SILICONWARE PRECISION INDUSTRIES CO., LTD.

FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2007 AND 2006

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of

Siliconware Precision Industries Co., Ltd.

We have audited the accompanying non-consolidated balance sheets of Siliconware Precision Industries Co., Ltd. as of December 31, 2007 and 2006, and the related non-consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As described in Note 8, the investment income recognized for certain investee company accounted for under the equity method at December 31, 2006 was based on the financial statements audited by other independent accountants. As of December 31, 2006, the investment amounts of $4,998,596 thousand and the related investment income of $1,124,990 thousand for the year ended December 31, 2006 were recognized for this investee company.

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

In our opinion, based on our audits and the report of other auditors, the accompanying non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Siliconware Precision Industries Co., Ltd. as of December 31, 2007 and 2006, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended, in conformity with the "Rules Governing the Preparation of Financial Reports by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling" and accounting principles generally accepted in the Republic of China.

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

Siliconware Precision Industries Co., Ltd. has prepared the consolidated financial statements for the years ended December 31, 2007 and 2006. We have audited such consolidated financial statements and issued an unqualified opinion and a modified unqualified opinion with explanatory paragraph language thereon, respectively.

March 7, 2008

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

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

	December 31, 2007	December 31, 2006
ASSETS		
Current Assets		
Cash (Note 4)	$ 21,128,754	$ 13,352,934
Notes receivable, net	116,622	41,111
Accounts receivable, net (Note 5)	10,800,056	8,858,323
Other financial assets, current (Notes 22 and 23)	659,712	665,335
Inventories (Note 6)	3,243,219	2,765,326
Deferred income tax assets, current (Note 19)	1,267,123	724,634
Other current assets - other	585,172	470,054
	37,800,658	26,877,717
Long-term Investments		
Available for sale financial assets, non-current (Notes 7 and 27)	4,718,726	7,620,907
Financial assets carried at cost (Note 27)	-	3,891
Long-term investment under equity method (Note 8)	4,106,405	8,519,052
	8,825,131	16,143,850
Property, Plant and Equipment (Notes 9 and 22)		
Cost:		
Land	2,892,083	2,940,997
Buildings	8,778,054	7,454,640
Machinery and equipment	50,375,379	44,347,574
Utility equipment	679,881	569,213
Furniture and fixtures	754,774	616,207
Other equipment	2,063,813	1,857,830
	65,543,984	57,786,461
Less: Accumulated depreciation	(31,281,117)	(27,124,284)
Construction in progress and prepayments for equipment	2,023,931	1,576,021
	36,286,798	32,238,198
Other Assets		
Refundable deposits	9,342	8,214
Deferred charges	747,536	681,029
Deferred income tax asset, noncurrent (Note 19)	526,558	1,641,280
Other assets - other (Note 10)	112,949	265,248
	1,396,385	2,595,771
TOTAL ASSETS	$ 84,308,972	$ 77,855,536

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

	December 31, 2007	December 31, 2006
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	$ 769	$ -
Accounts payable (Note 22)	6,120,803	3,968,073
Income tax payable (Note 19)	1,477,292	947,382
Accrued expenses (Note 22)	2,282,729	2,033,569
Other payables (Notes 11 and 22)	2,226,697	1,578,541
Current portion of long-term loans (Note 12)	-	18,687
Other current liabilities	113,184	400,070
	12,221,474	8,946,322
Long-term Liabilities		
Bonds payable (Notes 12 and 27)	-	2,708,145
Long-term loans (Notes 13 and 27)	2,995,871	2,988,474
	2,995,871	5,696,619
Other Liabilities (Note 14)	183,473	276,382
Total Liabilities	15,400,818	14,919,323
Stockholders' Equity (Notes 1 and 15)		
Capital stock	30,734,245	28,877,574
Capital reserve (Note 16)		
Additional paid-in capital	14,456,352	12,526,844
Premium arising from merger	1,951,563	1,951,563
Other	250,709	167,246
Retained earnings (Note 17)		
Legal reserve	3,340,131	2,003,494
Special reserve	-	50,029
Unappropriated earnings	17,761,366	13,413,928
Unrealized gain on available for sale financial assets	1,160,659	4,765,148
Cumulative translation adjustments	84,926	(22,276)
Net loss not recognized as pension cost	(37,613)	(1,787)
Treasury stock (Note 18)	(794,184)	(795,550)
Total Stockholders' Equity	68,908,154	62,936,213
Commitments and Contingencies (Note 24)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 84,308,972	$ 77,855,536

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 7, 2008.

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

	For the years ended December 31, 2007	2006
Operating Revenues		
Sales (Note 22)	$ 64,986,761	$ 56,631,705
Sales allowances	(364,351)	(278,115)
Net operating revenues	64,622,410	56,353,590
Cost of Goods Sold (Note 22)	(45,443,659)	(41,076,317)
Gross Profit	19,178,751	15,277,273
Operating Expenses (Note 22)		
Selling expenses	(832,922)	(744,754)
General and administrative expenses	(1,080,035)	(1,007,696)
Research and development expenses	(1,287,951)	(1,194,178)
	(3,200,908)	(2,946,628)
Operating Income	15,977,843	12,330,645
Non-operating Income and Gain		
Interest income (Note 27)	318,057	343,201
Investment income recognized under the equity method (Note 8)	694,473	1,186,201
Gain on disposal of investments (Notes 8 and 22)	2,135,849	-
Others (Note 22)	610,842	579,792
	3,759,221	2,109,194
Non-operating Expenses and Losses		
Interest expenses (Note 27)	(62,825)	(117,161)
Others (Note 22)	(94,396)	(55,982)
	(157,221)	(173,143)
Income from Continuing Operations before Income Tax	19,579,843	14,266,696
Income Tax Expense (Note 19)	(2,090,492)	(937,627)
Net Income	$ 17,489,351	$ 13,329,069

	2007 Before tax	2007 After tax	2006 Before tax	2006 After tax
Basic Earnings Per Share (in dollars) (Note 20)				
Net income	$ 6.49	$ 5.80	$ 5.09	$ 4.75
Diluted Earnings Per Share (in dollars) (Note 20)				
Net income	$ 6.46	$ 5.77	$ 4.78	$ 4.47
Pro forma information as if the stock of the Company held by subsidiary was not treated as treasury stock:				
Net income	$ 19,697,819	$ 17,607,327	$ 14,320,087	$ 13,382,460
Basic Earnings Per Share (in dollars)	$ 6.45	$ 5.77	$ 5.04	$ 4.71
Diluted Earnings Per Share (in dollars)	$ 6.42	$ 5.74	$ 4.74	$ 4.43

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 7, 2008.

SILICONWARE PRECISION INDUSTRIES CO., LTD.

NON-CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings							
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	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)	-	-	-	-	-
Reversal of 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)
Stock dividends	2,410,149	-	-	-	(2,410,149)	-	-	-	-	-
Conversion of Euro convertible bonds	2,778,697	5,692,509	-	-	-	-	-	-	-	8,471,206
Employee stock option exercised	131,741	15,729	-	-	-	-	-	-	-	147,470
Long-term investment adjustment for investee company's additional paid-in capital	-	30,645	-	-	37,300	-	-	-	-	67,945
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	4,765,885	-	-	-	4,765,885
Long-term investment adjustment for investee company's cumulative translation adjustment	-	-	-	-	-	-	25,187	-	-	25,187
Reversal of long-term investment adjustment for investee company's unrecognized pension cost	-	-	-	-	-	-	-	41	-	41
Long-term investment adjustment for investee company's treasury stock variances	-	-	-	-	-	-	-	-	33,178	33,178
Cash dividends from treasury stock held by subsidiaries	-	53,391	-	-	-	-	-	-	-	53,391
Net income	-	-	-	-	13,329,069	-	-	-	-	13,329,069
Balance at December 31, 2006	$ 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

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SILICONWARE PRECISION INDUSTRIES CO., LTD.

NON–CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings							
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	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, 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)	-	-	-	-	-
Reversal of 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)
Stock dividends	586,726	-	-	-	(586,726)	-	-	-	-	-
Conversion of Euro convertible bonds	807,112	1,929,508	-	-	-	-	-	-	-	2,736,620
Employee stock option exercised	110,798	(16,313)	-	-	-	-	-	-	-	94,485
Long-term investment adjustment for investee company's additional paid-in capital	-	(18,200)	-	-	-	-	-	-	-	(18,200)
Long-term investment adjustment for investee company's cumulative translation adjustment	-	-	-	-	-	-	107,202	-	-	107,202
Unrealized loss on available-for-sale securities	-	-	-	-	-	(3,604,489)	-	-	-	(3,604,489)
Long-term investment adjustment for investee company's treasury stock variances	-	-	-	-	-	-	-	-	1,366	1,366
Reversal of long-term investment adjustment for investee company's unrecognized pension cost	-	-	-	-	-	-	-	1,787	-	1,787
Net loss not recognized as pension cost	-	-	-	-	-	-	-	(37,613)	-	(37,613)
Cash dividends from treasury stock held by subsidiaries	-	117,976	-	-	-	-	-	-	-	117,976
Net income	-	-	-	-	17,489,351	-	-	-	-	17,489,351
Balance at December 31, 2007	$ 30,734,245	$ 16,658,624	$ 3,340,131	$ -	$ 17,761,366	$ 1,160,659	$ 84,926	($ 37,613)	($ 794,184)	$ 68,908,154

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

See report of independent accountants dated March 7, 2008.

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

	For the years ended December 31,	
	2007	2006
Cash flows from operating activities		
Net income	$ 17,489,351	$ 13,329,069
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,349,626	6,575,895
Amortization	560,289	535,406
Bad debt expense	8,175	11,624
Reversal of sales allowance	(19,532)	(11,705)
Provision for (recovery of) loss on obsolescence and decline in market value of inventories	20,733	(4,500)
Gain on disposal of investments	(2,135,849)	-
Long-term investment income under the equity method	(694,473)	(1,186,201)
Cash dividends received from long-term investment under equity method	-	175,742
Investment loss	3,891	-
Gain on disposal of property, plant and equipment	(8,326)	(45,266)
Provision for loss on idle assets	37,473	27,627
Amortization of discount on long-term notes	62,790	6,537
Compensation interest on bonds payable	36	30,810
Foreign currency exchange loss (gain) on bonds payable	34,880	(113,157)
(Increase) decrease in assets:		
Notes receivable	(75,511)	115,788
Accounts receivable	(1,930,376)	510,408
Other financial assets, current	58,018	132,145
Inventories	(498,626)	3,087
Deferred income tax assets	572,233	102,987
Other current assets	(115,118)	54,587
Increase (decrease) in liabilities:		
Notes payable	769	(5,493)
Accounts payable	2,152,730	(1,062,955)
Income tax payable	529,910	794,366
Accrued expenses	249,160	453,886
Other payables	395,655	(392,369)
Other current liabilities	(86,886)	90,210
Accrued pension liabilities	3,798	(3,268)
Net cash provided by operating activities	23,964,820	20,125,260

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

	For the years ended December 31, 2007	2006
Cash flows from investing activities		
(Payment for) refund of security deposits	($ 52,395)	$ 9,200
Purchase of long-term investment under equity method	-	(487,050)
Purchase of available for sale financial assets	(2,523,529)	-
Proceeds from disposal of long-term investments	9,274,323	-
Acquisition of property, plant and equipment	(11,423,064)	(10,458,172)
Proceeds from disposal of property, plant and equipment	393,456	268,733
Payment for deferred charges	(625,981)	(466,721)
Payment for refundable deposits	(1,125)	(1,073)
Net cash used in investing activities	(4,958,315)	(11,135,083)
Cash flows from financing activities		
Repayment of long-term loans	(55,392)	(1,818,063)
(Repayment) receipt of deposit-in	(334,320)	246,082
Redemption of bonds payable	(18,945)	-
Proceeds from the exercise of employee stock option	94,485	147,470
Remuneration to directors and supervisors	(120,798)	(149,324)
Payment of cash dividends and employees' bonuses	(10,795,715)	(4,632,842)
Net cash used in financing activities	(11,230,685)	(6,206,677)
Net increase in cash	7,775,820	2,783,500
Cash at the beginning of the year	13,352,934	10,569,434
Cash at the end of the year	$ 21,128,754	$ 13,352,934
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 62,825	$ 123,107
Cash paid for income tax	$ 988,349	$ 40,275
Supplemental disclosures of partial cash paid for investing activities:		
Acquisition of property, plant and equipment	$ 11,675,533	$ 10,020,066
Add: Payable at the beginning of the year	1,127,306	1,565,412
Less: Payable at the end of the year	(1,379,775)	(1,127,306)
Cash paid	$ 11,423,064	$ 10,458,172

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 7, 2008.

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NOTES TO NON−CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
UNLESS STATED OTHERWISE)

1. HISTORY AND ORGANIZATION

Siliconware Precision Industries Co., Ltd. (the "Company") was incorporated as a company limited by shares under the Company Law of the Republic of China (ROC) in May 1984 and was listed on the Taiwan Stock Exchange in April 1993. As of December 31, 2007, issued common stock was $30,734,245. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. As of December 31, 2007, the Company has 14,808 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with the "Rules Governing the Preparation of Financial Reports by Securities Issuers", "Business 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:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements and the reported amounts of revenues, costs of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Foreign Currency Transactions

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

Classification of current and non-current assets/liabilities

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

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

(2) Assets held mainly for trading purposes;

(3) Assets that are expected to be realized within twelve months from the balance sheet

date;

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

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

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

(2) Liabilities arising mainly from trading activities;

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

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

Accounts Receivable

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

Allowance for Doubtful Accounts

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

Allowance for Sales Discounts

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

Inventories

Inventories are recorded at cost when acquired under a perpetual inventory system and are stated at the lower of aggregate cost, determined by the weighted-average method and total inventory approach, 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 recorded based 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. Subsequent recovery of such impairment loss shall be recorded as adjustments to shareholder's equity rather than current earnings.

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 35 to 55 years.

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

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

UUU UUUUDeferred Charges

The costs of computer software system purchased externally and tooling costs are recognized as deferred charges and amortized on the straight-line basis over the useful lives of 2 to 5 years. Convertible bond issuance costs are amortized over the period of the bonds.

Bonds Payable

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

A. The excess of the stated redemption price over the par value is recognized as interest expense and compensation interest payable using the effective interest method during the period from the issuance date to the last day of the redemption period.
B. When a bondholder exercises his/her conversion rights, the book value of bonds is credited to common stock at an amount equal to the par value of the stock and the excess to capital reserve; no gain or loss is recognized on bond conversion.
C. The related issuance costs of convertible bonds are recorded as deferred charges and amortized over the period 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

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 deferred income tax assets or liabilities using the asset and liability method. Deferred tax assets or liabilities are further classified into current or noncurrent and carried at net balance. Valuation allowance on deferred tax assets is provided to the extent that it is more likely than not that the tax benefit will not be realized.

B. The Company adopted 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 an 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 SFAS No. 34 and SFAS No. 36, total assets and total shareholders' equity increased by $8,912,555 as of December 31, 2006 with no impact on net income and earnings per share for the year ended December 31, 2006.

4. CASH

	December 31, 2007	December 31, 2006
Cash on hand and petty cash	$ 1,785	$ 1,770
Savings accounts and checking accounts	1,228,999	595,955
Time deposits	19,897,970	12,755,209
	$ 21,128,754	$ 13,352,934

As of December 31, 2007 and 2006, the interest rates for time deposits ranged from 1.56 % to 4.9 % and from 1.25 % to 5.34 %, respectively.

5. ACCOUNTS RECEIVABLE, NET

	December 31, 2007	December 31, 2006
Accounts receivable	$ 10,868,078	$ 8,937,702
Less :		
Allowance for sales discounts	(35,943)	(55,475)
Allowance for doubtful accounts	(32,079)	(23,904)
	$ 10,800,056	$ 8,858,323

6. INVENTORIES

	December 31, 2007	December 31, 2006
Raw materials and supplies	$ 2,813,943	$ 2,443,579
Work in process	397,022	301,371
Finished goods	97,833	65,222
	3,308,798	2,810,172
Less : Allowance for loss on obsolescence and decline in market value of inventories	(65,579)	(44,846)
	$ 3,243,219	$ 2,765,326

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

	December 31, 2007	December 31, 2006
Cost of listed securities	$ 3,906,323	$ 3,022,843
Valuation adjustment	812,403	4,598,064
	$ 4,718,726	$ 7,620,907

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

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

	December 31,			
	2007		2006	
Investee company	Amount	Percentage of ownership	Amount	Percentage of ownership
Equity method :				
Siliconware Investment Company Ltd.	$ 1,519,311	100.00%	$ 1,272,557	100.00%
Double Win Enterprise Co., Ltd.	84,450	24.14%	84,450	24.14%
ChipMOS Technologies Inc.	-	-	4,998,596	28.76%
SPIL (B.V.I.) Holding Limited	2,587,094	100.00%	2,247,899	100.00%
	4,190,855		8,603,502	
Less : Accumulated impairment loss	(84,450)		(84,450)	
	$ 4,106,405		$ 8,519,052	

B. For the years ended December 31, 2007 and 2006, the Company recognized investment income of $694,473 and $1,186,201, respectively, for all investees accounted for under the equity method based on investees' audited financial statements 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 thousand and recognized gain on disposal of investment of $793,492. 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 in 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. As of December 31, 2007, the Company has disposed all of its holding common shares of Sigurd and recognized disposal gain of $208,184.

E. For the years ended December 31, 2007 and 2006, the Company prepared the consolidated financial statements, and consolidated its 100% owned subsidiaries, Siliconware Investment Company, Ltd. and SPIL (B.V.I) Holding Limited.

9. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2007		
	Cost	Accumulated depreciation	Book value
Land	$ 2,892,083	$ -	$ 2,892,083
Buildings	8,778,054	(2,492,101)	6,285,953
Machinery and equipment	50,375,379	(26,860,860)	23,514,519
Utility equipment	679,881	(386,790)	293,091
Furniture and fixtures	754,774	(406,836)	347,938
Other equipment	2,063,813	(1,134,530)	929,283
Construction in progress and prepayments for equipment	2,023,931	-	2,023,931
	$ 67,567,915	($ 31,281,117)	$ 36,286,798

	December 31, 2006		
	Cost	Accumulated depreciation	Book value
Land	$ 2,940,997	$ -	$ 2,940,997
Buildings	7,454,640	(2,083,995)	5,370,645
Machinery and equipment	44,347,574	(23,394,836)	20,952,738
Utility equipment	569,213	(344,855)	224,358
Furniture and fixtures	616,207	(333,651)	282,556
Other equipment	1,857,830	(966,947)	890,883
Construction in progress and prepayments for equipment	1,576,021	-	1,576,021
	$ 59,362,482	($ 27,124,284)	$ 32,238,198

10. OTHER ASSETS－OTHER

As of December 31, 2006, the cost of the land registered under an officer’s name was $108,087. The title of the land aforementioned was transferred to the Company on April 19, 2007.

11. OTHER PAYABLES

	December 31,	
	2007	2006
Payables for equipment	$ 1,379,775	$ 1,127,306
Other payables	846,922	451,235
	$ 2,226,697	$ 1,578,541

12. BONDS PAYABLE

	December 31, 2007	December 31, 2006
Euro convertible bonds payable	$ -	$ 2,724,455
Add : Compensation interest payable	-	2,377
	-	2,726,832
Less : Current portion of long-term bonds payable	-	(18,687)
	$ -	$ 2,708,145

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 December 31, 2007, all of the convertible bonds issued in 2002 have been converted into common stocks, redeemed, or retired after repurchased from the market.

B. On February 5, 2004, the Company issued five-year (from February 5, 2004 to February 5, 2009) zero coupon Euro convertible bonds amounting to US$200,000 (in thousands) listed on the Luxembourg Stock Exchange. As of December 31, 2007, all of the convertible bonds issued in 2004 have been converted into common stocks or redeemed.

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.

13. LONG-TERM LOANS

Nature of loans	Repayment period	December 31, 2007	December 31, 2006
Commercial paper	Repayable in 4 semi-annual installments from November 2009	3,000,000	3,000,000
Less: Discount on commercial paper		(4,129)	(11,526)
		$ 2,995,871	$ 2,988,474
Interest rates		2.093%	2.093%

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

14. 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, which acquired the Central Trust of China on July 1, 2007. Pension benefits are generally based on service years and six-month average wages and salaries before retirement of the employee. Two units are earned per year for the first 15 years of service and one unit is earned for each additional year of service with a maximum of 45 units.

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

(1) Assumptions used in actuarial calculations as of December 31, 2007 and 2006:

	2007	2006
Discount rate	2.75%	3.25%
Long-term rate of compensation increase	2.00%	2.00%
Expected rate of return on plan assets	3.00%	3.25%
Vested benefit	($ 39,213)	($ 40,207)
Vested benefit obligation	($ 34,739)	($ 39,145)
Accumulated benefit obligation	($ 1,130,091)	($ 974,226)

(2) Changes in benefit obligation during the years ended December 31, 2007 and 2006:

	2007	2006
Projected benefit obligation at the beginning of the year	($ 1,346,909)	($ 1,193,899)
Service cost	(36,639)	(37,095)
Interest cost	(43,775)	(38,802)
Loss on projected benefit obligation	(198,886)	(80,790)
Benefit paid	5,427	3,677
Projected benefit obligation at the end of the year	($ 1,620,782)	($ 1,346,909)

(3) Changes in plan assets during the years ended December 31, 2007 and 2006:

	2007	2006
Fair value of plan assets at the beginning of the year	$ 981,249	$ 905,531
Actual return on plan assets	28,022	23,270
Employer contributions	55,195	56,125
Benefits paid	(5,427)	(3,677)
Fair value of plan assets at the end of the year	$ 1,059,039	$ 981,249

(4) Funded status at December 31, 2007 and 2006:

	2007	2006
Fair value of plan assets	$ 1,059,039	$ 981,249
Projected benefit obligation	(1,620,782)	(1,346,909)
Funded status	(561,743)	(365,660)
Unrecognized transition assets	(2,738)	(3,651)
Unrecognized net actuarial loss	531,042	339,675
Additional pension liability	(37,613)	-
Accured pension liabilities	($ 71,052)	($ 29,636)

(5) Components of net periodic pension cost for the years ended December 31, 2007 and 2006:

	2007	2006
Service cost	$ 36,639	$ 37,095
Interest cost	43,775	38,802
Expected return on plan assets	(31,891)	(29,430)
Amortization of unrecognized net transition assets	(913)	(913)
Amortization of unrecognized loss	11,388	7,408
Net periodic pension cost	$ 58,998	$ 52,962

C. 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 $275,976 and $245,742 were recognized for the years ended December 31, 2007 and 2006, respectively.

15. CAPITAL STOCK

A. As of December 31, 2007, the authorized capital of the Company was $36,000,000, represented by 3,600,000,000 common shares with par value of NT$10 (in dollars) per share. As of December 31, 2007, issued common stock was $30,734,245.

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. Registration for the capitalization has been completed.

C. The Company issued $1,500,000 American Depositary Shares ("ADSs"), represented by 30,000,000 units of ADSs, in June 2000. Each ADS represents five shares of common stock of the Company with an offering price of US$8.49 per ADS. As of December 31, 2007, the outstanding ADSs amounted to 123,803,014 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. The exercise price of the employee stock option was decided according to the closing price at the measurement date and 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 years ended December 31, 2007 and 2006, details of the employee stock option granted, exercised and canceled and exercise price of the employee stock option are as follows: (Numbers of options are presented in thousands)

	For the years ended December 31,			
	2007		2006	
	Number of options	Weighted average exercise price (in dollars)	Number of options	Weighted average exercise price (in dollars)
Outstanding option at the beginning of the year	12,631	$9.25	26,348	$11.95
Number of option exercised	(11,080)	5.74	(13,174)	11.23
Number of option forfeited	(37)	5.78	(543)	11.07
Outstanding option at the end of the year	1,514	5.83	12,631	9.25
Vested option at the end of the year	1,514	5.83	2,113	9.27
Authorized option available for future grant at the end of the year	-		-	

(2) As of December 31, 2007, the details of the outstanding employee stock option are as follows: (Numbers of options are presented in thousands)

16. CAPITAL RESERVE

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)
$5.7~$6.2	1,514	0.19 Year	$ 5.83	1,514	$ 5.83

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.

17. 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. Among the total dividend 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. As of March 7, 2008, the Board of directors of the Company has not resolved the distribution of the year 2007 earnings. Therefore, any information in relation to the year 2007 earnings will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchanges after the Board’s resolution and the shareholders’ approval.

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 December 31, 2007, the undistributed earnings derived on or after January 1, 1998 was $17,761,366.

F. As of December 31, 2007, the balance of stockholders’ imputation tax credit account of the Company was $53,475. The rate of stockholders’ imputation tax credit to undistributed earnings accumulated in 1998 and thereafter was approximately 0.3%. 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. The rate of stockholders’ imputation tax credit to undistributed earnings for the earnings distributed in the current year is 7.62%.

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 $0.20 (in dollars) per share and cash dividends of $3.35 (in dollars) per share, was $3.55 (in dollars).

H. 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).

I. The Company's earnings of distribution of 2006 for employee bonuses and directors' and supervisors' remunerations were as follow:

	The amount of the actual earnings distributions approved by the shareholders in 2007
(a) The amount of the retained earnings distributed	
1. Employees' cash bonuses	$ 821,415
2. Employees' stock bonuses	
(i) Shares (in thousands of shares)	35,204
(ii) Amounts	$ 352,035
(iii) As a percentage of outstanding common shares	1.3%
3. Directors' and supervisors' remunerations	$ 120,797
(b) Informations regarding earnings per common share (in dollors)	
1. Original earnings per common share (Note 1)	$ 4.91
2. Adjusted earnings per common share (Note 2)	$ 4.43

Note 1: Not retroactively adjusted by the common shares issued on capitalization of earnings in 2007.
Note 2: Adjusted earnings per share = (Net income-Employees' bonus-Remunerations to directors and supervisors)/Weighted average oustanding common shares.

18. TREASURY STOCK

As of December 31, 2007, Siliconware Investment Company Ltd., the subsidiary of the Company, holds 35,870 thousand shares of the Company's stock, with book value of $22.14 (in dollars) per share. None of treasury stock held by the subsidiary was sold for the year ended December 31, 2007. The closing price of the Company's stock was $58.3 (in dollars) per share on December 31, 2007.

19. INCOME TAX

	For the years ended December 31, 2007	For the years ended December 31, 2006
Income tax expense calculated at the statutory tax rate	$ 4,894,951	$ 3,566,664
Permanent differences	(1,932,558)	(1,506,043)
Investment tax credits	(928,858)	(1,147,432)
Changes in allowance for deferred tax assets	24,787	(5,460)
Under provision from prior year	9,725	29,898
10% additional tax on unappropriated earnings	22,445	-
Income tax expense	2,090,492	937,627
Adjustment:		
Net changes of deferred tax assets	(572,233)	(102,987)
(Increase) decrease in income tax payable	(9,725)	129,522
Prepaid and withholding taxes	(31,242)	(33,385)
Income tax payable	$ 1,477,292	$ 930,777
Income tax payable carried over from prior year	$ -	$ 16,605

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

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

	December 31, 2007	December 31, 2006
Deferred tax assets - current	$ 1,267,123	$ 726,618
Deferred tax liabilities - current	-	(1,843)
Deferred tax assets - current	1,267,123	724,775
Allowance for deferred tax assets	-	(141)
	$ 1,267,123	$ 724,634
Deferred tax assets - noncurrent	$ 823,466	$ 1,938,744
Deferred tax liabilities - noncurrent	(147,425)	(172,909)
	676,041	1,765,835
Allowance for deferred tax assets	(149,483)	(124,555)
	$ 526,558	$ 1,641,280

C. The details of deferred tax assets and liabilities arising from temporary differences and investment tax credits as of December 31, 2007 and 2006 were as follows:

	December 31, 2007		December 31, 2006	
	Amount	Tax Effect	Amount	Tax Effect
Current:				
Temporary differences:				
Unrealized loss on obsolescence and decline in market value of inventories	$ 80,413	$ 20,103	$ 56,715	$ 14,179
Compensation interest on bonds payable	-	-	2,377	594
Unrealized sales allowance	35,943	8,986	55,475	13,869
Unrealized foreign currency exchange loss (gain)	4,137	1,034	(7,370)	(1,843)
Allowance for doubtful accounts	-	-	23,904	5,976
Investment tax credits		1,237,000		692,000
		1,267,123		724,775
Allowance for deferred tax assets		-		(141)
		$ 1,267,123		$ 724,634
Noncurrent :				
Temporary differences:				
Depreciation expense	($ 589,700)	($ 147,425)	($ 639,742)	($ 159,936)
Unrealized foreign currency exchange gain arising from bonds payable	-	-	(51,892)	(12,973)
Unrealized loss on idle assets	296,798	74,199	259,203	64,801
Investment tax credits		749,267		1,873,943
		676,041		1,765,835
Allowance for deferred tax assets		(149,483)		(124,555)
		$ 526,558		$ 1,641,280

Valuation allowance for deferred tax assets relates primarily to allowance for investment tax credits.

D. The Company’s income tax returns have been assessed and approved by the Tax Authority through 2005.

E. As of December 31, 2007, the Company's unused portion of investment tax credits, under the "Statue for Upgrading Industries", were as follows:

Nature of Investment Tax Credits	Deductible Amount	Unused Amount	Expiration Years
Acquisition costs of qualifying machinery and equipment	$ 2,596,511	$ 1,238,852	2008 to 2011
Qualifying research and development expenditure	898,290	747,415	2008 to 2011
	$ 3,494,801	$ 1,986,267	

F. The Company has met the requirement of Statute for Upgrading Industries for its capitalization plans in 1999, 2000, and 2004 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 2004 and from 2006, respectively. The 5-year income tax exemption will expire in December 2008 and 2010, respectively.

Also, the Industrial Development Bureau of Ministry of Economic Affairs has issued permission for the 5-year income tax exemption of the Company's 2006 registered capitalization plan in 2007 and the certification for the completion of 5-year income tax exemption of 2005 capitalization plan in 2008.

20. EARNINGS PER SHARE

	For the year ended December 31, 2007				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
			(in thousands)	(in dollars)	
Basic earnings per share	$ 19,579,843	$ 17,489,351	3,016,887	$ 6.49	$ 5.80
Dilutive effect of employee stock option	-	-	3,535		
Dilutive effect of 3rd Euro convertible bonds	51,606	51,365	18,942		
Diluted earnings per share	$ 19,631,449	$ 17,540,716	3,039,364	$ 6.46	$ 5.77

	For the year ended December 31, 2006				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
			(in thousands)	(in dollars)	
Basic earnings per share	$ 14,266,696	$ 13,329,069	2,803,404	$ 5.09	$ 4.75
Dilutive effect of employee stock option	-	-	13,055		
Dilutive effect of 3rd Euro convertible bonds	22,562	33,421	174,143		
Diluted earnings per share	$ 14,289,258	$ 13,362,490	$ 2,990,602	$ 4.78	$ 4.47

The basic and diluted earnings per share for the years ended December 31, 2007 and 2006 were retroactively adjusted for 2006 stock dividends and employees’ stock bonus distributed in 2007.

21. PERSONNEL COSTS, DEPRECIATION AND AMORTIZATION

	For the year ended December 31, 2007		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 5,652,409	$ 981,876	$ 6,634,285
Labor and health insurance	442,716	75,960	518,677
Pension expense	274,920	60,050	334,970
Other	566,615	105,948	672,563
	$ 6,936,660	$ 1,223,834	$ 8,160,494
Depreciation	$ 7,121,604	$ 228,022	$ 7,349,626
Amortization	$ 416,225	$ 134,244	$ 550,469

	For the year ended December 31, 2006		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 5,201,666	$ 1,012,104	$ 6,213,770
Labor and health insurance	414,906	71,053	485,959
Pension expense	245,299	53,299	298,598
Other	580,961	100,890	681,851
	$ 6,442,832	$ 1,237,346	$ 7,680,178
Depreciation	$ 6,414,545	$ 161,350	$ 6,575,895
Amortization	$ 356,582	$ 166,057	$ 522,639

22. 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 (Note 1)
Phoenix Precision Technology Corporation	The Company holds directorship
Siliconware Investment Company Ltd.	Subsidiary of the Company
SPIL (B.V.I.) Holding Limited	Subsidiary of the Company
SPIL (Cayman) Holding Limited	Indirect subsidiary of the Company
Siliconware USA, Inc.	Indirect subsidiary of the Company
Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company
ChipMOS Technologies Inc.	Investee company accounted for under the equity method (Note 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 November 9, 2007. 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 years ended December 31,			
	2007		2006	
	Amount	% of net sales	Amount	% of net sales
Sigurd Microelectronics Corporation	$ 223,991	-	$ 5,217	-

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 years ended December 31,			
	2007		2006	
	Amount	% of net purchase	Amount	% of net purchase
Phoenix Precision Technology Corporation	$ 2,544,206	9	$ 3,100,909	13
Others	-	-	83	-
	$ 2,544,206	9	$ 3,100,992	13

The purchase price provided by Phoenix Precision Technology Corporation was not comparable to those provided by non-related parties because of the different product specification. The average payment period is approximately three months from the date of purchase, which is comparable to those provided by non-related parties.

(3) Accounts Payable

	December 31, 2007		December 31, 2006	
	Amount	% of accounts payable	Amount	% of accounts payable
Phoenix Precision Technology Corporation	$ 662,731	11	$ 345,745	9

(4) Compensation Expense / Accrued Expense

	For the years ended December 31,			
	2007		2006	
	Commission expense	Accrued expense	Commission expense	Accrued expense
Siliconware USA, Inc.	$ 542,974	$ 50,314	$ 478,608	$ 4,865

(Note) Presented as other current assets - other

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

(5) Other Expenses / Other Payables

	For the years ended December 31,			
	2007		2006	
	Other expenses	Other payables	Other expenses	Other payables
Others	$ 21,263	$ 3,489	$ 12,153	$ 4,807

For the lease transaction, 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

	For the years ended December 31,			
	2007		2006	
	Other income	Other receivables	Other income	Other receivables
Others	$ 2,384	$ 979	$ 12,614	$ 11,288

For the lease transaction, 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 year ended December 31, 2007			
	Name of the property	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 year ended December 31, 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 in the amount of $132,910.

23. ASSETS PLEDGED AS COLLATERALS

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

	December 31,		
Assets	2007	2006	Subject of collaterals
Time deposits (shown in other financial assets, current)	$ 259,100	$ 206,705	Guarantees for custom duties and value-added tax

24. COMMITMENTS AND CONTINGENCIES

A. As of December 31, 2007, the Company's issued but unused letters of credit for imported machinery and equipment was approximate $170,712.

B. For its future expansion, the Company entered into several contracts with a total payment of $1,417,733, of which a total amount of $192,233 has not been paid as of December 31, 2007.

C. The Company entered into several contracts with five foreign companies for the use of certain technologies and patents. The Company agreed to pay royalty fees based on the total number of certain products sold. Contracts are valid through January 2010, December 2010, January 2011, March 2012, and November 2014, respectively. One of the contracts is valid until all patents included in the contract expire and until both parties agree to terminate the contract.

D. On March 1, 2006, the Company was informed of a civil lawsuit brought by Tessera Inc., or Tessera, in the United States District Court for the Northern District of California against it, its subsidiary, Siliconware USA, Inc., several other world-wide subcontractor companies and their subsidiaries. Tessera alleged that the Company and the above mentioned parties infringed patents owned by Tessera and/or breached technology license agreements between them and Tessera. 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 (ITC) 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. On February 26, 2008, ITC has stayed the investigation pending the completion of the reexamination (details as below).

   In February 2007, the Company filed in the U.S. Patent and Trademark Office ("PTO"), requests for reexamination of five patents, four of which Tessera has asserted against the Company. The PTO granted all of the requests for reexamination and issued non-final office actions in four of the reexaminations, whose outcome is favorable for the Company. The other one is still undetermined by any office action. The reexaminations are still under process.

   In addition, the Company, along with Siliconware USA, Inc. and three other codefendants in the lawsuit, moved for a temporary restraining order (TRO) and a preliminary injunction prohibiting Tessera from initiating any action before ITC against the Company for infringement of patents subject to the license agreements. On November 1, 2007, the Court barred Tessera from initiating an action against the Company, Siliconware USA, or the Company's three co-defendants before the ITC or outside of California for alleged infringement of patents subject to licenses with Tessera until Tessera demonstrates that the packages accused of infringement are not under the licenses. Tessera has not formally served its ITC complaint on the Company.

Because litigation is inherently unpredictable, currently, the Company is unable to predict the outcome of any dispute and assess the potential liabilities arising out of Tessera's claim due to the fact that information provided with regard to the infringement scope is insufficient.

25. SIGNIFICANT DISASTER LOSS

None.

26. SIGNIFICANT SUBSEQUENT EVENT

None.

27. OTHERS

A. Fair Values of Financial Instruments:

	December 31, 2007			December 31, 2006		
		Fair Value			Fair Value	
Non-derivative financial instruments	Book Value	Quotation in an active market	Esimated using a valuation	Book Value	Quotation in an active market	Esimated using a valuation
Financial Assets						
Financial assets with book value equal to fair value	$ 32, 714, 486	$ −	$ 32, 714, 486	$22,925,917	$ -	$22,925,917
Available-for-sale financial assets - noncurrent	4,718,726	4,718,726	-	7,620,907	7,620,907	-
Financial assets carried at cost - noncurrent	-	-	-	3,891	-	-
	$ 37,433,212	$ 4,718,726	$ 32,714,486	$30,550,715	$ 7,620,907	$22,925,917
Financial Liabilities						
Financial liabilities with book value equal to fair value	$ 12,343,478	$ -	$ 12,343,478	$ 9,043,982	$ -	$ 9,043,982
Bonds payable (including current portion)	-	-	-	2,726,832	4,122,897	-
Long-term loans	2,995,871	-	2,993,416	2,988,474	-	3,023,857
	$ 15,339,349	$ -	$ 15,336,894	$14,759,288	$ 4,122,897	$12,067,839

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, 2.307%, 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 December 31, 2007 and 2006, the Company's financial assets with fair value risk of interest rate fluctuation were $20,157,070 and $12,961,914, respectively. As of December 31, 2006, financial liabilities with fair value risk of interest rate fluctuation were $5,715,306. As of December 31, 2007 and 2006, the Company did not have financial assets and liabilities with cash flow risk of interest rate fluctuation.

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 $318,057 and $343,201, respectively, for the years ended December 31, 2007 and 2006. The Company's interest expense from financial liabilities whose changes in fair value were not recognized in earnings were $62,825 and $117,161, respectively, for the years ended December 31, 2007 and 2006. Available-for-sale financial assets are measured at fair value at balance sheet date. For the years ended December 31, 2007 and 2006, balance of the adjustment to the shareholders' equity due to changes in fair value were $2,163,463 and $4,598,064, respectively. Unrealized gain on available-for-sale financial assets reclassified from equity to current earnings was $1,342,357 for the year ended December 31, 2007.

D. 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.

E. Financial risk information:

1. Financial assets: investments in equity instruments

	December 31,	
	2007	2006
Available-for-sale financial assets	$ 4,718,726	$ 7,620,907
Financial assets carried at cost	-	3,891
	$ 4,718,726	$ 7,624,798

(1) Market risk:

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

(2) Credit risk:

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

(3) Liquidity risk:

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

(4) Cash flow risk of interest rate:

The Company's investments in equity financial assets are non-interest related, so the cash flows from equity instruments are independent of changes in market interest rate.

2. Financial liabilities: debt instruments

	December 31,	
	2007	2006
Bonds payable	$ -	$ 2,726,832
Long-term loans	2,995,871	2,988,474
	$ 2,995,871	$ 5,715,306

(1) Market risk:

Debt instruments include zero-coupon convertible bonds embedded with call and put options, fixed interest rate bearing bond, and long-term loans. The fair value changes of the Company's US dollar 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 US dollar. The Company's long-term loans are not exposed to fair value risks because the borrowings had been issued at floating 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 risk of interest rate. The Company's long-term borrowings issued at floating rates may lead to changes of effective interest rate and fluctuation of future cash flow. However, the Company believes that the cash flow interest rate risk will not be significant.

28. SPECIAL DISCLOSURE ITEMS

A. Significant Transaction Information

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

For the year ended December 31, 2007: None.

(2) Endorsement and guarantee provided to third parties:

For the year ended December 31, 2007: None.

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

As of December 31, 2007:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage of ownership	Market value per share (in dollars)	
Siliconware Precision Industries Co., Ltd.	-	Siliconware Investment Company Ltd.	Investee accounted for under the equity method	Long-term investments accounted for under the equity method	(Note 1)	$ 1,519,311	100.00%	$ -	
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	2,587,094	100.00%	33.25	(Note 2)
Siliconware Precision Industries Co., Ltd.	Stock	Phoenix Precision Technology Corporation	The Company holds directorship	Available-for-sale financial assets, non-current	110,398	3,035,950	16.12%	27.50	
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	-	Available-for-sale financial assets, non-current	12,175	1,682,776	14.52%	138.22	(Note 3)

Note 1: The contributed capital was $1,770,000 thousand.

Note 2: The market value is not available. Therefore, the net equity per share as of December 31, 2007 was used.

Note 3: The closing price of US$4.26 (in dollars) per share on December 31, 2007 was used. (Exchange rate US$1: NT$32.445)

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

For the year ended December 31, 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	$4,342,752	$660,582	-	$ -
			ChipMOS Technologies Inc.	Investee accounted for under the equity method			-	-	42,696	1,053,704	873,767	132,910	-	-
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies (Bermuda) Ltd. stock	Available-for-sale financial assets, non-current	(note 1)	-	-	-	12,175	2,523,529	-	-	-	-	12,175	1,682,776
Siliconware Precision Industries Co., Ltd.	King Yuan Electronics Co., Ltd. stock	Available-for-sale financial assets, current	Public market	-	85,698	2,330,977	7,772	-	93,470	2,044,443	910,270	1,134,173	-	-
Siliconware Precision Industries Co., Ltd.	Siguard Microelectronics Corp.	Available-for-sale financial assets, current	Public market	-	46,236	1,005,635	365	-	46,601	940,026	731,842	208,184	-	-

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 does not 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 year ended December 31, 2007:

					Related party as counter party							
Name of the properties	Date of transaction	Transaction amount	Status of payment	Counter party	Relation-ship with the Company	Original owner which sold the property to the counter party	The relationship of the original owner with the Company	Date of the original transaction	Amount	The bases or reference used in deciding the price	Purpose and status of the acquisition	Other commitment
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	201,420	Chung-Rui Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building	April 2007	178,000	124,600	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 year ended December 31, 2007:

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

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

For the year ended December 31, 2007:

			Description of the transaction				Description of and reasons for difference in transaction terms compared to non-related party transactions		Notes or accounts receivable / payable	
Purchase / sales company	Name of the counter parties	Relationship with the counter parties	Purchases / sales	Amount	Percentage of net purchases / sales	Credit terms	Unit price	Credit terms	Amount	Percentage of notes or accounts receivable / payable
Siliconware Precision Industries Co., Ltd.	Phoenix Precision Technology Corporation	The Company holds directorship	Purchase	$2,544,206	9%	Three months	$ -	$ -	Accounts payable $662,731	11%
Siliconware Precision Industries Co., Ltd.	Siguard Microelectronics Corp.	The Company holds directorship	Sales	$223,991	-	Three months	-	-	Accounts receivable $101,577 (Note 1)	1%

Note 1: The Company resigned its position as a director on November 9, 2007. The named company ceased to be a related party of the Company. Therefore, only the sales incurred during the period from January 1, 2007 to November 9, 2007 and accounts receivable derived from the aforementioned sales but not collected by December 31, 2007 are disclosed.

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

As of December 31, 2007:

Name of the company for recording receivables	Name of the counter parties	Relationship with the counter parties	Balance of receivables	Turnover rate	Past-due receivables		Amount of receivables collected after the balance sheet date	Amount of allowance for doubtful accounts
					Amount	Status		
Siliconware Precision Industries Co., Ltd.	Siguard Microelectronics Corp.	The Company holds directorship	$101,577	5.14	$41,924	In the dunning process	$101,577	-

(9) Transaction of derivative financial instruments:

For the year ended December 31, 2007: None.

B. Related Information on Investee Companies

(1) Basic information on investee companies:

For the year ended December 31, 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)	The Company / majority owned subsidiary owns: Ownership Percentage	The Company / majority owned subsidiary owns: Book value	Current period: Net income (loss) of investee	Current period: Income (loss) recognized by the Company	Note
Siliconware Precision Industries Co., Ltd.	Siliconware Investment Company Ltd.	Hsin-Chu	Investment activities	$1,770,000	$1,770,000	(Note 8)	100.00%	$1,519,311	$345,594	$227,618	(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%	-	-	-	
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies Inc.	Science-based Industrial Park, Hsin-Chu	Testing and assembly of integrated circuits	-	2,332,768	-	-	-	-	246,410	(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%	2,587,094	220,445	220,445	(Notes 1 and 2)
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Communications and relationship maintenance with companies headquartered in North America	40,556	40,556	1,250	100.00%	127,055	26,009	26,009	(Note 3)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Cayman Islands, British West India	Investment activities	2,274,395	1,625,495	70,100	100.00%	2,143,057	155,364	155,364	(Note 3)
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Suzhou Jiangsu, China	Manufacturing and processing of module assembly, flash memory card and related products	2,271,150	1,622,250	(Note 5)	100.00%	2,142,343	155,922	155,922	(Note 4)

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

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

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

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

Note 5: The contributed capital was US$70,000 thousand.

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

Note 7: The investment income recognized by the Company has been subtracted by the cash dividend distributed to the subsidiary.

Note 8: The contributed capital was $1,770,000 thousand.

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

As of December 31, 2007:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value (Note 2)	Percentage of ownership	Market value per share (in dollars)	
Siliconware Investment Company Ltd.	Stock	Siliconware Precision Industries Co., Ltd.	The Company	Available-for-sale financial assets (non-current)	35,870	$2,091,223	1.17%	$58.30	
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)	5,620	154,558	0.82%	27.50	
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	-	23,532	-	-	
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	127,055	100.00%	101.64	(Note 2)
SPIL (B.V.I.) Holding Limited	Stock	SPIL (Cayman) Holding Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	70,100	2,143,057	100.00%	30.57	(Note 2)
SPIL (Cayman) Holding Limited	Stock	Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	(Note 3)	2,142,343	100.00%	-	

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

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

(3) The contributed capital was US$70,000 thousand.

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

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

For the year ended December 31, 2007:

Investor	Name of the security	General ledger accounts	Name of the counter party	The relationship of the issuers with the Company	Beginning balance		Addition		Disposal				Ending balance	
					Number of shares/unit (in thousands)	Amount (Note 5)	Number of shares/unit (in thousands)	Amount (Note 5)	Number of shares/unit (in thousands)	Sale price	Book value	Gain (loss) from disposal	Number of shares/unit (in thousands)	Amount (Notes 4 and 5)
Siliconware Precision Industries Co., Ltd.	ITE Tech. Inc.	Available for sale financial asset, non-current	-	-	1,204	$ 44,582	-	$ -	1,204	$ 106,712	$ 9,295	$ 97,417	-	$ -
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Long-term investments accounted for under the equity method	Cash capitalization	-	50,100	1,226,616	20,000	648,900	-	-	-	-	70,100	2,143,057
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Long-term investments accounted for under the equity method	Cash capitalization	-	(Note 1)	1,225,805	(Note 2)	648,900	-	-	-	-	(Note 3)	2,142,343

(1) The contributed capital was US$50,000 thousand.

(2) The contributed capital was US$20,000 thousand.

(3) The contributed capital was US$70,000 thousand.

(4) Ending balance amount included the investment income or loss recognized in current year.

(5) The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation.

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

For the year ended December 31, 2007:

							Related party as counter party						
Investor	Name of the properties	Date of transaction	Transaction amount	Status of payment	Counter party	Relation-ship with the Company	Original owner which sold the property to the counter party	The relationship of the original owner with the Company	Date of the original transaction	Amount	The bases or reference used in deciding the price	Purpose and status of the acquisition	Other commitment
Siliconware Technology (Suzhou) Limited	Building	July 2006	$135,363 (RMB 32,500)	$129,477 (RMB 30,034)	Nantong Yingxiong Construction Corporation Ltd.	-	-	-	-	$ -	As specified in contract	For operating use	Payment made according to construction progress

Note: Amounts in RMB are presented in thousands.

C. Information of investment in Mainland China:

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

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of December 31, 2006	Remitted or (collected) this period	Accumulated remittance as of December 31, 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	$ 2,271,150 (USD 70,000) (Note 3)	(Note 1)	$ 1,622,250 (USD 50,000) (Note 3)	$ 648,900 (USD 20,000) (Note 3)	$ 2,271,150 (USD 70,000) (Note 3)	100%

Investment income (loss) recognized by the Company during the period	Ending balance of investment	The investment income (loss) remitted back as of December 31, 2007	Accumulated remittance from Taiwan to Mainland China	The investment balance approved by Investment Commissions, Ministry of Economic Affairs	investment in Mainland China according to Investment Commissions, Ministry of Economic Affairs
$155,922 (Notes 2 and 3)	$2,142,343 (Note 3)	-	$ 2,271,150 (USD 70,000)	$ 2,595,600 (USD 80,000)	$15,281,631

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

Note 2: The investment income (loss) was recorded based on the financial statements audited by the same auditors of the parent company

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

(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.

29. SEGMENT INFORMATION

A. Operation in Different Industries:

The Company principally operates in one industry. The Company's operation involves assembly, testing and turnkey services of integrated circuits.

B. Operations in Different Geographic Areas:

The Company has no significant foreign operations.

C. Export Sales:

	For the years ended December 31,	
Geographic areas	2007	2006
U.S. and Canada	$ 37,801,989	$ 33,986,128
Others	3,653,117	1,867,316
	$ 41,455,106	$ 35,853,444

D. Major Customers:

Revenues from individual customer that represents over 10% of net revenues of the Company for the years ended December 31, 2007 and 2006 are set forth below:

	2007		2006	
Customers	Amount	% of net sale	Amount	% of net sale
Customer A	$ 6,993,244	11	$ 4,540,738	8
Customer B	6,735,258	10	5,733,910	10
	$13,728,502	21	$10,274,648	18