SILICONWARE PRECISION INDUSTRIES CO., LTD.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

June 30, 2007 AND 2006

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANT

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

We have reviewed the accompanying consolidated balance sheets of Siliconware Precision Industries Co., Ltd. and its subsidiaries as of June 30, 2007 and 2006, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the six 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 accompanying consolidated financial statements of Siliconware Precision Industries Co., Ltd. and its subsidiaries as of June 30, 2007 and 2006 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 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 1, we did not review the financial statements of the Company's subsidiaries, which statements reflect total assets of $7,455,825 thousand and $5,259,480 thousand, total liabilities of $1,167,025 thousand and $536,527 thousand as of June 30, 2007 and 2006, respectively, and net income of $156,015 thousand and $27,558 thousand for the six-month periods ended June 30, 2007 and 2006, respectively, which also represent 8% and 7% of the consolidated assets, 5% and 2% of the consolidated liabilities, and 2% and 0.4% of the consolidated net income for the six-month periods ended June 30, 2007 and 2006, respectively. As described in Note 9, the financial statements of certain long-term investments accounted for under the equity method as of and for the six-month periods ended June 30, 2007 and 2006 were not reviewed by independent accountants. As of June 30, 2007 and 2006, the balances of the Company’s long-term investments in these investee companies were $0 and $4,186,586 thousand, respectively, and the related investment income for the six-month periods ended June 30, 2007 and 2006 were $246,552 thousand and $436,709 thousand, respectively. Also as described in Note 30, the Company’s investment disclosures were based on its subsidiaries’ and investees’ unreviewed financial statements as of and for the six-month period ended June 30, 2007.

Based on our reviews, except for the effects on the consolidated financial statements 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 third 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”.

August 3, 2007

The accompanying 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 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	June 30,	
	2007	2006
ASSETS		
Current Assets		
Cash (Note 4)	$ 23,922,092	$ 14,493,552
Notes receivable, net	100,801	222,455
Accounts receivable, net (Notes 5 and 24)	9,957,162	8,178,528
Other financial assets, current (Note 25)	1,045,947	1,143,426
Inventories (Note 6)	2,979,843	3,025,860
Deferred tax assets, current (Note 21)	1,113,306	820,480
Other current assets - other	590,259	588,333
	39,709,410	28,472,634
Long-term Investments		
Available for sale financial assets (Notes 7 and 28)	11,418,852	8,474,962
Financial assets carried at cost (Note 8)	817,752	659,036
Long-term investment under equity method (Note 9)	-	4,186,586
	12,236,604	13,320,584
Property, Plant and Equipment (Notes 10 and 25)		
Cost:		
Land	2,892,083	2,128,476
Buildings	8,174,926	7,689,357
Machinery and equipment	48,415,103	42,379,117
Utility equipment	921,416	839,010
Furniture and fixtures	774,999	651,743
Other equipment	1,941,595	1,737,658
	63,120,122	55,425,361
Less:Accumulated depreciation	(30,570,644)	(25,521,914)
Construction in progress and prepayments for equipment	3,135,205	1,930,198
	35,684,683	31,833,645
Other Assets		
Refundable deposits	12,733	9,600
Deferred charges	733,883	714,875
Deferred income tax asset, noncurrent (Note 21)	890,712	1,602,241
Other assets - other (Note 11)	234,786	371,285
	1,872,114	2,698,001
TOTAL ASSETS	$ 89,502,811	$ 76,324,864

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

	June 30, 2007	June 30, 2006
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans (Note 12)	$ 567,840	$ 161,744
Notes payable	-	879
Accounts payable (Note 24)	5,645,911	4,578,757
Income tax payable (Note 21)	668,280	395,881
Accrued expenses (Note 24)	1,817,969	1,586,967
Other payables (Notes 13 and 24)	13,183,160	6,621,269
Current portion of long-term loans (Notes 14 and 15)	108,636	1,994,126
Other current liabilities	359,108	357,184
	22,350,904	15,696,807
Long-term Liabilities		
Bonds payable (Note 14)	-	5,918,271
Long-term loans (Note 15)	3,092,431	1,666,660
	3,092,431	7,584,931
Other Liabilities (Note 16)	224,490	352,526
Total Liabilities	25,667,825	23,634,264
Stockholders' Equity (Notes 1 and 17)		
Capital stock	29,739,667	25,062,567
Stock dividends to be distributed	938,761	2,677,943
Capital reserve (Note 18)		
Additional paid-in capital	14,380,675	10,031,890
Premium arising from merger	1,951,563	1,951,563
Other	249,183	92,404
Retained earnings (Note 19)		
Legal reserve	3,340,131	2,003,494
Special reserve	-	50,029
Unappropriated earnings	7,934,977	6,363,731
Unrealized gain on available for sale financial assets	6,066,178	5,352,861
Cumulative translation adjustments	29,822	(65,230)
Net loss not recognized as pension cost	(1,787)	(1,787)
Treasury stock (Note 20)	(794,184)	(828,865)
Total Stockholders' Equity	63,834,986	52,690,600
Commitments and Contingencies (Note 26)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 89,502,811	$ 76,324,864

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2007.

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

	For the six months ended June 30,			
	2007		2006	
Operating Revenues				
Sales (Note 24)	$	29,737,056	$	27,471,797
Sales allowances	(	158,584)	(	134,643)
Net operating revenues		29,578,472		27,337,154
Cost of Goods Sold (Note 24)	(	21,095,178)	(	20,254,917)
Gross Profit		8,483,294		7,082,237
Operating Expenses (Note 24)				
Selling expenses	(	383,501)	(	307,537)
General and administrative expenses	(	581,990)	(	516,455)
Research and development expenses	(	663,162)	(	514,878)
	(	1,628,653)	(	1,338,870)
Operating Income and Gain		6,854,641		5,743,367
Non-operating Income and Gain				
Interest income		180,224		200,610
Investment income recognized under the equity method (Note 9)		246,552		436,709
Gain on disposal of investment		890,985		-
Others		675,007		406,818
		1,992,768		1,044,137
Non-operating Expenses and Losses				
Interest expenses	(	46,046)	(	80,278)
Others	(	76,578)	(	71,039)
	(	122,624)	(	151,317)
Income from Continuing Operations Before Income Tax		8,724,785		6,636,187
Income Tax Expense (Note 21)	(	1,061,823)	(	320,015)
Net Income	$	7,662,962	$	6,316,172

	2007 Before tax	2007 After tax	2006 Before tax	2006 After tax
Basic Earnings Per Share (in dollars) (Note 22)				
Net income	$ 3.01	$ 2.64	$ 2.48	$ 2.36
Diluted Earnings Per Share (in dollars) (Note 22)				
Net income	$ 2.98	$ 2.62	$ 2.29	$ 2.19

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2007.

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Capital Stock	Stock Dividends To Be Distributed	Capital Reserve	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Unappropriated Earnings	Unrealized Gain(Loss) On Available-for-sale Financial Assets	Cumulative Translation Adjustments	Net Loss Not Recognized As Pension Cost	Treasury Stock	Total
Balance at January 1, 2006	$23,289,193	$ -	$ 8,853,379	$1,179,104	$141,053	$ 8,241,034	($ 737)	($ 47,463)	($ 1,828)	($828,728)	$ 40,825,007
Appropriation for legal reserve	-	-	-	824,390	-	(824,390)	-	-	-	-	-
Appropriation for special reserve	-	-	-	-	(91,024)	91,024	-	-	-	-	-
Remuneration to directors and supervisors	-	-	-	-	-	(149,324)	-	-	-	-	(149,324)
Employees' cash bonus	-	-	-	-	-	(463,284)	-	-	-	-	(463,284)
Employees' stock bonus	-	267,794	-	-	-	(267,794)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(4,169,558)	-	-	-	-	(4,169,558)
Appropriation for stock dividends to be distributed	-	2,410,149	-	-	-	(2,410,149)	-	-	-	-	-
Conversion of Euro convertible bonds	1,676,410	-	3,197,554	-	-	-	-	-	-	-	4,873,964
Employee stock option exercised	96,964	-	18,458	-	-	-	-	-	-	-	115,422
Long-term investment adjustment for investee company's additional paid-in capital	-	-	6,466	-	-	-	-	-	-	-	6,466
Long-term investment adjustment for investee company's cumulative translation adjustment	-	-	-	-	-	-	-	(17,767)	-	-	(17,767)
Unrealized gain on available for sale securities	-	-	-	-	-	-	5,353,598	-	-	-	5,353,598
Long-term investment adjustment for investee company's treasury stock variances	-	-	-	-	-	-	-	-	-	(137)	(137)
Long-term investment adjustment for investee company's unrecognized pension cost	-	-	-	-	-	-	-	-	41	-	41
Net income	-	-	-	-	-	6,316,172	-	-	-	-	6,316,172
Balance at June 30, 2006	$25,062,567	$2,677,943	$12,075,857	$2,003,494	$ 50,029	$ 6,363,731	$ 5,352,861	($ 65,230)	($ 1,787)	($828,865)	$ 52,690,600

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SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Capital Stock	Stock To Dividends Be Distributed	Capital Reserve	Retained Earnings Legal Reserve	Retained Earnings Special 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, 2007	$ 28,877,574	$ -	$ 14,645,653	$ 2,003,494	$ 50,029	$ 13,413,928	$ 4,765,148	($ 22,276)	($ 1,787)	($ 795,550)	$ 62,936,213
Appropriation for legal reserve	-	-	-	1,336,637	-	(1,336,637)	-	-	-	-	-
Appropriation for special reserve	-	-	-	-	(50,029)	50,029	-	-	-	-	-
Remuneration to directors and supervisors	-	-	-	-	-	(120,797)	-	-	-	-	(120,797)
Employees' cash bonus	-	-	-	-	-	(821,415)	-	-	-	-	(821,415)
Employees' stock bonus	-	352,035	-	-	-	(352,035)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,974,332)	-	-	-	-	(9,974,332)
Appropriation for stock dividends to be distributed	-	586,726	-	-	-	(586,726)	-	-	-	-	-
Conversion of Euro convertible bonds	773,868	-	1,853,831	-	-	-	-	-	-	-	2,627,699
Employee stock option exercised	88,225	-	(7,016)	-	-	-	-	-	-	-	81,209
Long-term investment adjustment for investee company's additional paid-in capital	-	-	88,953	-	-	-	-	-	-	-	88,953
Long-term investment adjustment for investee company's cumulative translation adjustment	-	-	-	-	-	-	-	52,098	-	-	52,098
Unrealized gain on available for sale securities	-	-	-	-	-	-	1,301,030	-	-	-	1,301,030
Long-term investment adjustment for investee company's treasury stock variances	-	-	-	-	-	-	-	-	-	1,366	1,366
Net income	-	-	-	-	-	7,662,962	-	-	-	-	7,662,962
Balance at June 30, 2007	$ 29,739,667	$ 938,761	$ 16,581,421	$ 3,340,131	$ -	$ 7,934,977	$ 6,066,178	$ 29,822	($ 1,787)	($ 794,184)	$ 63,834,986

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2007.

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

	For the six months ended June 30,	
	2007	2006
Cash flows from operating activities		
Net income	$ 7,662,962	$ 6,316,172
Adjustments to reconcile net income to net cash		
provided by operating activities:		
Depreciation	3,658,071	3,285,384
Amortization	282,431	278,051
Bad debts expense	20,307	(1,951)
(Reversal of) provision for sales allowance	(34,184)	32,352
Gain on disposal of investments	(890,985)	-
Recovery of loss on obsolescence and decline in		
market value of inventories	(2,496)	(4,500)
Long-term investment income under the equity method	(246,552)	(436,709)
Investment loss	3,891	-
Loss (gain) on disposal of property, plant and equipment	13,071	(27,772)
Provision for loss on idle assets	20,388	17,240
Amortization of discount on long-term notes	31,137	-
Compensation interest on bonds payable	36	29,658
Foreign currency exchange loss (gain) on bonds payable	34,367	(166,214)
(Increase) decrease in assets:		
Notes receivable	(59,690)	(65,556)
Accounts receivable	(834,434)	1,305,841
Other financial assets, current	(352,292)	(153,071)
Inventories	(135,998)	(216,280)
Deferred income tax assets	367,104	46,180
Other current assets	(79,370)	(48,245)
Increase (decrease) in liabilities:		
Notes payable	-	(4,614)
Accounts payable	1,524,174	(544,865)
Income tax payable	(279,102)	242,865
Accrued expenses	(324,994)	(68,527)
Other payables	160,194	(292,229)
Other current liabilities	(46,096)	47,320
Other liabilities	(397)	(343)
Net cash provided by operating activities	10,491,543	9,570,187

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

	For the six months ended June 30,	
	2007	2006
Cash flows from investing activities		
(Payment for) refund of security deposits	($ 16,895)	$ 9,200
Purchase of long-term investment under equity method	-	(500,000)
Purchase of available for sale financial assets	(2,523,529)	-
Return of capital from decapitalization of the long-term investments	3,300	-
Proceeds from disposal of long-term investments	6,396,784	-
Acquisition of property, plant and equipment	(5,143,683)	(5,349,709)
Proceeds from disposal of property, plant and equipment	340,581	119,850
Payment for deferred charges	(320,590)	(209,483)
(Payment for) receipt of refundable deposits	(1,578)	487
Net cash used in investing activities	(1,265,610)	(5,929,655)
Cash flows from financing activities		
Proceeds form short-term loans	125,841	68,445
Proceeds form long-term loans	5,965,080	-
Repayment of long-term loans	(6,000,000)	(1,822,577)
Redemption of bonds payable	(18,913)	-
(Repayment) receipt of deposit-in	(67,325)	313,542
Proceeds from the exercise of employee stock option	81,209	115,422
Remuneration to directors and supervisors	(120,798)	(149,324)
Net cash used in financing activities	(34,906)	(1,474,492)
Effect on foreign currency exchange	(423)	(13,321)
Net increase in cash	9,190,604	2,152,719
Cash at the beginning of the period	14,731,488	12,340,833
Cash at the end of the period	$ 23,922,092	$ 14,493,552
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 44,510	$ 82,244
Cash paid for income tax	$ 972,819	$ 30,996
Supplemental disclosures of partial cash paid for investing activities:		
Acquisition of property, plant and equipment	$ 5,662,090	$ 5,098,125
Add : Payable at the beginning of the period	1,327,112	1,662,379
Less : Payable at the end of the period	(1,845,519)	(1,410,795)
Cash paid	$ 5,143,683	$ 5,349,709
Non-cash financing activities		
Employees' cash bonuses and stockholders' cash dividends	10,676,148	4,632,842
Less: Payable for employees' cash bonuses and stockholders' cash dividends	(10,676,148)	(4,632,842)
Cash paid	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2007

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT EARNINGS AND PAR VALUE PER SHARE)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

(1) 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 June 30, 2007, issued common stock was $29,739,667. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. As of June 30, 2007, the Company has 14,867 employees.

(2) Consolidated subsidiaries

Name of investor	Name of subsidiaries	Main operating activities	% of ownership held by the named investors as of June 30, 2007	2006
The Company	Siliconware Investment Company Ltd.	Investment activities	100%	100%
The Company	SPIL (B.V.I.) Holding Limited	Investment activities	100%	100%
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc. (SUI)	Communications and relationship maintenance with companies headquartered in North America	100%	100%
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Investment activities	100%	100%
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Manufacturing and processing of module assembly, flash memory card and related products	100%	100%

(3) Non-consolidated subsidiaries

None.

(4) Adjustments for subsidiaries with different accounting periods

Not applicable

(5) Extraordinary risks from foreign subsidiaries

Not applicable

(6) Material limitations for capital transfer from the subsidiaries to the parent company

Not applicable

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 Entity 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:

Consolidation

Effective January 1, 2005, the Company adopted the amended Statement of Accounting Standards No. 7, "Consolidated Financial Statements", which requires an entity to consolidate all of the subsidiaries which it owns, directly or indirectly, more than 50% of the voting rights and which it owns, directly or indirectly, less than 50% of the voting rights but has effective control. Retrospective adoption is not required. Significant inter-company transactions and balances between the Company and its subsidiaries are eliminated.

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.

Translation of Foreign Currency Transactions on Subsidiaries' Financial Statements

The financial statements of foreign subsidiaries are translated into New Taiwan dollars using the spot rate as of each financial statement date for asset and liability accounts, average exchange rate for profit and loss accounts, spot rate for dividend and historical exchange rates for equity accounts. The cumulative translation effects for subsidiaries using functional currencies other than the New Taiwan dollar are included in the cumulative translation adjustment in stockholders' equity.

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 holds more than 50% of the voting stocks or 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.

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 25 years, except for buildings, which are 20 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 10 years. Convertible bond issuance costs are amortized over the period of the bonds.

Land Use Right

The rental cost for Siliconware Technology（Suzhou）Limited to lease the land from the local government is recognized as land use right and amortized on the straight-line method over the contract period of 50 to 70 years.

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 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 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 tax expense at the time when the stockholders resolve the distribution of retained earnings.

E. Pursuant to the ROC Alternative Minimum Tax Act effective on January 1, 2006, the Company is required to 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.

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

A. 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.

B. 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 $9,277,206 as of June 30, 2006 with no material impact on net income and earnings per share for the six months ended June 30, 2006.

4. CASH

	June 30,	
	2007	2006
Cash on hand	$ 1,993	$ 1,747
Savings accounts and checking accounts	1,973,432	1,019,208
Time deposits	21,946,667	13,472,597
	$ 23,922,092	$ 14,493,552

As of June 30, 2007 and 2006, the interest rates for time deposits ranged from 1.22 % to 5.295 % and from 1.05 % to 5.14 %, respectively.

5. ACCOUNTS RECEIVABLE, NET

	June 30,	
	2007	2006
Accounts receivable	$ 10,023,042	$ 8,288,388
Less :		
Allowance for sales discounts	(21,291)	(99,532)
Allowance for doubtful accounts	(44,589)	(10,328)
	$ 9,957,162	$ 8,178,528

6. INVENTORIES

	June 30, 2007	June 30, 2006
Raw materials and supplies	$ 2,586,889	$ 2,748,803
Work in process	324,844	257,374
Finished goods	113,508	65,869
	3,025,241	3,072,046
Less : Allowance for loss on obsolescence and decline in market value of inventories	(45,398)	(46,186)
	$ 2,979,843	$ 3,025,860

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

	June 30, 2007	June 30, 2006
Cost of listed securities	$ 5,632,517	$ 3,121,620
Valuation adjustment	5,786,335	5,353,342
	$ 11,418,852	$ 8,474,962

8. FINANCIAL ASSETS CARRIED AT COST – NON-CURRENT

	June 30, 2007	June 30, 2006
Unlisted security	$ 817,752	$ 659,036

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:

	June 30, 2007		June 30, 2006	
Investee company	Amount	Percentage of ownership	Amount	Percentage of ownership
Equity method :				
ChipMOS Technologies Inc.	-	-	4,186,586	28.75%
Double Win Enterprise Co., Ltd.	84,450	24.14%	84,450	24.14%
	84,450		4,271,036	
Less : Accumulated impairment loss	(84,450)		(84,450)	
	$ -		$ 4,186,586	

B. For the six months ended June 30, 2007 and 2006, the Company recognized investment income of $246,552 and $436,709, respectively, for all investees accounted for under the equity method, based on investees' unreviewed financial statements for the same periods by weighted-average percentage of stock ownership.

C. 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 investee'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 thousand and reported the investment as available for sale financial asset - noncurrent.

D. 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 for the six months ended June 30, 2006.

10. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2007		
	Cost	Accumulated depreciation	Book value
Land	$ 2,892,083	$ -	$ 2,892,083
Buildings	8,174,926	(2,344,562)	5,830,364
Machinery and equipment	48,415,103	(26,288,606)	22,126,497
Utility equipment	921,416	(459,727)	461,689
Furniture and fixtures	774,999	(411,630)	363,369
Other equipment	1,941,595	(1,066,119)	875,476
Construction in progress and prepayments for equipment	3,135,205	-	3,135,205
	$ 66,255,327	($ 30,570,644)	$ 35,684,683

	June 30, 2006		
	Cost	Accumulated depreciation	Book value
Land	$ 2,128,476	$ -	$ 2,128,476
Buildings	7,689,357	(1,930,802)	5,758,555
Machinery and equipment	42,379,117	(21,963,666)	20,415,451
Utility equipment	839,010	(409,046)	429,964
Furniture and fixtures	651,743	(343,988)	307,755
Other equipment	1,737,658	(874,412)	863,246
Construction in progress and prepayments for equipment	1,930,198	-	1,930,198
	$ 57,355,559	($ 25,521,914)	$ 31,833,645

For the six months ended June 30, 2007, total interest expenses amounted to $49,381, of which $3,335 was capitalized as property, plant and equipment. The interest rates used to calculate the capitalized interest were 6.156%. There was no capitalization of interest expense for the six months ended June 30, 2006.

11. OTHER ASSETS－OTHER

	June 30,	
	2007	2006
Land	$ -	$ 108,087
Others	234,786	263,198
	$ 234,786	$ 371,285

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

12. SHORT-TERM LOAN

	June 30,	
Nature of loans	2007	2006
Credit loans	$ 567,840	$ 161,744
Interest rates	5.022%~5.900%	4.698%~5.390%

13. OTHER PAYABLES

	June 30,	
	2007	2006
Cash dividends and employees' bonuses	$ 10,676,255	$ 4,632,842
Payables for equipment	1,845,290	1,410,440
Other payables	661,615	577,987
	$ 13,183,160	$ 6,621,269

14. BONDS PAYABLE

	June 30,	
	2007	2006
Euro convertible bonds payable	$ 108,636	$ 6,237,284
Add : Compensation interest payable	-	41,773
	108,636	6,279,057
Less : Current portion of long-term bonds payable	(108,636)	(360,786)
	$ -	$ 5,918,271

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 June 30, 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 June 30, 2007, the conversion price was NT$34.42 (in dollars) per share.

(5) As of June 30, 2007, the convertible bonds with the principal amount of US$196,699 (in thousands) have been converted into 188,902 thousand shares of the Company's common stock, which resulted in an increase of capital reserve of $4,546,408. Also, as of June 30, 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.

15. LONG-TERM LOANS

		June 30,	
Nature of loans	Repayment period	2007	2006
Credit loans	Repayable in 3 semi-annual installments		
	from July 2006	$ -	$ 3,300,000
Commercial paper	Repayable in 4 semi-annual installments		
	from November 2009	3,000,000	-
Secured Loans	Repayable in lump sum in August 2011	107,741	-
		3,107,741	3,300,000
Less : Current portion of long-term loans		-	(1,633,340)
Discount on commercial paper		(15,310)	-
		$ 3,092,431	$ 1,666,660
Interest rates		2.093%~6.156%	2.1%~2.19%

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

16. 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 Bank of Taiwan, 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 $27,383 and $28,202 were recognized for the six months ended June 30, 2007 and 2006, respectively. Also, as of June 30, 2007 and 2006, the Company deposited $1,011,169 and $935,048, respectively, in the pension account with 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 pension costs amounting to $131,191 and $119,421 were recognized for the six months ended June 30, 2007 and 2006, respectively.

C. SUI has established a defined contribution pension plan covering substantially all employees. The plan provides for up to 15% of voluntary salary reduction contributions by eligible participants as well as discretionary matching contributions from SUI to its employees' individual pension accounts. The contribution from SUI is recorded as pension costs in the current period.

D. Siliconware Technology （Suzhou）Limited has a funded defined contribution plan covering certain employees who are qualified as permanent residents of Suzhou. According to the retirement plan, Siliconware Technology（Suzhou）Limited contributes monthly an amount equal to certain percentage of employees' monthly salaries and wages to the Bureau of Social Insurance and recognizes as pension expense.

17. <u>CAPITAL STOCK</u>

A. As of June 30, 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 June 30, 2007, issued common stock was $29,739,667, represented by 2,973,966,700 shares. The revision of authorized capital to $36,000,000 in articles of incorporation was resolved by the shareholders on June 13, 2007 and approved by the Ministry of Economic Affairs on June 26, 2007.

B. On June 13, 2007, the stockholders of the Company resolved to capitalize the unappropriated earnings of $586,726 and the employee bonus of $352,035 by issuing 93,876 thousand new shares which increased the amount of issued common stock to $30,678,428. On June 26, 2007, the Financial Supervisory Commission, Executive Yuan has approved registration for the capitalization. Also, the Board of Directors determined

August 4, 2007 as the record date.

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 June 30, 2007, the outstanding ADSs amounted to 121,269,374 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 six months ended June 30, 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 six months ended June 30,			
	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	(25)	9.32	(318)	11.91
Outstanding option at the end of the period	3,784	9.36	16,334	11.98
Vested option at the end of the period	3,784	9.36	4,383	11.91
Authorized option available for future grant at the end of the period	-		-	

(2) As of June 30, 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	3,784	0.71 Year	$ 9.36	3,784	$ 9.36

18. 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.

19. 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, at least 50% of which is distributed as cash dividend and the rest is stock dividend. The appropriation of the profit is subject to the resolution adopted by the Board and approval by the 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 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 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. 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 June 30, 2007, the undistributed earnings derived on or after January 1, 1998 was $ 7,934,977.

F. As of June 30, 2007, the balance of stockholders' imputation tax credit account of the Company was $995,423. The rate of stockholders' imputation tax credit to undistributed earnings accumulated in 1998 and thereafter was approximately 12.54%. 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.

G. On June 13, 2007, the stockholders of the Company resolved to distribute stock dividends of $586,726 and cash dividends of $9,974,332, respectively. The total amount of dividends per share, including stock dividends of $0.2 (in dollars) per share and cash dividends of $3.4 (in dollars) per share, was $3.6 (in dollars).

H. The Company set August 4, 2007 as its record date. The actual amount of dividends per share, including stock dividends of $0.2 (in dollars) per share and cash dividends of $3.35 (in dollars) per share, was $3.55 (in dollars) due to the conversion of its Euro convertible bonds.

I. On June 12, 2006, the stockholders of the Company resolved to distribute stock dividends of $2,410,149 and cash dividends of $4,169,558, respectively. The total amount of dividends per share, including stock dividends of $0.96 (in dollars) per share and cash dividends of $1.66 (in dollars) per share, was $2.62 (in dollars).

20. TREASURY STOCK

As of June 30, 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 six months ended June 30, 2007. The closing price of the Company's stock was $69.8 (in dollars) per share on June 30, 2007.

21. INCOME TAX

	For the six months ended June 30,	
	2007	2006
Income tax expense calculated at the statutory tax rate	$ 2,244,324	$ 1,664,108
Permanent differences	(938,035)	(725,367)
Investment tax credits	(290,433)	(607,871)
Under provision from prior year	9,725	29,898
Changes in allowance for deferred tax assets	(8,750)	(40,753)
Tax imposed on the excess amount of AMT over regular tax	11,436	-
10% additional tax on unappropriated earnings	33,556	-
Income tax expense	1,061,823	320,015
Adjustment:		
Net changes of deferred tax assets	(367,104)	(46,180)
(Increase) decrease in income tax payable	(9,725)	129,522
Prepaid and withholding taxes	(16,714)	(17,319)
Subsidiaries' income tax payable	-	(6,762)
Income tax payable	$ 668,280	$ 379,276
Income tax payable carried over from prior year	$ -	$ 16,605

A. For the six months ended June 30, 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 June 30, 2007 and 2006, deferred tax assets and liabilities are as follows:

	June 30,	
	2007	2006
Deferred tax assets - current	$ 1,116,730	$ 822,355
Deferred tax liabilities - current	(3,424)	-
	1,113,306	822,355
Allowance for deferred tax assets	-	(1,875)
	$ 1,113,306	$ 820,480
Deferred tax assets - noncurrent	$ 1,209,678	$ 2,071,613
Deferred tax liabilities - noncurrent	(153,232)	(208,713)
	1,056,446	1,862,900
Allowance for deferred tax assets	(165,734)	(260,659)
	$ 890,712	$ 1,602,241

C. The details of deferred tax assets and liabilities as of June 30, 2007 and 2006 were as follows:

	June 30, 2007		June 30, 2006	
	Amount	Tax Effect	Amount	Tax Effect
Current:				
Temporary differences:				
Unrealized loss on obsolescence and decline in market value of inventories	$ 56,801	$ 14,200	$ 47,294	$ 11,824
Compensation interest on bonds payable	-	-	41,773	10,443
Unrealized sales allowance	21,291	5,323	99,532	24,883
Unrealized foreign currency exchange (gain) loss	(10,453)	(2,613)	19,841	4,960
Allowance for doubtful accounts	(3,244)	(811)	10,328	2,582
Others	8,830	2,207	-	-
Investment tax credits		1,095,000		767,663
		1,113,306		822,355
Allowance for deferred tax assets		-		(1,875)
		$ 1,113,306		$ 820,480
Noncurrent :				
Temporary differences:				
Unrealized loss on long-term investments	$ 78,303	$ 19,576	$ 667,009	$ 166,753
Depreciation expense	(611,872)	(152,968)	(660,210)	(165,053)
Unrealized foreign currency exchange gain arising from bonds payable	(1,056)	(264)	(174,638)	(43,660)
Unrealized loss on idle assets	274,627	68,657	288,784	72,196
Others	12,002	3,000	-	-
Loss carryforwards	75,426	18,856	25,513	6,378
Investment tax credits		1,099,589		1,826,286
		1,056,446		1,862,900
Allowance for deferred tax assets		(165,734)		(260,659)
		$ 890,712		$ 1,602,241

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. The income tax returns of Siliconware Investment Company Limited have been assessed and approved by the Tax Authority through 2004.

F. According to the Income Tax Law of the Peoples Republic of China for Enterprises with Foreign Investment and Foreign Enterprises , Siliconware Technology (Suzhou) Limited is entitled to two years' exemption from income taxes followed by three years of a 50% tax reduction , i.e., the tax rate of 7.5%, commencing from the first cumulative profit-making year net of losses carried forward. In addition, any foreign investor of an enterprise with foreign investment which reinvests its share of profit obtained from the enterprise directly into that enterprise by increasing its registered capital, or uses the profit as capital investment to establish other enterprises with foreign investment to operate for a period of not less than five years shall, upon approval by the tax authorities of an application filed by the investor, be refunded 40% of the income tax already paid in relation to the reinvested amount.

G. As of June 30, 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	$ 2,068,992	$ 1,558,080	2008 to 2011
Qualifying research			
and development expenditure	787,384	636,509	2008 to 2011
	$ 2,856,376	$ 2,194,589	

H. 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, respectively. 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.

22. EARNINGS PER SHARE

(1) Earnings per share

	For the six months ended June 30, 2007				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax	(in thousands)	Before tax	After tax
				(in dollars)	
Basic earnings per share	$ 8,724,785	$ 7,662,962	2,903,127	$ 3.01	$ 2.64
Dilutive effect of employee stock option	-	-	4,820		
Dilutive effect of 3rd Euro convertible bonds	50,527	50,556	36,956		
Diluted earnings per share	$ 8,775,312	$ 7,713,518	2,944,903	$ 2.98	$ 2.62

	For the six months ended June 30, 2006				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax	(in thousands)	Before tax	After tax
				(in dollars)	
Basic earnings per share	$ 6,636,187	$ 6,316,172	2,671,718	$ 2.48	$ 2.36
Dilutive effect of employee stock option	-	-	14,857		
Dilutive effect of 3rd Euro convertible bonds	(78,066)	(42,050)	173,797		
Diluted earnings per share	$ 6,558,121	$ 6,274,122	2,860,372	$ 2.29	$ 2.19

The basic and diluted earnings per share for the six months ended June 30, 2006 were retroactively adjusted for stock dividends and employees' stock bonus distributed in 2006.

(2) Pro forma earnings per share as if the stock dividends and employee stock bonus approved by the shareholders on June 13, 2007 were considered in the calculation of retroactively adjusted 2007 and 2006 outstanding shares of common stock.

	For the six months ended June 30, 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	$ 8,724,785	$ 7,662,962	2,996,449	$ 2.91	$ 2.56
Dilutive effect of employee stock option	-	-	4,975		
Dilutive effect of 3rd Euro convertible bonds	50,527	50,556	38,139		
Diluted earnings per share	$ 8,775,312	$ 7,713,518	3,039,563	$ 2.89	$ 2.54

	For the six months ended June 30, 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	$ 6,636,187	$ 6,316,172	2,757,635	$ 2.41	$ 2.29
Dilutive effect of employee stock option	-	-	15,332		
Dilutive effect of 3rd Euro convertible bonds	(78,066)	(42,050)	179,359		
Diluted earnings per share	$ 6,558,121	$ 6,274,122	2,952,326	$ 2.22	$ 2.13

The basic and diluted earnings per share for the six months ended June 30, 2007 and 2006 were retroactively adjusted for distribution of stock dividends and employees' stock bonus resolved by the shareholders on June 13, 2007.

23. PERSONNEL COSTS, DEPRECIATION AND AMORTIZATION

	For the six months ended June 30, 2007		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 2,518,578	$ 648,516	$ 3,167,095
Labor and health insurance	209,639	50,583	260,222
Pension expense	129,136	33,445	162,581
Other	277,225	68,307	345,532
	$ 3,134,578	$ 800,852	$ 3,935,429
Depreciation	$ 3,526,970	$ 131,101	$ 3,658,071
Amortization	$ 196,026	$ 73,393	$ 269,419
	For the six months ended June 30, 2006		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 2,525,091	$ 629,995	$ 3,155,086
Labor and health insurance	205,007	45,565	250,572
Pension expense	121,609	29,653	151,262
Other	302,434	61,696	364,130
	$ 3,154,141	$ 766,909	$ 3,921,050
Depreciation	$ 3,203,982	$ 81,402	$ 3,285,384
Amortization	$ 185,530	$ 83,287	$ 268,817

24. 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)
ChipMOS Technologies Inc.	Investee company accounted for under the equity method (Note 2)
Hai-Feng Fundation	Same chairman of the board of the directors
Pei-Sheng Fundation	Same chairman of the board of the directors

Note 1: The Company resigned its position as a director on August 3, 2006. The named company ceased to be a related party of the Company.

Note 2: 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 six months ended June 30,			
	2007		2006	
	Amount	% of net sales	Amount	% of net sales
Sigurd Microelectronics Corporation	$ 44,917	-	$ 1,647	-

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 six months ended June 30,			
	2007		2006	
	Amount	% of net purchase	Amount	% of net purchase
Phoenix Precision Technology Corporation	$ 1,141,038	9	$ 1,868,313	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

	June 30, 2007		June 30, 2006	
	Amount	% of accounts receivables	Amount	% of accounts receivables
Sigurd Microelectronics Corporation	$ 43,959	-	$ 1,645	-

(4) Accounts Payable

	June 30, 2007		June 30, 2006	
	Amount	% of accounts payable	Amount	% of accounts payable
Phoenix Precision Technology Corporation	$ 589,652	10	$ 584,274	13

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

	June 30, 2007		June 30, 2006	
	Other expenses	Other payables (Accrued expense)	Other expenses	Other payables (Accrued expense)
Others	$ 10,625	$ 6,632	$ 29,345	$ 20,546

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

(6) Other Income / Other Receivables

	June 30, 2007		June 30, 2006	
	Other income	Other receivables	Other income	Other receivables
Others	$ 91	$ -	$ -	$ -

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

(7) Property Transaction

	For the six months ended June 30, 2007			
	Name of the properties	Transaction amount	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 six months ended June 30, 2006：None.

(8) 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.

25. ASSETS PLEDGED AS COLLATERALS

As of June 30, 2007 and 2006, the following assets have been pledged as collaterals against certain obligations of the Company:

	June 30,		
Assets	2007	2006	Subject of collaterals
Buildings	$ 341,762	$ -	Long-term loans
Land-use right	42,892	-	Long-term loans
Time deposits (shown in other financial assets, current)	223,600	206,705	Guarantees for custom duties and income tax liabilities
	$ 608,254	$ 206,705	

26. COMMITMENTS AND CONTINGENCIES

A. As of June 30, 2007, the Company's issued but unused letters of credit for imported machinery and equipment was approximate $348,841.

B. For its future expansion, the Company entered into several contracts with a total payment of $2,267,182, of which a total amount of $629,952 has not been paid as of June 30, 2007.

C. The Company entered into seven 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. Six contracts are valid through December 2007, January 2010, December 2010, January 2012, March 2012, and November 2014, respectively. The other one contract is valid through when all patents included in the contract expire and until both parties agree to terminate the contract.

D. On March 1, 2006, we were informed of a civil lawsuit brought by Tessera Inc., or Tessera, in the United States District Court for the Northern District of California against us, our subsidiary, Siliconware USA, Inc., several other world-wide subcontractor companies and their subsidiaries. Tessera alleges that we infringed patents owned by Tessera and/or breached technology license agreements between us and Tessera by providing some of our packaging services. All parties in the lawsuit stipulated a stay of this action in its entirety, pending a final determination of investigation by the International Trade Commission with regard to an action that is directed against other parties, including some codefendants in the litigation in the Northern District of California. Pursuant to the stipulation, the court stayed the litigation on May 24, 2007. Currently, we are unable to assess the potential liabilities arising out of this claim due to the fact that information provided with regard to the infringement scope is insufficient. We filed a request for reexamination with the U.S. Patent and Trademark Office, or the PTO, of five patents being asserted by Tessera in the lawsuit. The PTO has granted the reexamination for all patents.

27. SIGNIFICANT DISASTER LOSS

None.

28. SIGNIFICANT SUBSEQUENT EVENT

A. On July 2, 2007, the ROC Investment Commission, Ministry of Economic Affairs approved the application for an additional investment of US$30,000 (in thousands) in Siliconware Technology (Suzhou) Limited.

B. Subsequent to the balance sheet date of June 30, 2007, the Company expected to dispose its investment in King Yuan Electronics Co., Ltd., reported as available for sale financial asset – noncurrent. The Company has followed the internal process required for the acquisition and disposal of assets. As of August 3, 2007, the Company has disposed 10,800 shares of common stocks in King Yuan Electronics Co., Ltd. and recognized gain on disposal of investment of $182,828.

29. OTHERS

A. Fair Values of Financial Instruments:

	June 30, 2007			June 30, 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	$ 35,038,735	$ -	$ 35,038,735	$ 24,047,561	$ -	$ 24,047,561
Available-for-sale financial assets						
- noncurrent	11,418,852	11,418,852	-	8,474,962	8,474,962	-
Financial assets carried at cost - noncurrent	817,752	-	-	659,036	-	-
	$ 47,275,339	$ 11,418,852	$ 35,038,735	$ 33,181,559	$ 8,474,962	$ 24,047,561
Financial Liabilities						
Financial liabilities with						
book value equal to fair value	$ 22,365,085	$ -	$ 22,365,085	$ 15,594,769	$ -	$ 15,594,769
Bonds payable (including current portion)	108,636	220,667	-	6,279,057	7,042,167	-
Long-term loans	3,092,431	-	3,094,863	1,666,660	-	1,666,660
	$ 25,566,152	$ 220,667	$ 25,459,948	$ 23,540,486	$ 7,042,167	$ 17,261,429

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 financial assets - current, 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, 2.2285%, is based on the interest rate of the similar long-term loan, which the Company would have acquired.

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

As of June 30, 2007 and 2006, the Company's financial assets with fair value risk of interest rate fluctuation were $22,170,267 and $13,679,302, respectively, and financial liabilities with fair value risk of interest rate fluctuation were $3,093,626 and $6,279,057, respectively. As of June 30, 2007 and 2006, the Company's financial liabilities with cash flow risk of interest rate fluctuation were $675,581 and $3,300,000, respectively.

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

The Company's interest income from financial assets whose changes in fair value were not recognized in earnings were $180,224 and $200,610, respectively, for the six months ended June 30, 2007 and 2006. The Company's interest expense from financial liabilities whose changes in fair value were not recognized in earnings were $46,046 and $80,278, respectively, for the six months ended June 30, 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 six months ended June 30, 2007 and 2006 were $5,786,335 and $5,353,342, 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

	June 30,	
	2007	2006
Available-for-sale financial assets	$ 11,418,852	$ 8,474,962
Financial assets carried at cost	817,752	659,036
	$ 12,236,604	$ 9,133,998

(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

	June 30,	
	2007	2006
Short-term loans	$ 567,840	$ 161,744
Bonds payable	108,636	6,279,057
Long-term loans	3,092,431	3,300,000
	$ 3,768,907	$ 9,740,801

(1) Market risk:

Debt instruments include zero-coupon convertible bonds embedded with call and put options, fixed interest rate bearing bonds, short-term loans 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.

G. Eliminated transactions between parent company and subsidiaries

	Name of the counter party and amount			
Transactions	Siliconware Precision Industries Co., Ltd.	Siliconware Investment Company Ltd.	SPIL (B.V.I.) Holding Limited	Siliconware USA Inc.
For the six months ended June 30, 2007				
Eliminate long-term investment and stockholders'equity	($ 6,288,800)	$ 3,964,683	$ 2,324,117	$ -
Eliminate subsidiary's long-term investment on parent company	2,455,289	(2,455,289)	-	-
Eliminate accrued expenses and (accounts receivable)	42,839	-	-	(42,839)
Eliminate commission expense and revenue	(235,658)	-	-	235,658
For the six months ended June 30, 2006				
Eliminate long-term investment and stockholders'equity	($ 4,722,954)	$ 2,454,811	$ 2,268,143	$ -
Eliminate subsidiary's long-term investment on parent company	1,277,177	(1,277,177)	-	-
Eliminate accrued expenses and (accounts receivable)	45,852	-	-	(45,852)
Eliminate commission expense and revenue	(272,494)	-	-	272,494

30. SPECIAL DISCLOSURE ITEMS

A. Significant Transaction Information

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

For the six months ended June 30, 2007: None.

(2) Endorsement and guarantee provided to third parties:

For the six months ended June 30, 2007: None.

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

As of June 30, 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	$ 1,509,394	100.00%	$ 22.40	(Notes 1 and 3)
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	-	24.14%	-	
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	2,324,117	100.00%	29.87	(Notes 1 and 3)
Siliconware Precision Industries Co., Ltd.	Stock	Phoenix Precision Technology Corporation	The Company holds directorship	Available-for-sale financial assets	109,854	4,701,740	16.37%	42.80	
Siliconware Precision Industries Co., Ltd.	Stock	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	85,698	2,408,105	7.85%	28.10	
Siliconware Precision Industries Co., Ltd.	Stock	Siguard Microelectronics Corp.	The Company holds directorship	Available-for-sale financial assets	46,236	1,197,515	15.87%	25.90	
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	-	Available-for-sale financial assets	12,175	2,872,129	14.68%	235.90	(Note 2)

Note 1: The market value is not available. Therefore, the net equity per share calculated from the unaudited financial statements as of June 30, 2007 was used.

Note 2: The closing price of US$ 7.19 (in dollars) per share on June 30, 2007 was used. (Exchange rate US$1 : NT$32.81)

Note 3: The amount has been eliminated in the consolidated financial statements.

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

For the six months ended June 30, 2007:

					Beginning balance		Addition		Disposal				Ending balance	
Investor	Name of the security	General ledger accounts	Name of the counter party	The relationship of the issuers with the Company	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 (Note 3)	Number of shares/unit (in thousands)	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	2,872,129

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 six months ended June 30, 2007:

Name of the properties	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
Land	August 2006	$809,021	$809,021	Jou Mu Textile Corporation, and etc.	-	-	-	-	-	As specified in contract	For operating use	-
Building	November 2006	432,000	388,800	Johnny Ko (c) & Leeming Mis	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	November 2006	223,800	134,280	Chung-Rui Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building	April 2007	178,000	-	Jun-Biau 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 six months ended June 30, 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 six months ended June 30, 2007:

Purchase / sales company	Name of the counter parties	Relationship with the counter parties	Description of the transaction				Description of and reasons for difference in transaction terms compared to non-related party transactions		Notes or accounts receivable / payable	
			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	$1,141,038	9%	Three months	$ -	$ -	Accounts payable $589,652	10%

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

As of June 30, 2007: None.

(9) Transaction of derivative financial instruments:

For the six months ended June 30, 2007: None.

B. Related Information on Investee Companies

(1) Basic information on investee companies:

For the six months ended June 30, 2007:

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)	Ownership Percentage	Book value	Current period: Net income (loss) of investee	Current period: 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%	$1,509,394	$250,873	$131,274	(Notes 1, 2 and 7)
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 and 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%	2,324,117	24,741	24,741	(Notes 1, 2 and 7)
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Communications and relationship maintenance with companies headquartered in North America	68,464	68,464	1,250	100.00%	104,237	14,441	14,441	(Notes 3 and 7)
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%	1,060,649	(14,507)	(14,507)	(Notes 3 and 7)
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Suzhou Jiangsu, China	Manufacturing and processing of module assembly, flash memory card and related products	1,641,380	1,641,380	(Note 5)	100.00%	1,257,017	(14,210)	(14,210)	(Notes 4 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$50,000 thousand dollars.

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

Note 7: The amount has been eliminated in the consolidated financial statements.

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

As of June 30, 2007:

Investor	Type of securities	Name of securities	of the issuers with the Company	ledger accounts	shares (in thousands)	Book value (Note 2)	of ownership	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	$2,455,288	1.18%	$69.80	(Note 5)
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	239,363	0.83%	42.80	
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)	—	Financial assets carried at cost	-	122,229	-	-	
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	104,237	100.00%	83.39	(Notes 2 and 5)
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	1,060,649	100.00%	21.17	(Notes 2 and 5)
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)	1,257,017	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 June 30, 2007 was used.

(3) The contributed capital was US$50,000 thousand dollars.
(4) The contributed capital was US$6,000 thousand dollars.
(5) The amount has been eliminated in the consolidated financial statements.

(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 six months ended June 30, 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	Ending balance: Number of shares/unit (in thousands)	Ending balance: Amount
Siliconware Precision Industries Co., Ltd.	ITE Tech. Inc.	Available for sale financial asset	-	-	1,204	$ 44,582	-	$ -	1,204	$ 106,659	$ 9,295	$ 97,364	-	$ -

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

For the six months ended June 30, 2007:

Investor	Name of the properties	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
Siliconware Technology (Suzhou) Limited	Building	July 2006	$135,363 (RMB 32,500)	$128,232 (RMB 29,755)	Nantong Yingxiong Construction Corporation Ltd.	-	-	-	-	$ -	As specified in contract	For operating use

Note: Amounts in RMB are presented in thousands.

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 June 30, 2007	Ownership held by the Company (Direct and indirect)
Siliconware Technology (Suzhou) Limited	Manufacturing and processing of module assembly, flash memory card and related products	$ 1,640,500 (USD 50,000)	(Note 1)	$ 1,640,500 (USD 50,000)	-	$ 1,640,500 (USD 50,000)	100%
		(Notes 2 and 4)		(Notes 2 and 4)		(Notes 2 and 4)	

Investment income (loss) recognized by the Company during the period	Ending balance of investment	The investment income (loss) remitted back as of June 30, 2007	Accumulated remittance from Taiwan to Mainland China	The investment balance approved by Investment Commissions, Ministry of Economic Affairs	The ceiling of investment in Mainland China according to Investment Commissions, Ministry of Economic Affairs
($14,210)	$1,257,017	-	$ 1,640,500 (USD 50,000)	$ 1,640,500 (USD 50,000)	$14,266,997
(Notes 2 and 3)	(Note 2)		(Note 4)	(Note 4)	

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.

Note 3: The amount has been eliminated in the consolidated financial statements.

Note 4: The amount in USD is presented in thousands.

(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.

D. The business relationships and the significant transactions between the parent company and the subsidiary:

(1) For the six months ended June 30, 2007:

				Related party transactions			
No.	Name of related Parties	of the counter	Relationships with the related party	Account	Amount	Term	% of consolidated revenues or total assets
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Commission expense	$235,658	As specific in the contract	0.26%

(2) For the six months ended June 30, 2006:

				Related party transactions			
No.	Name of related Parties	of the counter	Relationships with the related party	Account	Amount	Term	% of consolidated revenues or total assets
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Commission expense	$272,494	As specific in the contract	1%

31. Segment Information: Not applicable