIFICANT DISASTER LOSS

None.

25. SIGNIFICANT SUBSEQUENT EVENT

See item 16G.

26. OTHERS

A. Fair Values of Financial Instruments:

	December 31, 2011			December 31, 2010		
		Fair Value			Fair Value	
Non-derivative financial instruments	Book Value	Quotation in an active market	Estimated using a valuation technique	Book Value	Quotation in an active market	Estimated using a valuation technique
Financial Assets						
Financial assets with fair values equal to book values	$ 24,194,704	$ -	$ 24,194,704	$ 24,248,862	$ -	$ 24,248,862
Available-for-sale financial assets, noncurrent	3,198,180	3,198,180	-	4,887,007	4,887,007	-
Financial assets carried at cost, noncurrent	1,932,643	-	-	1,449,343	-	-
	$ 29,325,527	$ 3,198,180	$ 24,194,704	$ 30,585,212	$ 4,887,007	$ 24,248,862
Financial Liabilities						
Financial liabilities with fair values equal to book values	$ 12,292,682	$ -	$ 12,292,682	$ 13,887,823	$ -	$ 13,887,823
Long-term loans	9,532,335	-	9,532,335	4,368,158	-	4,368,158
	$ 21,825,017	$ -	$ 21,825,017	$ 18,255,981	$ -	$ 18,255,981

Methods and assumptions used to estimate the fair values of financial instruments are as follows:

i. Financial assets and liabilities with fair values equal to book values are cash, notes receivable, accounts receivable, other financial assets－current, refundable deposits, accounts payable, income tax payable, accrued expenses, other payables, other current liabilities and other liabilities because of their short maturities.

ii. Available-for-sale financial assets, noncurrent are recorded at quoted market prices as their fair values due to the availability of the quoted price in an active market.

iii. Financial assets carried at cost, noncurrent are recorded at costs as there is no active quoted market prices and the fair value cannot be measured fairly.

iv. The book value of long-term loans approximates their fair value as floating interest rates are borne for the long-term loans.

B. Financial assets and liabilities with the risk of interest rate fluctuation:

As of December 31, 2011and 2010, the Company’s financial assets with fair value risk of interest rate fluctuation were $9,822,153 and $3,660,648, respectively, financial liabilities were both $0, respectively. As of December 31, 2011 and 2010, the Company's financial assets with cash flow risk of interest rate fluctuation were $3,737,200 and $9,508,500, respectively; financial liabilities were $9,532,335 and $4,368,158, respectively.

C. The income or expense of financial assets and liabilities that are not at fair value through profit or loss: For the years ended December 31, 2011 and 2010, total interest income of financial assets that are not at fair value through profit or loss amounted to $48,068 and $30,068, respectively. For the years ended December 31, 2011 and 2010, total interest expense of financial liabilities that are not at fair value through profit or loss amounted to $70,435 and $6,602, respectively. Available-for-sale financial assets are measured at fair value at balance sheet dates. For the years ended December 31, 2011 and 2010, balance of the shareholders' equity due to changes in fair value decreased by $1,677,440 and increased by $1,021,355, respectively.

D. Financial risk control:

E. The Company has implemented appropriate risk management and control processes to identify, measure, and control the risks associated with the market, credit, liquidity and cash flows.

F. Financial risk information:

1. Financial assets: investments in equity instruments

	December 31,	
	2011	2010
Available-for-sale financial assets	$ 3,198,180	$ 4,887,007
Financial assets carried at cost	1,932,643	1,449,343
	$ 5,130,823	$ 6,336,350

(1) Market risk:

The Company's investments in equity instruments are exposed to the market price risk. However, the Company performs risk management controls to minimize the potential loss to an acceptable level. The Company believes that the probability of significant market risk is low.

(2) Credit risk:

The Company's investments in available-for-sale financial assets are through creditable financial institutions. The expected credit exposure to such financial institutions is low. For equity investments carried at cost, the Company has evaluated counter parties' credit condition each time when the Company entered into investment transaction. Thus, the credit risk is low.

(3) Liquidity risk:

The Company's available-for-sale financial assets are traded in active markets, which can be sold at the prices not significantly different from their market value. The Company is exposed to a greater liquidity risk for equity instruments measured at cost due to the fact that no active market exists for these instruments.

(4) Cash flow risk of interest rate:

The Company's investments in equity financial assets are non-interest related. As a result, there is no cash flow risk of interest rate.

2. Financial liabilities: debt instruments

	December 31, 2011	December 31, 2010
Long-term loans	$ 9,532,335	$ 4,368,158

(1) Market risk:

The Company's long-term loans bear floating interest rates, and therefore, no significant market risk of interest rate fluctuation is expected.

(2) Credit risk:

Debt instruments issued by the Company do not have significant credit risk.

(3) Liquidity risk:

The Company maintains sufficient working capital to meet its cash requirements. The Company believes that there is no significant liquidity risk.

(4) Cash flow risk of interest rate:

The Company obtained long-term loans with floating interest rate. Effective interest rate of long-term loan will fluctuate accordingly due to the changes in market rate and also affect future cash flow. With the assumption of no fluctuation of exchange rate, the Company's cash outflow will be increased by $100,938 annually while the interest rate arises by 1%.

3. Information of significant effect of foreign currency financial assets and liabilities:

The Company engaged in certain business denominated in foreign currencies, and therefore, the fluctuation of foreign currency exchange rates had impact on these business consequently. The information of foreign currency financial assets and liabilities with significant effect by the fluctuation of foreign currency exchange rates as of December 31, 2011 and 2010 are as follows:

	December 31, 2011		December 31, 2010	
	Foreign Currencies (in thousands)	Exchange Rates	Foreign Currencies (in thousands)	Exchange Rates
Financial Assets				
Monetary assets				
United States Dollars	$ 343,576	30.225	$ 294,205	29.08
Non-monetary assets				
United States Dollars	15,706	30.225	18,628	29.08
Long-term investments under equity method				
United States Dollars	196,929	30.275	170,088	29.08
Financial Liabilities				
Monetary liabilities				
United States Dollars	281,888	30.225	278,787	29.18
Japanese Yen	2,799,317	0.3926	3,545,471	0.3602

27. <u>SPECIAL DISCLOSURE ITEMS</u>

A. Significant Transaction Information

(1) Loans to third parties attributed to financial activities:

For the year ended December 31, 2011: None.

(2) Endorsement and guarantee provided to third parties:

For the year ended December 31, 2011: None.

(3) The ending balances of securities are summarized as follows:

As of December 31, 2011:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage of ownership	Market value per share (in dollars)
Siliconware Precision Industries Co., Ltd.	Stock	SPIL (B.V.I.) Holding Limited	Investee accounted for under the equity method	Long-term investments accounted for under the equity method	128,400	$5,851,367	100.00%	$ 45.57 (Note 2)
Siliconware Precision Industries Co., Ltd.	Stock	Vertical Circuits, Inc.	Investee accounted for under the equity method	Long-term investments accounted for under the equity method	15,710	110,671	30.69%	2.67 (Note 2)
Siliconware Precision Industries Co., Ltd.	Stock	AcSiP Technology Corp.	Investee accounted for under the equity method	Long-term investments accounted for under the equity method	1,750	62,904	16.73%	21.30 (Note 2)
Siliconware Precision Industries Co., Ltd.	Stock	Unimicron Technology Corporation	-	Available-for-sale financial assets, noncurrent	76,502	2,723,474	4.97%	56.80
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	-	Available-for-sale financial assets, noncurrent	3,044	474,706	9.11%	155.96 (Note 3)
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies Inc.	-	Financial assets carried at cost, noncurrent	133,000	1,630,580	15.78%	14.36 (Note 4)
Siliconware Precision Industries Co., Ltd.	Stock	Hsieh Yong Capital Co., Ltd.	-	Financial assets carried at cost, noncurrent	57,810	170,000	7.58%	6.38 (Note 2)
Siliconware Precision Industries Co., Ltd.	-	Mega Mission Limitid Partnership	-	Financial assets carried at cost, noncurrent	(Note 1)	132,063	4.00%	-

Note 1: The contributed capital was US $6,000 thousand.

Note 2: The market value is not available. Therefore, the net equity per share as of December 31, 2011 was used.

Note 3: The closing price of US$5.16 (in dollars) per share on December 31, 2011 was used. (Exchange rate at US$1: NT$30.225)

Note 4: The market value is not available. Therefore, the net equity per share as of June 30, 2011 was used.

(4) Securities for which total buying or selling exceeds the lower of $100,000 or 20 percent of the capital stock:

For the year ended December 31, 2011:

Investor	Name of the security	General ledger accounts	Name of the counter party	The relationship of the issuers with the Company	Beginning balance		Addition		Disposal				Ending balance	
					Number of shares/unit (in thousands)	Amount	Number of shares/unit (in thousands)	Amount	Number of shares/unit (in thousands)	Sale price	Book value	Gain (loss) from disposal	Number of shares/unit (in thousands)	Amount (Note)
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies Inc.	Financial assets carried at cost, noncurrent	ChipMOS Technologies (Bermuda) Ltd.	-	93,033	$1,140,580	39,967	$490,000	-	-	-	-	133,000	$1,630,580

(5) Acquisition of real estate with an amount exceeding the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2011: None

(6) Disposal of real estate with an amount exceeding the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2011: None

(7) Related party transactions with purchases and sales amounts exceeding the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2011: None

(8) Receivables from related parties exceeding the lower of NT$100,000 or 20 percent of the capital stock:

As of December 31, 2011: None

(9) Transaction of derivative financial instruments:

For the year ended December 31, 2011: None

B. Related Information on Investee Companies

(1) Basic information on investee companies:

For the year ended December 31, 2011:

Investor	Name of Investee	Location	Main activities	Original investments: Current period ending balance	Original investments: Prior period ending balance	The Company / majority owned subsidiary owns: Shares (in thousands)	The Company / majority owned subsidiary owns: Ownership Percentage	The Company / majority owned subsidiary owns: Book value	Current period: Net income (loss) of investee	Current period: Income (loss) recognized by the Company	Note
Siliconware Precision Industries Co., Ltd.	SPIL (B.V.I.) Holding Limited	British Virgin Islands	Investment activities	$ 3,887,310	$ 3,887,310	128,400	100.00%	$ 5,851,367	$ 593,817	$ 593,817	(Notes 1, 2, and 7)
Siliconware Precision Industries Co., Ltd.	Vertical Circuits, Inc.	Scott Valley, CA, USA	Assembly service providing	151,375	151,375	15,710	30.69%	110,671	(124,624)	(38,247)	(Notes 1 and 7)
Siliconware Precision Industries Co., Ltd.	AcSiP Technology Corp.	Taoyuan, Taiwan	Researching, designing, and selling RF modules	50,750	-	1,750	16.73%	62,904	109,284	12,154	(Note 1)
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Communications and relationship maintenance with companies headquartered in North America	37,844	37,844	1,250	100.00%	154,623	13,059	13,059	(Notes 3 and 7)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Cayman Islands, British West India	Investment activities	3,941,805	3,941,805	130,200	100.00%	5,687,269	580,841	580,841	(Notes 3 and 7)
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Suzhou Jiangsu, China	Assembly and testing service provider	3,935,750	3,935,750	(Note 5)	100.00%	5,686,980	582,913	581,586	(Notes 4, 6, and 7)

Note 1: The Company's investee accounted for under the equity method.

Note 2: The Company's 100% owned subsidiary.

Note 3: An investee accounted for under the equity method of SPIL (B.V.I.) Holding Limited, a 100% owned subsidiary of the Company.

Note 4: An investee accounted for under the equity method of SPIL (Cayman) Holding Limited, a 100% owned subsidiary of SPIL (B.V.I) Holding Limited.

Note 5: The contributed capital was US$130,000 thousand.

Note 6: The investment income (loss) recognized during the current period already excludes the amounts of unrealized intercompany profit on disposal of assets and loss on sales.

Note 7: The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation.

(2) The ending balance of securities held by investee companies:

As of December 31, 2011:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value (Note 3)	Percentage of ownership	Market value per share (in dollars) (Note 2)
SPIL (B.V.I.) Holding Limited	Stock	Siliconware USA, Inc.	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	1,250	$ 154,623	100.00%	$ 123.70
SPIL (B.V.I.) Holding Limited	Stock	SPIL (Cayman) Holding Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	130,200	5,687,269	100.00%	43.68
SPIL (Cayman) Holding Limited	Stock	Siliconware Technolog (Suzhou) Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	(Note 1)	5,686,980	100.00%	-

Note 1: The contributed capital was US$130,000 thousand.

Note 2: The market value is not available. Therefore, the net equity per share as of December 31, 2011 was used.

Note 3: The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation.

(3) Securities for which total buying or selling amount exceed the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2011: None

C. Information of investment in mainland China:

(1) Information of investment in mainland China: (The amount in USD is presented in thousands.)

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2011	Remitted or (collected) this period	Accumulated remittance as of December 31, 2011	Ownership held by the Company (Direct and indirect)	Investment income (loss) recognized by the Company during the period	Ending balance of investment	The investment income (loss) remitted back as of December 31, 2011
Siliconware Technology (Suzhou) Limited	Assembly and testing service providing	$ 3,935,750 (USD 130,000) (Note 3)	(Note 1)	$ 3,935,750 (USD 130,000) (Note 3)	$ - (Note 3)	$ 3,935,750 (USD 130,000) (Note 3)	100%	$581,586 (Notes 2 and 3)	$5,686,980 (Note 3)	-

Note 1: The Company set up a subsidiary in the third country to invest in Mainland China.

Note 2: The investment income (loss) was recorded based on the audited financial statements.

Note 3: The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation.

Note 4: Based on the Rule No. 09704604680 “Regulations Governing Security Investment and Technical Cooperation in the Mainland Area” set by Ministry of Economic Affairs, the Company received documents from the Industrial Development Bureau of Ministry of Economic Affairs which proved that the Company’s operation is qualified for operations of operating headquarters. Therefore, the Company is not required to impute the ceiling of investment in Mainland China.

(2) Material transactions occurred directly between the Company and its Mainland China investee companies and material transactions occurred indirectly between the Company and its Mainland China investee companies via enterprises in other areas: Please refer to Note 21: Related party transactions.

28. SEGMENT INFORMATION

Pursuant to the R.O.C. FAS No. 41, the segment information is disclosed in consolidated financial statements.