SILICONWARE PRECISION INDUSTRIES CO., LTD.

FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2010 AND 2009

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying non-consolidated balance sheets of Siliconware Precision Industries Co., Ltd. as of December 31, 2010 and 2009, and the related non-consolidated statements of income, of changes in stockholders’ equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the accompanying non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Siliconware Precision Industries Co., Ltd. as of December 31, 2010 and 2009, and the results of its non-consolidated operations and its non-consolidated cash flows for the years then ended, in conformity with the “Rules Governing the Preparation of Financial Reports by Securities Issuers”, “Business Entity Accounting Law”, “Regulation on Business Entity Accounting Handling” and accounting principles generally accepted in the Republic of China.

Siliconware Precision Industries Co., Ltd. has prepared the consolidated financial statements as of and for the years ended December 31, 2010 and 2009. We have audited such consolidated financial statements and issued unqualified opinions thereon.

March 07, 2011

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

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

	December 31, 2010	December 31, 2009
ASSETS		
Current Assets		
Cash (Note 4)	$ 14,065,803	$ 19,034,536
Notes receivable, net	20,273	39,902
Accounts receivable, net (Note 5)	8,828,985	10,762,944
Other financial assets, current (Notes 21 and 22)	1,326,720	476,145
Inventories (Note 6)	3,194,886	2,735,920
Deferred income tax assets, current (Note 17)	587,187	798,436
Other current assets－other	509,289	734,481
	28,533,143	34,582,364
Long-term Investments		
Available-for-sale financial assets, noncurrent (Notes 7 and 25)	4,887,007	3,825,793
Financial assets carried at cost, noncurrent (Notes 8 and 25)	1,449,343	315,394
Long-term investments under equity method (Note 9)	4,946,153	3,637,473
	11,282,503	7,778,660
Property, Plant and Equipment (Notes 10 and 20)		
Cost:		
Land	2,903,192	2,903,192
Buildings	14,208,648	12,214,751
Machinery and equipment	47,650,886	49,997,642
Utility equipment	725,185	696,429
Furniture and fixtures	862,129	655,659
Other equipment	2,379,150	2,155,031
	68,729,190	68,622,704
Less: Accumulated depreciation	(33,969,181)	(36,269,670)
Construction in progress and prepayments for equipment	3,564,212	1,005,377
	38,324,221	33,358,411
Other Assets		
Refundable deposits	7,081	7,907
Deferred charges	671,909	456,574
Deferred income tax asset, noncurrent (Note 17)	1,071,750	1,105,151
Other assets－other	69,704	170,441
	1,820,444	1,740,073
TOTAL ASSETS	$ 79,960,311	$ 77,459,508

(Continued)

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

	December 31, 2010	December 31, 2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable (Note 20)	$ 6,857,925	$ 7,641,111
Income tax payable (Note 17)	490,104	849,351
Accrued expenses (Note 20)	2,906,959	3,448,575
Other payables (Notes 11 and 20)	3,564,674	2,079,665
Other current liabilities	78,730	84,582
	13,898,392	14,103,284
Long-term Liabilities		
Long-term loans (Notes 12 and 25)	4,368,158	-
Other Liabilities－others (Note 13)	397,580	274,998
Total Liabilities	18,664,130	14,378,282
Stockholders' Equity		
Capital stock (Notes 1 and 14)	31,163,611	31,163,611
Capital reserve (Note 15)		
Additional paid-in capital	14,290,224	14,290,224
Premium arising from merger	1,929,136	1,929,136
Other	234,167	234,167
Retained earnings (Note 16)		
Legal reserve	6,599,402	5,720,419
Unappropriated earnings	5,644,961	8,937,249
Unrealized gain on available-for-sale financial assets	1,788,512	767,157
Cumulative translation adjustments	(85,264)	208,577
Net loss not recognized as pension cost	(268,568)	(169,314)
Total Stockholders' Equity	61,296,181	63,081,226
Commitments and Contingencies (Note 22)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 79,960,311	$ 77,459,508

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

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

	For the years ended December 31,	
	2010	2009
Operating Revenues		
Sales (Note 20)	$ 60,669,603	$ 58,019,127
Sales allowances	(597,320)	(1,132,773)
Net operating revenues	60,072,283	56,886,354
Cost of Goods Sold (Notes 6 and 19)	(51,025,567)	(45,823,439)
Gross Profit	9,046,716	11,062,915
Unrealized Intercompany Profit	35	(2)
Realized Intercompany Profit	9,046,751	11,062,913
Operating Expenses (Note 19)		
Selling expenses	(487,906)	(709,179)
General and administrative expenses	(1,276,390)	(1,218,984)
Research and development expenses	(1,504,411)	(1,258,493)
	(3,268,707)	(3,186,656)
Operating Income	5,778,044	7,876,257
Non-operating Income and Gain		
Interest income (Note 25)	30,068	46,960
Investment income recognized under the equity method (Note 9)	490,145	226,951
Gain on disposal of investments (Note 7)	-	1,947,879
Others (Note 20)	338,838	273,458
	859,051	2,495,248
Non-operating Expenses and Losses		
Interest expenses (Note 25)	(6,533)	(30,277)
Others (Note 20)	(297,218)	(132,372)
	(303,751)	(162,649)
Income from Continuing Operations before Income Tax	6,333,344	10,208,856
Income Tax Expense (Note 17)	(706,437)	(1,419,027)
Net Income	$ 5,626,907	$ 8,789,829

	2010 Before tax	2010 After tax	2009 Before tax	2009 After tax
Basic Earnings Per Share (in dollars) (Note 18)				
Net income	$ 2.03	$ 1.81	$ 3.28	$ 2.82
Diluted Earnings Per Share (in dollars) (Note 18)				
Net income	$ 2.02	$ 1.80	$ 3.25	$ 2.80

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

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 and 2009
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings						
	Capital Stock	Capital Reserve	Legal Reserve	Unappropriated Earnings	Unrealized Gain on Available-for-sale Financial Assets	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Treasury Stock	Total
Balance at January 1, 2009	$ 31,525,899	$ 16,820,211	$ 5,089,066	$ 6,453,435	$ -	$ 296,866	($ 77,172)	($794,184)	$ 59,314,121
Appropriations of earnings for prior years (Note 1)									
Legal reserve	-	-	631,353	(631,353)	-	-	-	-	-
Cash dividends	-	-	-	(5,674,662)	-	-	-	-	(5,674,662)
Long-term investment adjustment for investee company's cumulative translation adjustments	-	-	-	-	-	(88,289)	-	-	(88,289)
Unrealized gain on available-for-sale financial assets	-	-	-	-	767,157	-	-	-	767,157
Net loss not recognized as pension cost	-	-	-	-	-	-	(92,142)	-	(92,142)
Cash dividends from treasury stock held by subsidiary	-	65,212	-	-	-	-	-	-	65,212
Retirement of treasury stock	(362,288)	(431,896)	-	-	-	-	-	794,184	-
Net income	-	-	-	8,789,829	-	-	-	-	8,789,829
Balance at December 31, 2009	$ 31,163,611	$ 16,453,527	$ 5,720,419	$ 8,937,249	$ 767,157	$ 208,577	($ 169,314)	$ -	$ 63,081,226

(Continued)

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 and 2009
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings						
	Capital Stock	Capital Reserve	Legal Reserve	Unappropriated Earnings	Unrealized Gain on Available-for-sale Financial Assets	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Treasury Stock	Total
Balance at January 1, 2010	$ 31,163,611	$ 16,453,527	$ 5,720,419	$ 8,937,249	$ 767,157	$ 208,577	($ 169,314)	$ -	$ 63,081,226
Appropriations of earnings for prior years (Note 2)									
Legal reserve	-	-	878,983	(878,983)	-	-	-	-	-
Cash dividends	-	-	-	(8,040,212)	-	-	-	-	(8,040,212)
Long-term investment adjustment for investee company's cumulative translation adjustments	-	-	-	-	-	(293,841)	-	-	(293,841)
Unrealized gain on available-for-sale financial assets	-	-	-	-	1,021,355	-	-	-	1,021,355
Net loss not recognized as pension cost	-	-	-	-	-	-	(99,254)	-	(99,254)
Net income	-	-	-	5,626,907	-	-	-	-	5,626,907
Balance at December 31, 2010	$ 31,163,611	$ 16,453,527	$ 6,599,402	$ 5,644,961	$ 1,788,512	($ 85,264)	($ 268,568)	$ -	$ 61,296,181

Note 1: The directors' and supervisors' remunerations and employees' bonuses amounted to $56,822 thousand and $630,518 thousand, respectively, have been deducted from the statements of income.

Note 2: The directors' and supervisors' remunerations and employees' bonuses amounted to $79,108 thousand and $893,357 thousand, respectively, have been deducted from the statements of income.

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

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

	For the years ended December 31,	
	2010	2009
Cash flows from operating activities		
Net income	$ 5,626,907	$ 8,789,829
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,834,123	7,912,150
Amortization	422,970	495,933
(Reversal of) provision for bad debt expense	(260,721)	79,687
(Reversal of) provision for sales allowance	(294,643)	285,116
(Reversal of) provision for loss on obsolescence and decline in market value of inventories	(23,029)	5,518
Gain on disposal of investments	-	(1,947,879)
Gain on liquidation of investment	-	(5,871)
Long-term investment income under the equity method	(490,145)	(226,951)
Unrealized intercompany profit	(35)	2
Gain on disposal of property, plant and equipment	(51,685)	(13,203)
Provision for loss on idle assets	105,054	62,921
Exchange gain on valuation of foreign currency long-term loans	(157,500)	-
Amortization of arrangement fee of long-term co-financing loans	322	-
Amortization of discount of long-term notes	-	2,581
(Increase) decrease in assets:		
Notes receivable	19,629	6,271
Accounts receivable	2,489,323	(4,335,170)
Other financial assets, current	(93,602)	21,296
Inventories	(440,822)	(548,419)
Deferred income tax assets	204,791	545,729
Other current assets —other	16,319	(76,396)
Increase (decrease) in liabilities:		
Notes payable	-	(655)
Accounts payable	(783,186)	2,952,192
Income tax payable	(359,247)	27,473
Accrued expenses	(541,616)	300,584
Other payables	139,562	265,625
Other current liabilities	(5,852)	(26,270)
Accrued pension liabilities	27,677	(3,867)
Net cash provided by operating activities	13,384,594	14,568,226

(Continued)

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

	For the years ended December 31, 2010	For the years ended December 31, 2009
Cash flows from investing activities		
Increase in security deposits	($ 58,100)	$ -
Increase of long-term investment under equity method	(1,112,375)	(331,100)
(Increase) decrease of financial assets carried at cost	(1,133,950)	6,642
Proceeds from liquidation of long-term investments	-	5,871
Acquisition of property, plant and equipment	(13,185,546)	(4,738,775)
Acquisition of leased assets	-	(87,732)
Proceeds from disposal of property, plant and equipment	1,301,315	169,173
Receipt of refundable deposits	826	785
Payment for deferred charges	(650,656)	(243,057)
Net cash used in investing activities	(14,838,486)	(5,218,193)
Cash flows from financing activities		
Proceeds of long-term loans	4,525,336	-
Repayment of long-term loans	-	(3,000,000)
Refund of deposit-in	-	(25,405)
Payment for cash dividends	(8,040,177)	(5,609,430)
Net cash used in financing activities	(3,514,841)	(8,634,835)
Net (decrease) increase in cash	(4,968,733)	715,198
Cash at the beginning of the year	19,034,536	18,319,338
Cash and cash equivalents at the end of the year	$ 14,065,803	$ 19,034,536
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 4,119	$ 27,696
Less: capitalized interest	(292)	-
Interest paid (excluding capitalized interest)	$ 3,827	$ 27,696
Cash paid for income tax	$ 860,893	$ 846,930
Supplemental disclosures of partial cash paid for investing activities:		
Acquisition of property, plant and equipment	$ 14,530,958	$ 5,494,067
Deduction on payment due to exchange of assets	-	(8,631)
Net increase in other payble due to the acquisition of equipment	(1,345,412)	(746,661)
Cash paid	$ 13,185,546	$ 4,738,775

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

SILICONWARE PRECISION INDUSTRIES CO., LTD.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
UNLESS STATED OTHERWISE)

1. HISTORY AND ORGANIZATION

Siliconware Precision Industries Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the Company Law of the Republic of China (R.O.C.) in May 1984 and was listed on the Taiwan Stock Exchange in April 1993. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. On August 31, 2009, the Company merged with its wholly owned subsidiary, Siliconware Investment Company Ltd. (SIC). The Company is the surviving entity while SIC is the dissolved entity. As of December 31, 2010, the Company has 16,411 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with the “Rules Governing the Preparation of Financial Reports by Securities Issuers”, “Business Entity Accounting Law”, “Regulation on Business Entity Accounting Heading” and generally accepted accounting principles in the Republic of China. Significant accounting policies are summarized as follows:

Use of Estimates

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

Foreign Currency Transactions

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

Classification of Current and Noncurrent Assets / Liabilities

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

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

(2) Assets held mainly for trading purposes;

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

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

the balance sheet date.

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

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

(2) Liabilities arising mainly from trading activities;

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

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

Accounts Receivable

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 receivable, 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 adjusted to cost using the weighted–average method at the balance sheet date. The allowance for loss on obsolescence and decline in market value is recorded based on inventory aging and obsolescence, when necessary. Prior to January 1, 2009, inventories were stated by category at the lower of aggregate cost or market value and total inventory approach as of the balance sheet date. Effective January 1, 2009, inventories are stated at the lower of cost or net realizable value by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and necessary selling expenses.

Non-current assets held for sale

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

Available-for-sale Financial Assets

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

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

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

Financial Assets Carried at Cost

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

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

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

Long-term Investments Accounted for under Equity Method

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

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

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

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

Property, Plant and Equipment

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

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

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

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

Deferred Charges

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

Pension Cost

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

Income Tax

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

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

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

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

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

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

Revenues and Costs

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

Employees’ Bonuses and Directors’ and Supervisors’ Remunerations

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

Earnings Per Share

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

Impairment Loss of Non-financial Assets

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

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

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2009, the Company adopted the amendments of R.O.C. SFAS No. 10, “Accounting for Inventories”. The change in accounting principle does not cause significant impact toward the financial statements for the year ended December 31, 2009.

4. CASH

	December 31,	
	2010	2009
Cash on hand and petty cash	$ 1,241	$ 1,744
Savings accounts and checking accounts	1,232,114	1,207,282
Time deposits	12,832,448	17,825,510
	$ 14,065,803	$ 19,034,536

As of December 31, 2010 and 2009, the interest rates for time deposits ranged from 0.17 % to 0.83 % and from 0.11 % to 2.69 %, respectively.

5. ACCOUNTS RECEIVABLE, NET

	December 31,	
	2010	2009
Accounts receivable	$ 9,041,665	$ 11,535,612
Less :		
Allowance for sales discounts	(146,569)	(441,212)
Allowance for doubtful accounts	(66,111)	(331,456)
	$ 8,828,985	$ 10,762,944

6. INVENTORIES

	December 31,	
	2010	2009
Raw materials and supplies	$ 2,682,150	$ 2,290,407
Work in process	426,719	424,614
Finished goods	141,982	99,893
	3,250,851	2,814,914
Less : Allowance for loss on obsolescence and decline in market value of inventories	(55,965)	(78,994)
	$ 3,194,886	$ 2,735,920

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

Expense / loss incurred related to inventories :	For the years ended December 31, 2010	2009
Cost of goods sold	$ 51,138,710	$ 45,862,479
Decline in market value and loss on obsolescence	-	5,518
Gain from recovery of market value	(23,029)	-
Others	(90,114)	(44,558)
	$ 51,025,567	$ 45,823,439

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS, NONCURRENT

	December 31, 2010	2009
Cost of listed securities	$ 5,167,332	$ 5,167,332
Valuation adjustment	1,863,648	802,434
Accumulated impairment loss	(2,143,973)	(2,143,973)
	$ 4,887,007	$ 3,825,793

Phoenix Precision Technology Corporation (PPT), an investee of the Company, merged with Unimicron Technology Corporation (Unimicron) on December 1, 2009. Unimicron is the surviving entity while PPT is the dissolved entity. One PPT's common share is converted to 0.628 shares of Unimicron's common share. The shares of PPT held by the Company were converted to Unimicron's common shares. The Company owns 4.94% of Unimicron's common shares and recognized gain on disposal of investment of $1,947,879 from the above merger.

8. FINANCIAL ASSETS CARRIED AT COST, NONCURRENT

	December 31, 2010	2009
Unlisted securities	$ 1,842,803	$ 708,854
Accumulated impairment loss	(393,460)	(393,460)
	$ 1,449,343	$ 315,394

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

B. The Company's Board of Directors resoloved to purchase 133,000 thousand common shares of ChipMOS Technologies Inc. (ChipMOS Taiwan), a 100% owned subsidiary of ChipMOS Technologies (Bermuda) Ltd. (ChipMOS Bermuda). The purchase of 133,000 shares of ChipMOS Taiwan represents approximately 15.77% of the ownership of ChipMOS Taiwan. Consideration of the share purchase totaled $1,630,580, which is determined based on the valuation report provided by Horizon Securities Ltd. as well as mutual agreement between the Company and ChipMOS Bermuda. Both parties signed the share purchase / sales agreements on February 26, 2010. As of December 31, 2010, the Company has obtained the above shares and paid $1,140,580 accordingly.

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

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

	December 31,			
	2010		2009	
Investee company	Amount	Percentage of ownership	Amount	Percentage of ownership
Equity method :				
SPIL (B.V.I.) Holding Limited	$ 4,797,235	100.00%	$ 3,637,473	100.00%
Vertical Circuits, Inc.	148,918	30.69%	-	-
	$ 4,946,153		$ 3,637,473	

A. To upgrade assembly related technology, the Company purchased preferred-stock ownership of Vertical Circuits, Inc. (VCI) amounted to US$ 5,000,000 in December 2010, and obtained 30.69% of the voting right on VCI.

B. For the years ended December 31, 2010 and 2009, the Company recognized investment income of $490,145 and $226,951, respectively, for all investees accounted for under the equity method based on investees' audited financial statements for the same period by weighted-average percentage of stock ownership.

C. For the years ended December 31, 2010 and 2009, the Company prepared the consolidated financial statements, and consolidated its 100% owned subsidiaries.

10. PROPERTY, PLANT AND EQUIPMENT

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

	December 31, 2009		
	Cost	Accumulated depreciation	Book value
Land	$ 2,903,192	$ -	$ 2,903,192
Buildings	12,214,751	(3,666,402)	8,548,349
Machinery and equipment	49,997,642	(30,568,992)	19,428,650
Utility equipment	696,429	(369,048)	327,381
Furniture and fixtures	655,659	(398,821)	256,838
Other equipment	2,155,031	(1,266,407)	888,624
Construction in progress and prepayments for equipment	1,005,377	-	1,005,377
	$ 69,628,081	($ 36,269,670)	$ 33,358,411

A. Information about capitalized interest expense was as follows:

	For the years ended December 31,	
	2010	2009
Total interest expense including capitalized interest	$ 6,825	$ 30,277
Capitalized interest (Included in property, plant and equipment)	(292)	-
Interest expense	$ 6,533	$ 30,277
Interest capitalization rate	0.8911%	-

B. On February 26, 2010, the Company's Board of Directors resolved to sell certain equipments to ChipMOS Taiwan. Proceeds of the transaction totaled $1,630,580, which is determined based on the appraisal report issued by China Credit Information Service, Ltd. as well as mutual agreement between the Company and ChipMOS Taiwan. Both parties signed the equipment purchase / sales agreement on February 26, 2010. As of December 31, 2010, the Company has delivered the equipments and received proceeds amounted to $1,140,580, and recoginized gain on disposal of assets of $3,608. The uncolloected proceeds (shown as other financial assets －current) amounted to $490,000 as of December 31, 2010.

11. OTHER PAYABLES

	December 31, 2010	December 31, 2009
Payables for equipment acquisition	$ 2,597,353	$ 1,251,941
Other payables	967,321	827,724
	$ 3,564,674	$ 2,079,665

12. LONG-TERM LOANS

Name of financial institution	Line of credit	Loan period and repayment method	December 31, 2010	December 31, 2009
Mega International Commercial Bank	NT $5 billions and US $0.15 billions	2010.10.29~2015.10.29		
(The management bank of co-financing loans)		Repayables in 6 semi-annually installments starting from April 2013	$ 4,377,000	$ -
Less: Amortization of arrangement fee of long-term co-financing loans			(8,842)	-
			$ 4,368,158	$ -
Available credit line			$ 5,000,000	$ -
Interest rate			0.8911%	-

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

B. Pursuant to the above loan agreement, the Company should maintain certain financial covenants, such as current ratio, debt ratio as well as the ratio of interest coverage, calculated based on both semi-annual and annual audited financial statements. As of December 31, 2010, the Company was in compliance with all of the loan covenants.

13. PENSION PLAN AND NET PERIODIC PENSION COST

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

B. In accordance with the Labor Pension Act, effective July 1, 2005, the Company has a defined contribution pension plan covering employees (excluding foreign employees) who chose to be subject to the pension mechanism under this Act. The Company makes monthly contributions to the employees’ individual pension accounts on a basis no less than 6% of each employee’s monthly salary or wage. The principal and accrued dividends from an employee’s personal pension account are claimed monthly or in full at one time. Under this pension plan, net periodic pension costs amounting to $356,469 and $272,177 were recognized for the years ended December 31, 2010 and 2009, respectively.

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

i. Assumptions used in actuarial calculations:

	For the years ended December 31, 2010	2009
Discount rate	2.00%	2.25%
Long-term rate of compensation increase	2.00%	2.00%
Expected rate of return on plan assets	2.50%	2.00%

	December 31, 2010	2009
Vested benefit	($ 155,412)	($ 77,782)
Vested benefit obligation	($ 135,300)	($ 68,100)
Accumulated benefit obligation	($ 1,524,750)	($ 1,365,669)

(2) Changes in benefit obligation during the years ended December 31, 2010 and 2009:

	For the years ended December 31, 2010	2009
Projected benefit obligation at the beginning of the year	($ 1,922,596)	($ 1,544,731)
Service cost	(33,034)	(29,786)
Interest cost	(43,083)	(34,630)
Plan amendments	-	(73,596)
Loss on projected benefit obligation	(154,768)	(284,261)
Benefit paid	33,457	44,408
Projected benefit obligation at the end of the year	($ 2,120,024)	($ 1,922,596)

(3) Changes in plan assets during the years ended December 31, 2010 and 2009:

	For the years ended December 31,	
	2010	2009
Fair value of plan assets at the beginning of the year	$ 1,143,276	$ 1,130,537
Actual return on plan assets	16,981	7,487
Employer contributions	49,676	49,660
Benefits paid	(33,457)	(44,408)
Fair value of plan assets at the end of the year	$ 1,176,476	$ 1,143,276

(4) Funded status at December 31, 2010 and 2009:

	December 31,	
	2010	2009
Fair value of plan assets	$ 1,176,476	$ 1,143,276
Projected benefit obligation	(2,120,024)	(1,922,596)
Funded status	(943,548)	(779,320)
Unrecognized transition assets	-	(912)
Prior service cost	14,262	15,312
Unrecognized net actuarial loss	863,842	727,153
Additional pension liability	(282,830)	(184,626)
Accured pension liability	($ 348,274)	($ 222,393)

(5) Components of net periodic pension cost for the years ended December 31, 2010 and 2009:

	For the years ended December 31,	
	2010	2009
Service cost	$ 33,034	$ 29,786
Interest cost	43,083	34,630
Expected return on plan assets	(23,215)	(28,862)
Amortization of unrecognized net transition assets	(912)	(913)
Amortization of prior service cost	1,050	470
Amortization of unrecognized loss	24,313	10,682
Net periodic pension cost	$ 77,353	$ 45,793

14. CAPITAL STOCK

A. As of December 31, 2010, the authorized capital of the Company was $36,000,000 and the paid-in capital was $31,163,611 with par value of $10 (in dollars) per share.

B. On August 31, 2009, the Company merged with SIC and retired 36,229 thousand shares of the Company’s shares held by SIC. The capital reduction was approved by the Ministry of Economic Affairs on September 18, 2009.

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, 2010, the outstanding ADSs amounted to 124,828,695 units. Major terms and conditions of the ADSs are summarized as follows:

(1) Voting Rights:

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

(2) Distribution of Dividends:

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

15. CAPITAL RESERVE

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

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

16. RETAINED EARNINGS

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

(1) Pay all taxes and duties;

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

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

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

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

B. Among the total dividend distributed, at least 50% of which is distributed as cash dividend and the rest is stock dividend. The appropriation of the profit is subject to the resolution adopted by the Board and approval by the shareholders. As of March 07, 2011, the Board of Directors of the Company has not resolved the distribution of the 2010 earnings. Therefore, any information in relation to the appropriation of the Company's 2010 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 R.O.C. Securities and Future Bureau (SFB) regulation, in addition to legal reserve and prior to distribution of earnings, the Company should set aside a special reserve in an amount equal to the net change in the reduction of prior year's stockholders' equity, resulting from adjustments, such as cumulative translation adjustments and unrealized loss on available-for-sale financial assets. Such special reserve is not available for dividend distribution. In the subsequent year(s), if the year-end balances of the cumulative translation adjustments and unrealized losses on available-for-sale financial assets no longer result in a net reduction in the stockholders' equity, the special reserve previously set aside will then be available for distribution.

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, 2010, the undistributed earnings derived on or after January 1, 1998 was $5,664,961.

F. As of December 31, 2010, the balance of stockholders' imputation tax credit account of the Company was $14,431. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings distributed in 2010 is 9.85%. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings distributed in the following year is expecting to be approximately 8.94%. However, the rate is subject to changes based on the balance of stockholders' imputation tax credit account, the undistributed earnings, and other tax credit amount in accordance with the R.O.C. tax law at the dividend allocation date.

G. The distributions of 2009 and 2008 dividends had been resolved at the stockholders' meeting on June 15, 2010 and June 10, 2009, respectively. Details are summarized below:

	2009		2008	
	Amounts	Dividends per share (in dollars)	Amounts	Dividends per share (in dollars)
Cash dividends	$ 8,040,212	$ 2.58	$ 5,674,662	$ 1.80

At the stockholders' meeting on June 15, 2010, the Company's stockholders also resolved to distribute $893,357 as employees' cash bonuses and $79,108 as directors' and supervisors' remunerations, respectively. The distributed amount is the same as the estimated amount accrued in 2009. Any information in relation to the Company's earnings of distribution after the shareholders' approval will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

H. According to the Articles of Incorporation of the Company, for the years ended December 31, 2010 and 2009, the Company accrued $560,945 and $893,357 as employees' bonuses and $50,642 and $79,108 as directors' and supervisors' remuneration, respectively, which were accrued based on 10% and 1% of net income after considering the required capital reserve.

17. INCOME TAX

	For the years ended December 31, 2010	2009
Income tax expense calculated at the statutory tax rate	$ 1,076,668	$ 2,552,204
Permanent differences	(279,294)	(860,778)
Investment tax credits	(270,691)	(355,923)
Changes in allowance for deferred tax assets	(32,076)	(74,349)
Adjustment for deferred tax assets due to change of statutory tax rate	80,848	134,747
Under provision from prior years	8,387	22,375
Alternative minimum tax	122,595	-
Additional 10% tax on unappropriated earnings	-	751
Income tax expense	706,437	1,419,027
Adjustment:		
Net changes of deferred tax assets	(244,650)	(581,006)
Directly debit shareholders' equity	39,859	35,277
Increase in income tax payable	(4,549)	(14,168)
Prepaid and withholding taxes	(6,993)	(9,779)
Income tax payable	$ 490,104	$ 849,351

A. For the years ended December 31, 2010 and 2009, significant portion of the permanent differences were derived from the revenue from assembly of certain integrated circuit products exempted from income tax and the income tax exemption of capital gain from domestic security transactions.

B. The details of deferred income tax assets and liabilities arising from temporary differences and investment tax credits as of December 31, 2010 and 2009 were as follows:

	December 31, 2010		December 31, 2009	
	Amount	Tax Effect	Amount	Tax Effect
Current:				
Temporary differences:				
Unrealized loss on obsolescence and decline in market value of inventories	$ 97,762	$ 16,619	$ 135,368	$ 27,074
Unrealized sales allowance	146,569	24,917	441,212	88,242
Unrealized foreign currency exchange (gain) loss	(58,841)	(10,003)	1,655	331
(Reversal of) valuation allowance for doubtful accounts	(21,261)	(3,614)	218,944	43,789
Investment tax credits		559,268		639,000
		$ 587,187		$ 798,436
Noncurrent :				
Temporary differences:				
Depreciation expense	($ 159,311)	($ 27,083)	($ 545,356)	($ 109,071)
Unrealized gain arising from valuation for financial assets	(441,977)	(75,136)	(176,384)	(35,277)
Impairment loss	2,218,381	377,125	2,273,476	454,695
Deferred asset - intercompany profit	48,646	8,270	51,946	10,389
Unrealized loss on idle assets	212,869	36,187	247,196	49,439
Investment tax credits		854,670		882,586
		1,174,033		1,252,761
Valuation allowance for deferred income tax assets		(102,283)		(147,610)
		$ 1,071,750		$ 1,105,151

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

C. The Company's income tax returns have been assessed and approved by the Tax Authority through 2007.

D. SIC's income tax returns have been assessed and approved by the Tax Authority through 2009.

E. As of December 31, 2010, 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	$ 1,190,882	$ 945,283	2011 to 2014
Qualifying research and development expenditure	597,558	468,655	2012 to 2013
	$ 1,788,440	$ 1,413,938	

F. The Company has met the requirement of "Incentives for Emerging Important Strategic Industries in Manufacturing and Technology Services" for its capitalization plans in 2004, 2005, and 2006 and is exempted from income tax for revenues arising from the assembly and testing of certain integrated circuit products for a five-year period from 2006 and 2008, respectively. The five-year income tax exemptions will expire in December 2010, December 2012, and May 2013, respectively. Also, the Industrial Development Bureau of Ministry of Economic Affairs has issued permission for the five-year income tax exemption of the Company's 2007 registered capitalization plan in 2008.

18. EARNINGS PER SHARE

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

	For the year ended December 31, 2009				
	Income		Weighted average outstanding common stock	Earnings per share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share			(in thousands)	(in dollars)	
Net income	$ 10,208,856	$ 8,789,829	3,116,361	$ 3.28	$ 2.82
Dilutive effect of employee bonus	-	-	21,912		
Diluted earnings per share	$ 10,208,856	$ 8,789,829	3,138,273	$ 3.25	$ 2.80

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.

19. PERSONNEL COSTS, DEPRECIATION AND AMORTIZATION

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

	For the year ended December 31, 2009		
	Operating costs	Operating expenses	Total
Personnel Costs			
Payroll	$ 6,141,647	$ 1,293,240	$ 7,434,887
Labor and health insurance	439,657	80,420	520,077
Pension expense	258,825	59,145	317,970
Other	510,694	142,029	652,723
	$ 7,350,823	$ 1,574,834	$ 8,925,657
Depreciation	$ 7,742,158	$ 169,992	$ 7,912,150
Amortization	$ 395,727	$ 89,554	$ 485,281

20. RELATED PARTY TRANSACTIONS

A. Name and Relationship with Related Parties:

Name of Related Parties	Relationship with the Company
Phoenix Precision Technology Corporation (PPT)	The Company holds directorship (Note1)
SPIL (B.V.I.) Holding Limited	Subsidiary of the Company
SPIL (Cayman) Holding Limited	Indirect subsidiary of the Company
Siliconware USA, Inc.	Indirect subsidiary of the Company
Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company
Vertical Circuits, Inc. (VCI)	Investee company accounted for under equity method (Note 2)

Note1: PPT merged with Unimicron on December 1, 2009 and PPT is the dissolved entity. Therefore, the named company ceased to be a related party of the Company commencing December 1, 2009.

Note2: The Company obtained the ownership of VCI on December 1, 2010, and therefore, it became a related party of the Company from the same day. The annual disclosure of related party transactions has merely disclosed for the year ended December 31, 2010.

B. Significant Transactions with Related Parties:

(1) Sales

	For the years ended December 31,			
	2010		2009	
	Amount	% of net sales	Amount	% of net sales
Siliconware Technology (Suzhou) Limited	$ 7,361	-	$ 6,023	-
Vertical Circuits, Inc.	2,989	-	-	-
	$ 10,350	-	$ 6,023	-

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

(2) Purchases

	For the years ended December 31,			
	2010		2009	
	Amount	% of net purchase	Amount	% of net purchase
Phoenix Precision Technology Corporation	$ -	-	$ 2,084,971	8
Siliconware Technology (Suzhou) Limited	195,381	1	347,248	1
	$ 195,381	1	$ 2,432,219	9

The purchase prices and payment terms provided by PPT were generally comparable to those provided by non-related parties. The purchase prices and payment terms provided by Siliconware Technology (Suzhou) Limited were determined in accordance with mutual agreement due to no comparable transactions.

(3) Accounts Receivable

	December 31, 2010		December 31, 2009	
	Amount	% of accounts receivable	Amount	% of accounts receivable
Vertical Circuits, Inc.	$ 415	-	$ -	-

(4) Accounts Payable

	December 31, 2010		December 31, 2009	
	Amount	% of accounts payable	Amount	% of accounts payable
Siliconware Technology (Suzhou) Limited	$ 5,079	-	$ 189,952	2

(5) Compensation Expense / Accrued Expense

	As of and for the years ended December 31,			
	2010		2009	
	Commission expense	Accrued expense	Commission expense	Accrued expense
Siliconware USA, Inc.	$ 373,430	$ 21,653	$ 368,058	$ 62,350

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

(6) Other Expenses / Other Payables

	As of and for the years ended December 31,			
	2010		2009	
	Other expenses	Other payables	Other expenses	Other payables
Phoenix Precision Technology Corporation	$ -	$ -	$ 7,201	$ -

The purchase prices and payment terms provided by related parties were generally comparable to those provided by non-related parties.

(7) New Product Development Expense / Deferred Charges

	As of and for the yeasr ended December 31,			
	2010		2009	
	New product development expense	Deferred charges	New product development expense	Deferred charges
Vertical Circuits, Inc.	$ 3,494	$ 11,920	$ -	$ -

(8) Other Incomes / Other Receivables

	As of and for the years ended December 31,			
	2010		2009	
	Other income	Other receivables	Other income	Other receivables
Siliconware Technology (Suzhou) Limited	$ 57,479	$ 21,263	$ 37,163	$ 11,326

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

(9) Property Transaction

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

	As of and for the year ended December 31, 2009				
	Name of the property	Sales amount	Book value	Gain on disposal of property, plant and equipment	Other receivables
Siliconware Technology (Suzhou) Ltd.	Equipment	$ 163,522	$ 116,162	$ 47,360	$ 20,230
	Name of the property	Purchase amount	Other payables		
Siliconware Technology (Suzhou) Ltd.	Equipment	$ 2,991	$ -		

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

	For the years ended December 31,	
	2010	2009
Salary	$ 31,593	$ 27,054
Remuneration / compensation	50,718	32,606
Operating expenses	1,029	370
Earnings distribution	81,728	127,475
	$ 165,068	$ 187,505

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.

21. ASSETS PLEDGED AS COLLATERALS

As of December 31, 2010 and 2009, the following assets have been pledged as collaterals against certain obligations of the Company:

	December 31,		
Assets	2010	2009	Subject of collaterals
Time deposits (shown as other financial assets, current)	$ 336,700	$ 278,600	Guarantees for customs duties and leasing lands

22. COMMITMENTS AND CONTINGENCIES

A. As of December 31, 2010, the Company's issued but unused letters of credit for imported machinery and equipment was approximately $161,399.

B. For the needs of its future operations, the Company entered into several construction agreements amounting to $2,108,700, of which $1,149,260 remained unpaid as of December 31, 2010.

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

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

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

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

E. On February 26, 2010, the Company's Board of Directors resolved to sell certain equipments to ChipMOS Taiwan. Proceeds of the transaction totaled $1,630,580, which is determined based on the appraisal report issued by China Credit Information Service, Ltd. as well as mutual agreement between the Company and ChipMOS Taiwan. Both parties signed the equipment purchase / sales agreement on the same day. Under the terms of the equipment purchase / sales agreement, the Company commits not to build up capacity for DRAM testing and LCD driver assembling and testing services within five years from February 26, 2010. As of December 31, 2010, the Company has delivered the equipments and received proceeds amounted to $1,140,580.

   On February 26, 2010, the Company's Board of Directors also resolved to purchase 133,000 thousand common shares of ChipMOS Taiwan from ChipMOS Bermuda. ChipMOS Taiwan is a 100% owned subsidiary of ChipMOS Bermuda. Consideration of the share purchase totaled $1,630,580, which is determined based on the valuation report provided by Horizon Securities Ltd. as well as mutual agreement between us and ChipMOS Bermuda. Both parties signed the share purchase / sales agreements on February 26, 2010. As of December 31, 2010, the Company has obtained the above shares of ChipMOS Taiwan and paid $1,140,580 accordingly.

23. SIGNIFICANT DISASTER LOSS

None.

24. SIGNIFICANT SUBSEQUENT EVENT

A. On January 4, 2011, the Company received $490,000 payment from ChipMOS Taiwan as proceeds of selling the equipments.

B. On January 7, 2011, the Company obtained certain shares of ChipMOS Taiwan from ChipMOS Bermuda and paid the remaining consideration of $490,000. As of March 07, 2011, the Company has acquired the agreed equity interest in ChipMOS Taiwan, which is 15.77% of the outstanding shares of ChipMOS Taiwan.

25. OTHERS

A. Fair Values of Financial Instruments:

	December 31, 2010			December 31, 2009		
		Fair Value			Fair Value	
Non-derivative financial instruments	Book Value	Quotation in an active market	Estimated using a valuation technique	Book Value	Quotation in an active market	Estimated using a valuation technique
Financial Assets						
Financial assets with fair values equal to book values	$ 24,248,862	$ -	$ 24,248,862	$ 30,321,434	$ -	$ 30,321,434
Available-for-sale financial assets, noncurrent	4,887,007	4,887,007	-	3,825,793	3,825,793	-
Financial assets carried at cost, noncurrent	1,449,343	-	-	315,394	-	-
	$ 30,585,212	$ 4,887,007	$ 24,248,862	$ 34,462,621	$ 3,825,793	$ 30,321,434
Financial Liabilities						
Financial liabilities with fair values equal to book values	$ 13,887,823	$ -	$ 13,887,823	$ 14,082,435	$ -	$ 14,082,435
Long-term loans	4,368,158	-	4,368,158	-	-	-
	$ 18,255,981	$ -	$ 18,255,981	$ 14,082,435	$ -	$ 14,082,435

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

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

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

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

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

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

As of December 31, 2010 and 2009, the Company's financial assets with fair value risk of interest rate fluctuation were $3,660,648 and $14,570,110, respectively, financial liabilities were both $0, respectively. As of December 31, 2010 and 2009, the Company's financial assets with cash flow risk of interest rate fluctuation were $9,508,500 and $3,534,000, respectively; financial liabilities were $4,368,158 and $0, respectively.

C. The income or expense of financial assets and liabilities that are not at fair value through profit or loss: For the years ended December 31, 2010 and 2009, total interest income of financial assets that are not at fair value through profit or loss amounted to $30,068 and $46,960, respectively. For the years ended December 31, 2010 and 2009, total interest expense of financial liabilities that are not at fair value through profit or loss amounted to $6,602 and $30,277, respectively. Available-for-sale financial assets are measured at fair value at balance sheet dates. For the years ended December 31, 2010 and 2009, balance of the increase to the shareholders' equity due to changes in fair value were $1,021,355 and $2,715,036, respectively. Unrealized gain on available-for-sale financial assets reclassified from equity to current earnings was $1,947,879 for the year ended December 31, 2009.

D. Financial risk control:

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

E. Financial risk information:

1. Financial assets: investments in equity instruments

	December 31,	
	2010	2009
Available-for-sale financial assets	$ 4,887,007	$ 3,825,793
Financial assets carried at cost	1,449,343	315,394
	$ 6,336,350	$ 4,141,187

(1) Market risk:

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

(2) Credit risk:

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

(3) Liquidity risk:

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

(4) Cash flow risk of interest rate:

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

	December 31,	
	2010	2009
Long-term loans	$ 4,368,158	$ -

2. Financial liabilities: debt instruments

(1) Market risk:

The Company's loans are floating interest rate for long-term loans, so there is no market risk of interest rate fluctuating.

(2) Credit risk:

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

(3) Liquidity risk:

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

(4) Cash flow risk of interest rate:

The Company obtained long-term loans with floating interest rate. Effective interest rate of long-term loan will fluctuate accordingly due to the changes in market rate and also affect future cash flow. Under the fixed exchange rate, the Company's cash outflow will be increased by $46,268 annually while the interest rate raises by 1%.

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

The Company engaged in certain business denominated in foreign currencies, and therefore the fluctuation of foreign currency exchange rates had impact on these business consequently. The information of foreign currency financial assets and liabilities with significant effect by the fluctuation of foreign currency exchange rates as of December 31, 2010 and 2009 are as follows:

	December 31, 2010		December 31, 2009	
	Foreign Currencies	Exchange Rates	Foreign Currencies	Exchange Rates
Financial Assets				
Monetary assets				
United States Dollars	$ 294,205	29.08	$ 283,439	31.97
Non-monetary assets				
United States Dollars	18,628	29.08	8,644	31.94
Long-term investments under equity method				
United States Dollars	170,088	29.08	113,885	31.94
Financial Liabilities				
Monetary liabilities				
United States Dollars	278,787	29.18	117,695	32.07
Japanese Yen	3,545,471	0.3602	3,513,483	0.3491

26. SPECIAL DISCLOSURE ITEMS

A. Significant Transaction Information

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

For the year ended December 31, 2010: None.

(2) Endorsement and guarantee provided to third parties:

For the year ended December 31, 2010: None.

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

As of December 31, 2010:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage of ownership	Market value per share (in dollars)	
Siliconware Precision Industries Co., Ltd.	Stock	SPIL (B.V.I.) Holding Limited	under the equity method	Long-term investments accounted for under the equity method	128,400	$ 4,797,235	100.00%	$ 37.36	(Note 3)
Siliconware Precision Industries Co., Ltd.	Stock	Vertical Circuits, Inc.	under the equity method	Long-term investments accounted for under the equity method	15,710	148,918	30.69%	9.48	(Note 3)
Siliconware Precision Industries Co., Ltd.	Stock	Unimicron Technology Corporation	-	Available-for-sale financial assets, noncurrent	76,502	4,345,317	4.94%	56.80	
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	-	Available-for-sale financial assets, noncurrent	12,175	541,690	11.01%	44.49	(Note 4)
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies Inc.	-	Financial assets carried at cost, noncurrent	93,033	1,140,580	11.04%	12.24	(Note 5)
Siliconware Precision Industries Co., Ltd.	Stock	Hsieh Yong Capital Co., Ltd.	-	Financial assets carried at cost, noncurrent	57,810	170,000	7.58%	8.27	(Note 3)
Siliconware Precision Industries Co., Ltd.	-	Mega Mission Limitid Partnership	-	Financial assets carried at cost, noncurrent	(Note 2)	132,063	4.00%	-	
Siliconware Precision Industries Co., Ltd.	-	Others (Note 1)	-	Financial assets carried at cost, noncurrent	-	6,700	-	-	

Note 1: The book value of individual marketable security does not exceed $100,000.

Note 2: The contributed capital was US $6,000 thousand.

Note 3: The market value is not available. Therefore, the net equity per share as of December 31, 2010 was used.

Note 4: The closing price of US$1.53 (in dollars) per share on December 31, 2010 was used. (Exchange rate at US$1: NT$29.08)

Note 5: The market value is not available. Therefore, the net equity per share as of June 30, 2010 was used.

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

For the year ended December 31, 2010:

					Beginning balance		Addition		Disposal				Ending balance	
Investor	Name of the security	General ledger accounts	Name of the counter party	The relationship of the issuers with the Company	Number of shares/unit (in thousands)	Amount	Number of shares/unit (in thousands)	Amount	Number of shares/unit (in thousands)	Sale price	Book value	Gain (loss) from disposal	Number of shares/unit (in thousands)	Amount (Note)
Siliconware Precision Industries Co., Ltd.	SPIL (B.V.I.) Holding Limited stock	Long-term investments accounted for under equity method	Capital increase by cash	Investee company accounted for using equity method	98,400	$3,637,473	30,000	$959,700	-	$ -	$ -	$ -	128,400	$4,797,235
Siliconware Precision Industries Co., Ltd.	Vertical Circuits, Inc.	Long-term investments accounted for under equity method	Capital increase by cash	Investee company accounted for using equity method	-	-	15,710	152,675	-	-	-	-	15,710	148,918
Siliconware Precision Industries Co., Ltd.	ChipMOS Technologies Inc.	Financial assets carried at cost, noncurrent	ChipMOS Technologies (Bermuda) Ltd.	-	-	-	93,033	1,140,580	-	-	-	-	93,033	1,140,580

Note: The ending balance includes the investment income (loss) and cumulative translation adjustments.

(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, 2010:

					Related party as counter party							
Name of the properties	Date of transaction	Transaction amount	Status of payment	Counter party	Relation-ship with the Company	Original owner which sold the property to the counter party	The relationship of the original owner with the Company	Date of the original transaction	Amount	The bases or reference used in deciding the price	Purpose and status of the acquisition	Other commitment
Building improvements	January 2010	$ 110,000	$ 99,000	Acter Co., Ltd	-	-	-	-	$ -	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	January 2010	177,000	177,000	Chung-Rui Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	January 2010	211,000	211,000	Acter Co., Ltd	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	March 2010	204,100	204,100	Chung-Rui Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	March 2010	203,700	203,700	Acter Co., Ltd	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building	April 2010	105,800	84,640	Jun Biau Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	August 2010	184,500	-	Acter Co., Ltd	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress
Building improvements	Octorber 2010	112,600	-	Chung-Rui Construction Corporation Ltd.	-	-	-	-	-	As specified in contract	For operating use	Payment made according to construction progress

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

For the year ended December 31, 2010: 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, 2010:

			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	Accounts Payable Amount	Percentage of notes or accounts receivable / payable
Siliconware Precision Industries Co., Ltd.	Siliconware Technology (Suzhou) Ltd.	Indirect subsidiary of the Company	Purchases	$ 195,381	1%	note	-	-	$ 5,079	-

Note: The purchase prices and payment terms provided by Siliconware Technology (Suzhou) Limited were determined in accordance with mutual agreement due to no comparable transactions.

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

As of December 31, 2010: None

(9) Transaction of derivative financial instruments:

For the year ended December 31, 2010: None

B. Related Information on Investee Companies

(1) Basic information on investee companies:

For the year ended December 31, 2010:

				Original investments		The Company / majority owned subsidiary owns			Current period		
Investor	Name of Investee	Location	Main activities	Current period ending balance	Prior period ending balance	Shares (in thousands)	Ownership Percentage	Book value	Net income (loss) of investee	Income (loss) recognized by the Company	Note
Siliconware Precision Industries Co., Ltd.	SPIL (B.V.I.) Holding Limited	British Virgin Islands	Investment activities	$ 3,733,872	$ 2,861,472	128,400	100.00%	$ 4,797,235	$ 493,902	$ 493,902	(Notes 1, 2 and 7)
Siliconware Precision Industries Co., Ltd.	Vertical Circuits, Inc.	Scott Valley, CA USA	Assembly service providing	145,400	-	15,710	30.69%	148,918	(156,036)	(3,757)	(Notes 1 and 7)
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Communications and relationship maintenance with companies headquartered in North America	36,350	36,350	1,250	100.00%	135,518	5,205	5,205	(Notes 3 and 7)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Cayman Islands, British West India	Investment activities	3,786,216	2,913,816	130,200	100.00%	4,652,532	488,850	488,850	(Notes 3 and 7)
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Suzhou Jiangsu, China	Assembly and testing service providing	3,780,400	2,908,000	(Note 5)	100.00%	4,651,523	491,484	489,666	(Notes 4, 6 and 7)

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

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

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

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

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

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

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

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

As of December 31, 2010:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value (Note 3)	Percentage of ownership	Market value per share (in dollars) (Note 2)
SPIL (B.V.I.) Holding Limited	Stock	Siliconware USA, Inc.	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	1,250	$ 135,518	100.00%	$ 108.41
SPIL (B.V.I.) Holding Limited	Stock	SPIL (Cayman) Holding Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	130,200	4,652,532	100.00%	35.73
SPIL (Cayman) Holding Limited	Stock	Siliconware Technolog (Suzhou) Limited	Indirect subsidiary of the Company	Long-term investments accounted for under the equity method	(Note 1)	4,651,523	100.00%	-

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

Note 2: The market value is not available. Therefore, the net equity per share as of December 31, 2010 was used.

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

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

For the year ended December 31, 2010:

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 (Note 5)	Addition Number of shares/unit (in thousands)	Addition Amount (Note 5)	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 4 and 5)
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Long-term investments accounted for under the equity method	Capital increase by cash	Indirect subsidiary of the Company	100,200	$ 2,913,816	30,000	$872,400	-	$ -	$ -	$ -	130,200	$ 4,652,532
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou) Limited	Long-term investments accounted for under the equity method	Capital increase by cash	Indirect subsidiary of the Company	(Note 1)	2,908,000	(Note 2)	872,400	-	-	-	-	(Note 3)	4,651,523

Note 1: The contributed capital was US $100,000 thousand.

Note 2: The contributed capital was US$30,000 thousand.

Note 3: The contributed capital was US$130,000 thousand.

Note 4: The ending balance includes the investment income and cumulative translation adjustments.

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

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, 2010	Remitted or (collected) this period	Accumulated remittance as of December 31, 2010	Ownership held by the Company (Direct and indirect)	Investment income (loss) recognized by the Company during the period	Ending balance of investment	The investment income (loss) remitted back as of December 31, 2010
Siliconware Technology (Suzhou) Limited	Assembly and testing service providing	$ 3,780,400 (USD 130,000) (Note 3)	(Note 1)	$ 2,908,000 (USD 100,000) (Note 3)	$ 872,400 (USD 30,000) (Note 3)	$ 3,780,400 (USD 130,000) (Note 3)	100%	$489,666 (Notes 2 and 3)	$4,651,523 (Note 3)	-

Accumulated remittance from Taiwan to Mainland China	The investment balance approved by Investment Commissions, Ministry of Economic Affairs	The ceiling of investment in Mainland China according to Investment Commissions, Ministry of Economic Affairs
$3,780,400 (USD 130,000)	$3,780,400 (USD 130,000)	(Note 4)

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

Note 2: The investment income (loss) was recorded based on the 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: Based on the Rule No. 09704604680 “Regulations Governing Security Investment and Technical Cooperation in the Mainland Area” set by Ministry of Economic Affairs, the Company received documents from the Industrial Development Bureau of Ministry of Economic Affairs which proved that the Company’s operation is qualified for operations of operating headquarters. Therefore, the Company is not required to impute the ceiling of investment in Mainland China.

(2) Material transactions occurred directly between the Company and its Mainland China investee companies and material transactions occurred indirectly between the Company and its Mainland China investee companies via enterprises in other areas: Please refer to Note 20: Related party transactions.

27. <u>SEGMENT INFORMATION</u>

A. Operation in Different Industries:

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

B. Operations in Different Geographic Areas:

The Company has no significant foreign operations.

C. Export Sales:

Geographic areas	For the years ended December 31, 2010	2009
U.S.	$ 26,501,744	$ 25,759,624
Canada	4,553,917	3,867,950
Others	11,351,342	7,560,166
	$ 42,407,003	$ 37,187,740

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 listed below.

	For the years ended December 31,			
	2010		2009	
Customers	Amount	% of net sale	Amount	% of net sale
Customer A	$ 6,393,270	11	$ 4,402,282	8
Customer B	6,189,104	10	6,851,675	12
Customer C	5,375,772	9	6,293,643	11
	$ 17,958,146	30	$ 17,547,600	31