SILICONWARE PRECISION INDUSTRIES CO., LTD.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2008 AND 2007

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 consolidated balance sheets of Siliconware Precision Industries Co., Ltd. and its subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Siliconware Precision Industries Co., Ltd. and its subsidiaries as of December 31, 2008 and 2007, and the results of their consolidated operations and their consolidated cash flows for the years then ended, in conformity with the "Rules Governing the Preparation of Financial Reports by Securities Issuers" and accounting principles generally accepted in the Republic of China.

As discussed in Note 3, commencing from January 1, 2008, the Company adopted EITF96-052 “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration” as prescribed by the Accounting Research and Development Foundation, R.O.C.

February 17, 2009

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	December 31, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash (Note 4)	$ 18,840,965	$ 22,624,658
Notes receivable, net	46,173	116,622
Accounts receivable, net (Notes 5 and 23)	7,290,315	11,257,006
Other financial assets, current (Notes 23 and 24)	464,557	688,105
Inventories (Note 6)	2,383,067	3,460,983
Deferred income tax assets, current (Note 20)	425,761	1,268,774
Other current assets - other	696,466	626,599
	30,147,304	40,042,747
Long-term Investments		
Available-for-sale financial assets, noncurrent (Notes 7 and 28)	1,075,480	4,873,284
Financial assets carried at cost, noncurrent (Notes 8 and 28)	322,036	719,055
	1,397,516	5,592,339
Property, Plant and Equipment (Notes 10 and 23)		
Cost:		
Land	2,902,823	2,892,083
Buildings	11,435,051	9,594,035
Machinery and equipment	53,528,647	51,980,903
Utility equipment	1,225,810	1,023,203
Furniture and fixtures	829,769	819,737
Other equipment	2,356,471	2,087,567
	72,278,571	68,397,528
Less: Accumulated depreciation	(34,090,559)	(31,986,343)
Construction in progress and prepayments for equipment	651,621	2,211,180
	38,839,633	38,622,365
Other Assets		
Refundable deposits	10,034	10,457
Deferred charges	727,025	766,713
Deferred income tax asset, noncurrent (Note 20)	2,061,567	527,213
Other assets - other	197,122	211,252
	2,995,748	1,515,635
TOTAL ASSETS	$ 73,380,201	$ 85,773,086

(Continued)

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

	December 31, 2008	December 31, 2007
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans (Notes 11 and 28)	$ 654,933	$ 529,323
Notes payable	655	769
Accounts payable (Note 23)	4,836,163	6,430,221
Income tax payable (Note 20)	821,878	1,501,656
Accrued expenses (Note 23)	3,184,879	2,442,444
Other payables (Notes 12 and 23)	1,253,730	2,633,392
Current portion of long-term loans (Note 14)	749,354	-
Other current liabilities	164,589	141,516
	11,666,181	13,679,321
Long-term Liabilities		
Long-term loans (Notes 14 and 28)	2,248,065	2,995,871
	2,248,065	2,995,871
Other Liabilities (Note 15)	151,834	189,740
Total Liabilities	14,066,080	16,864,932
Stockholders' Equity (Notes 1 and 16)		
Capital stock	31,525,899	30,734,245
Capital reserve (Note 17)		
Additional paid-in capital	14,456,352	14,456,352
Premium arising from merger	1,951,563	1,951,563
Other	412,296	250,709
Retained earnings (Note 18)		
Legal reserve	5,089,066	3,340,131
Unappropriated earnings	6,453,435	17,761,366
Unrealized gain on available-for-sale financial assets	-	1,160,659
Cumulative translation adjustments	296,866	84,926
Net loss not recognized as pension cost	(77,172)	(37,613)
Treasury stock (Note 19)	(794,184)	(794,184)
Total Stockholders' Equity	59,314,121	68,908,154
Commitments and Contingencies (Note 25)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 73,380,201	$ 85,773,086

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2009.

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

	For the years ended December 31,	
	2008	2007
Operating Revenues		
Sales (Note 23)	$ 63,090,247	$ 66,541,680
Sales allowances	(687,313)	(364,351)
Net operating revenues	62,402,934	66,177,329
Cost of Goods Sold (Note 23)	(49,456,148)	(46,758,974)
Gross Profit	12,946,786	19,418,355
Operating Expenses (Notes 23)		
Selling expenses	(942,653)	(494,598)
General and administrative expenses	(1,677,753)	(1,441,499)
Research and development expenses	(1,382,560)	(1,287,951)
	(4,002,966)	(3,224,048)
Operating Income	8,943,820	16,194,307
Non-operating Income and Gain		
Interest income (Note 28)	366,086	368,610
Investment income recognized under the equity method (Note 9)	-	246,410
Gain on disposal of investments (Note 9)	-	2,323,279
Others (Note 23)	410,581	689,309
	776,667	3,627,608
Non-operating Expenses and Losses		
Interest expenses (Note 28)	(89,017)	(90,294)
Impairment loss (Notes 7 and 8)	(3,030,605)	-
Others (Note 23)	(76,812)	(103,129)
	(3,196,434)	(193,423)
Income from Continuing Operations Before Income Tax	6,524,053	19,628,492
Income Tax Expense (Note 20)	(210,523)	(2,139,141)
Consolidated Net Income	$ 6,313,530	$ 17,489,351
Attributable to:		
Consolidated net income	$ 6,313,530	$ 17,489,351

	2008 Before tax	2008 After tax	2007 Before tax	2007 After tax
Basic Earnings Per Share (in dollars) (Note 21)				
Consolidated net income	$ 2.09	$ 2.03	$ 6.35	$ 5.66
Diluted Earnings Per Share (in dollars) (Note 21)				
Consolidated net income	$ 2.08	$ 2.01	$ 6.32	$ 5.63

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2009.

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(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 adjustments	-	-	-	-	-	-	107,202	-	-	107,202
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	(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 subsidiary	-	117,976	-	-	-	-	-	-	-	117,976
Consolidated 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

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SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(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, 2008	$ 30,734,245	$ 16,658,624	$ 3,340,131	$ -	$ 17,761,366	$ 1,160,659	$ 84,926	($ 37,613)	($ 794,184)	$ 68,908,154
Appropriation for legal reserve	-	-	1,748,935	-	(1,748,935)	-	-	-	-	-
Remuneration to directors and supervisors	-	-	-	-	(157,405)	-	-	-	-	(157,405)
Employees' cash bonus	-	-	-	-	(1,100,058)	-	-	-	-	(1,100,058)
Employees' stock bonus	471,454	-	-	-	(471,454)	-	-	-	-	-
Cash dividends	-	-	-	-	(13,836,139)	-	-	-	-	(13,836,139)
Stock dividends	307,470	-	-	-	(307,470)	-	-	-	-	-
Employee stock option exercised	12,730	(5,335)	-	-	-	-	-	-	-	7,395
Long-term investment adjustment for investee company's additional paid-in capital	-	5,507	-	-	-	-	-	-	-	5,507
Long-term investment adjustment for investee company's cumulative translation adjustments	-	-	-	-	-	-	211,940	-	-	211,940
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	(1,160,659)	-	-	-	(1,160,659)
Net loss not recognized as pension cost	-	-	-	-	-	-	-	(39,559)	-	(39,559)
Cash dividends from treasury stock held by subsidiary	-	161,415	-	-	-	-	-	-	-	161,415
Consolidated net income	-	-	-	-	6,313,530	-	-	-	-	6,313,530
Balance at December 31, 2008	$ 31,525,899	$ 16,820,211	$ 5,089,066	$ -	$ 6,453,435	$ -	$ 296,866	($ 77,172)	($ 794,184)	$ 59,314,121

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2009.

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

	For the years ended December 31, 2008	2007
Cash flows from operating activities		
Consolidated net income	$ 6,313,530	$ 17,489,351
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,845,225	7,603,913
Amortization	586,439	564,893
Bad debt expense	271,091	8,800
Provision for (reversal of) sales allowance	120,153	(19,532)
Provision for loss on obsolescence and decline in market value of inventories	9,065	18,471
Gain on disposal of investments	-	(2,323,279)
Long-term investment income under the equity method	-	(246,410)
Impairment loss	3,030,605	-
Investment loss	-	3,891
Gain on disposal of property, plant and equipment	(30,473)	(8,670)
Provision for loss on idle assets	43,093	48,528
Amortization of discount of long-term notes	1,548	7,398
Compensation interest on bonds payable	-	36
Foreign currency exchange loss on bonds payable	-	34,880
(Increase) decrease in assets:		
Notes receivable	70,449	(75,511)
Accounts receivable	3,611,376	(2,042,049)
Other financial assets, current	248,323	53,214
Inventories	1,085,907	(635,695)
Deferred income tax assets	(691,318)	575,077
Other current assets - other	(66,688)	(132,388)
Increase (decrease) in liabilities:		
Notes payable	(114)	769
Accounts payable	(1,618,261)	2,303,799
Income tax payable	(679,778)	554,274
Accrued expenses	737,548	221,131
Other payables	(312,998)	413,761
Other current liabilities	20,847	(64,436)
Other liabilities	928	9,175
Accrued pension liabilities	8,195	3,798
Net cash provided by operating activities	21,604,692	24,367,189

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

	For the years ended December 31,	
	2008	2007
Cash flows from investing activities		
Increase in security deposits	($ 19,500)	($ 52,395)
Decrease of financial assets carried at cost	3,559	9,163
Purchase of available-for-sale financial assets	-	(2,523,529)
Proceeds from disposal of long-term investments	-	9,563,882
Acquisition of property, plant and equipment	(10,048,005)	(12,151,393)
Proceeds from disposal of property, plant and equipment	48,911	397,046
Payment for deferred charges	(540,914)	(638,421)
Receipt of refundable deposits	479	683
Net cash used in investing activities	(10,555,470)	(5,394,964)
Cash flows from financing activities		
Proceeds from short-term loans	687,298	73,745
Repayment of short-term loans	(603,309)	-
Repayment of long-term loans	-	(111,051)
Redemption of bonds payable	-	(18,945)
Repayment of deposit-in	(86,331)	(340,983)
Proceeds from exercise of employee stock option	7,395	94,485
Remuneration to directors and supervisors	(157,405)	(120,798)
Payment of cash dividends and employees' bonuses	(14,774,769)	(10,677,739)
Net cash used in financing activities	(14,927,121)	(11,101,286)
Effect on foreign currency exchange	94,206	22,231
Net (decrease) increase in cash	(3,783,693)	7,893,170
Cash at the beginning of the year	22,624,658	14,731,488
Cash at the end of the year	$ 18,840,965	$ 22,624,658
Supplemental disclosures of cash flow information:		
Cash paid for interest (excluding capitalized interest)	$ 91,999	$ 91,459
Cash paid for income tax	$ 1,575,888	$ 994,542
Supplemental disclosures of partial cash paid for investing activities:		
Acquisition of property, plant and equipment	$ 8,974,422	$ 12,540,792
Add: Payable at the beginning of the year	1,716,511	1,327,112
Less: Payable at the end of the year	(642,928)	(1,716,511)
Cash paid	$ 10,048,005	$ 12,151,393
Non-cash financing activities:		
Convertible bonds converted to capital stock and premium		
Convertible bonds converted to capital stock	$ -	$ 807,112
Convertible bonds converted to paid-in capital	-	1,929,508
Converted amount of convertible bonds	$ -	$ 2,736,620
Current portion of long-term loans	$ 749,354	$ -

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2009

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
UNLESS STATED OTHERWISE)

1. HISTORY AND ORGANIZATION

(1) Siliconware Precision Industries Co., Ltd. (the "Company") was incorporated as a company limited by shares under the Company Law of the Republic of China (ROC) in May 1984 and was listed on the Taiwan Stock Exchange in April 1993. As of December 31, 2008, issued common stock was $31,525,899. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. As of December 31, 2008, the Company and its subsidiaries had 15,762 employees.

(2) Consolidated subsidiaries:

Name of investor	Name of subsidiaries	Main operating activities	% of ownership held by the named investors as of December 31, 2008	2007
The Company	Siliconware Investment Company Ltd.	Investment activities	100%	100%
The Company	SPIL (B.V.I.) Holding Limited	Investment activities	100%	100%
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc. (SUI)	Communications and relationship maintenance with companies headquartered in North America	100%	100%
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Investment activities	100%	100%
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Assembly and testing service providing	100%	100%

(3) Non-consolidated subsidiaries:

None.

(4) Adjustments for subsidiaries with different accounting periods:

None.

(5) Extraordinary risks from foreign subsidiaries:

None.

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

None.

(7) The parent company's stocks held by subsidiaries:

Please refer to Note 19.

(8) Convertible bonds and stocks issued by subsidiaries:

Please refer to Note 29.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basic of Consolidation

The Company adopted the Statement of Accounting Standards No. 7, "Consolidated Financial Statements", which requires an entity to consolidate all of the subsidiaries which it owns, directly or indirectly, more than 50% of the voting rights and which it owns, directly or indirectly, less than 50% of the voting rights but has effective control. Significant inter-company transactions and balances between the Company and its subsidiaries are eliminated.

UUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUUU UUUUUUUUse of Estimates

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

Translation of Foreign Currency Transactions on Subsidiaries' Financial Statements

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

Foreign Currency Transactions

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

Classification of Current and Noncurrent Assets / Liabilities

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

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

(2) Assets held mainly for trading purposes;

(3) Assets 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 noncurrent liabilities.

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

(2) Liabilities arising mainly from trading activities;

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

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

Accounts Receivable

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 year's operating results.

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 Equity Method

A. Long-term equity investments in which the Company owns at least 20% of the voting stocks of the investee companies are accounted for under the equity method, unless the Company cannot exercise significant influence over the investee company. The excess of the acquisition cost over the investee's fair value of the identifiable net assets acquired is capitalized as goodwill and tested for impairment annually. No 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 quarterly consolidated financial statements.

B. Unrealized gains and losses from transactions between the Company and investee companies accounted for under the equity method are deferred. Profit (loss) from sales of depreciable assets between the investee and the Company is amortized to income over the assets' economic service lives. Unrealized gain from other types of intercompany transactions is reported as deferred credits classified as current or noncurrent liabilities.

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

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

Property, Plant and Equipment

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

B. Depreciation is provided on the straight-line method over the assets' estimated economic service lives, plus an additional year as the salvage value. Salvage values of fixed assets which are still in use after reaching their estimated economic service lives are depreciated over their new estimated remaining service lives. The service lives of fixed assets are 3 to 15 years, except for buildings, which are 20 to 55 years.

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

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

Deferred Charges

The costs of computer software system purchased externally and tooling costs are recognized as deferred charges and amortized on the straight-line basis over the useful lives of 2 to 10 years. Convertible bond issuance costs are amortized over the period of the bonds.

Land Use Right

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

Bonds Payable

According to EITF95-078, "Compound Financial Instrument with Multiple Embedded Derivatives Issue", as prescribed by Accounting Research and Development Foundation, R.O.C., 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 noncurrent 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 makes monthly contribution to employees' individual pension accounts during the employees' service period. These contributions are recorded as pension costs in the current period.

Income Tax

A. The Company computes its income tax based on the income before tax. In accordance with 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 in domestic consolidated entities 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, the domestic consolidated entities are 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 EITF92-070, EITF92-071 and EITF92-072 “Accounting for Employee Stock Options” as prescribed by the Accounting Research and Development Foundation, R.O.C., the Company adopts intrinsic value method for the recording of compensation expenses.

Employees’ Bonuses and Directors’ and Supervisors’ Remunerations

Effective January 1, 2008, pursuant to EITF96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, the Company should no longer treat it as a reduction of retained earnings but record an expense and related liability when the Company has legal obligations and could reasonably estimate such amount.

Treasury Stock

A. The Company records treasury stock 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 capital reserve – 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 and the related gain or loss incurred from the aforementioned conversion.
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 at the higher of net selling price or value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows expected to arise in its remained useful life.

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

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2008, the Company adopted EITF96-052 “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration” of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007. As a result of the adoption of EITF96-052, total expenses increased by $687,340, net income after tax decreased by $515,505, and basic earnings per share decreased by approximately $0.17 (in dollars) for the year ended December 31, 2008.

4. CASH

	December 31, 2008	December 31, 2007
Cash on hand and petty cash	$ 2,068	$ 2,029
Savings accounts and checking accounts	1,293,207	1,659,703
Time deposits	17,545,690	20,962,926
	$ 18,840,965	$ 22,624,658

As of December 31, 2008 and 2007, the interest rates for time deposits ranged from 0.20% to 7.11 % and from 1.56 % to 4.90 %, respectively.

5. ACCOUNTS RECEIVABLE, NET

	December 31, 2008	December 31, 2007
Accounts receivable	$ 7,750,698	$ 11,326,063
Less :		
Allowance for sales discounts	(156,096)	(35,943)
Allowance for doubtful accounts	(304,287)	(33,114)
	$ 7,290,315	$ 11,257,006

6. INVENTORIES

	December 31, 2008	December 31, 2007
Raw materials and supplies	$ 2,040,999	$ 2,876,326
Work in process	245,016	414,088
Finished goods	172,633	236,954
	2,458,648	3,527,368
Less : Allowance for loss on obsolescence and decline in market value of inventories	(75,581)	(66,385)
	$ 2,383,067	$ 3,460,983

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS, NONCURRENT

	December 31, 2008	December 31, 2007
Cost of listed securities	$ 3,712,625	$ 3,992,468
Valuation adjustment	-	880,816
Accumulated impairment loss	(2,637,145)	-
	$ 1,075,480	$ 4,873,284

Under the impact of global financial crisis, the Company performed evaluation of impairment toward its investments of equity securities based on ROC SFAS No. 34 and recognized other-than-temporary impairment loss of $2,637,145 for the year ended December 31, 2008.

8. FINANCIAL ASSETS CARRIED AT COST , NONCURRENT

	December 31, 2008	December 31, 2007
Unlisted security	$ 322,036	$ 719,055

A. There are no reliable quoted prices for unlisted securities, and therefore these investments are carried at cost.

B. Global financial crisis caused a significant decrease in the net value of the financial assets carried at cost, Mega Mission Limited Partnership and Hsieh-Yong Capital Co., Ltd, held by the Company. The Company recognized impairment loss of $393,460 based on the proportional interests on these financial assets for the year ended December 31, 2008.

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

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

	December 31, 2008		December 31, 2007	
Investee company	Amount	Percentage of ownership	Amount	Percentage of ownership
Equity method :				
Double Win Enterprise Co., Ltd.	$ 84,450	24.14%	$ 84,450	24.14%
Less : Accumulated impairment loss	(84,450)		(84,450)	
	$ -		$ -	

B. On March 27, 2007, the Company disposed its common stock ownership in ChipMOS Technologies Inc. (ChipMOS) for US$191,147 thousand. The Company recognized investment income of $246,410 proportionately through the date of transaction based on ChipMOS' semi-annual audited financial statements 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, through private stock offering for US$76,459 thousand and reported the investment as available-for-sale financial assets, noncurrent.

10. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2008		
	Cost	Accumulated depreciation	Book value
Land	$ 2,902,823	$ -	$ 2,902,823
Buildings	11,435,051	(3,224,764)	8,210,287
Machinery and equipment	53,528,647	(28,564,096)	24,964,551
Utility equipment	1,225,810	(560,254)	665,556
Furniture and fixtures	829,769	(479,881)	349,888
Other equipment	2,356,471	(1,261,564)	1,094,907
Construction in progress and prepayments for equipment	651,621	-	651,621
	$ 72,930,192	($ 34,090,559)	$ 38,839,633

	December 31, 2007		
	Cost	Accumulated depreciation	Book value
Land	$ 2,892,083	$ -	$ 2,892,083
Buildings	9,594,035	(2,577,486)	7,016,549
Machinery and equipment	51,980,903	(27,322,744)	24,658,159
Utility equipment	1,023,203	(488,759)	534,444
Furniture and fixtures	819,737	(453,303)	366,434
Other equipment	2,087,567	(1,144,051)	943,516
Construction in progress and prepayments for equipment	2,211,180	-	2,211,180
	$ 70,608,708	($ 31,986,343)	$ 38,622,365

For the years ended December 31, 2007, total interest expense amounted to $94,754, of which $4,460 was capitalized to property, plant and equipment. The interest rate used to calculate the capitalized interest in 2007 was 6.156%. No interest was capitalized in 2008.

11. SHORT-TERM LOANS

Nature of loans	December 31, 2008	December 31, 2007
Credit loans	$ 654,933	$ 529,323
Interest rates	3.61%	5.99%~7.00%

12. OTHER PAYABLES

	December 31, 2008	December 31, 2007
Payables for equipment	$ 642,928	$ 1,716,511
Other payables	610,802	916,881
	$ 1,253,730	$ 2,633,392

13. BONDS PAYABLE

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

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. All of the convertible bonds issued in 2004 have been converted into common stocks or redeemed as of September 30, 2007.

14. LONG-TERM LOANS

Nature of loans	Repayment period	December 31, 2008	December 31, 2007
Commercial paper	Repayable in 4 semi-annual installments from November 2009	$ 3,000,000	$ 3,000,000
Less : Discount on commercial paper		(2,581)	(4,129)
		2,997,419	2,995,871
Less : Current portion of long-term loans		(749,354)	-
		$ 2,248,065	$ 2,995,871
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.

15. PENSION PLAN AND NET PERIODIC PENSION COST

A. In accordance with the Labor Standards Act, the Company has a funded defined benefit pension plan covering all eligible employees prior to the enforcement of the Labor Pension Act ("the Act"), effective on July 1, 2005 and employees choosing to continue to be subject to the pension mechanism under the Labor Standards Law after the enforcement of the Act. 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. 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 periodic costs amounting to $312,441 and $275,976 were recognized for the years ended December 31, 2008 and 2007, respectively.

C. SUI has established a 401(K) pension plan ("the Plan") covering substantially all employees. The Plan provides voluntary salary reduction contributions by eligible participants in accordance with Section 401(K) of the Internal Revenue Code, as well as discretionary matching contributions determined annually by its Board of Directors from SUI to its employees' individual pension accounts. The contribution in accordance with the Plan amounted to $8,812 and $8,188, respectively, for the years ended December 31, 2008 and 2007.

D. Siliconware Technology（Suzhou）Limited contributes monthly an amount equal to certain percentage of employees' monthly salaries and wages according to the specific legal requirements in Suzhou to the Bureau of Social Insurance without bearing other obligations. The contributions are recorded as pension expense.

E. The following tables set forth the actuarial assumptions, funded status and amounts recognized for the Company's defined benefit pension plan pursuant to ROC Statement of Financial Accounting Standards No.18:

(1) Assumptions used in actuarial calculations:

	For the years ended December 31,	
	2008	2007
Discount rate	2.20%	2.75%
Long-term rate of compensation increase	1.00%	2.00%
Expected rate of return on plan assets	2.50%	3.00%

	December 31,	
	2008	2007
Vested benefit	($ 47,463)	($ 39,213)
Vested benefit obligation	($ 44,852)	($ 34,739)
Accumulated benefit obligation	($ 1,249,343)	($ 1,130,091)

(2) Changes in benefit obligation during the years ended December 31, 2008 and 2007:

	2008	2007
Projected benefit obligation at the beginning of the year	($ 1,620,782)	($ 1,346,909)
Service cost	(36,001)	(36,639)
Interest cost	(45,252)	(43,775)
Plan amendments	59,238	-
Gain (loss) on projected benefit obligation	77,386	(198,886)
Benefit paid	20,680	5,427
Projected benefit obligation at the end of the year	($ 1,544,731)	($ 1,620,782)

(3) Changes in plan assets during the years ended December 31, 2008 and 2007:

	2008	2007
Fair value of plan assets at the beginning of the year	$ 1,059,039	$ 981,249
Actual return on plan assets	38,553	28,022
Employer contributions	53,625	55,195
Benefits paid	(20,680)	(5,427)
Fair value of plan assets at the end of the year	$ 1,130,537	$ 1,059,039

(4) Funded status at December 31, 2008 and 2007:

	2008	2007
Fair value of plan assets	$ 1,130,537	$ 1,059,039
Projected benefit obligation	(1,544,731)	(1,620,782)
Funded status	(414,194)	(561,743)
Unrecognized transition assets	(1,825)	(2,738)
Prior service cost	(57,814)	-
Unrecognized net actuarial loss	432,199	531,042
Additional pension liability	(77,172)	(37,613)
Accured pension liabilities	($ 118,806)	($ 71,052)

(5) Components of net periodic pension cost for the years ended December 31, 2008 and 2007:

	2008	2007
Service cost	$ 36,001	$ 36,639
Interest cost	45,252	43,775
Expected return on plan assets	(32,470)	(31,891)
Amortization of unrecognized net transition assets	(913)	(913)
Amortization of prior service cost	(1,424)	-
Amortization of unrecognized loss	15,374	11,388
Net periodic pension cost	$ 61,820	$ 58,998

16. CAPITAL STOCK

A. As of December 31, 2008, the authorized capital of the Company was $36,000,000, represented by 3,600,000,000 common shares with par value of $10 (in dollars) per share. As of December 31, 2008, issued common stock was $31,525,899.

B. On June 13, 2008, the stockholders of the Company resolved to capitalize the unappropriated earnings of $307,470 and the employee bonus of $471,454 by issuing 77,892 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, 2008, the outstanding ADSs amounted to 124,618,327 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.

For the years ended December 31, 2008 and 2007, details of the employee stock options granted, exercised and canceled and exercise prices of the employee stock options are as follows: (Numbers of options are presented in thousands)

	For the years ended December 31,			
	2008		2007	
	Number of options	Weighted average exercise price (in dollars)	Number of options	Weighted average exercise price (in dollars)
Outstanding options at the beginning of the year	1,514	$5.83	12,631	$9.25
Number of options exercised	(1,273)	5.81	(11,080)	5.74
Number of options forfeited	(241)	5.97	(37)	5.78
Outstanding options at the end of the year	-		1,514	5.83
Vested options at the end of the year	-		1,514	5.83
Authorized options available for future grant at the end of the year	-		-	

17. CAPITAL RESERVE

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

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

18. RETAINED EARNINGS

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

(1) Pay all taxes and duties;

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

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

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

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

B. Among the total dividend distributed, at least 50% is distributed as cash dividend and the rest as stock dividend. The appropriation of the profit is subject to the resolution adopted by the Board and approval by the shareholders. As of February 17, 2009, the Board of Directors of the Company has not resolved the distribution of the 2008 earnings. Therefore, any information in relation to the 2008 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 translation adjustments and unrealized loss on available-for-sale financial assets. Such special reserve is not available for dividend distribution. In the subsequent year(s), if the year-end balances of the cumulative translation adjustments and unrealized losses on available-for-sale financial assets no longer result in a net reduction in the stockholders' equity, the special reserve previously set aside will then be available for distribution.

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, 2008, the undistributed earnings derived on or after January 1, 1998 was $6,453,435.

F. As of December 31, 2008, the balance of stockholders' imputation tax credit account of the Company was NT$58,619. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings distributed in 2008 is 9.07%. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings distributed in the following year is approximately 13.56%. However, the rate is subject to changes based on the balance of stockholders' imputation tax credit account, the undistributed earnings, and other tax credit amount in accordance with the ROC tax law at the dividend allocation date.

G. The distributions of 2007 and 2006 dividends had been resolved at the stockholders' meeting on June 13, 2008 and 2007, respectively. Details are summarized below:

	2007		2006	
	Amounts	Dividends per share (in dollars)	Amounts	Dividends per share (in dollars)
Stock dividend	$ 307,470	$ 0.10	$ 586,726	$ 0.20
Cash dividends	13,836,139	4.50	9,974,332	3.35
	$ 14,143,609	$ 4.60	$ 10,561,058	$ 3.55

Any information in relation to the Company's earnings distribution after the shareholders' approval will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

H. According to the Articles of Incorporation of the Company, the Company accrued $630,518 as employees' bonuses and $56,822 as directors' and supervisors' remunerations, respectively, which were accrued based on 10% and 1% of net income after considering the required capital reserve. If the Company distributes stocks as employees' bonus, shares of the distributed stocks will be calculated based on the closing price one day before the stockholders' meeting considering the effect of ex-right and ex-dividend and the company will recognize it in operating cost / expense. If the actual amount of distributed stocks is different from the estimation, the Company should adjust the difference to the income/loss in the next year.

I. The Company's earnings distributions of 2007 for employees' bonuses and directors' and supervisors' remunerations were as follow:

	The amount of the actual earnings distributions approved by the shareholders in 2008
(a) The amount of the retained earnings distributed	
1. Employees' cash bonuses	$ 1,100,058
2. Employees' stock bonuses	
(i) Shares (in thousands of shares)	47,145
(ii) Amounts	$ 471,454
(iii) As a percentage of outstanding common shares	1.53%
3. Directors' and supervisors' remunerations	$ 157,405
(b) Informations regarding earnings per common share (in dollors)	
1. Original earnings per common share (Note 1)	$ 5.80
2. Adjusted earnings per common share (Note 2)	$ 5.22

Note 1: Not retroactively adjusted by the common shares issued on capitalization of earnings in 2008.

Note 2: Adjusted earnings per share = (Net income-Employees' bonuses-Remunerations to directors and supervisors)/Weighted average oustanding common shares.

19. TREASURY STOCK

As of December 31, 2008 and 2007, Siliconware Investment Company Ltd., the subsidiary of the Company, holds 36,229 and 35,870 thousand shares of the Company's stock, with book value of $21.92 (in dollars) and $22.14 (in dollars) per share, respectively. The closing prices of the Company's stock were $28 (in dollars) and $58.3 (in dollars) per share on December 31, 2008 and 2007, respectively.

20. INCOME TAX

	For the years ended December 31, 2008	2007
Income tax expense calculated at the statutory tax rate	$ 1,578,720	$ 5,007,546
Permanent differences	(566,347)	(2,007,161)
Investment tax credits	(863,441)	(931,664)
(Over) under provision from prior years	(1,739)	11,191
Changes in valuation allowance for deferred tax assets	63,330	25,673
Additional 10% tax on unappropriated earnings	-	33,556
Income tax expense	210,523	2,139,141
Adjustment:		
Net changes of deferred tax assets	690,683	(575,108)
Increase in income tax payable	(33,987)	(9,725)
Prepaid and withholding taxes	(52,796)	(52,652)
Subsidiary's tax refundable	7,455	-
Income tax payable	$ 821,878	$ 1,501,656
Income tax refundable carried over from prior year	$ -	($ 17,728)

A. For the years ended December 31, 2008 and 2007, 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 (loss) 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, 2008 and 2007, deferred income tax assets and liabilities were as follows:

	December 31, 2008	2007
Deferred income tax assets - current	$ 425,761	$ 1,273,935
Valuation allowance for deferred income tax assets	-	(5,161)
	$ 425,761	$ 1,268,774
Deferred income tax assets - noncurrent	$ 2,460,298	$ 864,466
Deferred income tax liabilities - noncurrent	(142,017)	(147,425)
	2,318,281	717,041
Valuation allowance for deferred income tax assets	(256,714)	(189,828)
	$ 2,061,567	$ 527,213

C. The details of deferred income tax assets and liabilities arising from temporary differences, loss carryforwards and investment tax credits as of December 31, 2008 and 2007 were as follows:

	December 31, 2008		December 31, 2007	
	Amount	Tax Effect	Amount	Tax Effect
Current:				
Temporary differences:				
Unrealized loss on obsolescence and decline in market value of inventories	$ 111,894	$ 27,974	$ 80,413	$ 20,103
Unrealized sales allowance	156,097	39,024	35,943	8,986
Unrealized foreign currency exchange loss	155,016	38,754	4,137	1,034
Allowance for doubtful accounts	233,422	58,355	-	-
Others	6,614	1,654	6,606	1,651
Loss carryforwards	-	-	20,643	5,161
Investment tax credits		260,000		1,237,000
		425,761		1,273,935
Valuation allowance for deferred income tax assets		-		(5,161)
		$ 425,761		$ 1,268,774
Noncurrent :				
Temporary differences:				
Unrealized loss on long-term investments	$ 2,277,036	$ 569,259	$ 66,044	$ 16,511
Depreciation expense	(568,069)	(142,017)	(589,700)	(147,425)
Unrealized asset - intercompany profit	21,933	5,483	-	-
Unrealized loss on idle assets	336,348	84,087	296,798	74,199
Others	4,321	1,080	2,618	655
Loss carryforwards	219,118	27,390	95,338	23,834
Investment tax credits		1,772,999		749,267
		2,318,281		717,041
Valuation allowance for deferred income tax assets		(256,714)		(189,828)
		$ 2,061,567		$ 527,213

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

D. The income tax returns of the Company and its subsidiary, Siliconware Investment Company Ltd., have been assessed and approved by the Tax Authority through 2006.

E. Effective January 1, 2008, according to the Income Tax Law of the Peoples Republic of China for Enterprises with Foreign Investment and Foreign Enterprises , Siliconware Technology（Suzhou）Limited is entitled to the corporate income tax rate of 25% and required the commencement of two years’ exemption from income taxes followed by three years of a 50% tax reduction in 2008.

F. As of December 31, 2008, 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	$ 1,902,777	$ 1,052,708	2009 to 2012
Qualifying research and development expenditure	980,291	980,291	2009 to 2012
	$ 2,883,068	$ 2,032,999	

G. As of December 31, 2008, the unused loss carryforwards of Siliconware Technology（Suzhou）Ltd. were as follows:

Year of Loss Occurred	Deductible Amount	Expiration Years
2005	$ 12,414	2010
2006	14,976	2011
	$ 27,390	

H. The Company has met the requirement of " Incentives for Emerging Important Strategic Industries in Manufacturing and Technology Services" for its capitalization plans in 1999, 2000, 2004, 2005, and 2006 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, 2006, and 2008, respectively. The five year income tax exemptions will expire in December 2008, 2010, 2012, and May 2013, respectively. Also, the Industrial Development Bureau of Ministry of Economic Affairs has issued permission for the five-year income tax exemption of the Company's 2007 registered capitalization plan in 2008.

21. EARNINGS PER SHARE

	For the year ended December 31, 2008				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
			(in thousands)	(in dollars)	
Basic earnings per share	$ 6,524,053	$ 6,313,530	3,115,321	$ 2.09	$ 2.03
Dilutive effect of employee bonuses	-	-	24,125		
Dilutive effect of employee stock option	-	-	13		
Diluted earnings per share	$ 6,524,053	$ 6,313,530	3,139,459	$ 2.08	$ 2.01

	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	$ 19,628,492	$ 17,489,351	3,092,309	$ 6.35	$ 5.66
Dilutive effect of employee stock option	-	-	3,624		
3rd Euro convertible bonds	51,606	51,365	19,416		
Diluted earnings per share	$ 19,680,098	$ 17,540,716	3,115,349	$ 6.32	$ 5.63

A. The basic and diluted earnings per share for the years ended December 31, 2008 and 2007 were retroactively adjusted for 2007 stock dividends and employees' stock bonus distributed in 2008.

B. Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would be increased from employees' stock bonus issuance in the weighted-average number of common shares outstanding during the reporting year, which taking into account the dilutive effects of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year that include the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year. Since capitalization of employees' bonus no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalized), the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively. However, the accounting treatment for the appropriation of employees' bonus for 2007 earnings resolved at the stockholders' meeting held in 2008 is still in accordance with the regulations on capitalization of employees' bonus under paragraphs 19 and 39 of R.O.C. SFAS No. 24, "Earnings per Share".

22. PERSONNEL COSTS, DEPRECIATION AND AMORTIZATION

	For the year ended December 31, 2008		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 6,586,012	$ 1,766,164	$ 8,352,176
Labor and health insurance	495,590	109,989	605,579
Pension expense	309,474	73,599	383,073
Other	547,882	124,923	672,805
	$ 7,938,958	$ 2,074,675	$ 10,013,633
Depreciation	$ 8,632,102	$ 213,123	$ 8,845,225
Amortization	$ 478,892	$ 104,733	$ 583,625

	For the year ended December 31, 2007		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 5,776,433	$ 1,361,554	$ 7,137,987
Labor and health insurance	442,716	102,638	545,354
Pension expense	274,920	68,238	343,158
Other	603,523	133,000	736,523
	$ 7,097,592	$ 1,665,430	$ 8,763,022
Depreciation	$ 7,371,429	$ 232,484	$ 7,603,913
Amortization	$ 419,864	$ 135,209	$ 555,073

23. RELATED PARTY TRANSACTIONS

A. Name and Relationship with Related Parties:

Name of Related Parties	Relationship with the Company
Phoenix Precision Technology Corporation	The Company holds directorship
Sigurd Microelectronics Corporation	The Company holds directorship (Note 1)
ChipMOS Technologies Inc.	Investee company accounted for under the equity method (Note 2)
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,			
	2008		2007	
	Amount	% of net sales	Amount	% of net sales
Sigurd Microelectronics Corporation	$ -	-	$ 223,991	-

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,			
	2008		2007	
	Amount	% of net purchase	Amount	% of net purchase
Phoenix Precision Technology Corporation	$ 2,093,426	8	$ 2,544,206	9

The purchase prices provided by Phoenix Precision Technology Corporation were generally comparable to those provided by non-related parties. 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, 2008		December 31, 2007	
	Amount	% of accounts payable	Amount	% of accounts payable
Phoenix Precision Technology Corporation	$ 435,777	9	$ 662,731	10

(4) Other Expenses / Other Payables

	As of and for the years ended December 31,			
	2008		2007	
	Other expenses	Other payables	Other expenses	Other payables
Others	$ 12,284	$ 1,733	$ 16,839	$ 3,489

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

(5) Other Income / Other Receivables

	For the years ended December 31,			
	2008		2007	
	Other income	Other receivables	Other income	Other receivables
Others	$ -	$ -	$ 136	$ -

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.

(6) 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, 2008: None.

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

	For the years ended December 31,	
	2008	2007
Salary	$ 53,917	$ 53,669
Remuneration / Compensation	14,178	16,016
Operating expenses	474	588
Earnings distribution	137,475	462,362
	$ 206,044	$ 532,635

i. Salary includes base salary, job allowance, retirement pension, and etc.

ii. Compensation includes various kinds of bonus, other financial incentives, and etc.

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

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

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

(8) Other Transactions

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

24. ASSETS PLEDGED AS COLLATERALS

As of December 31, 2008 and 2007, the following assets have been pledged as collaterals against certain obligations of the Company:

Assets	December 31, 2008	December 31, 2007	Subject of collaterals
Time deposits (shown as other financial assets, current)	$ 278,600	$ 259,100	Guarantees for custom duties

25. COMMITMENTS AND CONTINGENCIES

A. As of December 31, 2008, the Company and its subsidiaries' issued but unused letters of credit for imported machinery and equipment was approximate $158,952.

B. The Company entered into several contracts with six 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, November 2014, and May 2018, respectively, until all patents included in the contracts expire and until both parties agree to terminate the contracts.

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

Beginning in February 2007, the Company filed in the U.S. PTO requests for reexamination of five Tessera's patents, four of which Tessera had asserted against us in California Litigation. The PTO has issued either office actions or action closing prosecution rejecting all of the asserted patent claims on the ground that they are invalid in view of certain prior art. Tessera is contesting these rejections and the USPTO has not made a final decision.

On April 21, 2008, Tessera filed a complaint with ITC pursuant to 337 of the Tariff Act of 1930 against us, our subsidiary Siliconware USA, Inc., and other semiconductor companies, alleging infringement of patents all of which are being litigated in California Litigation and reexamined in USPTO. The ITC instituted the investigation (649 case) on May 21, 2008. On February 10, 2009, the ITC orderd to stay the 649 case pending the final determination of the 605 Case.

Because litigation is inherently unpredictable, the Company is unable to accurately predict the ultimate outcome and the outcome could have a material adverse effect on the business, financial condition and the result of operation.

26. SIGNIFICANT DISASTER LOSS

None.

27. SIGNIFICANT SUBSEQUENT EVENT

None.

28. OTHERS

A. Fair Values of Financial Instruments:

	December 31, 2008			December 31, 2007		
		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	$ 26,652,044	$ -	$26,652,044	$ 34,696,848	$ -	$34,696,848
Available-for-sale financial assets, noncurrent	1,075,480	1,075,480	-	4,873,284	4,873,284	-
Financial assets carried at cost, noncurrent	322,036	-	-	719,055	-	-
	$ 28,049,560	$ 1,075,480	$ 26,652,044	$ 40,289,187	$ 4,873,284	$ 34,696,848
Financial Liabilities						
Financial liabilities with book value equal to fair value	$ 10,837,281	$ -	$10,837,281	$ 13,777,435	$ -	$13,777,435
Long-term loans	2,997,419	-	3,053,716	2,995,871	-	2,993,416
	$ 13,834,700	$ -	$ 13,890,997	$ 16,773,306	$ -	$ 16,770,851

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, noncurrent 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 long-term loans, including current portion of long-term loans is estimated by the discounted future cash flows. The discount rates of 1.011% and 2.307% for 2008 and 2007, respectively, are 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, 2008 and 2007, the Company's financial assets with fair value risk of interest rate fluctuation were $17,824,290 and $21,222,026, respectively. As of December 31, 2008 and 2007, the Company's financial liabilities with fair value risk of interest rate fluctuation were $3,652,352 and $3,525,194, respectively. As of December 31, 2008 and 2007, 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 incomes from financial assets whose changes in fair value were not recognized in earnings were $366,086 and $368,610, respectively, for the years ended December 31, 2008 and 2007. The Company's interest expenses from financial liabilities whose changes in fair value were not recognized in earnings were $89,017 and $90,294, respectively, for the years ended December 31, 2008 and 2007. Available-for-sale financial assets are measured at fair value at balance sheet date. For the years ended December 31, 2008 and 2007, balance of the adjustment to the shareholders' equity due to changes in fair value were ($3,797,804) and $2,085,514, respectively. Unrealized gain (loss) on available-for-sale financial assets reclassified from equity to current earnings was ($2,637,145) and $1,519,146, respectively, for the years ended December 31, 2008 and 2007.

D. Financial risk control:

The Company and its subsidiaries have 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, 2008	December 31, 2007
Available-for-sale financial assets	$ 1,075,480	$ 4,873,284
Financial assets carried at cost	322,036	719,055
	$ 1,397,516	$ 5,592,339

(1) Market risk:

The Company and its subsidiaries' 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 and its subsidiaries' 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 and its subsidiaries' 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 and its subsidiaries' 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,	
	2008	2007
Short-term loans	$ 654,933	$ 529,323
Long-term loans	2,997,419	2,995,871
	$ 3,652,352	$ 3,525,194

(1) Market risk:

The Company and its subsidiaries' loans are fixed interest rate for short-term and long-term loans, so there is no market risk of interest rate fluctuating.

(2) Credit risk:

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

(3) Liquidity risk:

The Company and its subsidiaries maintain sufficient working capital to meet their cash requirements. Therefore, there is no significant liquidity risk.

(4) Cash flow risk of interest rate:

The Company and its subsidiaries' loans are fixed interest rate borrowing. Therefore, there is no cash flow risk of interest rate.

29. SPECIAL DISCLOSURE ITEMS

A. Significant Transaction Information

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

For the year ended December 31, 2008: None.

(2) Endorsement and guarantee provided to third parties:

For the year ended December 31, 2008: None.

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

As of December 31, 2008:

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)	$ 817,284	100.00%	$ -	(Note 4)
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	88,400	3,167,712	100.00%	35.83	(Notes 2 and 4)
Siliconware Precision Industries Co., Ltd.	Stock	Phoenix Precision Technology Corporation	The Company holds directorship	Available-for-sale financial assets, noncurrent	115,917	928,498	15.97%	8.01	
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	-	Available-for-sale financial assets, noncurrent	12,175	99,713	14.52%	8.19	(Note 3)

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

Note 2: The market value is not available. Therefore, the net equity per share as of December 31, 2008 was used.

Note 3: The closing price of US$0.25 (in dollars) per share on December 31, 2008 was used. (Exchange rate US$1: NT$32.75)

Note 4: Eliminated under consolidation.

(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, 2008:

Investor	Name of the security	General ledger accounts	Name of the counter party	The relationship of the issuers with the Company	Beginning balance: Number of shares/unit (in thousands)	Beginning balance: Amount	Addition: Number of shares/unit (in thousands)	Addition: Amount	Disposal: Number of shares/unit (in thousands)	Disposal: Sale price	Disposal: Book value	Disposal: Gain (loss) from disposal	Ending balance: Number of shares/unit (in thousands)	Ending balance: Amount (Notes 1 &2)
Siliconware Precision Industries Co., Ltd.	SPIL (BVI) Holding Limited	Long-term investment accounted for under equity method	-	-	77,800	$2,587,094	10,600	$323,332	-	$ -	$ -	$ -	88,400	$3,167,712

Note 1: The ending balance includes the investment income and cumulative translation adjustments.
Note 2: Eliminated under consolidation.

(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, 2008:

Name of the properties	Date of transaction	Transaction amount	Status of payment	Counter party	Related party as counter party: Relationship with the Company	Related party as counter party: Original owner which sold the property to the counter party	Related party as counter party: The relationship of the original owner with the Company	Related party as counter party: Date of the original transaction	Related party as counter party: Amount	The bases or reference used in deciding the price	Purpose and status of the acquisition	Other commitment
Building improvements	March 2008	$ 102,000	$ 102,000	Chung-Rui Construction Corporation Ltd.	-	-	-	-	$ -	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	March 2008	149,800	149,800	Acter Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building	November 2008	142,700	-	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, 2008: None.

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

For the year ended December 31, 2008:

			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 party	Relationship with the counter party	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	Purchases	$2,093,426	8%	Three months	$ -	-	Accounts payable $435,777	9%

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

As of December 31, 2008: None.

(9) Transaction of derivative financial instruments:

For the year ended December 31, 2008: None.

B. Related Information on Investee Companies

(1) Basic information on investee companies:

For the year ended December 31, 2008:

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 6)	100.00%	$817,284	($233,613)	($395,028)	(Notes 1, 2, 7 and 9)
Siliconware Precision Industries Co., Ltd.	Double Win Enterprise Co., Ltd.	Ping-chen City, Taoyuan	SMT process and hand insert	152,100	152,100	6,760	24.14%	-	-	-	(Note 1)
Siliconware Precision Industries Co., Ltd.	SPIL (B.V.I.) Holding Limited	British Virgin Islands	Investment activities	2,895,100	2,547,950	88,400	100.00%	3,167,712	39,839	39,839	(Notes 1, 2, 8 and 9)
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Communications and relationship maintenance with companies headquartered in North America	40,938	40,938	1,250	100.00%	142,595	7,126	7,126	(Notes 3, 8 and 9)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Cayman Islands, British West India	Investment activities	2,954,050	2,295,775	90,200	100.00%	3,014,527	31,024	31,024	(Notes 3, 8 and 9)
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Suzhou Jiangsu, China	Assembly and testing service providing	2,947,500	2,292,500	(Note 5)	100.00%	3,011,796	31,775	31,775	(Notes 4, 8 and 9)

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$90,000 thousand.

Note 6: The contributed capital was $1,770,000.

Note 7: The investment income (loss) recognized during the current period already excludes the amount of cash dividends distributed from the parent company to its subsidiaries and reclassified into paid-in-capital.

Note 8: The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation.

Note 9: Eliminated under consolidation.

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

As of December 31, 2008:

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)	36,229	$1,014,404	1.15%	$28.00	(Note 6)
Siliconware Investment Company Ltd.	Stock	Hsieh Yong Capital Co., Ltd.	—	Financial assets carried at cost	57,810	170,000	7.58%	2.94	
Siliconware Investment Company Ltd.	Stock	Phoenix Precision Technology Corporation	The Company holds directorship	Available-for-sale financial assets (non current)	5,901	47,269	0.81%	8.01	
Siliconware Investment Company Ltd.	—	Mega Mission Limited Partnership	—	Financial assets carried at cost	(Note 3)	132,063	4.00%	-	
Siliconware Investment Company Ltd.	—	Others (Note 1)	—	Financial assets carried at cost	-	19,973	-	-	
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	142,595 (Note 5)	100.00%	114.08	(Notes 2 and 6)
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	90,200	3,014,527 (Note 5)	100.00%	33.42	(Notes 2 and 6)
SPIL (Cayman) Holding Limited	Stock	Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	(Note 4)	3,011,796 (Note 5)	100.00%	-	(Note 6)

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

(2) The market value is not available. Therefore, the net equity per share as of December 31, 2008 was used.

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

(4) The contributed capital was US$90,000 thousand.

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

(6) Eliminated under consolidation.

(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, 2008:

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, 5 and 6)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Long-term investments accounted for under the equity method	Cash capitalization	-	70,100	$2,295,775	20,100	$ 658,275	-	$ -	$ -	$ -	90,200	$ 3,014,527
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Long-term investments accounted for under the equity method	Cash capitalization	-	(Note 1)	2,292,500	(Note 2)	655,000	-	-	-	-	(Note 3)	3,011,796

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

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

(3) The contributed capital was US$90,000 thousand.

(4) The ending balance includes the investment income and cumulative translation adjustments.

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

(6) Eliminated under consolidation.

C. Information of investment in mainland China:

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

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2008	Remitted or (collected) this period	Accumulated remittance as of December 31, 2008	Ownership held by the Company (Direct and indirect)
Siliconware Technology (Suzhou) Limited	Assembly and testing service providing	$ 2,947,500 (USD 90,000) (Note 3)	(Note 1)	$ 2,292,500 (USD 70,000) (Note 3)	$ 655,000 (USD 20,000) (Note 3)	$ 2,947,500 (USD 90,000) (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, 2008	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
$31,775 (Notes 2, 3 and 4)	$3,011,796 (Notes 3 and 4)	-	$ 2,947,500 (USD 90,000)	$ 4,257,500 (USD 130,000)	$35,588,473

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 auditors.

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

Note 4: Eliminated under consolidation.

(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:

i. Property transaction between the parent company and the subsidiary for the year ended December 31, 2008:

	2008				
	Name of Properties	Selling Price	Book Value	Gain / Loss of Sale	Other Receivables
Siliconware Technology (Suzhou) Limited	Equipments	$48,382	$25,252	$23,130	$25,563

ii. Transaction above was eliminated under consolidation.

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

(1) For the year ended December 31, 2008:

				Transaction			
No.	Company Name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated revenues or total assets
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Commision	$ 500,451	As specified in contract	0.80%
0	Siliconware Precision Industries Co.,	Siliconware USA, Inc.	Indirect owned subsidiary	Accrued expense	$ 155,016	As specified in contract	0.21%

(2) For the year ended December 31, 2007:

				Transaction			
No.	Company Name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated revenues or total assets
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Commision	$ 542,974	As specified in contract	0.82%
0	Siliconware Precision Industries Co.,	Siliconware USA, Inc.	Indirect owned subsidiary	Accrued expense	$ 50,314	As specified in contract	0.06%

30. 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. In addition, the chief operating decision maker reviews the operating results of the entire consolidated company to make decisions for allocating resources and evaluating performance. The Company as a whole is treated as only one operating and reportable segment.

B. Operations in Different Geographic Areas:

The Company has no significant foreign operations.

C. Export Sales:

	For the years ended December 31,	
Geographic areas	2008	2007
U.S. and Canada	$ 32,301,420	$ 37,841,700
Others	9,482,889	5,161,196
	$ 41,784,309	$ 43,002,896

D. Major Customers:

A major customer is identified as the party that accounts for more than 10 % of the Company's net sales in any given year. No identity of segment for each major customer listed below is applicable due to the Company's unclassified segment operation.

	2008		2007	
Customers	Amount	% of net sale	Amount	% of net sale
Customer A	$ 6,874,567	11	$ 6,735,258	10
Customer B	5,164,169	8	6,993,244	11
	$12,038,736	19	$13,728,502	21