

ADVANCED SEMICONDUCTOR ENGINEERING INC  
Form 6-K  
May 20, 2008

FORM 6-K  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

May 20, 2008

Commission File Number 001-16125

Advanced Semiconductor Engineering, Inc.  
( Exact name of Registrant as specified in its charter)

26 Chin Third Road  
Nantze Export Processing Zone  
Kaoshiung, Taiwan  
Republic of China  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes \_\_\_ No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
Not applicable

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADVANCED SEMICONDUCTOR  
ENGINEERING, INC.

Date: May 20, 2008

By: /s/ Joseph Tung  
Name: Joseph Tung  
Title: Chief Financial Officer

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S t o c k  
Code 2311  
NYSE ASX

ASE

ADVANCED  
SEMICONDUCTOR  
ENGINEERING, INC.  

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Notice and Agenda  
Of  
2008 Annual Shareholders' Meeting

June 19, 2008

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Summary Translation

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Meeting Notice

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(Summary Translation)

B1, 8, Tunghsing St., Sungshan District, Taipei City 105  
President Securities Corp., Department of Stock Affairs Agency  
Stock Affairs Agent for Advanced Semiconductor Engineering, Inc.  
Exclusive line for stock affairs agency: (02) 2746-3797 (Representative Line)  
Website: <http://www.pscnet.com.tw>

To: Shareholder \_\_\_\_\_

Coupon 1

Please Note:

1 Souvenir for shareholders this year will be: Mickey Mouse Cups.

In case the quantity is not sufficient and adequate, an alternative of equal value will be distributed.

1You may pick up the souvenir from June 2-19, 2008 at President Securities Corp., of 8, Tunghsing St., Sungshan District, Taipei City 105 or 26, Ching 3rd Road, NEPZ, Kaohsiung City from 8:30 a.m. to 4:30 p.m. except Sundays and holidays.

1If you plan to attend the meeting in person on June 19, 2008, you may pick up the souvenir at the meeting site. There shall be no distribution of the souvenir after the meeting is over.

1You may enquire about the souvenir-related information at the exclusive souvenir area on the website of President Securities Corp. at <http://www.pscnet.com.tw>.

1If you are unable to attend the Shareholders' Meeting and wish to consign the trustee agent Department of Stock Affairs Agency, President Securities Corp. to attend on your behalf, you may hand in your proxy, signed or affixed with seal, from June 2-13, 2008 from 8:30 a.m. to 4:30 p.m. to 8, Tunghsing St., Sungshan District, Taipei City 105; Tel. 02-2746-3797 in exchange for the souvenir. The souvenir will not be distributed at any other time.

Coupon 2

97 Notice for Attendance in Person

To: Advanced Semiconductor Engineering, Inc.

Please note that I shall personally attend the 2008 Shareholders' General Meeting on June 19, 2008 and you may please send me the Sign-in Card. Thanks.

Shareholder No.: If proxy is consigned, please endorse on the back.

Shareholder Name:

Please sign here if you are to attend the meeting in person.

Serial No.:

Checked and Verified by:

Coupon 3

This Sign-in Card will become null and void 2008 Shareholders' General Meeting of without the registration seal by the Company's Advanced Semiconductor Engineering, Inc. stock affairs agent.

97   o To attend in person   Sign-in Card

      o By proxy

Time: Thursday, June 19, 2008, 10:00 a.m. sharp

Venue: Chuang-ching Hall,

      600, Chia-chang Rd., NEPZ, Nantz Dist.,

      Kaohsiung City

Shareholder No.:

Number of Shares Held:

Addressee:

Shareholder Name:

Mailing Address of Shareholder:

Name of Agent:

Mailing Address of Agent:

Serial No. of Attendance:

Approved by:



Coupon 4

A d v e r t i s e m e n t

R e p l y

Taiwan Northern

Post Office

Administration

Registration Permit

Pei-Shih-Tzu-#3577

(No Postage Necessary)

Sender: \_\_\_\_\_

\_F, \_ , Alley \_\_\_\_\_, Lane \_\_\_\_\_, \_\_\_\_\_ Rd./Street, Sec. \_\_\_\_\_, \_\_\_\_\_ Village/Borough, \_\_\_\_\_ Urban  
Township/Rural Township/District, \_\_\_\_\_ County/City

02   Advanced Semiconductor Engineering, Inc.  
      Attn: Stock Affairs Agent  
      President Securities Corp.  
      Department of Stock Affairs Agency  
      B1, 8, Tunghsing St., Sungshan District, Taipei City 105

Coupon 5

Notice for Meeting

To: Shareholder \_\_\_\_\_

1. Please note that we are scheduled to hold the 2008 Shareholders' General Meeting on Thursday, June 19, 2008 at 10:00 a.m. at Chuang-ching Hall, 600, Chia-chang Rd., NEPZ, Nantz Dist., Kaohsiung City. Major contents of the meeting shall be:

- 1.1 Status Report:
  - 1.1.1 Business report of 2007
  - 1.1.2 Report by supervisors on review of the 2007 financial statements.
  - 1.1.3 Report on total sum of endorsement for guarantee and amount of loans to other parties.
  - 1.1.4 Report on implementation of indirect investment on Mainland China by the Company.
  - 1.1.5 Report on the Rules of Procedure for the Board of Directors Meeting has set up.
- 1.2 Matters for ratification:
  - 1.2.1 Ratification of 2007 final financial statement.
  - 1.2.2 Ratification of proposal for 2007 earnings distribution proposal.
- 1.3 Matters for discussions:
  - 1.3.1 Discussions of issuance of new shares by capital increase from surplus and employee bonus.
  - 1.3.2 Discussions of authorization to the board of directors to opt at the most optimal time for capital increase in cash from participation in issuance of GDR, or conduct capital increase in cash at home, or issue domestic convertible bond or ECB overseas.
  - 1.3.3 Discussions of the revision case for the Procedure for Acquisition or Disposal of Assets.
  - 1.3.4 Discussions of revision of Guidelines for the Election of Directors and Supervisors.
  - 1.3.5 Discussions of revision of the Company's Articles of Incorporation.
  - 1.3.6 Discussions of revision of the Company's restrictions on investment in Mainland China.
- 1.4 Other motions and extempore motions.

2. The following explains how the 2007 earnings was distributed: NT\$9,854,450,540 for shareholders' bonus, NT\$1.8 per share, of which NT\$9,361,728,020 was in cash, NT\$1.71 for each share, the remaining NT\$492,722,520 was by stocks, or 9

shares of stock dividend for each and every 1,000 shares as non-remunerative surplus-turned capital increase. Additionally, the Company plans to implement a capital increase out of capital reserves of NT\$1,094,938,940, i.e., 20 shares of stock dividend as capital reserve-turned capital increase for each 1,000 shares held, and the total amount of dividends for this shareholder distribution is NT\$2 per share, which includes a cash dividend of NT\$1.71 per share and a stock dividend of NT\$0.29 per share. With respect to the above-mentioned cash dividend rate and stock dividend rate for shareholders' bonus, the calculation was based on the 5,474,694,749 shares registered in the roster of the Company's shareholders at March 20, 2008. Later, if ECB holders exercise their rights to convert the bond into the Company's shares, or employees opt to implement the Employee Stock Option warrants to subscribe new shares, or the Company issues new shares for a cash capital increase, or the Company buys back the Company's stocks, or the Company assigns or cancels the treasury stocks, which affect the number of shares that the Company may distribute and the fluctuation of shareholders' cash dividend rate and stock dividend rate require rectification, the shareholders' meeting will be requested to authorize the board of directors to make the adjustment at its discretion.

3. According to Article 165 of The Company Act, stock transfer shall be discontinued from April 21, 2008 to June 19, 2008.
4. Apart from the public announcement, this is the letter of invitation attached with one copy each of the Notice for Attendance of the Shareholders' General Meeting and proxy. You are cordially requested to save your calendar for this meeting. If you are to attend the meeting in person, please report to the site on the date of meeting by filling out Coupon 2 the Notice for Attendance in Person and Coupon 3 Sign-in Card. If you wish to consign an agent to attend on your behalf, please send back Coupon 6 Proxy and Coupon 3 Sign-in Card in its full form, duly filled out, to the Company's stock affairs agent, President Securities Corp. with attention to Department of Stock Affairs Agency 5 days prior to the meeting. Once the signature or seal is verified, the Company's stock affairs agent will send back the Sign-in Card with the registration seal affixed to you your agent for attending the shareholders' general meeting.
5. If any shareholder wishes to enlist proxies, the Company will produce a general checklist stating therein the information of the solicitor and the soliciting information on May 16, 2008 to be disclosed on the website <http://free.sfi.org.tw> Any investor who wishes to make an enquiry may key in directly the website and surf to Free Enquiry System for Announced Information Related to Proxy. All visitors need is to click on the right-hand side the Entry for Enquiry About the Announced Information on Proxy for Meeting and input the enquiry condition.

6. If there is an election on the Agenda of this Company Shareholders' Meeting, the Proxy information verification institution will be the Department of Stock Affairs Agency, President Securities Corp.
7. This is for your information and please act accordingly.

The Board of Directors (with seal)  
Advanced Semiconductor Engineering, Inc.

Coupon 5

Instructions for use of the Proxy

1. The proxy is provided in two different forms and shareholder may opt to choose one for use. However, if two forms are used simultaneously, it shall be deemed as carte blanche.
2. Before solicitation for proxy is made by other party, shareholders are advised to ask the solicitor to provide the information on the written and advertising contents or consult with the Company-compiled general information of the solicitor's written and advertising contents in order to fully understand the background information of the solicitor and the candidate to be elected as well as the opinion toward the agenda by the solicitor.
3. If the trustee agent is not a shareholder, he/she should fill out his/her ID number or the uniform serial number in the Shareholder A/C Column.
4. If the solicitor is a trust business or service agency institution, please fill out the uniform serial number in the Shareholder A/C Column.
5. All other matters related to the agenda shall be conducted by the instructions herein provided.
6. Once the proxy has been delivered to the Company and the shareholder wishes to personally attend the meeting, the concerned shareholder should notify the Company in writing at least one day prior to the shareholders' meeting to rescind the notice for proxy. If the shareholder fails to do so by the deadline, the voting right cast by the trustee agent shall govern.
7. The Company has appointed President Securities Corporation of B1, 8, Tunghsing St., Sungshan District, Taipei City 105, Tel. (02) 2746-3797, as shareholders' trustee agent for the forthcoming shareholders' meeting. Shareholders who ratify or endorse the motions proposed by the board of directors may, if they are not able to attend the meeting, sign or affix the seal on the proxy in the trustee section and tick  for matters consigned on the ratification and endorsement columns of Format II. 1) Ratification of 2007 final budget statement; 2) Ratification of surplus distribution proposal for 2007; 3) Discussions of issuance of new shares

for capital increase from surplus, employee bonus, and capital reserves; 4) Discussions of authorization to the board of directors to opt at the most optimal time for capital increase in cash from participation in issuance of GDR, or conduct capital increase in cash at home, or issue domestic convertible bond or ECB overseas; 5) Discussions of the revision case for the Handling Procedure for Acquisition or Disposal of Assets; 6) Discussions of revision of Guidelines for the Election of Directors and Supervisors; 7) Discussions of revision of the Company's Articles of Incorporation; and 8) Discussions of revision of the Company's restrictions on investment in Mainland China and consignment of President Securities Corp. as the trustee agent.

8. See Coupon 6 for the format of the proxy.

Coupon 6

If you wish to consign an agent to attend the meeting on your behalf, please fill out this coupon and send it back.

Stock Code No.: 2311

P R O X Y

Serial 0 2  
No, ASE

Format 1	Format 2	Shareholder A/C No.	Number of shares held	Signature or Seal
		Name or Title		
			Solicitor	Signature or Seal
		Account No.		
		Name or Title	Agent Consigned	Signature or Seal
		Account No.		
		Name or Title		
		ID No.		
		Address		

Serial No.:                      Checked and Verified by:

Format I

1. \_\_\_\_\_ ( the trustor must fill out in person and it can not be replaced by affixation of seal) is hereby consigned as the agent for the undersigned shareholder, to attend the 2008 Shareholders' General Meeting to be held on June 19, 2008, representing the undersigned shareholder to exercise the rights of shareholders with regard to the matters in the agenda and may at his/her discretion handle the extempore motions in the meeting.
2. Please mail the attendance pass or presence sign-in card to the agent. If the meeting date is changed for whatever the reason, this Proxy remains in force (limited to this meeting only).

To: Advanced Semiconductor Engineering, Inc.

Date of authorization: \_\_\_\_\_

Format II

1. \_\_\_\_\_ ( the trustor must fill out in person and it can not be replaced by affixation of seal) is hereby consigned as the agent for the undersigned shareholder, to attend the 2008 Shareholders' General Meeting to be held on June 19, 2008, representing the undersigned shareholder to exercise the rights and opinion of shareholders with regard to the matters in the agenda and may at his/her discretion handle the extempore motions in the meeting.
  - 1.1 Ratification of 2007 final financial statement.  
o 1. Ratify o 2. Oppose o 3. Abstain from voting
  - 1.2 Ratification of 2007 earnings distribution proposal.  
o 1. Ratify o 2. Oppose o 3. Abstain from voting
  - 1.3 Discussions of issuance of new shares for capital increase from surplus, employee bonus, and capital reserves.  
o 1. Ratify o 2. Oppose o 3. Abstain from voting
  - 1.4 Discussions of authorization to the board of directors to opt at the most optimal time for capital increase in cash from participation in issuance of GDR, or conduct capital increase in cash at home, or issue domestic convertible bond or ECB overseas.  
o 1. Ratify o 2. Oppose o 3. Abstain from voting
  - 1.5 Discussions of the revision case for the Handling Procedure for Acquisition or Disposal of Assets.  
o 1. Ratify o 2. Oppose o 3. Abstain from voting
  - 1.6 Discussions of revision of Guidelines for the Election of Directors and

Supervisors

- o 1. Ratify o 2. Oppose o 3. Abstain from voting  
1.7 Discussions of revision of the Company's Articles of Incorporation
- o 1. Ratify o 2. Oppose o 3. Abstain from voting  
1.8 Discussions of revision of the Company's restrictions on investment in Mainland China
- o 1. Ratify o 2. Oppose o 3. Abstain from voting  
1.9 Other motions and extempore motions.
- 2. If this shareholder has not ticked any of the above motions, it shall mean ratification or endorsement of each and every motion.
- 3. The agent of this shareholder may have the right at his/her discretion to handle any extempore motions in the meeting.
- 4. Please mail the attendance pass or presence sign-in card to the agent. If the meeting date is changed for whatever the reason, this Proxy remains in force (limited to this meeting only).

To: Advanced Semiconductor Engineering, Inc.

Date of authorization: \_\_\_\_\_

Meeting Agenda

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V

Impact upon Business Performance and EPS Resultant from  
Non-remunerative Share Allotment this time

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Advanced Semiconductor Engineering, Inc.

2008 Annual Shareholders' Meeting

MEETING PROCEDURE

1. Meeting called to order (announcing respective holding of shareholders present)
2. Chairperson's opening remarks
3. Status report
4. Matters for ratification
5. Matters for discussions
6. Other Proposals and extempore motions
7. Meeting ended.

Advanced Semiconductor Engineering, Inc.

2008 Annual Shareholders' Meeting Agenda

1. Time: Thursday, June 19, 2008 at 10 a.m.
2. Place: Zhuang Jing Auditorium, 600 Jiachang Rd., Nantz Processing Export Zone, Nantz District, Kaohsiung City
3. Present : All shareholders and proxies
4. Chairperson's Remarks
5. Status Report
  1. 2007 Business Report
  2. Supervisor's Report on 2007 final financial statements
  3. Report on total amount for endorsement, guarantee and amount of loans to third parties.
  4. Report on the Company's indirect investment on Mainland China and the implementation thereof.
  5. Report on the Revision of the Rules of Procedure for the Board of Directors Meeting.
6. Matters for Discussions
  - Item 1: Ratification of the Company's 2007 final financial statements
  - Item 2: Ratification of the Company's 2007 earnings distribution proposal
7. Matters for Discussions
  - Case 1: Discussions of issuance of new shares for capital increase by retained earning, employee bonus, and capital reserve.
  - Case 2: Discussions of authorizing the Board to opt at the optimal time for capital increase in cash by joining the issuance of GDR (Global depository receipts) or domestic capital increase in cash or issuance of domestic or ECB to raise fund.
  - Case 3: Discussions of revision of Procedure for Acquisition or Disposal of Assets.
  - Case 4: Discussions of revision of Guidelines for the Election of Directors and Supervisors.
  - Case 5: Discussions of revision of Articles of Incorporation
  - Case 6: Discussions of revision of the Company's restrictions on investment in Mainland China.
8. Other Proposals and Extempore Motions
9. Meeting ended

Status Report

1. The Company's 2007 Business Report (proposed by the Board of Directors)

Explanation: Please see Attachment I for the 2006 Business Report attached to this Agenda Manual.

2. Supervisors' Report on 2006 Actual Budget (proposed by the Board of Directors)

Explanation: Please see Attachment II for the Supervisors' Report attached to this Agenda Manual.

3. Report of the Company's aggregate amount of endorsements and guarantees and amounts of loans extended to others as of December 31, 2007 (proposed by the Board of Directors)

Explanation: 1.Details of the Company's amounts of endorsements and guarantees as of December 31, 2007 are as follows:

Unit: NT\$1,000

Warrantee	Relationship	Amount Guaranteed
ASE (Shanghai) Inc.	A great grand-son company that an ASE subsidiary has indirect holdings of 100%	4,671,792
ASE Test Finance Limited	A great grand-son company that an ASE subsidiary has indirect holdings in excess of 50%	2,530,554 (Note)
O m n i q u e s t Industrial Limited	A subsidiary the Company has direct holdings in excess of 50%	71,375
Grand Total		7,273,721

Notes: This is the Company's joint guarantee for a syndicate loan of US\$78,000,000 for subsidiaries ASE Test Finance Ltd. and ASE Test Ltd.

2. At the time of writing, the company does not have loans granted to others.

4. Report on the Company's indirect investment on Mainland China (proposed by the Board of Directors)

Explanation:

The following depicts the newly added indirect investment out of the Company's own reserves on Mainland China via third countries in 2007:

Approval No. by Investment Commission, MOEA	Name of company on Mainland China being invested	A m o u n t approved
Ching-Shen-Er-Tze-#0960007247 dated 07.02/2007	Suzhou ASEN Inc.	U S \$ 2 1 . 6 million

5. Report on the Revision of Company's legislation of the Rules of Procedure for the Board of Directors Meeting (proposed by the Board of Directors)

Explanation:

1. In order to meet the requirements set forth by the revised Regulations Governing Procedure for Board of Directors Meetings of Public Companies issued by the Financial Supervisory Commission, Executive Yuan on January 11, 2008, the Company's board of directors adopted the resolution on January 30, 2008 to revise a portion of the articles of the Rules of Procedure for the Board of Directors Meeting.

2. For details for the Table of Comparison for the Company's Revised Official Business Rules on Discussions by the Board of Directors, please refer to Attachment III to this Agenda Manual.

Matters for Ratification

Item 1 (proposed by the Board of Directors)

Proposal: Please ratify the Company's report on 2007 final financial statements.

Explanation: 1. The Company's 2007 financial statements have been audited and attested by Deloitte & Touche and reviewed by the Supervisors.  
2. Please ratify the financial statements (see Attachment IV to this Agenda Manual for details) and the 2007 Business Report (see Attachment I to this Agenda Manual for details).

Resolution:

Item 2 (proposed by the Board of Directors)

Proposal: Please ratify the Company's 2007 proposal for earnings distribution.

Explanation: The Board of Directors has drafted the Company's 2007 proposal for surplus distribution as shown in the table below in accordance with The Company Act and the Company's Articles of Incorporation for your ratification.

Advanced Semiconductor Engineering, Inc.  
2007 Surplus Distribution Proposal

Unit: NT\$

Items	Amount
Amount available for distribution	
1. Accumulated losses from \$ the previous year	34,460,889
Plus net profit for this year	12,165,248,109
Total:	\$ 12,199,708,998
Items for distribution:	
1. Appropriation of legally \$ earned surplus reserve	1,216,524,811
2. Appropriation of remuneration for directors and supervisors	216,000,000
3. Appropriation of employee bonus (Note 1)	766,410,000
4. Distribution of shareholders' bonus (Note 2)	9,854,450,540
5. Undistributed earnings carried over to next fiscal	146,323,647

year

Total

\$

12,199,708,998

Note 1: Of the NT\$766,410,000 employee bonus appropriated this time, NT\$383,205,000 was distributed in cash and the remaining NT\$383,205,000 was distributed in stocks, processing for issuance of 38,320,500 new shares for capital increase by employee bonus.

Note 2: The shareholders' bonus distributed this time totaled NT\$9,854,450,540 NT\$1.8 per share, of which NT\$9,361,728,020 was distributed in cash, cash dividend of NT\$1.71 per share and the remaining NT\$492,722,520

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was distributed in stocks, i.e., 9 shares of stock dividend as gratuitous surplus-turned capital increase for each 1,000 shares held. Additionally, the Company plans to implement a capital increase out of capital reserves of NT\$1,094,938,940 i.e., 20 shares of stock dividend as capital reserve-turned capital increase for each 1,000 shares held, and the total amount of dividends for this shareholder distribution is NT\$2 per share, which includes a cash dividend of NT\$1.71 per share and a stock dividend of NT\$0.29 per share. With respect to the above-mentioned cash dividend rate and stock dividend rate, the calculation was based on the 5,474,694,749 shares registered in the roster of shareholders as of March 20, 2008. Later, if the Company's ECB holders exercise the right of conversion, or new shares issued to employees against Employee Stock Option warrant, or new shares issued by the Company for a cash capital increase, or buyback of the Company's stocks, or transfer or cancellation of the Company's treasury stocks, which affect the cash distribution rate and stock distribution rate of the shareholders' bonus, requiring adjustment, the management will request the shareholders' meeting to authorize the board of directors to handle the situation plenipotentiarily and make the adjustment accordingly.

Resolution:

Matters for Discussions

Item 1 (Proposed by the Board of Directors)

Proposal: Please discuss the issue of issuance of new shares for capital increase by surplus, employee bonus, and capital reserves.

- Explanation:
1. In conjunction with the plant expansion plan, the Company contemplates to use the shareholders' bonus of NT\$492,722,520 and employee bonus of NT\$383,205,000 totaling NT\$875,927,520 due for distribution in 2007 for capital increase of 87,592,752 shares at NT\$10 par value.
  2. It is additionally planned to allocate NT\$1,094,938,940 from capital reserves for capitalization, and capitalizing share premium capital reserves will take precedence in the aforementioned capitalization of capital reserves.
  3. New shares allocation method: In the previous items 1 and 2, a capital increase of a total of NT\$1,970,866,460 is planned, with an issuance of 197,086,646 new shares, calculated according to the 5,474,694,749 shares registered in the Company's roster of shareholders as of March 2008, with 9 shares of stock dividend as gratuitous surplus-turned capital increase and 20 shares of stock dividend as capital reserve-turned capital increase for a total of 29 shares for each 1,000 shares held by shareholders. Later, if the Company's ECB holders exercise the right of conversion, or new shares issued to employees against Employee Stock Option warrant, or new shares issued by the Company for a cash capital increase, or buyback of the Company's stocks, or transfer or cancellation of the Company's treasury stocks, which affect the cash distribution rate and stock distribution rate of the shareholders' bonus, requiring adjustment, the management will request the shareholders' meeting to authorize the board of directors to handle the situation plenipotentiarily and make the adjustment accordingly. Shareholders are advised to consolidate the odd share of less than one share to make up one share by their own means for registration within 5 days as of the base date for distribution of new shares. Where the insufficient and inadequate part will be paid in cash by the par value. The board of directors has authorized the chairman to assign a specific person to purchase odd shares of less than one share. In addition, distribution of new shares for employee bonus-turned capital increase, the Company's by laws and the Company's Measures Concerning Distribution of Employee Bonus shall govern.
  4. The rights and obligations of new shares shall be equal to the older ones.
  5. Ex-rights base date: It shall be set separately, pending resolution passed by the shareholders' meeting and approval by the competent regulatory authority.
  6. The plant expansion plan by the capital increase of this time shall be completed by December 2011. Implementation of such plan is expected to enhance the Company's competitiveness, elevate the benefit of operation efficiency and is passively beneficial to the shareholders' equity. If the competent regulatory authority deems it necessary to change any of the



various items set for this capital increase case, or changes must be made to meet the objective environment, the board of directors is authorized to act at its discretion.

Resolution:

Item 2 (Proposed by the Board of Directors)

Proposal: To meet the requirements for larger production capacity in future the Company needs to enrich its operation capital in order to repay bank loans or the needs for other long-term development use, thereby enabling the fund-raising channels more diversified and flexible. As such, the shareholders' meeting is requested to authorize the board of directors to opt at the optimal time, depending on the market situation and the status of capital needs of the Company and in accordance with existing laws and regulations, for capital increase in cash by issuing common shares or joining the issuance of GDR (Global depository receipts) or domestic capital increase in cash or issuance of domestic or ECB to raise fund. The case is being presented for discussions.

Explanation: 1. The principles to authorize the board of directors to issue new common shares and GDR for capital increase in cash shall be as follows:

1.1 Issuance of common shares in the form GDR for capital increase in cash shall be limited to 500,000,000 shares only. The shareholders' meeting shall authorize the board of directors and the chairman of the board to make the adjustment by the market condition and issue the authorized GDR's all at once.

1.2 In conducting issuance of new shares in the form of GDR for capital increase in cash, the issuance price shall be by the rules set forth in the Self-discipline Rules Concerning Subscription and Issuance of Securities by the Issuing Company Member Underwriters Have Assisted in the Process, i.e., the issuance price shall not be lower than the closing price of the Company's common stock at the domestic open market. Take the simple arithmetic mean of the closing price of the common share on the first, third and fifth day prior to the price-setting day, minus 90% of the average stock price after gratuitous ex-rights and ex-interest, then comes the price for the new issue. However, the price-setting method may be duly adjusted if related domestic laws and regulations are updated. Since the stock price at home has often experience drastic volatility in the short run, the chairman of the board is authorized to set the actual issuance price within the above-mentioned price range, after having consulted with underwriter taking into consideration the international general practice, international capital market, domestic market price, the overall subscription status so as to make the offering price attractive to overseas investors. Consequently, the price-setting method should be reasonable. Additionally, the deciding method for the issuance price of GDR is based on the fair trading price of common shares at the domestic open market whereas the original stockholder may purchase the common shares at domestic stock exchange at the price close to the issuance price of the GDR, without bearing the exchange rate risk and liquidity risk. Moreover, the tranche of issuance of new shares and GRD for capital increase in cash do not affect much of the

shareholders' equity as the highest dilution ratio in relation to the original shareholders' equity stands only at 9.13%.

1.3 10% of common shares issued for capital increase in cash shall, according to Article 267 of The Company Act, be reserved for subscription by company employees and the remaining 90% will be fully appropriated for open issuance as the securities for GDR as the original shareholders have waived their rights for subscription in accordance with Article 28-1 of the Securities Trading Act. For the part that employees have not subscribed, the chairman of the board is authorized to contact specific party for purchase or, depending on the market requirements, list as the original securities for participation in the issuance of GDR.

1.4 The proceeds for capital increase in cash from subscription to the GDR shall be used for overseas procurement of materials, enrichment of operation capital, repayment of bank loans, purchase of machinery and equipment, and/or spin-off in one or multiple use and is expected to complete the implementation within 2 years after the fund is fully raised. Implementation of the said plan is expected to intensify the Company's competitiveness, enhance the benefit of the operation efficiency, producing positive benefit to shareholders.

1.5 The board of directors is authorized to set the major contents of the capital increase in cash plan, which includes issuance price, number of shares issued, issuance conditions, source of capital, plan items, amount of fund raised, estimated progress and estimated probable effect generated as well as the issuance plan of participation in the issuance of GDR.

1.6 Once the plan for capital increase in cash is approved by the competent regulatory authority, the board of directors will be authorized to proceed with matters related to issuance of new shares.

1.7 If the agreement on issuance time, issuance condition, issuance volume, issuance amount of capital increase in cash and participation in issuance of GDR as well as other matters related to capital increase in cash and participation in issuance of GDR needs update in future due to the decision by the competent regulatory authority and on the basis of operation evaluation, or the needs of objective environment, the board of directors shall be authorized to handle at its full discretion.

1.8 In conjunction with the issuance method of common shares for capital increase in cash and participation in GDR issuance, the chairman of the board or his designated representative is authorized to represent the Company in signing all documents related to the participation in the issuance of GDR as well as handling all needed matters related to the participation in the issuance of GDR.

1.9 For matters that are not covered herein, the board of directors may, in accordance with law, proceed at its discretion.

2. The principles to authorize the board of directors to conduct capital increase in

cash at home shall be as follows:

2.1 Number of new shares issued for capital increase in cash shall not be in excess of 500,000,000 shares.

2.2 The par value of the new shares for capital increase in cash shall be NT\$10 each. Actual issuance price shall be by related rules set forth in the Self-discipline Rules Concerning Subscription and Issuance of Securities by the Issuing Company Member Underwriters Have Assisted in the Process and the market condition at the time of issuance. The chairman of the board and the underwriter may reach an agreement on the issuance in consideration of all the conditions mentioned above, which shall be subject to the approval by the competent regulatory authority before the issuance.

2.3 The issuance method of new shares for the capital increase in cash shall be by price enquiry and selected purchase. With the exception of 10%-15% reserved for employees as required by Article 267 of The Company Act, the rest will be offered for public issuance as all original shareholders have waived their rights to subscribe according to Article 28-1 of the Securities Trading Act. In addition, if the Company's employees have not subscribed sufficiently and adequately or waived the right to subscribe, the chairman may contact specific party for purchase.

2.4 The proceeds for capital increase in cash from subscription to the GDR shall be used for overseas procurement of materials, enrichment of operation capital, repayment of bank loans, purchase of machinery and equipment, and/or spin-off in one or multiple use and is expected to complete the implementation within 2 years after the fund is fully raised. Implementation of the said plan is expected to intensify the Company's competitiveness, enhance the benefit of the operation efficiency, producing positive benefit to shareholders.

2.5 The board of directors is authorized to set the major contents of the capital increase in cash plan, which includes issuance price, number of shares issued, issuance conditions, plan items, amount of fund raised, estimated progress and estimated probable effect generated as well as the issuance plan of participation in the issuance of GDR.

2.6 Once the plan for capital increase in cash is approved by the competent regulatory authority, the board of directors will be authorized to set the base date for capital increase.

2.7 With respect to the manner of issuance as mentioned in Section 2.3 above, the board of directors is authorized to make the amendment at its full discretion if amendment becomes necessary due to update of laws or regulations or the objective environment dictates the amendment.

2.8 For matters that are not covered herein, the board of directors may, in accordance with law, proceed at its discretion.

3. The principles to authorize the board of directors to conduct capital increase in cash by issuance of convertible corporate bond at home and ECB overseas:

3.1 Estimated number of shares for conversion: Not to exceed the number of



shares registered in the application for update of the Company's profit-seeing registration card.

3.2 Time of issuance: It depends on the capital needs by the Company and the market condition.

3.3 Interest rate: In principle, it shall be by the market interest rate then prevailing in the marketplace and reasonable, if possible.

3.4 Issuance duration: It depends on the capital needs by the Company

3.5 Issuance condition: Subject to negotiation with the lead underwriter and existing laws and regulations.

3.6 The proceeds from subscriptions to the domestic convertible corporate bond and ECB overseas shall be used for overseas procurement of materials, enrichment of operation capital, repayment of bank loans, purchase of machinery and equipment, and/or spin-off in one or multiple use and is expected to complete the implementation within 2 years after the fund is fully raised. Implementation of the said plan is expected to intensify the Company's competitiveness, enhance the benefit of the operation efficiency, producing positive benefit to shareholders.

3.7 The board of directors is authorized to set the issuance measures, amount of fund raised, plan items, estimated progress as well as estimated probable effect generated.

3.8 In conjunction with the issuance of the convertible corporate bond the chairman of the board or his designated representative is authorized to represent the Company in signing all documents related to the issuance of the convertible corporate bond as well as handling all needed matters related to the issuance of the convertible corporate bond.

3.9 For matters that are not covered herein, the board of directors may, in accordance with law, proceed at its discretion.

Resolution:

Item 3 (Proposed by the Board of Directors)

Proposal: Please discuss the revised version of the Company's Procedure for Acquisition or Disposal of Assets.

Explanation: 1. To increase the flexibility of the Company's long and short term investing, the Company's board of directors had passed a result on March 31, 2008 to revise Article 7 of the Company's Procedure for Acquisition or Disposal of Assets.

2. For details of the table of comparison of the revised provisions of the Procedure for Acquisition or Disposal of Assets, please refer to Attachment V to this Agenda Manual. Your consent is solicited.





Resolution:

Item 4 (Proposed by the Board of Directors)

Proposal: Please discuss the revised version of the Company's Guidelines for the Election of Directors and Supervisors.

Explanation: 1. In order to meet the requirements set forth by the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies announced by the Financial Supervisory Commission, Executive Yuan on March 28, 2006, it is planned to revise a portion of the articles of the Company's Guidelines for the Election of Directors and Supervisors. The Company's board of directors had passed a result on March 31, 2008 to revise the Company's Guidelines for the Election of Directors and Supervisors.

2. For details of the table of comparison of the revised provisions of the Guidelines for the Election of Directors and Supervisors, please refer to Attachment VI to this Agenda Manual. Your consent is solicited.

Resolution:

Item 5 (Proposed by the Board of Directors)

Proposal: Please discuss the revised version of the Company's Articles of Incorporation.

Explanation: 1. In order to meet the requirements set forth by the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies announced by the Financial Supervisory Commission, Executive Yuan on March 28, 2006, and to meet the operation needs of the Company, part of the provisions of the Company's Articles of Incorporation are suggested for revision.

2. Please refer to Attachment VII to this Agenda Manual for the table of comparison of the revised Articles of Incorporation. Your consent is solicited.

Resolution:

Item 6 (Proposed by the Board of Directors)

Proposal: Please discuss the revised version of the Company's restrictions on investment in Mainland China

Explanation: 1. On July 11, 2000, by resolution of the Shareholders' Meeting, the Company gave the Board of Directors full authorization to handle matters related to the Company's investments and technical cooperation in Mainland China within the limit of 20% of paid-up capital or net value, whichever is higher. On June 30, 2005, by resolution of the Shareholders' Meeting, the Company raised the aforementioned authorized limit for investment in Mainland China to the accumulated investment amount that does not exceed the investment amount or ratio of investment set in the Review Principles for Investment or Technical Cooperation in Mainland China announced by the government. (The investment limits are a limit of a 40% ratio of investment for investments with a net value of less than 5 billion NT\$, a limit of a 30% ratio of investment for investments with a net value between 5 billion NT\$ and 10 billion NT\$, and a limit of a 20% ratio of investment for investments with a net value over 10 billion NT\$.)

2. To meet the Company's operational and business development needs, and in consideration of the announced March 11, 2008 revision of the aforementioned Review Principles for Investment or Technical Cooperation in Mainland China, the basis of calculation of the investment limit mentioned in the previous item is to be revised from the original "net value" to "net value or consolidated net value." It eases the regulation that, when increasing domestic investment, the upper limit of the accumulated amount of investment in Mainland China shall include 40% of the new increase in domestic investment amount in the subsequent year for investors who have exceeded the limit of their accumulated amount of investment in Mainland China or that will exceed the limit when the current application's investment (capital increase) amount is included. It is planned to revise the Company's aforementioned limits to investment in Mainland China to give full authority to the Board of Directors to handle matters related to the Company's investments and technical cooperation in Mainland China according to the regulations of the Review Principles for Investment or Technical Cooperation in Mainland China.

Resolution:

Other Proposals and Extempore motions

Meeting Ended

## Business Report

2007 results represented a fluctuating year for ASE, consistent with the entire semiconductor market. Overall electronics industry growth was better than forecasted in the first half of the year, but weakened during the second half as uncertainty over a potential economic recession grew. Soaring oil prices, lower consumption, and the sub-prime mortgage of the USA added to global market concerns. According to IEK ITIS, the value of Taiwan's IC packaging industry in 2007 increased 8.2% year over year to NT\$228 billion, but it represented the lowest level of annual growth since 2001. In addition, the value of Taiwan's test industry in 2007 grew only 10.7% to NT\$102.3 billion, with further growth hindered by the continued fall of DRAM and Flash test prices.

Signs indicate that a readjustment of the global economy has begun and the shift of economies is significant. Industrialized countries are facing slow economic growth, while the performance of newly industrialized economies has grown in recent years with this growth trend expected to continue as investment increases in these specific regions. Facing the uncertainty of the macro economy and semiconductor market this year, one thing certain is our commitment to cost, quality, and partnerships with key customers. We will exercise caution using limited capital, but will make the best strategic investments on behalf of our customers. With continued focus on our core businesses, we will make the necessary changes to create a win-win operation model for excelling growth and profits.

The following report shows our operational status in the past year.

## Report on Operations in Fiscal 2007

## 1. Accomplishment of Business Plan for Fiscal 2007

Our revenue in 2007 grew to NT\$101.2 billion, representing an increase of less than 1% (NT\$800 million) growth over 2006. As many world-leading semiconductor companies ramped up operations in China, IC packaging and test companies likewise expanded capacity and product portfolios. Revenues for our China assembly and test operations grew in 2007, and we expect to see continued growth in 2008 as ASE works with all our customers to offer high volume, lower cost manufacturing. Our package portfolio in China is still not complete; however, we have launched some major initiatives in order to compete and eventually provide a complete product portfolio. One such initiative was the completion of an assembly and test joint venture (ASEN) with NXP Semiconductors, the independent semiconductor company founded by Philips, which was approved by the Investment Commission of the Ministry of

Economic Affairs (MOEAIC). ASEN combines ASE's expertise in assembly and test with NXP's technology know-how and innovative processes. Overall, ASE's China operations deliver strong value across the entire semiconductor industry chain, helping customers to optimize their assembly and test, shortening their time to market and ensuring high quality, cost-effective products.

## 2. Budget performance

No financial forecast was disclosed in 2007.

## 3. Analysis of financial accounts and profitability

By the end of 2007, the paid-in capital was \$54,475,589 thousands and the shareholder equity was \$75,173,361 thousands, commanding 74% of the total assets amounting to \$102,045,382 thousands. The long-term capital to fixed assets ratio was 286%, indicating a significant improvement in the financial ratio from last year, while the financial structure and debt re-payment capacity remained stable. Operating income and profit after tax for 2007 were NT\$10,680,296 thousands and NT\$12,165,249 thousands respectively; and the overall operating results and profitability reduced slightly due to volatile market conditions and recession concerns.

## 4. R&D overview

As a result of dedicated R&D investment, we successfully developed the following new technologies: DDR2 800 packaging and testing solutions, 65nm copper process/lead-free flip-chip package and wire bonding package for low-k wafers, 65nm copper process/stacked chip scale package (SCSP) for low-k wafers, wafer via technology, laser wafer cut technology, 0.7 mil wire bonding package technology, Bluetooth module technology, WiFi module technology, copper wire bonding package technology, and outer lead flip-chip Map PoP stacking technology.

In 2007, we were also the first IC packaging and test provider in Taiwan to receive the Green System Certificate of QC080000. Our chemistry laboratory received RoHS certification from the TAF in November 2007, and began to provide internal RoHS packaging services. These achievements are testament to our commitment to the design, R&D, manufacture and production of green products, environmental safety, and quality assurance.

## Business Plan for 2008 in summary

### 1. Operating policy

1.1 Provide customer with services of "ultimate quality"

1.2 Create long-term and stable profits for the organization and customers

1.3 Create prosperity with suppliers together

1.4 Develop employees to be elite in respective areas

1.5 Treat employees “in a fair and reasonable manner”

1.6 Provide employees with a “harmonious, happy and open” work environment

1.7 Maintain flexibility in operations

## 2. Projects sales volume and references

In light of current industry dynamics, future market demand and ASE’s capacity, the projected sales volume for 2008 is as follows:

Item	Project Sales
Package	Approx. 4.1 billion chips
Test	Approx. 800 million chips

## 3. Important production and sales policies

As packaging and test technologies are becoming more sophisticated, the technology and capital thresholds of packaging and test industries are likewise changing every year. We are aligning our R&D objectives accordingly and placing major focus on the development of the most advanced packaging technologies in Taiwan.

As we ramp-up operations in China, we are placing focus on the low-level package market and offering the right combination of product performance and cost advantage to meet domestic market needs. It is estimated that the revenue proportion of our mid- and low-level IC packaging and test services will increase gradually and become one of our major sources of our income and profit within the next 3-5 years.

### Future Development Strategy

For 2008, Gartner Dataquest forecasts another year of growth for the SATS industry with initial estimates for 9.8 percent over 2007. Driving growth will be the continued adoption of Windows Vista, the replacement of desktops by laptops, and the high demand for communication products and consumer electronics in emerging markets across the world. Also expected to contribute to SATs market growth is the fab-lite operating strategy, increasingly being adopted by the IDM community. According to Frost & Sullivan, growth of the IC packaging market in Asia will double during the 2006-10 timeframe.

As customers demand more sophisticated designs to meet fast-moving consumer electronics market trends, ASE remains highly competitive in terms of both know-how and finance. In addition, as the Taiwanese government abolished the restrictions on low-level packaging and test industries at the end of 2006, we increased our investment in China in order to successfully compete in the market, as well as expand the scope of product ranges to attract more new customers and provide existing customers with the best possible product portfolio.



Influences of external competitions, regulations and macroeconomics

In addition to the increasing sophistication and miniaturization of electronic products, environmental issues have also deeply impacted the semiconductor industry at large. The EU's environmental regulations and non-toxic and lead-free requirements have pushed the packaging industry to channel innovation towards the development of green products. This requires capital investment, so we have embarked on relevant green package studies and also initiated discussion with customers on the most effective supply chain logistical management, required to meet both established and emerging green standards. In terms of environmental regulations, while listing employee bonuses as fees will be the practice in Taiwan starting this year, the valuation of stock will then be the same as that of world-leading suppliers in the long run. Therefore, the valuation of the price-earning ratio (PER) of Taiwanese stocks, which have been underestimated for a long time, will be more competitive.

Despite external environmental changes, we will dedicate efforts to accelerate organizational growth and expansion, while creating greater reward for shareholders. Together, as a company, ASE is well-equipped to meet market challenges, and persevere in our role as market leader. Today, ASE is not only more healthy than ever, we can also provide all key customers a much more complete service as well as achieve higher growth in the longer term.

Jason C. S. Chang  
Chairman

Richard H.P. Chang  
President



Supervisors' Report

To: 2008 Shareholders' General Meeting

We have examined the Company's 2007 financial statements, and the Company's business report, earnings distribution proposals, etc. that have been prepared and submitted by the Board of Directors and audited and attested by certified public accountants, Chiang Jia-Ling and Gong Jun-Ji of Deloitte & Touche, and do not find any discrepancy. We hereby respectfully prepare and present this Report in accordance with Article 219 of The Company Act for your review.

Advanced Semiconductor Engineering, Inc.

Supervisors: Feng Mei-Jean

John Ho  
Liu Hsiao-Ming  
Chen Tien-chi  
Tseng Yuan-Yi

April 25, 2008

## Advanced Semiconductor Engineering, Inc.

## Table of Comparison of Revised Rules of Procedure for the Board of Directors Meeting

Original Provisions	Provisions after Revision
<p>Article 4 The Company's board of director's designated business discussion unit is Finance Division.</p> <p>The business discussion unit should draw up contents of the board meeting and provide sufficient and adequate information for delivery to all concerned at the time of sending the notice for convention.</p> <p>If any of the directors believes that the meeting information is not adequate, the director may request the business discussion unit to make the supplement. In case director believes that the information on the agenda is not sufficient, the board of director may resolute to postpone review of the agenda.</p> <p>Article 5 When the boarding meeting is convened, there should be the sign-in book for the attending directors to sign so as to serve as future reference.</p> <p>Directors are required to attend the boarding in person. If any director is unable to attend in person, he/she may, in accordance with the established company rules, consign other director to be present on his/her behalf. If a director attends the board meeting via videoconferencing, it shall be deemed present in person.</p> <p>When a director consigns other director to attend the board meeting, the director is required to issue a proxy each time, stating therein the scope of authorization. The agent of the above-mentioned two items shall be limited to one proxy by one person only.</p>	<p>Article 4 The Company's board of director's designated unit for handling business discussion affairs is the Finance Division.</p> <p>The business discussion unit should draw up contents of the board meeting and provide adequate information for delivery to all concerned at the time of sending the notice for convention.</p> <p>If any of the directors believes that the meeting information is not adequate, the director may request the business discussion affairs unit to make the supplement. In case director believes that the information on the agenda is not sufficient, the board of director may resolute to postpone review of the agenda.</p> <p>Article 5 When the boarding meeting is convened, there should be the sign-in book for the attending directors to sign so as to serve as future reference.</p> <p>Directors are required to attend the boarding in person. If any director is unable to attend in person, he/she may, in accordance with the established company rules, consign other director to be present on his/her behalf. If a director attends the board meeting via videoconferencing, it shall be deemed present in person.</p> <p>When a director consigns other director to attend the board meeting, the director is required to issue a proxy each time, stating therein the scope of authorization. The agent of the above-mentioned second item shall be limited to one proxy by one person only.</p>

Original Provisions

Article 8

When the Company's board meeting is in progress, the Finance Division should prepare related information for the attending directors to check from time to time.

When the boarding meeting is convened, managers of concerned departments who do not serve as the director should, depending on actual situation, be present at the meeting. When necessary, CPAs, attorneys or other professionals should be invited to attend.

The chairman of the board should declare opening of the meeting if the quorum of one-half of directors are present when the meeting time is due. If the quorum has not reached when the meeting time I due, the chairman may declare postponement of the meeting and the number of times for postponement is limited to twice only. The total time of postponement shall not be in excess of one hour and, if after two times of postponement, the quorum remains unfilled, the chairman may in accordance with the procedure specified in Article 3(2) of the Rules hereof declare reconvening of the meeting.

Article 9

The process of the Company's board meeting should be fully videorecorded for file, which shall be kept at least for 5 years. The storage manner may be in electronic form.

The above rule will not apply prior to the expiry of the storage deadline if related issue the board has resolved involves litigation, in which case the related video tapes and information should be kept on file continuously.

Where the meeting is convened in the form of videoconferencing, the meeting recording and video tape shall be deemed as part of the meeting minutes and should be kept on file permanently.

Article 11

The Company's board meeting should proceed in accordance with the scheduled contents of business discussion. However, the agenda may be changed with the consent of more than half of the directors present at the meeting.

Unless with the consent of more than half of the directors present at the meeting, the chair of the meeting shall not unilaterally declare meeting ended should there be unfinished discussions of

Provisions after Revision

Article 8

When the Company's board meeting is in progress, the Finance Division should prepare related information for the attending directors to check from time to time.

When the boarding meeting is convened, managers of concerned departments who do not serve as the director should, depending on actual situation, be present at the meeting. When necessary, CPAs, attorneys or other professionals should be invited to attend.

The chairman of the board should declare opening of the meeting if the quorum of one-half of directors are present when the meeting time is due. If the quorum has not reached when the meeting time is due, the chairman may declare postponement of the meeting and the number of times for postponement is limited to twice only. If after two times of postponement, the quorum remains unfilled, the chairman shall in accordance with the procedure specified in Article 3(2) of the Rules hereof declare reconvening of the meeting.

Article 9

The process of the Company's board meeting should be fully videorecorded for file, which shall be kept at least for 5 years. The storage manner may be in electronic form.

Prior to the expiry of the storage deadline if related issue the board has resolved involves litigation, in which case the related video tapes and information should be kept on file continuously until the litigation is terminated.

Where the meeting is convened in the form of videoconferencing, the meeting video recording material shall be deemed as part of the meeting minutes and should be kept on file for the duration of the Company's existence.

Article 11

The Company's board meeting should proceed in accordance with the scheduled procedure of business discussion. However, the agenda may be changed with the consent of more than half of the directors present at the meeting.

Unless with the consent of more than half of the directors present at the meeting, the chair of the meeting shall not unilaterally declare meeting ended.



Original Provisions

the above-mentioned contents of business discussion and extempore motions.

In the course of the board meeting, if the attending directors at the meeting are less than half of the directors, the chair may, following motion by attending director, announce temporary recession and Article 8(3) shall govern.

Article 12

The following matters shall be brought up to the board meeting for discussions:

1. The Company's operation plan.
2. Annual financial report and semi-annual financial report.
3. Internal control system stipulated or revised according to Article 14-1 of the Securities Trading Act, hereinafter STA.
4. Disposal procedure for major financial business such as acquisition or disposal of assets, transactions of derivative products, capital loan out to other party, endorsement or guarantee for other party stipulated or revised in accordance with Article 36-1 of the STA.
5. Collection, issuance or by private placement of securities with the nature of share ownership.
6. Appointment or dismissal of financial, accounting or internal auditing executives.
7. Matters that should be resolved by the shareholders' meeting or brought upon the board of directors in accordance with Article 14-3 of the STA or by other ordinance or laws or regulations or major matters the competent regulatory authority has stipulated.

Matters that independent director submits to the board meeting in accordance with Article 14-3 of the STA requires personal appearance of the independent director before the board and should not be done by other non-independent director. If the independent director has any differing or reserved opinion, it should be clearly entered into the meeting minutes. If the independent director is unable to attend the meeting to personally express the differing or reserved opinion, unless with proper cause, it should be submitted in advance in writing, which should be entered into the meeting minutes.

Provisions after Revision

In the course of the board meeting, if the attending directors at the meeting are less than half of the directors, the chair may, following motion by attending director, announce temporary recession and Article 8(3) shall govern.

Article 12

The following matters shall be brought up to the board meeting for discussions:

1. The Company's operation plan.
2. Annual financial report and semi-annual financial report.
3. Internal control system stipulated or revised according to Article 14-1 of the Securities Trading Act, hereinafter STA.
4. Disposal procedure for major financial business such as acquisition or disposal of assets, transactions of derivative products, capital loan out to other party, endorsement or guarantee for other party stipulated or revised in accordance with Article 36-1 of the STA.
5. Collection, issuance or by private placement of securities with the nature of share ownership.
6. Appointment or dismissal of financial, accounting or internal auditing executives.
7. Matters that should be resolved by the shareholders' meeting or resolved by of the board of directors in accordance with Article 14-3 of the STA or by other ordinance or laws or regulations or major matters the competent regulatory authority has stipulated.

Matters that independent director submit to the board meeting for resolution in accordance with Article 14-3 of the STA requires personal appearance of the independent director before the board or the presence of another independent director as proxy and should not be done by other non-independent director. If the independent director has any differing or reserved opinion, it should be clearly entered into the meeting minutes. If the independent director is unable to attend the meeting to personally express the differing or reserved opinion, unless with proper cause, it should be submitted in advance in writing, which should be entered into the meeting minutes.



Original Provisions

Provisions after Revision

Article 13

When the chair deems the motion being discussed has reached the state for voting, he/she may announce stop of discussions and bring the case for voting.

When the voting of a motion is being taken, it shall be deemed passed if there is no objection from the attending directors once the chair has made the enquiry, which shall have the same effect as does the voting. If, however, there is objection, the case should resort to voting.

The chair may choose one of the following methods to decide the manner of voting. If there are objections, the voting shall be decided by the opinion of the majority:

13.1 Vote by raising one's hands.

13.2 Vote by casting the ballot.

Article 15

Where there is conflict of interest that involves the interest of the director or the corporate shareholder the director represents, the concerned director shall not enter into the discussions or voting nor act as agent to cast the vote.

Where the director is not allowed to exercise the voting right with regard to the board's resolution in accordance with the rules specified in the foregoing paragraph, Article 180(2) applying Article 206-2 of The Company Act shall govern.

Article 13

When the chair deems the motion being discussed has reached the state for voting, he/she may announce stop of discussions and bring the case for voting.

When the voting of a motion is being taken, it shall be deemed passed if there is no objection from the full body of attending directors once the chair has made the enquiry. If, however, there is objection, the case should resort to voting.

The chair may choose one of the following methods to decide the manner of voting. If there are objections, the voting shall be decided by the opinion of the majority:

13.1 Vote by raising one's hands.

13.2 Vote by casting the ballot.

The full body of attending directors mentioned in the second item does not include directors not allowed to exercise the voting right according to Article 15(1).

Article 15

Where there is conflict of interest that involves the interest of the director or the corporate shareholder the director represents, the concerned director shall express their opinion and ask and answer questions, shall not enter into the discussions or voting, and should recuse themselves during discussions and resolutions, nor act as agent to cast the vote.

Where the director is not allowed to exercise the voting right with regard to the board's resolution in accordance with the rules specified in the foregoing paragraph, Article 180(2) applying Article 206-2 of The Company Act shall govern.

Original Provisions

Provisions after Revision

Article 16

Business discussions at the board meeting of the Company must enter into minutes, which should precisely and correctly enter the following items:

1. Session and term as well as time and venue of the meeting.
2. Names of those present at the meeting.
3. Status of attendance, including names of those present, on leave and absent in addition to the number of persons present.
4. Names and positions of those invited to the meeting.
5. Name of the rapporteur
6. Matters of reports.
7. Matters for discussions: Resolution method and results of each and every motion, abstract of speech delivered on the podium by directors, supervisors, experts and other personnel, differing or reserved opinion with record or written statement and the written opinion made by independent director according to Article 12(2) hereof.
8. Extempore motions: Name of the initiator resolution method and results of each and every motion, abstract of speech delivered on the podium by directors, supervisors, experts and other personnel, differing or reserved opinion with record or written statement.
9. Other matter that should be recorded.

Article 16

Business discussions at the board meeting of the Company must enter into minutes, which should precisely and correctly enter the following items:

1. Session and term as well as time and venue of the meeting.
2. Names of those present at the meeting.
3. Status of attendance, including names of those present, on leave and absent in addition to the number of persons present.
4. Names and positions of those invited to the meeting.
5. Name of the rapporteur
6. Matters of reports.
7. Matters for discussions: Resolution method and results of each and every motion, abstract of speech delivered on the podium by directors, supervisors, experts and other personnel, differing or reserved opinion with record or written statement and the written opinion made by independent director according to Article 12(2) hereof.
8. Extempore motions: Name of the initiator resolution method and results of each and every motion, abstract of speech delivered on the podium by directors, supervisors, experts and other personnel, differing or reserved opinion with record or written statement.
9. Other matter that should be recorded.



### Original Provisions

If the resolution by the board of directors contains any of the following events, a public announcement, apart from entries in the meeting minutes, should be made within 2 days in the open information observatory station designated by Financial Supervisory Commission, Executive Yuan:

1. Differing or reserved opinion by independent director with record or written statement.
2. Matters that failed to pass the Company's audit committee but have obtained consent of over two-thirds of the directors.

The sign-in book for board meeting is a part of the meeting minutes and should be kept on file permanently.

The chair and rapporteur of the meeting should sign or affix seal on the meeting minutes and a copy of which should be distributed respectively to directors and supervisors within 20 days after the meeting is ended. The meeting minutes should be listed as a company important file and should be kept on file permanently.

Production and distribution of Item 1 meeting minutes may be done electronically.

### Article 17

With the exception of matters mentioned in Article 12(1) that should be brought upon to the board of directors for discussions, the Company's board of directors may, when the board of directors is in recession, authorize the chairman of the board to exercise the right of the board and contents of the authorization are as follows:

1. To approve various important contract.
2. To approve hypothecation of real estate and other loans.
3. To approve purchase or disposal of the Company's general assets and real estate.
4. To appoint directors and supervisors of spin-off companies.
5. To approve the base date for capital increase or capital decrease, base date for distribution of cash dividend, base date for stock distribution or subscription to stocks, and update of dividend distribution ratio.

### Provisions after Revision

If the resolution by the board of directors contains any of the following events, a public announcement, apart from entries in the meeting minutes, should be made within 2 days in the open information observatory station designated by Financial Supervisory Commission, Executive Yuan:

1. Differing or reserved opinion by independent director with record or written statement.
2. Matters that failed to pass the Company's audit committee but have passed with consent of over two-thirds of the directors.

The sign-in book for board meeting is a part of the meeting minutes and should be kept on file permanently for the duration of the Company's existence.

The chair and rapporteur of the meeting should sign or affix seal on the meeting minutes and a copy of which should be distributed respectively to directors and supervisors within 20 days after the meeting is ended. The meeting minutes should be listed as a company important file and should be kept on file for the duration of the Company's existence.

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With the exception of matters mentioned in Article 12(1) that should be brought upon to the board of directors for discussions, the Company's board of directors may authorize the chairman of the board to exercise the right of the board and contents of the authorization are as follows:

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3. To approve purchase or disposal of the Company's general assets and real estate.
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Original Provisions

Article 18

These Rules are drawn up on December 21, 2006, whose stipulation and revision shall be subject to consent by the board of directors and subsequent report to the shareholders' meeting

Provisions after Revision

Article 18

These Rules are drawn up on December 21, 2006, whose stipulation and revision shall be subject to consent by the board of directors and subsequent report to the shareholders' meeting  
The first revision of these Rules was made on January 30, 2008.

Advanced Semiconductor Engineering,  
Inc.

Financial Statements for the  
Years Ended December 31, 2007 and 2006 and  
Independent Auditors' Report

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Advanced Semiconductor Engineering, Inc.

We have audited the accompanying balance sheets of Advanced Semiconductor Engineering, Inc. (the "Company") as of December 31, 2007 and 2006, and the related statements of income, changes in shareholders' equity and 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 the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and 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, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As discussed in Note 1 to the financial statements, the Company separated the related operation, assets, and liabilities of its material segment into its subsidiary, Advanced Semiconductor Engineering Electronics Inc. on August 1, 2006, and acquired 294,930 thousand shares issued by this subsidiary. The related operating income of the separated material segment for the year ended December 31, 2006 has been reflected as separated segment in the statements of income mentioned in the first paragraph.

As discussed in Note 27 to the financial statements, the Company incurred fire damage to its production lines and facilities in Chung Li, Taiwan on May 1, 2005. The Company recognized an estimated loss of NT\$11,849,699 thousand for the damage to its inventories, building, machinery and equipment, net of NT\$4,616,000 thousand of insurance receivable in 2005. The Company reached final settlement with the insurers in June 2006 with regards to the fire damage referred to above. The final settlement amount of NT\$7,190,524 thousand, less the NT\$4,616,000 thousand recorded in 2005 and the related repair and restoring expenses of NT\$1,043,262 thousand, was recorded as a gain in 2006. The Company also reversed NT\$2,009,102 thousand of previously recorded impairment charges on these fire-damaged building, machinery and equipment due to an increase in the estimated service potential of the assets. Net amount of NT\$3,540,364 thousand

was recognized as a gain on insurance settlement and impairment recovery with NT\$2,362,579 thousand and income from separated segment with NT\$1,177,785 thousand, respectively.

As discussed in Note 3 to the financial statements, the Company adopted Republic of China Statement of Financial Accounting Standards No. 34, "Financial Instruments: Recognition and Measurement", No. 36, "Financial Instruments: Disclosure and Presentation" and other revised Statements on January 1, 2006.

We have also audited the consolidated financial statements of the Company and its subsidiaries as of and for the years ended December 31, 2007 and 2006, and have expressed an unqualified opinion, and a modified unqualified opinion with an explanatory paragraph, respectively.

/s/ Deloitte & Touche  
January 28, 2008

#### Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## ADVANCED SEMICONDUCTOR ENGINEERING, INC.

## BALANCE SHEETS

DECEMBER 31, 2007 AND 2006

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2007		2006		LIABILITIES AND SHAREHOLDERS' EQUITY	2007		2006	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash	\$ 4,229,840	4	\$ 4,517,626	5	Financial liabilities at fair value through profit or loss	\$ 34,449	-	\$ 338,318	-
Available-for-sale financial assets	4,520,062	5	6,316,827	6	Accounts payable	5,592,097	6	4,721,819	5
Held-to-maturity financial assets	50,000	-	-	-	Accounts payable to related parties	800,491	1	843,411	1
Notes receivable	60,602	-	96,421	-	Income tax payable	720,890	1	911,455	1
Accounts receivable, net	9,699,366	10	5,804,849	6	Accrued expenses	1,790,503	2	1,556,582	2
Income tax refund receivable	99,330	-	-	-	Other payables to related parties	720,941	1	489,489	-
Other receivables	434,702	-	618,430	1	Payable for properties	1,192,857	1	989,286	1
Other receivables from related parties	603,980	1	380,791	-	Other payables	472,961	-	1,088,557	1
Guarantee deposits	2,219	-	210,227	-	Current portion of bonds payable	1,375,000	1	3,798,233	4
Inventories	2,476,094	2	3,113,763	3	Current portion of long-term bank loans	380,000	-	210,000	-
Deferred income tax assets, net	1,373,818	1	1,814,867	2	Temporary receipts	73,795	-	2,311,321	2
Prepayments and other	100,585	-	149,093	-	Current portion of capital leases obligations	36,579	-	65,921	-
					Other	149,025	-	251,761	-
Total current assets	23,650,598	23	23,022,894	23	Total current liabilities	13,339,588	13	17,576,153	17
<b>LONG-TERM INVESTMENTS</b>					<b>LONG-TERM DEBTS</b>				
Held-to-maturity financial assets	-	-	50,000	-					

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Financial assets carried at cost	338,002	1	357,076	Long-term bonds payable	5,889,735	5	5,758,611	6
Equity method investments	41,064,011	40	36,856,450	Long-term bank loans	6,919,975	7	10,835,267	11
				Capital leases obligations	18,138	-	37,038	-
Total long-term investments	41,402,013	41	37,263,526					37