

Advanced Semiconductor Engineering, Inc. (ASE) Dividend Distribution

Advanced Semiconductor Engineering, Inc. (ASE) announced the Company has approved the distribution of common share dividends, in a stock dividend of 147.93223441 shares for each 1,000 common shares and in cash dividend of NT\$1,479.32234 for each 1000 share.

The US record date for ASE American Depositary Shares (ADSs) is set at August 22, 2007 and the ADSs ex-dividend date is set at August 20, 2007.

Under current Taiwan regulations, all common shares are "registered capital". No Taiwanese company can issue new shares for stock dividends until a specific date is set for "holder of record" first, and then the application for issuing new shares can follow. The process involves the Company to submit the application and the approval from the Taiwan Securities Futures Commissions which normally takes approximately 1 month.

The US Payment date is established 5 business days after the local Taiwan payment date. ASE has announced the cash dividend to be paid on September 20 and therefore the ADR cash dividend date will be September 27, 2007. ASE has also announced the stock dividend will be distributed on October 9, 2007 in Taiwan and subsequently the ADR stock dividend date will be October 16, 2007.

All questions regarding the upcoming ADSs dividend may be directed to Citibank Shareholder Services at 1-877-CITI-ADR-248-4237.

Following is a section for the 2006 dividend FAQs:-

- (1) What do you need to do in order to participate in ASE's stock and cash dividend?

You need to own shares through the day before the ex-dividend date, i.e. be on the shareholders' register as of the record date, to be entitled to the stock to be distributed this year.

- (2) Will fractional shares or fractional ADSs be issued in connection with the dividend? Will cash payments be made in lieu of any fractional share or fractional Ads interests?

Fractional shares will be paid in lieu of cash and the cash-in-lieu rate will be advised upon sale for the fractional shares.

- (3) What is the tax treatment on ASE's ADS stock dividend?

Dividends declared out of retained earnings are subject to a 20% withholding tax for non-residence shareholders payable to Taiwan tax authorities. Dividends declared out of capital reserves are not subject to this withholding tax.

Since the 2006 ADS stock dividends are declared out of retained earnings, they are therefore subject to a 20% non-residence withholding tax on the par value (NT\$10 per common share) of the stock dividend issued.

- (4) Is the ADR stock dividend taxable in US?

The stock dividend is 100% taxable in the local market (Taiwan), and At Source Withholding will apply to the stock distribution. The payment is not subject to US taxation. However, U.S. holders may be able to claim a tax credit for the At Source Withholding paid in Taiwan.

Please consult your tax advisor regarding taxation pursuant to applicable provisions of the US Internal Revenue Code.

(5) How is the 20% withholding tax calculated on 2006 ADR stock dividend?

Since 2006 ADS stock dividend is expected to be declared from retained earnings, it will be subject to 20% non-residence withholding tax based on par value (NT\$10) of the stock dividend issued.

FORMULA TO CALCULATE 20% WITHHOLDING TAX:

ADR awarded x 5 (5 ords: 1 ADR ratio) x NT\$10 (par value) x 100% (share amount taxable in local market) x 20% (withholding tax at source) divided by conversion fx rate