SILICONWARE PRECISION INDUSTRIES CO., LTD.

FINANCIAL STATEMENTS AND

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2007 AND 2006

These English financial statements and review report of independent accountants were translated from the financial statements and review report of independent accountants originally prepared in Chinese.

REVIEW REPORT OF INDEPENDENT ACCOUNTANT

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

We have reviewed the accompanying non-consolidated balance sheets of Siliconware Precision Industries Co., Ltd. as of March 31, 2007 and 2006, and the related non-consolidated statements of income and of cash flows for the three months then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to issue a review report on these financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews of the quarterly financial statements in accordance with R.O.C. Statements of Auditing Standards No. 36, “Review of Financial Statements”. A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 9, the financial statements of certain long-term investments accounted for under the equity method as of and for the three-month periods ended March 31, 2007 and 2006 were not reviewed by independent accountants. As of March 31, 2007 and 2006, the balances of the Company’s long-term investments in the amount of $3,612,791 thousand and $3,506,013 thousand, respectively, and the investment income of $261,608 thousand for the three-month period ended March 31, 2007 and the investment loss of $7,496 thousand for the three-month period ended March 31, 2006 were not reviewed by independent accountants.

Based on our reviews, except for the effects on the financial statements as of and for the three-month periods ended March 31, 2007 and 2006 of such adjustments, if any, as might have been determined to be necessary had the financial statements of the investee companies accounted for under the equity method as described in the preceding paragraph been reviewed by independent accountants, we are not aware of any material modifications that should be made to the financial statements referred to in the first paragraph in order for them to be in conformity with "Rules Governing the Preparation of Financial Reports by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling" and generally accepted accounting principles in the Republic of China.

As discussed in Note 3, commencing from January 1, 2006, the Company adopted amended Statement of Financial Accounting Standards No. 34, "Accounting for Financial Instruments", and No. 36, "Disclosure and Presentation of Financial Instruments".

April 25, 2007

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 review 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 review report of the independent accountants are not intended for use by those who are not informed about the accounting principles or review 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)
(UNAUDITED)

	March 31, 2007	March 31, 2006
ASSETS		
Current Assets		
Cash (Note 4)	$ 21,086,120	$ 12,873,568
Notes receivable, net	63,445	117,669
Accounts receivable, net (Notes 5 and 23)	8,617,954	8,197,271
Other financial assets, current (Notes 23 and 24)	530,610	690,404
Inventories (Note 6)	2,508,706	2,784,148
Deferred tax assets, current (Note 20)	1,132,170	807,160
Other current assets - other	438,163	485,195
	34,377,168	25,955,415
Long-term Investments		
Available for sale financial assets (Note 7)	10,428,405	9,570,347
Financial assets carried at cost (Note 8)	3,891	3,891
Long-term investment under equity method (Note 9)	3,612,791	8,155,090
	14,045,087	17,729,328
Property, Plant and Equipment (Notes 10 and 23)		
Cost:		
Land	2,782,443	2,128,476
Buildings	7,500,895	6,968,492
Machinery and equipment	45,426,980	40,376,787
Utility equipment	579,822	550,057
Furniture and fixtures	629,506	599,037
Other equipment	1,900,240	1,620,307
	58,819,886	52,243,156
Less:Accumulated depreciation	(28,593,631)	(24,469,525)
Construction in progress and prepayments for equipment	2,133,059	2,127,652
	32,359,314	29,901,283
Other Assets		
Refundable deposits	8,214	8,236
Deferred charges	685,685	755,579
Deferred income tax asset, noncurrent (Note 20)	1,168,514	1,738,269
Other assets - other (Note 11)	284,864	140,701
	2,147,277	2,642,785
TOTAL ASSETS	$ 82,928,846	$ 76,228,811

(Continued)

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

	March 31, 2007	March 31, 2006
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	$ -	$ 4,911
Accounts payable (Note 23)	4,527,833	4,513,284
Income tax payable (Note 20)	1,232,922	397,981
Accrued expenses (Note 23)	1,558,834	1,413,246
Other payables (Notes 12 and 23)	1,839,518	2,127,799
Current portion of long-term loans (Note 13)	1,184,596	6,112,790
Other current liabilities	340,571	142,017
	10,684,274	14,712,028
Long-term Liabilities		
Bonds payable (Notes 13 and 28)	-	5,934,701
Long-term loans (Notes 14 and 28)	2,984,690	1,666,600
	2,984,690	7,601,301
Other Liabilities (Note 15)	242,614	345,486
Total Liabilities	13,911,578	22,658,815
Stockholders' Equity (Notes 1 and 16)		
Capital stock	29,424,577	24,141,992
Capital reserve (Note 17)		
Additional paid-in capital	13,622,361	8,335,119
Premium arising from merger	1,951,563	1,951,563
Other	129,584	85,938
Retained earnings (Note 18)		
Legal reserve	2,003,494	1,179,104
Special reserve	50,029	141,053
Unappropriated earnings	17,246,876	11,064,924
Unrealized gain on available for sale financial assets	5,360,399	7,566,236
Cumulative translation adjustments	24,356	(65,377)
Net loss not recognized as pension cost	(1,787)	(1,828)
Treasury stock (Note 19)	(794,184)	(828,728)
Total Stockholders' Equity	69,017,268	53,569,996
Commitments and Contingencies (Note 25)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 82,928,846	$ 76,228,811

The accompanying notes are an integral part of these non-consolidated financial statements.
See review report of independent accountants dated April 25, 2007.

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

	For the three months ended March 31, 2007	2006
Operating Revenues		
Sales (Note 23)	$ 13,800,497	$ 13,491,282
Sales allowances	(49,500)	(51,941)
Net operating revenues	13,750,997	13,439,341
Cost of Goods Sold (Note 23)	(9,944,531)	(9,834,836)
Gross Profit	3,806,466	3,604,505
Operating Expenses (Notes 22 and 23)		
Selling expenses	(194,583)	(180,626)
General and administrative expenses	(264,163)	(243,900)
Research and development expenses	(340,783)	(252,961)
	(799,529)	(677,487)
Operating Income and Gain	3,006,937	2,927,018
Non-operating Income and Gain		
Interest income (Note 28)	62,700	87,834
Investment income recognized under the equity method (Note 9)	261,608	-
Gain on disposal of investments (Note 9)	793,350	-
Others (Note 23)	139,201	110,441
	1,256,859	198,275
Non-operating Expenses and Losses		
Interest expenses (Note 28)	(15,519)	(46,608)
Investment loss recognized under the equity method (Note 9)	-	(7,496)
Loss on obsolescence and decline of market value of inventories	-	(53,382)
Others (Note 23)	(58,227)	(17,410)
	(73,746)	(124,896)
Income from Continuing Operations Before Income Tax	4,190,050	3,000,397
Income Tax Expense (Note 20)	(357,102)	(176,507)
Net Income	$ 3,832,948	$ 2,823,890

	2007 Before tax	2007 After tax	2006 Before tax	2006 After tax
Basic Earnings Per Share (in dollars) (Note 21)				
Net income	$ 1.45	$ 1.33	$ 1.13	$ 1.06
Diluted Earnings Per Share (in dollars) (Note 21)				
Net income	$ 1.44	$ 1.32	$ 1.03	$ 0.98
Pro forma information as if the stock of the Company held by subsidiaries was not treated as treasury stock:				
Net income	$ 4,190,050	$ 3,832,948	$ 3,000,397	$ 2,823,890
Basic Earnings Per Share (in dollars)	$ 1.43	$ 1.31	$ 1.12	$ 1.05
Diluted Earnings Per Share (in dollars)	$ 1.42	$ 1.30	$ 1.02	$ 0.97

The accompanying notes are an integral part of these non-consolidated financial statements.
See review report of independent accountants dated April 25, 2007.

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

	For the three months ended March 31, 2007	2006
Cash flows from operating activities		
Net income	$ 3,832,948	$ 2,823,890
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,752,541	1,572,203
Amortization	137,048	140,028
Bad debts expense	12,048	-
Provision for sales allowance	3,183	26,446
Provision for loss on obsolescence and decline in market value of inventories	-	53,382
Gain on disposal of investment	(793,350)	-
Long-term investment (income) loss under the equity method	(261,608)	7,496
Loss (gain) on disposal of property, plant and equipment	30,489	(1,250)
Provision for loss on idle assets	10,553	12,789
Amortization of discount on long-term notes	15,482	-
Compensation interest on bonds payable	36	21,839
Foreign currency exchange (gain) loss on bonds payable	34,742	(150,712)
(Increase) decrease in assets:		
Notes receivable	(22,334)	39,230
Accounts receivable	225,138	1,144,934
Other financial assets, current	134,725	103,076
Inventories	256,620	(73,617)
Deferred income tax assets	65,230	(76,528)
Other current assets	31,891	39,445
Increase (decrease) in liabilities:		
Notes payable	-	(582)
Accounts payable	559,760	(517,744)
Income tax payable	285,540	244,965
Accrued expenses	(474,735)	(166,437)
Other payables	149,400	(250,115)
Other current liabilities	(59,499)	32,157
Net cash provided by operating activities	5,925,848	5,024,895

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

	For the three months ended March 31, 2007	2006
Cash flows from investing activities		
Refund of security deposits	$ -	$ 13,200
Purchase of long-term investments under equity method	-	(487,050)
Purchase of available for sale financial assets	(2,523,529)	-
Proceeds from disposal of long-term investment	6,289,854	-
Acquisition of property, plant and equipment	(2,016,780)	(2,388,352)
Proceeds from disposal of property, plant and equipment	190,206	27,370
Payment for deferred charges	(141,675)	(112,174)
Payment for refundable deposits	−	(1,095)
Net cash provided by (used in) investing activities	1,798,076	(2,948,101)
Cash flows from financing activities		
Proceeds form long-term loans	2,980,734	-
Repayment of long-term loans	(3,000,000)	-
Repayment (receipt) of deposit-in	(33,768)	111,919
Redemption of bonds payable	(18,913)	-
Proceeds from the execution of employee stock option	81,209	115,421
Net cash provided by financing activities	9,262	227,340
Net increase in cash	7,733,186	2,304,134
Cash at the beginning of the period	13,352,934	10,569,434
Cash at the end of the period	$ 21,086,120	$ 12,873,568
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 15,519	$ 46,467
Cash paid for income tax	$ 6,332	$ 8,070
Supplemental disclosures of partial cash paid for investing activities:		
Acquisition of property, plant and equipment	$ 2,128,357	$ 2,357,249
Add : Payable at the beginning of the period	1,127,306	1,565,412
Less : Payable at the end of the period	(1,238,883)	(1,534,309)
Cash paid	$ 2,016,780	$ 2,388,352

The accompanying notes are an integral part of these non-consolidated financial statements.
See review report of independent accountants dated April 25, 2007

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 (ROC) in May 1984 and was listed on the Taiwan Stock Exchange in April 1993. As of March 31, 2007, issued common stock was $29,424,577. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. As of March 31, 2007, the Company has 13,001 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", "Business Accounting Law", "Regulation on Business Entity Accounting Heading" 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements and the reported amounts of revenues, costs of revenue and expenses during the reporting period. 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 non-current assets/liabilities

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

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.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is estimated based on the evaluation of collectibility and aging analysis of notes receivables, accounts receivable and other receivables.

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 are stated at the lower of aggregate cost, determined by the weighted-average method, or market value at the balance sheet date. The market values of raw materials and supplies are determined on the basis of replacement cost, while market values of finished goods and work in process are determined on the basis of net realizable value. The allowance for loss on obsolescence and decline in market value is provided based on management’s analysis on inventory aging and obsolescence, when necessary.

Available-for-sale financial assets

Investments in equity securities are recorded at the transaction date, rather than settlement date. 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. The Company recognizes impairment loss whenever there is objective evidence of impairment. Such impairment loss shall not be reversed when the fair value of the asset subsequently increases.

Financial assets carried at cost

Equity securities measured at fair value along with transaction costs are recorded at the transaction date. Equity securities without quoted market values are recorded at cost. The Company recognizes impairment loss whenever there is objective evidence of impairment. Such impairment loss shall not be reversed when the fair value of the asset subsequently increases.

Long-term Investments accounted for under the equity method

A. Long-term equity investments in which the Company owns at least 20% of the voting rights 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 prior period adjustment is required for the amortization in previous years. Long-term equity investments in which the Company has controlling interests over the investee companies are included in the annual and semi-annual 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 non-current liabilities.

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 the stockholders' equity.

E. Equity method was adopted and investment income (loss) was recognized for the controlled investees in both the first and the third quarterly financial reports.

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 and depreciated accordingly.

B. Depreciation is provided on the straight-line method over the assets' estimated economic service lives, plus an additional year as the salvage value. Salvage values of fixed assets which are still in use after reaching their estimated economic service lives are depreciated over their new estimated remaining service lives. The service lives of fixed assets are 3 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. Idled 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

The 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 5 years. Convertible bond issuance costs are amortized over the period of the bonds.

Bonds Payable

According to Interpretation letter ref. (95) 078, "Compound Financial Instrument with Multiple Embedded Derivatives Issue", issued by R.O.C. Accounting Research and Development Foundation (ARDF), the Company's accounting policies for its convertible bonds issued on or prior to December 31, 2005 are as follows:

A. The excess of the stated redemption price over the par value is recognized as interest expense and compensation interest payable using the effective interest method during the period from the issuance date to the last day of the redemption period.

B. When a bondholder exercises his/her conversion rights, the book value of bonds is credited to common stock at an amount equal to the par value of the stock and the excess to capital reserve; no gain or loss is recognized on bond conversion.

C. The related issuance costs of convertible bonds are recorded as deferred charges and amortized over the lives of the bonds.

D. For convertible bonds with redemption options, the right of redemption becomes invalid if the bondholder fails to exercise his/her redemption right upon expiration. The balance of the compensation interest payable is amortized over the period from the date following the expiration date to the maturity date using the effective interest method. However, if the fair value of common stocks, which would have been converted on the expiration date of the redemption right, is higher than the redemption price, compensation interest should be reclassified from the liability to additional paid-in capital.

E. The convertible bonds with redemption options are classified as current or non-current liabilities based on the date of redemption.

Pension Cost

From July 1, 2005, the employees of the Company have to choose their individual pension accounts funded under either a defined benefit plan or a defined contribution plan. Under 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 defined contribution plan, the Company shall make monthly contribution to employees' individual pension accounts. These contributions are recorded as pension costs in the current period.

Income Tax

A. In accordance with ROC SFAS No. 22, "Accounting for Income Taxes", the income tax effect resulting from temporary differences and investment tax credits is recorded as 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 ROC 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, qualifying personnel training expenditure and qualifying investments in significant technology companies 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 expense at the time the stockholders resolve to retain the earnings.

Revenue Recognition

Revenues are recognized when services are provided based on transaction terms and when collectibility is reasonably assured.

Research and Development

Research and development costs are expensed as incurred.

Employee Stock Option Plan

According to Interpretation letter ref. (92) 072, "Accounting for Employee Stock Option Plans", issued by ARDF, the Company adopts intrinsic value method for the recording of compensation expenses.

Treasury Stock

A. The Company records treasury stock purchases under the cost method whereby the entire cost of the acquired stock is recorded as treasury stock and as a reduction of shareholders' equity.

B. Upon subsequent disposal of the treasury stock, the excess of the proceeds from disposal over the book value, determined by the weighted-average method, is credited to capital reserve. However, if the book value of the treasury stock exceeds the proceeds from disposal, the excess is first charged against capital reserve arising from treasury stock and the remainder, if any, is charged against retained earnings.

C. Stock of the Company held by the subsidiaries is treated as treasury stock. Subsidiaries' gain on disposal of the Company's stock and the cash dividend income received from the Company are recorded as additional paid-in capital – treasury stock.

Earnings per Share

A. 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.

B. The Company's dilutive potential common shares are employee stock options and convertible bonds. In computing the dilutive effects of the employee stock options and convertible bonds, the Company applies the treasury stock method and if-converted method, respectively.

Impairment Loss of Non-financial Assets

A. The Company recognizes impairment loss whenever event occurs or evidence indicates the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is measured as 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 from continuing use of an asset and from its disposal at the end of its 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, 2006, the Company adopted the amended SFAS No. 1, "Conceptual Framework for Financial Accounting and Preparation of Financial Statements", SFAS No. 5, "Accounting for Long-term Equity Investment", SFAS No. 7, "Consolidated Financial Statements", SFAS No. 25, "Business Combinations - Accounting Treatment under Purchase Method", and SFAS No. 35, "Accounting for Assets Impairment" which discontinued amortization of goodwill. This change of accounting principle had no effect on the financial statements as of and for the three months ended March 31, 2006.

Effective January 1, 2006, the Company adopted the newly released SFAS No. 34, "Accounting for Financial Instruments" and No. 36, "Disclosure and Presentation of Financial Instruments". As a result of the adoption of those SFAS, total assets and total shareholders' equity increased by $8,912,555 as of March 31, 2006 with no material impact on net income and earnings per share for the three-month ended March 31, 2006.

4. CASH

	March 31, 2007	March 31, 2006
Cash on hand	$ 1,823	$ 1,567
Savings accounts and checking accounts	910,480	699,336
Time deposits	20,173,817	12,172,665
	$ 21,086,120	$ 12,873,568

As of March 31, 2007 and 2006, the interest rates for time deposits ranged from 1.33% to 5.26 % and from 0.9% to 4.72%, respectively.

5. ACCOUNTS RECEIVABLE, NET

	March 31, 2007	March 31, 2006
Accounts receivable	$ 8,712,564	$ 8,301,225
Less :		
Allowance for sales discounts	(58,658)	(93,626)
Allowance for doubtful accounts	(35,952)	(10,328)
	$ 8,617,954	$ 8,197,271

6. INVENTORIES

	March 31, 2007	March 31, 2006
Raw materials and supplies	$ 2,228,234	$ 2,496,183
Work in process	259,476	293,952
Finished goods	65,842	96,741
	2,553,552	2,886,876
Less : Allowance for loss on obsolescence and decline in market value of inventory	(44,846)	(102,728)
	$ 2,508,706	$ 2,784,148

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS – NON-CURRENT

	March 31, 2007	March 31, 2006
Cost of listed securities	$ 5,546,372	$ 2,293,063
Valuation adjustment	4,882,033	7,277,284
	$ 10,428,405	$ 9,570,347

8. FINANCIAL ASSETS CARRIED AT COST – NON-CURRENT

	March 31,	
	2007	2006
Unlisted security	$ 3,891	$ 3,891

There is no reliable quoted price for unlisted security, and therefore this investment is carried at cost.

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

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

	March 31,			
	2007		2006	
Investee company	Amount	Percentage of ownership	Amount	Percentage of ownership
Equity method :				
Siliconware Investment Company Ltd.	$ 1,335,299	100.00%	$ 1,250,289	100.00%
Sigurd Microelectronics Corp.	-	-	724,140	23.92%
Double Win Enterprise Co., Ltd.	84,450	24.14%	84,450	24.14%
ChipMOS Technologies Inc.	-	-	3,924,937	28.75%
SPIL (B.V.I.) Holding Limited	2,277,492	100.00%	2,255,724	100.00%
	3,697,241		8,239,540	
Less : Accumulated impairment loss	(84,450)		(84,450)	
	$ 3,612,791		$ 8,155,090	

B. For the three months ended March 31, 2007 and 2006, the Company recognized investment income of $15,056 and investment loss of $7,496, respectively, for majority owned subsidiaries based on investees' unreviewed financial statements for the same periods by weighted-average percentage of stock ownership.

C. Due to the merger of Sigurd, one of the Company's investees originally accounted for under the equity method, with the other company on June 12, 2006, the Company's percentage of ownership has been reduced to below 20% and the Company is unable to exercise significant influence on Sigurd. The Company reclassified the investment in Sigurd as available-for-sale financial asset – non-current and recorded unrealized gain on available-for-sale financial asset of $123,950.

D. On March 27, 2007, the Company disposed its common stock ownership in ChipMOS Technologies Inc. for US$191,147 thousands and recorded an investment income of $246,552 for the period form January 1, 2007 to March 27, 2007, based on the Company's unreviewed financial statements as of and for the three-month period ended March 31, 2007. The Company recognized gain on disposal of investment of $793,350. Also, the Company acquired common stock ownership in ChipMOS Technologies (Bermuda) Ltd., the parent company of ChipMOS Technologies Inc., through private stock offering for US$76,459 thousands.

10. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2007		
	Cost	Accumulated depreciation	Book value
Land	$ 2,782,443	$ -	$ 2,782,443
Buildings	7,500,895	(2,168,427)	5,332,468
Machinery and equipment	45,426,980	(24,716,653)	20,710,327
Utility equipment	579,822	(359,568)	220,254
Furniture and fixtures	629,506	(346,916)	282,590
Other equipment	1,900,240	(1,002,067)	898,173
Construction in progress and prepayments for equipment	2,133,059	-	2,133,059
	$ 60,952,945	($ 28,593,631)	$ 32,359,314

	March 31, 2006		
	Cost	Accumulated depreciation	Book value
Land	$ 2,128,476	$ -	$ 2,128,476
Buildings	6,968,492	(1,794,266)	5,174,226
Machinery and equipment	40,376,787	(21,180,639)	19,196,148
Utility equipment	550,057	(338,526)	211,531
Furniture and fixtures	599,037	(318,684)	280,353
Other equipment	1,620,307	(837,410)	782,897
Construction in progress and prepayments for equipment	2,127,652	-	2,127,652
	$ 54,370,808	($ 24,469,525)	$ 29,901,283

11. OTHER ASSETS－OTHER

	March 31,	
	2007	2006
Land	$ 108,087	$ 108,087
Others	176,777	32,614
	$ 284,864	$ 140,701

The title of the land aforementioned was transferred to the Company on April 19, 2007.

12 OTHER PAYABLES

	March 31,	
	2007	2006
Payables for equipment	$ 1,238,883	$ 1,534,309
Other payables	600,635	593,490
	$ 1,839,518	$ 2,127,799

13 BONDS PAYABLE

	March 31,	
	2007	2006
Euro convertible bonds payable	$ 1,184,596	$ 8,586,704
Add : Compensation interest payable	−	327,387
	1,184,596	8,914,091
Less : Current portion of long-term bonds payable	(1,184,596)	(2,979,390)
	$ -	$ 5,934,701

A. On January 28, 2002, the Company issued five-year (from January 28, 2002 to January 28, 2007) zero coupon Euro convertible bonds amounting to US$200,000 (in thousands) listed on the Luxembourg Stock Exchange. As of March 31, 2007, all of the convertible bonds issued in 2002 have been converted into common stocks, redeemed, or retired after repurchased from the market.

B. On February 5, 2004, the Company issued five-year (from February 5, 2004 to February 5, 2009) zero coupon Euro convertible bonds amounting to US$200,000 (in thousands) listed on the Luxembourg Stock Exchange. Major terms of the issue are as follows:

(1) The Company may redeem the bonds at any time on or after February 5, 2006 and prior to January 29, 2009 at their principal amount, if (i) the market price of the shares of the Company for 20 out of 30 consecutive trading days is at least 120% of the conversion price or (ii) at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled or converted.

(2) Redemption at the option of the bondholders:

The Company will, at the option of the bondholders, redeem such bonds on February 5, 2008 at the principal amount.

(3) Conversion period:

At any time between March 17, 2004 and January 29, 2009.

(4) Conversion price and adjustment:

The conversion price was established on the issuance date at NT$47.035 (in dollars) per share. The conversion price will be subject to adjustment for bonus issues, right issues, distributions of cash and stock dividends and other dilutions. As of March 31, 2007, the conversion price was NT$34.42 (in dollars) per share.

(5) As of March 31, 2007, the convertible bonds with the principal amount of US$164,244 (in thousands) have been converted into 157,393 thousand shares of the Company's common stock, which resulted in an increase of capital reserve of $3,788,093. Also, as of March 31, 2007, the Company did not repurchase any of the bonds from the open market.

C. According to Interpretation letter ref. (95) 078, "Compound Financial Instrument with Multiple Embedded Derivatives Issue", issued by ARDF, the Company decides not to bifurcate the embedded derivatives from their host contacts issued on or prior to December 31, 2005.

14. LONG-TERM LOANS

		March 31,	
Nature of loans	Repayment period	2007	2006
Credit loans	Repayable in 3 semi-annual installments from July 2006	$ -	$ 4,800,000
Commercial paper	Repayable in 4 semi-annual installments from November 2009	3,000,000	-
		3,000,000	4,800,000
Less : Current portion of long-term loans		-	(3,133,400)
Discount on commercial paper		(15,310)	-
		$ 2,984,690	$ 1,666,600
Interest rates		2.093%	2.10%~2.11%

The loan agreements require, among other things, the maintenance of certain specific financial ratios and consent obtained from the majority banks on certain covenants.

15. PENSION PLAN AND NET 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. Under the funding policy of the plan, the Company contributes monthly an amount equal to 2% (5% before July 2005) of the employees' monthly salaries and wages to the pension fund deposited with the Central Trust of China, the custodian. Pension benefits are generally based on service years (two units earned per year for the first 15 years of service and one unit earned for each additional year of service with a maximum of 45 units). One unit represents six-month average wages and salaries before retirement of the employees. Under this pension plan, net pension costs amounting to $13,760 and $14,348 were recognized for the three months ended March 31, 2007 and 2006, respectively. Also, as of March 31, 2007 and 2006, the Company deposited $997,487 and $921,678, respectively, with the Center

Trust of China.

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 pension costs amounting to $64,444 and $57,539 was recognized for the three months ended March 31, 2007 and 2006, respectively.

16. CAPITAL STOCK

A. As of March 31, 2007, the authorized capital of the Company was $31,500,000, represented by 3,150,000,000 common shares with par value of NT$10 (in dollars) per share. As of March 31, 2007, issued common stock was $29,424,577, represented by 2,942,457,700 shares.

B. On June 12, 2006, the stockholders of the Company resolved to capitalize the unappropriated earnings of $2,410,149 and the employee bonus of $267,794 by issuing 267,794 thousand new shares. Registration for the capitalization has been completed.

C. 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 March 31, 2007, the outstanding ADSs amounted to 115,132,443 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.

D. In July 2002, the Board of directors of the Company resolved to issue up to 40,000 units of employee stock option. Each unit of employee stock option is entitled to subscribe 1,000 shares of the Company's common stock. The Company has to issue additional 40,000,000 shares of common stock if all of the employee stock options are exercised. The exercise price of the employee stock option is subject to adjustment for distribution of cash dividend or changes in capital stock in accordance with certain formula. The granted employee stock options will expire in five years and will be graded vested after two years of service in accordance with the employee stock option plan.

(1) For the three months ended March 31, 2007 and 2006, details of the employee stock option granted, exercised and canceled and exercise price of the employee stock option are as follows:

	For the three months ended March 31,			
	2007		2006	
	Number of options	Weighted average exercise price (in dollars)	Number of options	Weighted average exercise price (in dollars)
Outstanding option at the beginning of the period	12,631	$9.25	26,348	$11.95
Number of option exercised	(8,822)	9.20	(9,696)	11.90
Number of option forfeited	(16)	9.39	(65)	11.90
Outstanding option at the end of the period	3,793	9.36	16,587	11.98
Vested option at the end of the period	2,775	9.24	4,556	11.91
Authorized option available for future grant at the end of the period	-		-	

(2) As of March 31, 2007, the details of the outstanding employee stock option are as follows:

Outstanding employee stock option				Options Vested	
Exercise price (in dollars)	Units of option	Weighted average remaining contractual life	Weighted average exercise price (in dollars)	Unit of option	Weighted average exercise price (in dollars)
$9.2~$9.7	3,793	0.95 Year	$ 9.36	2,775	$ 9.24

17. CAPITAL RESERVE

A. According to the Company Law of the ROC, 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. 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 ROC, the capital reserve is allowed to be transferred to capital one year after the registration of capitalization is approved.

18. 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. The Company currently maintains modified business growth. The Company will adopt surplus dividend payout policy according to its operation plans, business development, capital expenditure, and capital demand. Among the total dividends distributed, 0% ~ 50% of which is distributed as cash dividend and the rest is stock dividend. However, the Company reserves the right to adjust the payout ratios of cash dividends and stock dividends in correspondence to the actual economic environment, business operation, and cash holding position. The new payout policy will be implemented after resolved by the board and approved by shareholders.

C. Legal reserve can only be used to offset deficits or increase capital. The legal reserve can be used to increase capital when and only when the reserve balance exceeds 50% of the capital stock, and the amount capitalized should be limited to 50% of the legal reserve.

D. In accordance with the ROC 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 foreign currency translation adjustment 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 foreign currency translation adjustment 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.

E. On March 22, 2007, the Board of Directors of the Company resolved to distribute the retained earnings of $11,855,305, including directors' compensation of $120,798, employees' cash bonus of $821,416 and shareholders' cash dividend of $9,974,331 and to capitalize shareholders' dividend of $586,725 and employees' bonus of $352,035, respectively. As of April 25, 2007, the above-mentioned earnings appropriation has not been approved by shareholders'. Information of the Company's earnings as approved by the shareholders' will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

F. 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 March 31, 2007, the undistributed earnings derived on or after January 1, 1998 was $ 17,246,876.

G. As of March 31, 2007, the balance of stockholders' imputation tax credit account of the Company was $25,187. The rate of stockholders' imputation tax credit to undistributed earnings accumulated in 1998 and thereafter was approximately 0.15%. 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 ROC tax law at the dividend allocation date.

19. TREASURY STOCK

As of March 31, 2007, Siliconware Investment Company Ltd., the subsidiary of the Company, holds 35,176 thousand shares of the Company's stock, with book value of $22.58 (in dollars) per share. None of treasury stock held by the subsidiary was sold for the three months ended March 31, 2007. The closing price of the Company's stock was $ 62 (in dollars) per share on March 31, 2007.

20. INCOME TAX

	For the three months ended March 31,	
	2007	2006
Income tax expense calculated at the statutory tax ra	$ 1,047,503	$ 750,089
Permanent differences	(506,977)	(152,243)
Investment tax credits	(193,591)	(419,697)
Changes in allowance for deferred tax assets	(12,278)	(1,642)
10% additional tax on unappropriated earnings	22,445	-
Income tax expense	357,102	176,507
Adjustment:		
Net changes of deferred tax assets	(65,230)	76,528
Prepaid and withholding taxes	(6,332)	(8,070)
Income tax payable	$ 285,540	$ 244,965
Income tax payable carried over from prior year	$ 947,382	$ 153,016

A. For the three months ended March 31, 2007 and 2006, significant portion of the permanent differences are derived from the income tax exemption of capital gain resulted from the security transactions, long-term investment income accounted for under the equity method, and the revenue from assembly of certain integrated circuit products exempted from income tax.

B. As of March 31, 2007 and 2006, deferred tax assets and liabilities are as follows:

	March 31,	
	2007	2006
Deferred tax assets - current	$ 1,132,358	$ 875,337
Deferred tax liabilities - current	(188)	(53,981)
	1,132,170	821,356
Allowance for deferred tax assets	-	(14,196)
	$ 1,132,170	$ 807,160
Deferred tax assets - noncurrent	$ 1,438,443	$ 2,152,692
Deferred tax liabilities - noncurrent	(157,510)	(200,102)
	1,280,933	1,952,590
Allowance for deferred tax assets	(112,419)	(214,321)
	$ 1,168,514	$ 1,738,269

C. The details of deferred tax assets and liabilities as of March 31, 2007 and 2006 were as follows:

	March 31, 2007		March 31, 2006	
	Amount	Tax Effect	Amount	Tax Effect
Current:				
Temporary differences:				
Unrealized loss on obsolescence and decline in market value of inventories	$ 54,824	$ 13,706	$ 110,400	$ 27,599
Unrealized foreign currency exchange gain arising from bonds payable	-	-	(213,817)	(53,454)
Compensation interest on bonds payable	-	-	327,387	81,847
Unrealized sales allowance	58,658	14,664	93,626	23,407
Unrealized foreign currency exchange gain	(752)	(188)	(2,107)	(527)
Allowance for doubtful accounts	35,952	8,988	10,328	2,582
Investment tax credits		1,095,000		739,902
		1,132,170		821,356
Allowance for deferred tax assets		-		(14,196)
		$ 1,132,170		$ 807,160
Noncurrent :				
Temporary differences:				
Unrealized loss on long-term investments	$ -	$ -	$ 400,015	$ 100,004
Depreciation expense	(626,466)	(156,616)	(668,971)	(167,243)
Unrealized foreign currency exchange gain arising from bonds payable	(3,576)	(894)	(131,436)	(32,859)
Unrealized loss on idle assets	263,124	65,781	335,332	83,833
Investment tax credits		1,372,662		1,968,855
		1,280,933		1,952,590
Allowance for deferred tax assets		(112,419)		(214,321)
		$ 1,168,514		$ 1,738,269

Valuation allowance for deferred tax assets relates primarily to unrealized loss in long-term investments and allowance for investment tax credits.

D. The Company's income tax returns have been assessed and approved by the Tax Authority through 2004.

E. As of March 31, 2007, 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	$ 2,028,216	$ 1,736,344	2008 to 2011
Qualifying research and development expenditure	712,968	712,968	2008 to 2011
Qualifying investments in significant technology companies	18,350	18,350	2008
	$ 2,759,534	$ 2,467,662	

F. The Company has met the requirement of Statute for Upgrading Industries 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 January 2004 and from January 2006. The 5-years income tax exemption will expire in December 2008 and 2010, respectively. Also, in order to entitle to 5-year income tax exemption, the Company filed registration of capitalization plan in 2005 for its expansion of assembly and testing of integrated circuited business to the Industrial Development Bureau of Ministry of Economic Affairs and has received the approval in 2006.

21. EARNINGS PER SHARE

	For the three months ended March 31, 2007				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
			(in thousands)	(in dollars)	
Basic earnings per share	$ 4,190,050	$ 3,832,948	2,886,561	$ 1.45	$ 1.33
Dilutive effect of employee stock option	-	-	6,381		
Dilutive effect of 3rd Euro convertible bonds	47,696	48,433	51,588		
Diluted earnings per share	$ 4,237,746	$ 3,881,381	2,944,530	$ 1.44	$ 1.32

	For the three months ended March 31, 2006				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
			(in thousands)	(in dollars)	
Basic earnings per share	$ 3,000,397	$ 2,823,890	2,651,688	$ 1.13	$ 1.06
Dilutive effect of employee stock option	-	-	17,009		
3rd Euro convertible bonds	(63,522)	(31,142)	175,525		
Diluted earnings per share	$ 2,936,875	$ 2,792,748	2,844,222	$ 1.03	$ 0.98

The basic and diluted earnings per share for the three months ended March 31, 2006 were retroactively adjusted for stock dividends and employees' stock bonus distributed in 2006.

22. PERSONNEL COSTS, DEPRECIATION AND AMORTIZATION

	For the three months ended March 31, 2007		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 1,223,496	$ 249,295	$ 1,472,791
Labor and health insurance	102,949	18,882	121,831
Pension expense	63,627	14,577	78,204
Other	133,467	26,765	160,232
	$ 1,523,539	$ 309,519	$ 1,833,058
Depreciation	$ 1,693,636	$ 58,905	$ 1,752,541
Amortization	$ 94,625	$ 37,952	$ 132,577

	For the three months ended March 31, 2006		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 1,312,033	$ 246,623	$ 1,558,656
Labor and health insurance	99,010	16,665	115,675
Pension expense	59,181	12,706	71,887
Other	151,183	23,263	174,446
	$ 1,621,407	$ 299,257	$ 1,920,664
Depreciation	$ 1,534,068	$ 38,135	$ 1,572,203
Amortization	$ 94,761	$ 41,077	$ 135,838

23. RELATED PARTY TRANSACTIONS

A. Name and Relationship with Related Parties:

Name of Related Parties	Relationship with the Company
Sigurd Microelectronics Corporation	The Company holds directorship
Phoenix Precision Technology Corporation	The Company holds directorship
King Yuan Electronics Co., Ltd.	The Company holds directorship (Note 1)
Siliconware Investment Company Ltd.	Subsidiary of 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
ChipMOS Technologies Inc.	Investee company accounted for under the equity method (Note
Hai-Feng Fundation	Same chairman of the board of the directors
Pei-Sheng Fundation	Same chairman of the board of the directors

Note1: The Company resigned its position as a director on August 3, 2006. The named company ceased to be a related party of the Company.

Note2: The Company disposed all of its ownership on March 27, 2007. The named company ceased to be a related party of the Company.

B. Significant Transactions with Related Parties:

(1) Sales

	For the three months ended March 31,			
	2007		2006	
	Amount	% of net sales	Amount	% of net sales
Sigurd Microelectronics Corporation	$ 974	-	$ 1	-

The sales prices and payment terms provided to related party were generally comparable to those provided to non-related parties. The average collection period is approximately three months from the date of sales.

(2) Purchases

	For the three months ended March 31,			
	2007		2006	
	Amount	% of net purchase	Amount	% of net purchase
Phoenix Precision Technology Corporation	$ 552,766	10	$ 930,114	16

The purchase prices and payment term provided by the related party were generally comparable to those provided by non-related parties. The average payment period is approximately three months from the date of purchase.

(3) Accounts Receivable

	March 31, 2007		March 31, 2006	
	Amount	% of accounts receivables	Amount	% of accounts receivables
Sigurd Microelectronics Corporation	$ 974	-	$ -	-

(4) Accounts Payable

	March 31, 2007		March 31, 2006	
	Amount	% of accounts payable	Amount	% of accounts payable
Phoenix Precision Technology Corporation	$ 542,465	12	$ 634,345	14

(5) Commission Expense / Accrued Expense

	For the three months ended March 31,			
	2007		2006	
	Commission expense	Accrued expense	Commission expense	Accrued expense
Siliconware USA, Inc.	$ 113,655	$ 40,227	$ 130,494	$ 46,320

The Company paid service fees, based on the service agreement, to Siliconware USA, Inc. for the services rendered in relation to business promotion and customer support in the North America.

(6) Other Expenses / Other Payables (Accrued Expense)

	March 31, 2007		March 31, 2006	
	Other expenses	Other payables (Accrued expense)	Other expenses	Other payables (Accrued expense)
Others	$ 6,179	$ 5,321	$ 15,671	$ 15,380

The leasing terms are generally comparable to those provided in an arm's-length transaction. The average payment period is one month and no significant differences exist between the above leasing contract and others prevailing in the market

(7) Other Income / Other Receivables

	March 31, 2007		March 31, 2006	
	Other income	Other receivables	Other income	Other receivables
Others	$ 3,678	$ 3,500	$ 332	$ 352

The leasing terms are generally comparable to those provided in an arm's-length transaction. The average payment period is one month and no significant differences exist between the above leasing contract and others prevailing in the market.

(8) Property Transaction

	For the three months ended March 31, 2007			
	Name of the properties	Transaction amour	Book value	Loss on disposal of property, plant and equipment
Pei-Sheng Fundation	Land	$ 132,391	$ 159,740	($ 27,349)
	Buildings	49,336	54,610	(5,274)
		$ 181,727	$ 214,350	($ 32,623)

For the three months ended March 31, 2006：None.

(9) Other Transaction

On March 27, 2007, the Company sold its common stock ownership of 42,696 shares (in thousands) back to ChipMOS Technologies Inc. for $1,053,704 and recognized gain on disposal of investment of $132,886.

24. ASSETS PLEDGED AS COLLATERALS

As of March 31, 2007 and 2006, the following assets have been pledged as collaterals against certain obligations of the Company:

Assets	March 31, 2007	March 31, 2006	Subject of collaterals
Time deposits (shown in other financial assets, current)	$ 206,705	$ 206,705	Guarantees for custom duties and income tax liabilities

25. COMMITMENTS AND CONTINGENCIES

A. As of March 31, 2007, the Company's issued but unused letters of credit for imported machinery and equipment was approximate $678,533.

B. For its future expansion, the Company entered into several contracts with a total payment of $1,676,121, of which a total amount of $599,830 has not been paid as of March 31, 2007.

C. The Company entered into contracts with six foreign companies for the use of certain technologies and patents related to packaging system of integrated circuit products. The Company agreed to pay royalty fees based on the total number of certain products sold. Four contracts are valid through December 2007, November 2009, December 2010, January 2011 and March 2012, respectively. For the other two contracts, one is valid through when all patents included in the contract expire; the other is valid until both parties agree to terminate the contract.

D. On March 1, 2006, the Company was informed of a civil lawsuit brought by Tessera Inc., a U.S. corporation, against the Company and its subsidiary, Siliconware USA, Inc. in the United States. The Company has been in process of gathering evidence. Currently, the Company is unable to assess the potential liabilities arising out of this claim due to the fact that insufficient information provided in the scope of the infringement of patent rights caused by its services is specified in the bill of complaint. As such, no losses or expenses are recognized with respect to the lawsuit.

26. SIGNIFICANT DISASTER LOSS

None.

27. SIGNIFICANT SUBSEQUENT EVENT

None.

28. OTHERS

A. Financial Statement Reclassification

Certain accounts stated in the March 31, 2006 financial statements have been reclassified in conformity with the presentation of March 31, 2007 financial statements.

B. Fair Values of Financial Instruments:

	March 31, 2007			March 31, 2006		
		Fair Value			Fair Value	
Non-derivative financial instruments	Book Value	Quotation in an active market	Esimated using a valuation	Book Value	Quotation in an active market	Esimated using a valuation
Financial Assets						
Financial assets with book value equal to fair value	$30,306,343	$ -	$30,306,343	$21,887,148	$ -	$21,887,148
Available-for-sale financial assets - noncurrent	10,428,405	10,428,405	-	9,570,347	9,570,347	-
Financial assets carried at cost - noncurrent	3,891	-	-	3,891	-	-
	$40,738,639	$10,428,405	$30,306,343	$31,461,386	$ 9,570,347	$21,887,148
Financial Liabilities						
Financial liabilities with book value equal to fair value	$ 9,645,420	$ -	$ 9,645,420	$11,958,988	$ -	$11,958,988
Bonds payable (including current portion)	1,184,596	2,146,346	-	8,914,091	11,332,937	-
Long-term loans	2,984,690	-	3,031,397	1,666,600	-	1,666,600
	$13,814,706	$ 2,146,346	$12,676,817	$22,539,679	$11,332,937	$13,625,588

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

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

ii. Available-for-sale financial assets – non-current 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 are recorded at costs due to the lack of quoted market prices derived from the active market and the reasonable measurement for the fair value.

iv. The fair value of bonds payable and current portion of bonds payable is based on its quoted market price.

v. The fair value of long-term loans is estimated by the discounted future cash flows. The discount rate, 1.781%, is based on the interest rate of the similar long-term loan, which the Company would have acquired.

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

As of March 31, 2007 and 2006, the Company's financial assets with fair value risk of interest rate fluctuation were $20,380,522 and $12,379,370, respectively, and financial liabilities with fair value risk of interest rate fluctuation were $4,169,286 and $8,914,091, respectively. As of March 31, 2007 and 2006, the Company's financial liabilities with cash flow risk of interest rate fluctuation were nil and $4,800,000, respectively.

D. Financial assets and liabilities whose changes in fair value are not recognized in earnings:

The Company's interest income from financial assets and liabilities whose changes in fair value were not recognized in earnings were $62,700 and $87,834, respectively, and interest expense were $15,519 and $46,608, respectively, for the three-month period ended March 31, 2007 and 2006. Available-for-sale financial assets are measured at fair value at balance sheet date. Changes in fair value recorded as the adjustment of the shareholders' equity for the three months ended March 31, 2007 and 2006 was $4,882,033 and $7,277,284, respectively.

E. Financial risk control:

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

	March 31,	
	2007	2006
Available-for-sale financial assets	$ 10,428,405	$ 9,570,347
Financial assets carried at cost	3,891	3,891
	$ 10,432,296	$ 9,574,238

(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 the 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, so the cash flows from equity instruments are independent of changes in market interest rate.

2. Financial liabilities: debt instruments

	March 31,	
	2007	2006
Bonds payable	$ 1,184,596	$ 8,914,091
Long-term loans	2,984,690	4,800,000
	$ 4,169,286	$ 13,714,091

(1) Market risk:

Debt instruments include zero-coupon convertible bonds embedded with call and put options, fixed interest rate bearing bonds, and long-term loans. The fair value changes of our USD denominated convertible bonds are affected by the stock price. However, the Company can minimize the market price risk by exercising the call option and reduce the foreign exchange rate exposure by maintaining equivalent amounts of assets denominated in USD. The Company's long-term loans are not exposed to fair value risks because the borrowings were issued at variable rates.

(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's zero-coupon bonds, fixed interest rate bearing bonds, and fixed interest rate borrowings are not exposed to cash flow interest rate risk. The Company's interest rate risk arises form long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. However, the Company believes that the cash flow interest rate risk will not be significant.

29. SPECIAL DISCLOSURE ITEMS

A. Significant Transaction Information

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

For the three months ended March 31, 2007: None.

(2) Endorsement and guarantee provided to third parties:

For the three months ended March 31, 2007: None.

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

As of March 31, 2007:

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	Siliconware Investment Company Ltd.	Investee accounted for under the equity method	Long-term investments accounted for under the equity method	177,000	$ 1,335,299	100.00%	19.87	(Note 1)
Siliconware Precision Industries Co., Ltd.	Stock	Double Win Enterprise Co., Ltd.	Investee accounted for under the equity method	Long-term investments accounted for under the equity method	6,760	-	-	-	
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	77,800	2,277,492	100.00%	29.27	(Note 1)
Siliconware Precision Industries Co., Ltd.	Stock	Phoenix Precision Technology Corporation	The Company holds directorship	Available-for-sale financial assets	109,854	4,207,398	16.41%	38.30	
Siliconware Precision Industries Co., Ltd.	Stock	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	85,698	2,369,540	7.94%	27.65	
Siliconware Precision Industries Co., Ltd.	Stock	Siguard Microelectronics Corp.	The Company holds directorship	Available-for-sale financial assets	46,236	1,072,678	15.99%	23.20	
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	-	Available-for-sale financial assets	12,175	2,778,789	14.70%	228.24	(Note 2)
Siliconware Precision Industries Co., Ltd.	Stock	NPL	-	Financial assets carried at cost	130	3,891	-	-	

Note 1: The market value is not available. Therefore, the net equity per share as of March 31, 2007 was used.

Note 2: The closing price of $ 6.91 (in dollars) per share on March 30, 2007 was used. (Exchange rate US$1 : NT$33.03)

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

For the three months ended March 31, 2007:

Investor	Name of the security	General ledger accounts	Name of the counter party	The relationship of the issuers with the Company	Beginning balance: Number of shares/unit (in thousands)	Beginning balance: Amount	Addition: Number of shares/unit (in thousands)	Addition: Amount	Disposal: Number of shares/unit (in thousands)	Disposal: Sale price	Disposal: Book value	Disposal: Gain (loss) from disposal (Note 3)	Ending balance: Number of shares/unit (in thousands)	Ending balance: Amount (Note 2)
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies Inc. stock	Long-term investment accounted for under equity method	ChipMOS Technologies (Bermuda) Ltd.	The parent company of investee accounted for under the equity method	254,863	$4,998,596	-	$ -	212,167	$5,236,150	$4,342,870	$660,464	-	$ -
			ChipMOS Technologies Inc.	Investee accounted for under the equity method			-	-	42,696	1,053,704	873,791	132,886	-	-
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies (Bermuda) Ltd. stock	Available-for-sale financial assets	(note1)	-	-	-	12,175	2,523,529	-	-	-	-	12,175	2,778,789

Note 1: The Company subscribed the shares through private stock offering.
Note 2: The ending balance includes the unrealized gain on available-for-sale financial assets.
Note 3: The amount doesn’t include unrealized gain on disposal.

(5) Acquisition of real estate with an amount exceeding the lower of NT$100,000 or 20 percent of the capital stock:
For the three months ended March 31, 2007:

Date of transaction	Transaction amount	Status of payment	Counter party	Relation-ship with the Company	Related party as counter party: Original owner which sold the property to the counter party	Related party as counter party: The relationship of the original owner with the Company	Related party as counter party: Date of the original transaction	Related party as counter party: Amount	The bases or reference used in deciding the price	Purpose and status of the acquisition	Other commitment
August 2006	$ 809,021	$ 809,021	Jou Mu Textile Corporation, and etc.	-	-	-	-	-	As specified in contract	For operating use	-
November 2006	432,000	172,800	Johnny Ko (c) & Leeming Mis	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
November 2006	223,800	78,330	Chung-Rui Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress

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

For the three months ended March 31, 2007:

Name of the properties	Date of transaction	Date of acquisition	Book Value	Transaction amount	Status of collection	Loss on disposal of property, plant and equipment	Counter party	Relation-ship with the Company	The bases or reference used in deciding the price	Purpose and status of the disposal	Other commitment
Land and building	January 2007	May 1998	$ 214,350	$ 181,727	Fully collected	($32,623)	Pei-Sheng Fundation	Same chairman of the board of the directors	Valuation report	Disposal	-

(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 three months ended March 31, 2007:

			Description of the transaction				Description of and reasons for difference in transaction terms compared to non-related party transactions		Notes or accounts receivable / payable	
Purchase / sales company	Name of the counter parties	Relationship with the counter parties	Purchases / sales	Amount	Percentage of net purchases / sales	Credit terms	Unit price	Credit terms	Amount	Percentage of notes or accounts receivable / payable
Siliconware Precision Industries Co., Ltd.	Phoenix Precision Technology Corporation	The Company holds directorship	Purchase	$552,766	10%	Three months	$ -	$ -	Accounts payable $542,465	12%

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

As of March 31, 2007: None.

(9) Transaction of derivative financial instruments:

For the three months ended March 31, 2007: None.

B. Related Information on Investee Companies

(1) Basic information on investee companies:

For the three months ended March 31, 2007:

				Original investments		The Company / majority owned subsidiary owns			Current period		
Investor	Name of Investee	Location	Main activities	Current period ending balance	Prior period ending balance	Shares (in thousands)	Ownership Percentage	Book value	Net income (loss) of investee	Income (loss) recognized by the Company	Note
Siliconware Precision Industries Co., Ltd.	Siliconware Investment Company Ltd.	Taipei	Investment activities	$1,770,000	$1,770,000	177,000	100.00%	$1,335,299	$31,473	$31,473	(Notes 1, 2)
Siliconware Precision Industries Co., Ltd.	Double Win Enterprise Co., Ltd.	Ping-chen City, Taoyuan	SMT process and hand insert	152,100	152,100	6,760	24.14%	-	-	-	(Note 1)
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies Inc.	Science-based Industrial Park, Hsin-Chu	Testing and assembl of integrated circuits	-	2,332,768	-	-	-	-	246,552	(Notes 1, 6)
Siliconware Precision Industries Co., Ltd.	SPIL (B.V.I.) Holding Limited	British Virgin Islands	Investment activities	2,620,869	2,620,869	77,800	100.00%	2,277,492	(16,417)	(16,417)	(Notes 1, 2)
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Providing business promotion and customer support in the North America	68,464	68,464	1,250	100.00%	97,472	6,968	6,968	(Note 3)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Cayman Islands, British West India	Investment activities	1,644,625	1,644,625	50,100	100.00%	1,223,795	(36,678)	(36,678)	(Note 3)
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Suzhou Jiangsu, China	Manufacturing of memory stick, DRAM module, transistor and electronic component	1,641,380	1,641,380	(Note 5)	100.00%	1,223,200	(35,365)	(35,365)	(Note 4)

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$50,000 thousand dollars.

Note 6: The Company has disposed its ownership in 2007.

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

As of March 31, 2007:

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 2)	Percentage of ownership	Market value per share (in dollars)	
Siliconware Investment Company Ltd.	Stock	Siliconware Precision Industries Co., Ltd.	The Company	Available-for-sale financial assets (non-current)	35,176	$2,180,915	1.20%	$62.00	
Siliconware Investment Company Ltd.	Stock	Hsieh Yong Capital Co., Ltd.	—	Financial assets carried at cost	50,000	500,000	7.58%	-	
Siliconware Investment Company Ltd.	Stock	Phoenix Precision Technology Corporation	The Company holds directorship	Available-for-sale financial assets (non-current)	5,593	214,196	0.84%	38.30	
Siliconware Investment Company Ltd.	—	Mega Mission Limited Partnership	—	Financial assets carried at cost	(Note 4)	195,523	4.00%	-	
Siliconware Investment Company Ltd.	—	Others (Note 1)	—	Available-for-sale financial assets (non-current) and financial assets carried at cost	-	205,294	-	-	
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	97,472	100.00%	77.98	(Note 2)
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	50,100	1,223,795	100.00%	24.43	(Note 2)
SPIL (Cayman) Holding Limited	Stock	Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	(Note 3)	1,223,200	100.00%	-	

(1) Combined amount for individual security less than $100,000.

(2) The market value is not available. Therefore, the net equity per share as of March 31, 2007 was used.

(3) The contributed capital was US$50,000 thousand dollars.
(4) The contributed capital was US$6,000 thousand dollars.

(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 three months ended March 31, 2007: None

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

For the three months ended March 31, 2007:

							Related party as counter party						
Investor	Name of the properties	Date of transaction	Transaction amount	Status of payment	Counter party	Relation-ship with the Company	Original owner which sold the property to the counter party	The relationship of the original owner with the Company	Date of the original transaction	Amount	The bases or reference used in deciding the price	Purpose and status of the acquisition	Other commitment
Siliconware Technology (Suzhou) Limited	Building	July 2006	$ 135,363	$ 117,387	Nantong Yingxiong Construction Corporation Ltd.	-	-	-	-	$ -	As specified in contract	For operating use	Payment made according to construction progress

C. Information of investment in Mainland China:

(1) Information of investment in Mainland China:

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of December 31, 2006	Remitted or (collected) this period	Accumulated remittance as of March 31, 2007	Ownership held by the Company (Direct and indirect)
Siliconware Technology (Suzhou) Limited	Manufacturing of compact camera module, liquid crystal display module,DRAM modules, flash memory cards, transistor and other electronic components.	$1,620,500 (Note 2)	(Note 1)	$1,620,500 (Note 2)	-	$1,620,500 (Note 2)	100%

Investment income (loss) recognized by the Company during the period	Ending balance of investment	The investment income (loss) remitted back as of March 31, 2007	Accumulated remittance from Taiwan to Mainland China	balance approved by Investment Commissions, Ministry of Economic Affairs	investment in Mainland China according to Investment Commissions, Ministry of Economic
($35,365) (Note 2)	$1,223,200 (Note 2)	-	$1,620,500	$1,620,500	$15,303,454

Note 1: The Company set up a subsidiary in Cayman Island to invest in Mainland China.

Note 2: Transactions denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate prevailing on the balance sheet date.

(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: None.