

UNITED MICROELECTRONICS CORP

Form 6-K

September 17, 2008

1934 Act Registration No. 1-15128

# **SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

## **FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16 OF**

**THE SECURITIES EXCHANGE ACT OF 1934**

**Dated September 17, 2008**

## **United Microelectronics Corporation**

(Translation of Registrant's Name into English)

**No. 3 Li Hsin Road II**

**Science Park**

**Hsinchu, Taiwan, R.O.C.**

(Address of Principal Executive Office)

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(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 whether the registrant by furnishing the information contained in this form 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, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable )

SIGNATURE

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.

United Microelectronics Corporation

Date: 9/17/2008

By /s/ Chitung Liu  
Chitung Liu  
Chief Financial Officer

**Exhibit**

| <b>Exhibit</b> | <b>Description</b>                                                                                                                                                      |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 99.1           | United Microelectronics Corporation (and Subsidiaries) Financial Statements With Report of Independent Auditors for the Six-Month Periods Ended June, 30, 2008 And 2007 |

**[www.umc.com](http://www.umc.com)**

United Microelectronics Corporation (and Subsidiaries) Financial Statements With Report of Independent Auditors for the Six-Month Periods  
Ended June 30, 2008 And 2007

**UNITED MICROELECTRONICS CORPORATION**

**AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**WITH REPORT OF INDEPENDENT AUDITORS**

**FOR THE SIX-MONTH PERIODS ENDED**

**JUNE 30, 2008 AND 2007**

Address: No. 3 Li-Hsin Road II, Hsinchu Science Park, Hsinchu City, Taiwan, R.O.C.

Telephone: 886-3-578-2258

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

**REPORT OF INDEPENDENT AUDITORS**

English Translation of a Report Originally Issued in Chinese

To United Microelectronics Corporation

We have audited the accompanying consolidated balance sheets of United Microelectronics Corporation and subsidiaries (the Company) as of June 30, 2008 and 2007, the related consolidated statements of income, changes in stockholders' equity, and cash flows for the six-month periods ended June 30, 2008 and 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As described in Note 4(9) to the consolidated financial statements, certain long-term investments were accounted for under the equity method based on the June 30, 2008 and 2007 financial statements of the investees, which were audited by other auditors. Our audits insofar as it relates to the investment income (loss) amounted to NT\$(25) million and NT\$463 million for the six-month periods ended June 30, 2008 and 2007, respectively, and the related long-term investment balances of NT\$4,616 million and NT\$7,219 million as of June 30, 2008 and 2007, respectively, are based solely on the reports of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China and Guidelines for Certified Public Accountants' Examination and Reports on Financial Statements, which 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, and evaluating the overall consolidated financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Microelectronics Corporation and subsidiaries as of June 30, 2008 and 2007, and the results of their consolidated operations and their consolidated cash flows for the six-month periods ended June 30, 2008 and 2007, in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

As described in Note 3 to the consolidated financial statements, effective from January 1, 2008, the Company adopted Accounting Research and Development Foundation Interpretation No. 96-052, and recognized share-based employee bonuses and remunerations to directors and supervisors as expenses rather than as a distribution of retained earnings.

July 22, 2008

Taipei, Taiwan

Republic of China

**Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

## UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

June 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars)

|                                                                   | Notes              | As of June 30,     |                    |
|-------------------------------------------------------------------|--------------------|--------------------|--------------------|
|                                                                   |                    | 2008               | 2007               |
| <b>Assets</b>                                                     |                    |                    |                    |
| <b>Current assets</b>                                             |                    |                    |                    |
| Cash and cash equivalents                                         | 2, 4(1)            | \$ 36,496,163      | \$ 85,608,440      |
| Financial assets at fair value through profit or loss, current    | 2, 4(2)            | 3,312,669          | 7,802,258          |
| Held-to-maturity financial assets, current                        | 2, 4(3)            |                    | 200,000            |
| Notes receivable                                                  | 2                  | 62,234             | 47,228             |
| Accounts receivable, net                                          | 2, 4(4)            | 15,264,473         | 15,557,762         |
| Accounts receivable - related parties, net                        | 2, 5               | 368,390            | 221,622            |
| Other receivables                                                 | 2                  | 808,948            | 601,463            |
| Inventories, net                                                  | 2, 4(5)            | 12,721,591         | 11,484,971         |
| Prepaid expenses                                                  |                    | 846,156            | 1,197,494          |
| Deferred income tax assets, current                               | 2, 4(22)           | 1,139,303          | 2,161,102          |
| <b>Total current assets</b>                                       |                    | <b>71,019,927</b>  | <b>124,882,340</b> |
| <b>Funds and investments</b>                                      |                    |                    |                    |
| Financial assets at fair value through profit or loss, noncurrent | 2, 4(6)            | 6,790              |                    |
| Available-for-sale financial assets, noncurrent                   | 2, 4(7), 4(12)     | 33,350,304         | 60,571,122         |
| Financial assets measured at cost, noncurrent                     | 2, 4(8), 4(12)     | 8,490,466          | 7,882,650          |
| Long-term investments accounted for under the equity method       | 2, 4(9)            | 8,157,631          | 11,782,254         |
| Prepayment for long-term investments                              |                    | 270,000            | 247,712            |
| <b>Total funds and investments</b>                                |                    | <b>50,275,191</b>  | <b>80,483,738</b>  |
| <b>Property, plant and equipment</b>                              |                    |                    |                    |
|                                                                   | 2, 4(10), 4(12), 7 |                    |                    |
| Land                                                              |                    | 2,029,131          | 1,857,774          |
| Buildings                                                         |                    | 22,333,936         | 21,639,715         |
| Machinery and equipment                                           |                    | 448,390,261        | 431,657,331        |
| Transportation equipment                                          |                    | 83,795             | 85,883             |
| Furniture and fixtures                                            |                    | 3,447,158          | 3,067,345          |
| Leasehold improvements                                            |                    | 40,008             | 43,351             |
| Total cost                                                        |                    | 476,324,289        | 458,351,399        |
| Less : Accumulated depreciation                                   |                    | (362,897,041)      | (329,091,059)      |
| Add : Construction in progress and prepayments                    |                    | 5,877,829          | 19,660,008         |
| <b>Property, plant and equipment, net</b>                         |                    | <b>119,305,077</b> | <b>148,920,348</b> |
| <b>Intangible assets</b>                                          |                    |                    |                    |
| Goodwill                                                          | 2                  | 3,498,687          | 3,498,687          |
| Other intangible assets                                           |                    | 305                |                    |
| <b>Total intangible assets</b>                                    |                    | <b>3,498,992</b>   | <b>3,498,687</b>   |

**Other assets**

|                                        |             |           |           |
|----------------------------------------|-------------|-----------|-----------|
| Deferred charges                       | 2           | 1,252,195 | 1,429,880 |
| Deferred income tax assets, noncurrent | 2, 4(22)    | 3,703,563 | 3,442,669 |
| Other assets - others                  | 2, 4(11), 6 | 2,125,466 | 2,229,680 |

**Total other assets** 7,081,224 7,102,229

**Total assets** \$ 251,180,411 \$ 364,887,342

|                                                                        | Notes                  | As of June 30, |             |
|------------------------------------------------------------------------|------------------------|----------------|-------------|
|                                                                        |                        | 2008           | 2007        |
| <b>Liabilities and Stockholders Equity</b>                             |                        |                |             |
| <b>Current liabilities</b>                                             |                        |                |             |
| Short-term loans                                                       | 4(13)                  | \$ 686,517     | \$ 364,329  |
| Financial liabilities at fair value through profit or loss, current    | 2, 4(14)               | 33,189         | 224,775     |
| Accounts payable                                                       |                        | 5,248,886      | 5,767,183   |
| Income tax payable                                                     | 2                      | 544,686        | 329,952     |
| Accrued expenses                                                       | 2, 3, 4(20)            | 7,984,656      | 7,020,820   |
| Cash dividends payable                                                 | 4(20)                  | 9,382,799      | 12,461,529  |
| Payable on equipment                                                   |                        | 2,130,260      | 4,277,063   |
| Other payables                                                         | 4(20)                  | 308,993        | 2,344,717   |
| Current portion of long-term liabilities                               | 2, 4(15)               |                | 24,426,911  |
| Other current liabilities                                              |                        | 541,139        | 872,815     |
| Deferred income tax liabilities, current                               | 2, 4(22)               |                | 148         |
| <b>Total current liabilities</b>                                       |                        | 26,861,125     | 58,090,242  |
| <b>Long-term liabilities</b>                                           |                        |                |             |
| Financial liabilities at fair value through profit or loss, noncurrent | 2, 4(14)               | 42,606         | 198,451     |
| Bonds payable                                                          | 2, 4(15)               | 7,496,027      | 7,494,762   |
| <b>Total long-term liabilities</b>                                     |                        | 7,538,633      | 7,693,213   |
| <b>Other liabilities</b>                                               |                        |                |             |
| Accrued pension liabilities                                            | 2, 4(16)               | 3,217,046      | 3,143,027   |
| Deposits-in                                                            |                        | 11,912         | 11,018      |
| Deferred income tax liabilities, noncurrent                            | 2, 4(22)               | 13,728         | 24,526      |
| Other liabilities - others                                             | 2                      | 551,079        | 522,018     |
| <b>Total other liabilities</b>                                         |                        | 3,793,765      | 3,700,589   |
| <b>Total liabilities</b>                                               |                        | 38,193,523     | 69,484,044  |
| <b>Capital</b>                                                         | 2, 4(17), 4(18), 4(20) |                |             |
| Common stock                                                           |                        | 132,144,949    | 191,442,517 |
| Stock dividends for distribution                                       |                        | 6,775,754      |             |
| <b>Additional paid in capital</b>                                      | 2, 4(17)               |                |             |
| Premiums                                                               |                        | 54,806,788     | 61,138,863  |
| Treasury stock transactions                                            |                        | 274            | 8,938       |
| Change in equities of long-term investments                            |                        | 6,712,611      | 6,623,992   |
| <b>Retained earnings</b>                                               | 4(17), 4(20)           |                |             |
| Legal reserve                                                          |                        | 19,711,865     | 18,476,942  |
| Special reserve                                                        |                        |                | 824,922     |
| Unappropriated earnings                                                |                        | 2,714,327      | 7,062,654   |

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|                                                     |                 |                |                |
|-----------------------------------------------------|-----------------|----------------|----------------|
| <b>Adjustment items in stockholders' equity</b>     | 2, 4(7)         |                |                |
| Cumulative translation adjustment                   |                 | (5,048,103)    | (578,030)      |
| Unrealized gain or loss on financial instruments    |                 | 3,923,031      | 33,939,144     |
| <b>Treasury stock</b>                               | 2, 4(17), 4(19) | (15,003,247)   | (29,394,664)   |
| <b>Total stockholders' equity of parent company</b> |                 | 206,738,249    | 289,545,278    |
| <b>Minority interests</b>                           |                 | 6,248,639      | 5,858,020      |
| <b>Total stockholders' equity</b>                   |                 | 212,986,888    | 295,403,298    |
| <b>Total liabilities and stockholders' equity</b>   |                 | \$ 251,180,411 | \$ 364,887,342 |

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

## UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

For the six-month periods ended June 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

|                                                            | Notes       | For the six-month period ended June 30, |               |
|------------------------------------------------------------|-------------|-----------------------------------------|---------------|
|                                                            |             | 2008                                    | 2007          |
| <b>Operating revenues</b>                                  | 2, 5        |                                         |               |
| Sales revenues                                             |             | \$ 50,510,896                           | \$ 49,976,272 |
| Less : Sales returns and discounts                         |             | (199,663)                               | (326,829)     |
| Net Sales                                                  |             | 50,311,233                              | 49,649,443    |
| Other operating revenues                                   |             | 1,396,161                               | 1,704,194     |
| <b>Net operating revenues</b>                              |             | 51,707,394                              | 51,353,637    |
| <b>Operating costs</b>                                     | 2, 3, 4(21) |                                         |               |
| Cost of goods sold                                         |             | (41,295,298)                            | (41,509,432)  |
| Other operating costs                                      |             | (661,628)                               | (992,305)     |
| <b>Operating costs</b>                                     |             | (41,956,926)                            | (42,501,737)  |
| <b>Gross profit</b>                                        |             | 9,750,468                               | 8,851,900     |
| Unrealized intercompany profit                             | 2           | (81,280)                                | (96,448)      |
| Realized intercompany profit                               | 2           | 85,543                                  | 105,892       |
| <b>Gross profit-net</b>                                    |             | 9,754,731                               | 8,861,344     |
| <b>Operating expenses</b>                                  | 2, 3, 4(21) |                                         |               |
| Sales and marketing expenses                               |             | (1,693,071)                             | (1,782,962)   |
| General and administrative expenses                        |             | (1,756,615)                             | (1,685,391)   |
| Research and development expenses                          | 2           | (4,177,719)                             | (4,705,534)   |
| Subtotal                                                   |             | (7,627,405)                             | (8,173,887)   |
| <b>Operating income</b>                                    |             | 2,127,326                               | 687,457       |
| <b>Non-operating income</b>                                |             |                                         |               |
| Interest revenue                                           |             | 378,066                                 | 767,355       |
| Investment gain accounted for under the equity method, net | 2, 4(9)     |                                         | 530,417       |
| Dividend income                                            |             | 42,747                                  | 59,796        |
| Gain on disposal of property, plant and equipment          | 2           | 54,446                                  | 119,545       |
| Gain on disposal of investments                            | 2           | 2,087,458                               | 5,271,930     |
| Other income                                               |             | 609,219                                 | 306,587       |
| Subtotal                                                   |             | 3,171,936                               | 7,055,630     |
| <b>Non-operating expenses</b>                              |             |                                         |               |
| Interest expense                                           | 2, 4(10)    | (44,580)                                | (90,327)      |

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|                                                                 |          |              |              |
|-----------------------------------------------------------------|----------|--------------|--------------|
| Investment loss accounted for under the equity method, net      | 2, 4(9)  | (659,526)    |              |
| Loss on disposal of property, plant and equipment               | 2        | (9,470)      | (84,214)     |
| Exchange loss, net                                              | 2        | (692,748)    | (19,433)     |
| Loss on decline in market value and obsolescence of inventories | 2        | (178,901)    | (38,891)     |
| Financial expenses                                              |          | (63,586)     | (88,687)     |
| Impairment loss                                                 | 2, 4(12) | (194,693)    | (248,555)    |
| Loss on valuation of financial assets                           | 2        | (718,836)    | (88,169)     |
| Loss on valuation of financial liabilities                      | 2, 4(14) | (55,341)     | (44,586)     |
| Other losses                                                    |          | (73,883)     | (113,054)    |
| Subtotal                                                        |          | (2,691,564)  | (815,916)    |
| <b>Income from continuing operations before income tax</b>      |          | 2,607,698    | 6,927,171    |
| <b>Income tax expense</b>                                       | 2, 4(22) | (242,818)    | (792,999)    |
| <b>Net income</b>                                               |          | \$ 2,364,880 | \$ 6,134,172 |
| <b>Attributable to:</b>                                         |          |              |              |
| <b>Shareholders of the parent</b>                               |          | \$ 2,603,210 | \$ 6,369,668 |
| <b>Minority interests</b>                                       |          | (238,330)    | (235,496)    |
| <b>Net income</b>                                               |          | \$ 2,364,880 | \$ 6,134,172 |

|                                                       |          | <b>Pre-tax</b> | <b>Post-tax</b> | <b>Pre-tax</b> | <b>Post-tax</b> |
|-------------------------------------------------------|----------|----------------|-----------------|----------------|-----------------|
| <b>Earnings per share-basic (NTD)</b>                 | 2, 4(23) |                |                 |                |                 |
| Net income attributable to shareholders of the parent |          | \$ 0.23        | \$ 0.21         | \$ 0.40        | \$ 0.36         |
| <b>Earnings per share-diluted (NTD)</b>               | 2, 4(23) |                |                 |                |                 |
| Net income attributable to shareholders of the parent |          | \$ 0.21        | \$ 0.20         | \$ 0.39        | \$ 0.35         |

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the six-month periods ended June 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars)

| Notes           | Common<br>Stock | Capital<br>Stock<br>Dividends<br>for<br>Distribution | Collected in<br>Advance | Additional<br>Paid-in<br>Capital | Legal<br>Reserve | Special<br>Reserve | Unappropriated<br>Earnings | Unrealized<br>Gain/Loss<br>on<br>Financial<br>Instruments | Cumulative<br>Translation<br>Adjustment | Treasury<br>Stock | Minority<br>Interests |
|-----------------|-----------------|------------------------------------------------------|-------------------------|----------------------------------|------------------|--------------------|----------------------------|-----------------------------------------------------------|-----------------------------------------|-------------------|-----------------------|
| 4(17)           | \$ 191,311,927  | \$                                                   | \$ 11,405               | \$67,707,287                     | \$16,699,508     | \$322,150          | \$17,774,335               | \$27,557,845                                              | \$(824,922)                             | \$(29,394,664)    | \$6,238,018           |
| 4(20)           |                 |                                                      |                         |                                  | 1,777,434        |                    | (1,777,434)                |                                                           |                                         |                   |                       |
|                 |                 |                                                      |                         |                                  |                  | 502,772            | (502,772)                  |                                                           |                                         |                   |                       |
|                 |                 |                                                      |                         |                                  |                  |                    | (12,461,529)               |                                                           |                                         |                   |                       |
|                 |                 |                                                      |                         |                                  |                  |                    | (15,494)                   |                                                           |                                         |                   |                       |
|                 |                 |                                                      |                         |                                  |                  |                    | (2,324,120)                |                                                           |                                         |                   |                       |
|                 |                 |                                                      |                         |                                  |                  |                    | 6,369,668                  |                                                           |                                         |                   | (235,496)             |
| 2               |                 |                                                      |                         | 1,713                            |                  |                    |                            |                                                           |                                         |                   |                       |
| 2               |                 |                                                      |                         | (5,515)                          |                  |                    |                            |                                                           |                                         |                   |                       |
| 2, 4(7)         |                 |                                                      |                         |                                  |                  |                    |                            | 5,273,095                                                 |                                         |                   |                       |
| 2               |                 |                                                      |                         |                                  |                  |                    |                            | 1,108,204                                                 |                                         |                   |                       |
| 2, 4(17), 4(18) | 119,185         |                                                      |                         | 68,308                           |                  |                    |                            |                                                           |                                         |                   |                       |
|                 | 11,405          |                                                      | (11,405)                |                                  |                  |                    |                            |                                                           |                                         |                   |                       |
| 2               |                 |                                                      |                         |                                  |                  |                    |                            |                                                           | 246,892                                 |                   |                       |
|                 |                 |                                                      |                         |                                  |                  |                    |                            |                                                           |                                         |                   | (144,502)             |

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|              |                |              |               |               |              |               |                |                 |                 |              |
|--------------|----------------|--------------|---------------|---------------|--------------|---------------|----------------|-----------------|-----------------|--------------|
| 4(17)        | \$ 191,442,517 | \$           | \$ 67,771,793 | \$ 18,476,942 | \$ 824,922   | \$ 7,062,654  | \$ 33,939,144  | \$ (578,030)    | \$ (29,394,664) | \$ 5,858,020 |
| 4(17)        | \$ 132,144,949 | \$           | \$ 66,126,806 | \$ 18,476,942 | \$ 824,922   | \$ 12,349,227 | \$ 22,413,852  | \$ (866,562)    | \$ (15,003,247) | \$ 6,530,810 |
| 4(17), 4(20) |                |              |               |               |              |               |                |                 |                 |              |
|              |                |              | 1,234,923     |               | (1,234,923)  |               |                |                 |                 |              |
|              |                |              |               |               | (824,922)    | 824,922       |                |                 |                 |              |
|              |                |              |               |               |              | (9,382,647)   |                |                 |                 |              |
|              | 1,000,816      |              |               |               |              | (1,000,816)   |                |                 |                 |              |
|              |                |              |               |               |              | (11,939)      |                |                 |                 |              |
|              |                |              |               |               |              | (286,541)     |                |                 |                 |              |
|              | 1,146,166      |              |               |               |              | (1,146,166)   |                |                 |                 |              |
| 4(17)        | 4,628,772      |              | (4,628,772)   |               |              |               |                |                 |                 |              |
|              |                |              |               |               |              | 2,603,210     |                |                 |                 | (238,330)    |
| 2            |                |              | 12,212        |               |              |               |                |                 |                 |              |
| 2            |                |              | 9,427         |               |              |               |                |                 |                 |              |
| 2, 4(7)      |                |              |               |               |              |               | (13,608,153)   |                 |                 |              |
| 2            |                |              |               |               |              |               | (4,882,668)    |                 |                 |              |
| 2            |                |              |               |               |              |               |                | (4,181,541)     |                 |              |
|              |                |              |               |               |              |               |                |                 |                 | (43,841)     |
| 4(17)        | \$ 132,144,949 | \$ 6,775,754 | \$ 61,519,673 | \$ 19,711,865 | \$ 2,714,327 | \$ 3,923,031  | \$ (5,048,103) | \$ (15,003,247) | \$ 6,248,639    |              |

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

## UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six-month periods ended June 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars)

|                                                                                       | For the six-month period ended June 30, |              |
|---------------------------------------------------------------------------------------|-----------------------------------------|--------------|
|                                                                                       | 2008                                    | 2007         |
| Cash flows from operating activities:                                                 |                                         |              |
| Net income attributable to shareholders of the parent                                 | \$ 2,603,210                            | \$ 6,369,668 |
| Net loss attributable to minority interests                                           | (238,330)                               | (235,496)    |
| Adjustments to reconcile net income to net cash provided by operating activities:     |                                         |              |
| Depreciation                                                                          | 18,906,807                              | 18,559,324   |
| Amortization                                                                          | 664,664                                 | 648,598      |
| Bad debt expenses (reversal)                                                          | 3,159                                   | (1,409)      |
| Loss on decline in market value and obsolescence of inventories                       | 178,901                                 | 38,891       |
| Cash dividends received under the equity method                                       | 134,924                                 | 353,592      |
| Investment loss (gain) accounted for under the equity method                          | 659,526                                 | (530,417)    |
| Loss on valuation of financial assets and liabilities                                 | 774,177                                 | 132,755      |
| Impairment loss                                                                       | 194,693                                 | 248,555      |
| Gain on disposal of investments                                                       | (2,087,458)                             | (5,271,930)  |
| Gain on disposal of property, plant and equipment                                     | (44,976)                                | (35,331)     |
| Gain on reacquisition of bonds                                                        |                                         | (6,112)      |
| Amortization of bond discounts                                                        | 6,747                                   | 34,725       |
| Exchange loss (gain) on financial assets and liabilities                              | (34,023)                                | 12,554       |
| Exchange loss (gain) on long-term liabilities                                         | (178,877)                               | 283,791      |
| Amortization of deferred income                                                       | (79,263)                                | (71,874)     |
| Changes in assets and liabilities:                                                    |                                         |              |
| Financial assets and liabilities at fair value through profit or loss                 | 508,204                                 | 475,612      |
| Notes and accounts receivable                                                         | (969,652)                               | (1,427,707)  |
| Other receivables                                                                     | 168,368                                 | 246,744      |
| Inventories                                                                           | (1,234,033)                             | (654,002)    |
| Prepaid expenses                                                                      | (245,676)                               | (428,482)    |
| Deferred income tax assets                                                            | (267,007)                               | 476,033      |
| Other current assets                                                                  |                                         | (9,807)      |
| Accounts payable                                                                      | 126,750                                 | (23,056)     |
| Income tax payable                                                                    | (64,079)                                | (10,465)     |
| Accrued expenses                                                                      | (732,725)                               | (680,904)    |
| Other current liabilities                                                             | 95,342                                  | (65,813)     |
| Accrued pension liabilities                                                           | 29,906                                  | 30,149       |
| Capacity deposits                                                                     | (4,446)                                 | (714,685)    |
| Other liabilities - others                                                            | 119,233                                 | (11,655)     |
| Net cash provided by operating activities                                             | 18,994,066                              | 17,731,846   |
| Cash flows from investing activities:                                                 |                                         |              |
| Acquisition of available-for-sale financial assets                                    | (683,740)                               | (3,233,873)  |
| Proceeds from disposal of available-for-sale financial assets                         | 2,534,105                               | 2,996,582    |
| Acquisition of financial assets measured at cost                                      | (470,262)                               | (496,143)    |
| Proceeds from disposal of financial assets measured at cost                           | 108,139                                 | 139,338      |
| Acquisition of long-term investments accounted for under the equity method            | (88,562)                                | (438,042)    |
| Proceeds from disposal of long-term investments accounted for under the equity method | 825                                     | 676,095      |

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|                                                                          |             |              |
|--------------------------------------------------------------------------|-------------|--------------|
| Proceeds from maturities of held-to-maturity financial assets            |             | 908,200      |
| Prepayment for long-term investments                                     | (270,000)   | (247,712)    |
| Proceeds from capital reduction and liquidation of long-term investments | 69,027      | 60,800       |
| Acquisition of property, plant and equipment                             | (8,238,821) | (21,590,411) |
| Proceeds from disposal of property, plant and equipment                  | 100,981     | 350,872      |
| Deferred charges                                                         | (496,859)   | (618,191)    |
| Other assets-others                                                      | 11,401      | (5,091)      |
| Net cash used in investing activities                                    | (7,423,766) | (21,497,576) |

English Translation of Consolidated Financial Statements Originally Issued in Chinese

## UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six-month periods ended June 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars)

|                                                                          | For the six-month period ended June 30, |               |
|--------------------------------------------------------------------------|-----------------------------------------|---------------|
|                                                                          | 2008                                    | 2007          |
| <b>(continued)</b>                                                       |                                         |               |
| Cash flows from financing activities:                                    |                                         |               |
| Increase in short-term loans                                             | \$ 350,013                              | \$ 20,000     |
| Redemption of bonds                                                      | (22,716,624)                            | (3,701,837)   |
| Reacquisition of bonds                                                   |                                         | (753,384)     |
| Decrease in deposits-in                                                  | (2,460)                                 | (1,269)       |
| Exercise of employee stock options                                       |                                         | 187,493       |
| Increase in minority shareholders                                        |                                         | 2,202         |
| Net cash used in financing activities                                    | (22,369,071)                            | (4,246,795)   |
| Effect of exchange rate changes on cash and cash equivalents             | (383,213)                               | (232,243)     |
| Decrease in cash and cash equivalents                                    | (11,181,984)                            | (8,244,768)   |
| Cash and cash equivalents at beginning of period                         | 47,678,147                              | 93,853,208    |
| Cash and cash equivalents at end of period                               | \$ 36,496,163                           | \$ 85,608,440 |
| Supplemental disclosures of cash flow information:                       |                                         |               |
| Cash paid for interest                                                   | \$ 393,137                              | \$ 512,535    |
| Cash paid for income tax                                                 | \$ 935,186                              | \$ 2,018,344  |
| Investing activities partially paid by cash:                             |                                         |               |
| Acquisition of property, plant and equipment                             | \$ 4,332,807                            | \$ 15,737,107 |
| Add: Payable at beginning of period                                      | 6,036,274                               | 10,130,367    |
| Less: Payable at end of period                                           | (2,130,260)                             | (4,277,063)   |
| Cash paid for acquiring property, plant and equipment                    | \$ 8,238,821                            | \$ 21,590,411 |
| Investing and financing activities not affecting cash flows:             |                                         |               |
| Principal amount of exchangeable bonds exchanged by bondholders          | \$                                      | \$ 3,285,254  |
| Book value of available-for-sale financial assets delivered for exchange |                                         | (895,055)     |
| Elimination of related balance sheet accounts                            |                                         | 392,118       |
| Recognition of gain on disposal of available-for-sale financial assets   | \$                                      | \$ 2,782,317  |

The accompanying notes are an integral part of the consolidated financial statements.



UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

United Microelectronics Corporation (UMC) was incorporated in May 1980 and commenced operations in April 1982. UMC is a full service semiconductor wafer foundry, and provides a variety of services to satisfy customer needs. UMC's common shares were publicly listed on the Taiwan Stock Exchange (TSE) in July 1985 and its American Depositary Shares (ADSs) were listed on the New York Stock Exchange (NYSE) in September 2000.

The numbers of employees as of June 30, 2008 and 2007 were 14,461 and 14,495, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China (R.O.C.).

Summary of significant accounting policies is as follows:

General Descriptions of Reporting Entities

(1) Principles of Consolidation

Investees in which UMC, directly or indirectly, holds more than 50% of voting rights or de facto control with less than 50% of voting rights, are consolidated into UMC's financial statements. (UMC and the consolidated entities are hereinafter referred to as the Company.)

Transactions between consolidated entities are eliminated in the consolidated financial statements. Prior to January 1, 2006, the difference between the acquisition cost and the net equity of a subsidiary as of the acquisition date was amortized over 5 years; however effective January 1, 2006, goodwill arising from new acquisitions is analyzed and accounted for under the ROC Statement of Financial Accounting Standard (SFAS) No. 25, Business Combination Accounting Treatment under Purchase Method, and goodwill is not subject to amortization.

(2) The consolidated entities are as follows:

As of June 30, 2008

| Investor          | Subsidiary                                    | Business nature                                        | Percentage of ownership (%) |
|-------------------|-----------------------------------------------|--------------------------------------------------------|-----------------------------|
| UMC               | UMC GROUP (USA)(UMC-USA)                      | IC Sales                                               | 100.00                      |
| UMC               | UNITED MICROELECTRONICS (EUROPE) B.V (UME BV) | IC Sales                                               | 100.00                      |
| UMC               | UMC CAPITAL CORP.                             | Investment holding                                     | 100.00                      |
| UMC               | UNITED MICROELECTRONICS CORP. (SAMOA)         | Investment holding                                     | 100.00                      |
| UMC               | TLC CAPITAL CO., LTD. (TLC)                   | Consulting and planning for investment in new business | 100.00                      |
| UMC               | UMCI LTD. (UMCI)                              | Sales and manufacturing of integrated circuits         | 100.00                      |
| UMC               | FORTUNE VENTURE CAPITAL CORP. (FORTUNE)       | Consulting and planning for investment in new business | 99.99                       |
| UMC               | UNITED MICRODISPLAY OPTRONICS CORP. (UMO)     | Sales and manufacturing of LCOS                        | 85.24                       |
| UMC               | UMC JAPAN (UMCJ)                              | Sales and manufacturing of integrated circuits         | 50.09                       |
| FORTUNE           | UNITRUTH INVESTMENT CORP. (UNITRUTH)          | Investment holding                                     | 100.00                      |
| UMC CAPITAL CORP. | UMC CAPITAL (USA)                             | Investment holding                                     | 100.00                      |
| UMC CAPITAL CORP. | ECP VITA LTD.                                 | Insurance                                              | 100.00                      |
| UMO               | UMO (HK) LIMITED                              | Investment holding                                     | 100.00                      |
| TLC               | SOARING CAPITAL CORP.                         | Investment holding                                     | 100.00                      |

As of June 30, 2007

| Investor          | Subsidiary                            | Business nature                                        | Percentage of ownership (%) |
|-------------------|---------------------------------------|--------------------------------------------------------|-----------------------------|
| UMC               | UMC-USA                               | IC Sales                                               | 100.00                      |
| UMC               | UME BV                                | IC Sales                                               | 100.00                      |
| UMC               | UMC CAPITAL CORP.                     | Investment holding                                     | 100.00                      |
| UMC               | UNITED MICROELECTRONICS CORP. (SAMOA) | Investment holding                                     | 100.00                      |
| UMC               | TLC                                   | Consulting and planning for investment in new business | 100.00                      |
| UMC               | UMCI                                  | Sales and manufacturing of integrated circuits         | 100.00                      |
| UMC               | FORTUNE                               | Consulting and planning for investment in new business | 99.99                       |
| UMC               | UMO                                   | Sales and manufacturing of LCOS                        | 85.24                       |
| UMC               | UMCJ                                  | Sales and manufacturing of integrated circuits         | 50.09                       |
| FORTUNE           | UNITRUTH                              | Investment holding                                     | 100.00                      |
| UMC CAPITAL CORP. | UMC CAPITAL (USA)                     | Investment holding                                     | 100.00                      |
| UMC CAPITAL CORP. | ECP VITA LTD.                         | Insurance                                              | 100.00                      |

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that will affect the amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. The actual results may differ from those estimates.

Foreign Currency Transactions

Transactions denominated in foreign currencies are remeasured into the local functional currencies and recorded based on the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are remeasured into the local functional currencies at the exchange rates prevailing at the balance sheet date, with the related exchange gains or losses included in the consolidated statements of income. Translation gains or losses from investments in foreign entities are recognized as a cumulative translation adjustment in stockholders' equity.

Non-monetary assets and liabilities denominated in foreign currencies that are reported at fair value with changes in fair value charged to the consolidated statements of income, are remeasured at the exchange rate at the balance sheet date, with related exchange gains or losses recorded in the consolidated statements of income. Non-monetary assets and liabilities denominated in foreign currencies that are reported at fair value with changes in fair value charged to stockholders' equity, are remeasured at the exchange rate at the balance sheet date, with related exchange gains or losses recorded as a cumulative adjustment items translation adjustment into consolidated stockholders' equity. Non-monetary assets and liabilities denominated in foreign currencies and reported at cost are remeasured at historical exchange rates.

#### Translation of Foreign Currency Financial Statements

The financial statements of foreign subsidiaries and UMC's Singapore branch (the Branch) are translated into New Taiwan Dollars using the spot rates at the balance sheet date for asset and liability accounts and average exchange rates for profit and loss accounts. The cumulative translation effects from the subsidiaries and the Branch using functional currencies other than New Taiwan Dollars are included in the cumulative translation adjustment in consolidated stockholders' equity.

#### Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and with maturity dates that do not present significant risks on changes in value resulting from changes in interest rates, including commercial paper with original maturities of three months or less.

#### Financial assets and financial liabilities

In accordance with ROC Statement of Financial Accounting Standard (SFAS) No. 34, "Financial Instruments: Recognition and Measurement" and the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers", financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity financial assets, financial assets measured at cost, or available-for-sale financial assets. Financial liabilities are recorded at fair value through profit or loss.

The Company accounts for purchase or sale of financial instruments as of the trade date, which is the date the Company commits to purchase or sell the asset or liability. Financial assets and financial liabilities are initially recognized at fair value plus acquisition or issuance costs.

a. Financial assets and financial liabilities at fair value through profit or loss

Financial instruments held for short-term sale or repurchase purposes and derivative financial instruments not qualified for hedge accounting are classified as financial assets or liabilities at fair value through profit or loss.

This category of financial instruments is measured at fair value and changes in fair value are recognized in the consolidated statements of income. Stock of listed companies, convertible bonds, and closed-end funds are measured at closing prices as of the balance sheet date. Open-end funds are measured at the unit price of the net assets as of the balance sheet date. The fair value of derivative financial instruments is determined by using valuation techniques commonly used by market participants in the industry.

b. Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity financial assets if the Company has both the positive intention and ability to hold the financial assets to maturity. Investments intended to be held to maturity are measured at amortized cost.

The Company recognizes an impairment loss if objective evidence of impairment loss exists. However, the impairment loss may be reversed if the value of asset recovers subsequently and the Company concludes the recovery is related to improvements in events or factors that originally caused the impairment loss. The new cost basis as a result of the reversal cannot exceed the amortized cost prior to the impairment.

c. Financial assets measured at cost

Unlisted stock, funds, and other securities without reliable market prices are measured at cost. When objective evidence of impairment exists, the Company recognizes an impairment loss, which cannot be reversed in subsequent periods.

d. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial instruments not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables. Subsequent measurement is calculated at fair value. Investments in listed companies are measured at closing prices as of the balance sheet date. Any gain or loss arising from the change in fair value, excluding impairment loss and exchange gain or loss arising from monetary financial assets denominated in foreign currencies, is recognized as an adjustment to consolidated stockholders' equity until such investment is reclassified or disposed of, upon which the cumulative gain or loss previously charged to consolidated stockholders' equity will be recorded in the consolidated statement of income.

The Company recognizes an impairment loss when objective evidence of impairment exists. Any reduction in the impairment loss of equity investments in subsequent periods will be recognized as an adjustment to consolidated stockholders' equity. The impairment loss of a debt security may be reversed and recognized in the current period's consolidated statement of income if the security recovers and the Company concludes the recovery is related to improvements in the factors or events that originally caused the impairment.

#### Allowance for Doubtful Accounts

An allowance for doubtful accounts is provided based on management's judgment of the collectibility and aging analysis of accounts and other receivables.

#### Inventories

Inventories are accounted for on a perpetual basis. Raw materials are recorded at actual purchase costs, while the work in process and finished goods are recorded at standard costs and subsequently adjusted to actual costs using the weighted-average method at the end of each month. Inventories are stated individually by category at the lower of aggregate cost or market value as of the balance sheet date. The market values of raw materials and supplies are determined on the basis of replacement cost while the market values of work in process and finished goods are determined by net realizable values. An allowance for loss on decline in market value or obsolescence is provided, when necessary.

#### Long-term Investments Accounted for Under the Equity Method

Long-term investments are recorded at acquisition cost. Investments acquired by the contribution of technological know-how are credited to deferred credits among affiliates, which will be amortized over a period of 5 years.

Investments in which the Company has ownership of at least 20% or exercises significant influence on operating decisions are accounted for under the equity method. Prior to January 1, 2006, the difference of the acquisition cost and the underlying equity in the investee's net assets as of acquisition date was amortized over 5 years; however, effective January 1, 2006, goodwill arising from new acquisitions is analyzed and accounted for under the ROC SFAS No. 25, Business Combination Accounting Treatment under Purchase Method, where goodwill is not subject to amortization.

The change in the Company's proportionate share in the net assets of an investee resulting from its acquisition of additional stock issued by the investee at a rate not proportionate to its existing equity ownership is charged to the additional paid-in capital and long-term investments accounts.

Unrealized intercompany gains and losses arising from sales from the Company to equity method investees are eliminated in proportion to the Company's ownership percentage at the end of the period until realized through transactions with third parties. Intercompany gains and losses arising from transactions between the Company and majority-owned (above 50%) subsidiaries are eliminated entirely until realized through transactions with third parties.

Unrealized intercompany gains and losses due to sales from equity method investees to the Company are eliminated in proportion to the Company's weighted-average ownership percentage of the investee until realized through transactions with third parties.

Unrealized intercompany gains and losses arising from transactions between two equity method investees are eliminated in proportion to the Company's multiplied weighted-average ownership percentage with the investees until realized through transactions with third parties. Those intercompany gains and losses arising from transactions between two majority-owned subsidiaries are eliminated in proportion to the Company's weighted-average ownership percentage in the subsidiary that incurred the gain or loss.

If the recoverable amount of investees accounted for under the equity method is less than its carrying amount, the difference is to be recognized as impairment loss in the current period.

The total value of an investment and related receivables cannot be negative. If, after the investment loss is recognized, the net book value of the investment is less than zero, the investment is reclassified to other liabilities on the consolidated balance sheet.

The Company ceases to use the equity method upon a loss of ability to exercise significant influence over an investee. In accordance with ROC SFAS No. 34, Financial Instrument: Recognition and Measurement, the carrying value of the investment upon the loss of significant influence remains as the carrying value of the investment. Any amount of the investee's additional paid-in capital and other adjustment items under stockholders' equity recorded in the consolidated stockholders' equity of the Company are eliminated in proportion to the amount of the investment sold and recorded as gain or loss on disposal of investments. Cash dividends received during the year of change would be applied as a reduction of the carrying amount of the investment. Dividends received in subsequent years are recorded in accordance with ROC SFAS No. 32, Accounting for Revenue Recognition.

Gain or loss on disposal of long-term investments is based on the difference between selling price and book value of investments sold. Any amount of the investee's additional paid-in capital and other adjustment items under stockholders' equity recorded in the stockholders' equity of the Company are eliminated in proportion to the amount of the investment sold and recorded as gain or loss on disposal of investments.

#### Property, Plant and Equipment

Property, plant and equipment are stated at cost. Interest incurred on loans used to finance the construction of property, plant and equipment is capitalized and depreciated accordingly. Maintenance and repairs are charged to expense as incurred. Significant renewals and improvements are treated as capital expenditures and are depreciated over their estimated useful lives. Upon disposal of property, plant and equipment, the cost and accumulated depreciation are written off and the related gain or loss is classified as non-operating income or expense. Idle assets are classified as other assets at the lower of net book or net realizable value, with the difference charged to non-operating expenses. Depreciation is recognized on a straight-line basis using the estimated economic life of the assets less salvage value. The estimated economic life of the property, plant and equipment is as follows:

|                                          |                                                                   |
|------------------------------------------|-------------------------------------------------------------------|
| Buildings                                | 3 ~ 55 years                                                      |
| Machinery and equipment                  | 5 ~ 6 years                                                       |
| Transportation equipment                 | 4 ~ 5 years                                                       |
| Furniture and fixtures                   | 2 ~ 20 years                                                      |
| Leased assets and leasehold improvements | The lease period or estimated economic life, whichever is shorter |

#### Intangible Assets

Effective January 1, 2006, goodwill generated from business combinations is no longer subject to amortization.

An impairment loss will be recognized when the decrease in fair value of intangible assets are other than temporary. The book value after recognizing the impairment loss is recorded as the new cost.

#### Deferred Charges

Deferred charges are stated at cost and amortized on a straight-line basis as follows: intellectual property license fees - the shorter of contract term or estimated economic life of the related technology; and software - 3 years.

Originally, the issuance costs of convertible and exchangeable bonds were classified as deferred charges and amortized over the life of the bonds. Effective from January 1, 2006, the unamortized amounts as of December 31, 2005 were reclassified as a bond discount and recorded as a deduction to bonds payable. The amounts are amortized using the effective interest method over the remaining life of the bonds. If the difference between the straight-line method and the effective interest method is immaterial, the amortization of the bond discount may be amortized using the straight-line method and recorded as interest expenses.

#### Convertible and Exchangeable Bonds

The excess of the stated redemption price over par value is accrued as interest payable and expensed over the redemption period using the effective interest method.

When convertible bondholders exercise their conversion rights, the book value of the bonds is credited to common stock at an amount equal to the par value of the common stock with the excess credited to additional paid-in capital. No gain or loss is recognized upon bond conversion.

When exchangeable bondholders exercise their right to exchange their bonds for reference shares, the book value of the bonds is offset against the book value of the investments in reference shares and the related stockholders' equity accounts, with the difference recognized as a gain or loss on disposal of investments.

In accordance with ROC SFAS No. 34, Financial Instruments: Recognition and Measurement, effective as of January 1, 2006, since the economic and risk characteristics of the embedded derivative instrument and the host contract are not clearly and closely related, derivative financial instruments embedded in exchangeable bonds shall be bifurcated and accounted as financial liabilities at fair value through profit or loss.

#### Pension Plan

All regular employees are entitled to a defined benefit pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the Bank of Taiwan and hence, not associated with the Company. Therefore, fund assets are not to be included in the Company's financial statements. Pension benefits for employees of the Branch and overseas subsidiaries are provided in accordance with the local regulations.

The Labor Pension Act of the R.O.C. (the Act), which adopts a defined contribution plan, became effective on July 1, 2005. Employees eligible to the Labor Standards Law, a defined benefit plan, were allowed to elect either the pension calculation under the Act or continue to be subject to the pension calculation under the Labor Standards Law. Those employees that elected to be subject to the Act will have their seniority achieved under the Labor Standards Law retained upon election of the Act, and the Company will make monthly contributions of no less than 6% of these employees' monthly wages to the employees' individual pension accounts.

The accounting for UMC's pension liability is computed in accordance with ROC SFAS No.18. Net pension costs of the defined benefit plan are recorded based on an independent actuarial valuation. Pension cost components such as service cost, interest cost, expected return on plan assets, the amortization of net obligation at transition, pension gain or loss, and prior service cost, are all taken into consideration. UMC recognizes expenses from the defined contribution pension plan in the period in which the contribution becomes due.

#### Employee Stock Option Plan

The Company uses intrinsic value method to recognize compensation cost for its employee stock options issued between January 1, 2004 and December 31, 2007, in accordance with Accounting Research and Development Foundation interpretation Nos. 92-070~072. For stock options granted on or after January 1, 2008, the Company recognizes compensation cost using the fair value method in accordance with ROC SFAS No. 39 Accounting for Share-Based Payment.

#### Share-Based Employee Bonuses and Remunerations Paid to Directors and Supervisors

In accordance with Accounting Research and Development Foundation interpretation No. 96-052 effective January 1, 2008, share-based employee bonuses and remunerations paid to directors and supervisors are charged to expense at fair value and are no longer accounted for as a reduction of retained earnings.

#### Treasury Stock

In accordance with ROC SFAS No. 30, Accounting for Treasury Stock, treasury stock held by the Company is accounted for under the cost method. The cost of treasury stock is shown as a deduction to consolidated stockholders' equity, while any gain or loss from selling treasury stock is treated as an adjustment to additional paid-in capital. Prior to December 31, 2007, treasury stock transferred to employees was accounted as treasury stock transaction and no compensation expense is recorded. The Company's stock held by its subsidiaries is also treated as treasury stock. Cash dividends received by subsidiaries from the Company are recorded as additional paid-in capital - treasury stock transactions.

#### Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, the product or service has been delivered, the seller's price to the buyer is fixed or determinable and collectibility is reasonably assured. Most of the Company's sales transactions have shipping terms of Free on Board (FOB) or Free Carrier (FCA) shipment in which title and the risk of loss or damage is transferred to the customer upon delivery of the product to a carrier approved by the customer.

Allowance for sales returns and discounts are estimated based on history of customer complaints, historical experiences, management judgment and any other known factors that might significantly affect collectibility. Such allowances are recorded in the same period in which sales are made.

#### Research and Development Expenditures

Research and development expenditures are charged to expenses as incurred.

#### Capital Expenditures Versus Operating Expenditures

Expenditures are capitalized when it is probable that the Company will receive future economic benefits associated with the expenditures.

#### Income Tax

The Company adopted ROC SFAS No. 22, *Accounting for Income Taxes* for inter-period and intra-period income tax allocation. The provision for income taxes includes deferred income tax assets and liabilities that are a result of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, loss carry-forward and investment tax credits. A valuation allowance on deferred income tax assets is provided to the extent that it is more likely than not that the tax benefits will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, its classification is based on the expected reversal date of the temporary difference.

According to ROC SFAS No. 12, *Accounting for Income Tax Credits*, the Company recognizes the tax benefit from the purchase of equipment and technology, research and development expenditure, employee training, and certain equity investment by the flow-through method.

Income tax (10%) on unappropriated earnings is recorded as expense in the year when the shareholders have resolved that the earnings shall be retained.

The Income Basic Tax Act of the R.O.C. (the IBTA) became effective on January 1, 2006. Set up by the Executive Yuan, the IBTA is a supplemental 10% tax that is payable if the income tax payable determined by the ROC Income Tax Act is below the minimum amount as prescribed by the IBTA. The IBTA is calculated based on taxable income as defined by the IBTA, which includes most income that is exempted from income tax under various legislations. The impact of the IBTA has been considered in the Company's income tax for the current reporting period.

#### Earnings per Share

Earnings per share is computed according to ROC SFAS No. 24, Earnings Per Share. Basic earnings per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the current reporting period. Diluted earnings per share is computed by taking basic earnings per share into consideration plus additional common shares that would have been outstanding if the dilutive share equivalents had been issued. Net income (loss) is also adjusted for interest and other income or expenses derived from any underlying dilutive share equivalents. The weighted-average of outstanding shares is adjusted retroactively for stock dividends and bonus share issues.

#### Asset Impairment

Pursuant to ROC SFAS No. 35, the Company assesses indicators of impairment for all its assets (except for goodwill) within the scope of the standard at each balance sheet date. If impairment is indicated, the Company compares the asset's carrying amount with the recoverable amount of the assets or the cash-generating unit (CGU) associated with the asset and writes down the carrying amount to the recoverable amount where applicable. The recoverable amount is defined as the higher of fair value less the costs to sell, and the values in use. For previously recognized losses, the Company assesses at the balance sheet date if any indication that the impairment loss no longer exists or may have diminished. If there is any such indication, the Company recalculates the recoverable amount of the asset, and if the recoverable amount has increased as a result of the increase in the estimated service potential of the assets, the Company reverses the impairment loss so that the resulting carrying amount of the asset does not exceed the amount (net of amortization or depreciation) that would otherwise result had no impairment loss been recognized for the assets in prior years.

In addition, a goodwill-allocated CGU or group of CGUs is tested for impairment each year, regardless of whether impairment is indicated. If an impairment test reveals that the carrying amount, including goodwill, of CGU or group of CGUs is greater than its recoverable amount, it results in an impairment loss. The loss is first recorded against the CGU's goodwill, with any remaining loss allocated to other assets on a pro rata basis proportionate to their carrying amounts. The write-down of goodwill cannot be reversed in subsequent periods under any circumstances.

Impairment losses and reversals are classified as non-operating expenses and income, respectively.

### 3. ACCOUNTING CHANGES

#### Employee Stock Options

Effective from January 1, 2008, the Company adopted ROC SFAS No. 39, Accounting for Share-Based Payment to account for share-based payments. This change in accounting principles had no effect on consolidated net income or consolidated earnings per share for the six-month period ended June 30, 2008.

#### Share-Based Employee Bonuses and Remunerations Paid to Directors and Supervisors

Effective from January 1, 2008, the Company adopted Accounting Research and Development Foundation interpretation No. 96-052 to account for share-based employee bonuses and remunerations paid to directors and supervisors. The adoption resulted in an unfavorable effect on consolidated net income in the amount of NT\$171 million, thereby reducing consolidated earnings per share by NT\$0.01 for the six-month period ended June 30, 2008.

### 4. CONTENTS OF SIGNIFICANT ACCOUNTS

#### (1) CASH AND CASH EQUIVALENTS

|                               | As of June 30, |               |
|-------------------------------|----------------|---------------|
|                               | 2008           | 2007          |
| Cash:                         |                |               |
| Cash on hand                  | \$ 2,810       | \$ 2,880      |
| Checking and savings accounts | 6,780,322      | 5,879,774     |
| Time deposits                 | 23,134,423     | 60,197,601    |
| Subtotal                      | 29,917,555     | 66,080,255    |
| Cash equivalents:             | 6,578,608      | 19,528,185    |
| Total                         | \$ 36,496,163  | \$ 85,608,440 |

(2) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, CURRENT

| Held for trading  | As of June 30,      |                     |
|-------------------|---------------------|---------------------|
|                   | 2008                | 2007                |
| Listed stocks     | \$ 3,279,771        | \$ 7,686,348        |
| Convertible bonds |                     | 111,010             |
| Forward contracts | 29,243              |                     |
| Open-end fund     | 3,655               | 4,900               |
| <b>Total</b>      | <b>\$ 3,312,669</b> | <b>\$ 7,802,258</b> |

During the six-month periods ended June 30, 2008 and 2007, net loss of financial assets at fair value through profit or loss, current, were net losses of NT\$707 million and NT\$69 million, respectively.

(3) HELD-TO-MATURITY FINANCIAL ASSETS

|                                             | As of June 30, |            |
|---------------------------------------------|----------------|------------|
|                                             | 2008           | 2007       |
| Credit-linked deposits and repackaged bonds | \$             | \$ 200,000 |

(4) ACCOUNTS RECEIVABLE, NET

|                                                 | As of June 30,       |                      |
|-------------------------------------------------|----------------------|----------------------|
|                                                 | 2008                 | 2007                 |
| Accounts receivable                             | \$ 15,928,932        | \$ 16,016,908        |
| Less: Allowance for sales returns and discounts | (662,454)            | (456,667)            |
| Less: Allowance for doubtful accounts           | (2,005)              | (2,479)              |
| <b>Net</b>                                      | <b>\$ 15,264,473</b> | <b>\$ 15,557,762</b> |

(5) INVENTORIES, NET

|                                                                       | As of June 30,       |                      |
|-----------------------------------------------------------------------|----------------------|----------------------|
|                                                                       | 2008                 | 2007                 |
| Raw materials                                                         | \$ 1,035,507         | \$ 899,609           |
| Supplies and spare parts                                              | 2,328,484            | 2,065,283            |
| Work in process                                                       | 8,958,658            | 8,454,566            |
| Finished goods                                                        | 1,363,249            | 885,390              |
| <b>Total</b>                                                          | <b>13,685,898</b>    | <b>12,304,848</b>    |
| Less : Allowance for loss on decline in market value and obsolescence | (964,307)            | (819,877)            |
| <b>Net</b>                                                            | <b>\$ 12,721,591</b> | <b>\$ 11,484,971</b> |

Inventories were not pledged.



(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NONCURRENT

|                   | As of June 30, |      |
|-------------------|----------------|------|
|                   | 2008           | 2007 |
| Convertible bonds | \$ 6,790       | \$   |

During the six-month periods ended June 30, 2008 and 2007, net gain (loss) of financial assets at fair value through profit or loss, noncurrent, were a net gain of NT\$2 million and a net loss of NT\$17 million, respectively.

(7) AVAILABLE-FOR-SALE FINANCIAL ASSETS, NONCURRENT

|                     | As of June 30, |               |
|---------------------|----------------|---------------|
|                     | 2008           | 2007          |
| Common stock        | \$ 32,995,736  | \$ 60,571,122 |
| Depository receipts | 264,031        |               |
| Funds               | 90,537         |               |
| Total               | \$ 33,350,304  | \$ 60,571,122 |

During the six-month periods ended June 30, 2008 and 2007, the total unrealized gain (loss) adjustments to consolidated stockholders' equity due to changes in fair value of available-for-sale assets were a loss of NT\$15,206 million and a gain of NT\$10,042 million, respectively. The Company recognized gains of NT\$1,910 million and NT\$4,273 million due to the disposal of available-for-sale assets during the six-month periods ended June 30, 2008 and 2007, respectively. Among the available-for-sale assets, five million shares of EPITECH TECHNOLOGY CORP. (EPITECH) were acquired on March 1, 2007 through the exchange of HIGHLINK TECHNOLOGY CORP. (HIGHLINK) shares, which were previously obtained by the Company through private placement since February 2006. On March 1, 2007, HIGHLINK was merged into EPISTAR CORP. The Company's holding of EPISTAR CORP. is classified as available-for-sale. Additionally, the Company acquired 5.5 million shares of Simplo Technology Co., LTD were acquired through private placement in July 2006. The exchanges of these shares listed above are restricted by the provisions in Article 43 paragraph 8 of the Securities and Exchange Law.

(8) FINANCIAL ASSETS MEASURED AT COST, NONCURRENT

|                  | As of June 30,      |                     |
|------------------|---------------------|---------------------|
|                  | 2008                | 2007                |
| Common stock     | \$ 5,285,245        | \$ 4,976,467        |
| Preferred stock  | 2,516,578           | 2,457,709           |
| Convertible bond | 15,322              |                     |
| Funds            | 673,321             | 448,474             |
| <b>Total</b>     | <b>\$ 8,490,466</b> | <b>\$ 7,882,650</b> |

The Company acquired 0.074 million shares of Ralink Technology Corp. through private placement in July 2007, 4 million shares of INPAQ Technology Co., LTD through private placement in November 2007, and 4.6 million shares of First International Telecom Corp. through private placement in March 2008. The exchanges of these shares listed above are restricted by the provision in Article 43 paragraph 8 of the Securities and Exchange Law.

(9) LONG-TERM INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

a. Details of long-term investments accounted for under the equity method are as follows:

| Investee Company                                     | As of June 30, |                                          |            |                                          |
|------------------------------------------------------|----------------|------------------------------------------|------------|------------------------------------------|
|                                                      | 2008           |                                          | 2007       |                                          |
|                                                      | Amount         | Percentage of Ownership or Voting Rights | Amount     | Percentage of Ownership or Voting Rights |
| <u>Listed companies</u>                              |                |                                          |            |                                          |
| HOLTEK SEMICONDUCTOR INC. (HOLTEK) (Note A)          | \$             |                                          | \$ 903,961 | 23.12                                    |
| ITE TECH. INC. (ITE) (Note B)                        |                |                                          | 380,738    | 21.62                                    |
| Subtotal                                             |                |                                          | 1,284,699  |                                          |
| <u>Unlisted companies</u>                            |                |                                          |            |                                          |
| PACIFIC VENTURE CAPITAL CO., LTD. (PACIFIC) (Note C) | 127,379        | 49.99                                    | 127,379    | 49.99                                    |
| MTIC HOLDING PTE LTD.                                | 80,111         | 49.94                                    | 78,805     | 49.94                                    |
| UWAVE TECHNOLOGY CORP.(UWAVE) (Note D)               |                | 48.64                                    |            | 48.64                                    |
| AEVOE INTERNATIONAL LTD.                             | 28,368         | 45.31                                    | 9,256      | 44.33                                    |
| YUNG LI INVESTMENTS, INC.                            | 270,588        | 45.16                                    | 202,724    | 37.04                                    |
| MEGA MISSION LIMITED PARTNERSHIP                     | 1,654,006      | 45.00                                    | 2,551,817  | 45.00                                    |
| SMEDIA TECHNOLOGY CORP.                              | 153,493        | 44.86                                    | 130,963    | 47.72                                    |
| ACHIEVE MADE INTERNATIONAL LTD.                      | 20,364         | 43.29                                    | 25,610     | 43.29                                    |
| UNITECH CAPITAL INC.                                 | 624,819        | 42.00                                    | 1,122,669  | 42.00                                    |
| ANOTO TAIWAN CORP.                                   | 19,982         | 39.20                                    | 27,169     | 49.00                                    |

| Investee Company                                          | As of June 30, |                                          |               |                                          |
|-----------------------------------------------------------|----------------|------------------------------------------|---------------|------------------------------------------|
|                                                           | 2008           | Percentage of Ownership or Voting Rights | 2007          | Percentage of Ownership or Voting Rights |
|                                                           | Amount         |                                          | Amount        |                                          |
| HSUN CHIEH INVESTMENT CO., LTD.                           | 3,042,954      | 36.49                                    | 4,943,314     | 36.49                                    |
| UC FUND II                                                | 124,319        | 35.45                                    | 252,127       | 35.45                                    |
| WALTOP INTERNATIONAL CORP.                                | 159,089        | 34.79                                    | 117,669       | 40.00                                    |
| NEXPOWER TECHNOLOGY CORP.                                 | 749,227        | 34.55                                    | 295,176       | 36.66                                    |
| UNIMICRON HOLDING LIMITED                                 | 568,699        | 33.78                                    |               |                                          |
| CRYSTAL MEDIA INC.                                        | 42,212         | 32.87                                    | 51,300        | 34.03                                    |
| CTC CAPITAL PARTNERS I, L.P.                              | 136,867        | 32.11                                    |               |                                          |
| XGI TECHNOLOGY INC.                                       | 60,944         | 29.28                                    | 72,600        | 31.56                                    |
| ALLIANCE OPTOTEK CORP.                                    | 66,816         | 27.76                                    | 36,664        | 29.09                                    |
| AMIC TECHNOLOGY CORP.                                     | 62,486         | 25.87                                    | 140,832       | 28.88                                    |
| HIGH POWER LIGHTING CORP.                                 | 44,548         | 23.00                                    | 53,051        | 23.00                                    |
| MOBILE DEVICES INC.                                       | 47,996         | 21.31                                    | 24,791        | 21.16                                    |
| TRANSLINK CAPITAL PARTNERS I L.P.<br>(TRANSLINK) (Note E) | 72,364         | 15.77                                    |               |                                          |
| Y.S. FINANCIAL ADVISORY CO., LTD                          |                |                                          | 70,000        | 48.95                                    |
| UCA TECHNOLOGY INC.                                       |                |                                          | 35,179        | 48.33                                    |
| PARADE TECHNOLOGIES, LTD.                                 |                |                                          | 47,871        | 23.30                                    |
| AFA TECHNOLOGY, INC.                                      |                |                                          | 80,589        | 22.32                                    |
| Subtotal                                                  | 8,157,631      |                                          | 10,497,555    |                                          |
| Total                                                     | \$ 8,157,631   |                                          | \$ 11,782,254 |                                          |

Note A: As UMC did not have significant influence after decreasing its percentage of ownership in HOLTEK in September 2007, the investee was classified as available-for-sale financial asset.

Note B: As UMC did not have significant influence after decreasing its percentage of ownership in ITE in August 2007, the investee was classified as available-for-sale financial asset.

Note C: On June 27, 2006, PACIFIC set July 3, 2006 as its liquidation date through a decision at its shareholders meeting. The liquidation has not been completed as of June 30, 2008.

Note D: On June 29, 2007, UWAVE reached the decision to liquidate the company at its shareholders meeting. The liquidation has not been completed as of June 30, 2008.

Note E: According to the partnership contract, the Company has significant influence over TRANSLINK, and it is accounted for under the equity method.

- b. Total gains (loss) arising from investments accounted for under the equity method, based on the audited financial statements of the investees, were a loss of NT\$660 million and a gain of NT\$530 million for the six-month periods ended June 30, 2008 and 2007, respectively. Investment income (loss) amounting to a loss of NT\$25 million and a gain of NT\$463 million for the six-month periods ended June 30, 2008 and 2007, respectively, and the related long-term investment balances of NT\$4,616 million and NT\$7,219 million as of June 30, 2008 and 2007, respectively, were determined based on the investees' financial statements audited by other auditors.
- c. The long-term equity investments were not pledged.

(10) PROPERTY, PLANT AND EQUIPMENT

|                                          | As of June 30, 2008 |                          |                |
|------------------------------------------|---------------------|--------------------------|----------------|
|                                          | Cost                | Accumulated Depreciation | Book Value     |
| Land                                     | \$ 2,029,131        | \$                       | \$ 2,029,131   |
| Buildings                                | 22,333,936          | (8,385,529)              | 13,948,407     |
| Machinery and equipment                  | 448,390,261         | (351,727,821)            | 96,662,440     |
| Transportation equipment                 | 83,795              | (68,233)                 | 15,562         |
| Furniture and fixtures                   | 3,447,158           | (2,676,866)              | 770,292        |
| Leasehold improvement                    | 40,008              | (38,592)                 | 1,416          |
| Construction in progress and prepayments | 5,877,829           |                          | 5,877,829      |
| Total                                    | \$ 482,202,118      | \$ (362,897,041)         | \$ 119,305,077 |

|                                          | As of June 30, 2007 |                          |                |
|------------------------------------------|---------------------|--------------------------|----------------|
|                                          | Cost                | Accumulated Depreciation | Book Value     |
| Land                                     | \$ 1,857,774        | \$                       | \$ 1,857,774   |
| Buildings                                | 21,639,715          | (7,188,345)              | 14,451,370     |
| Machinery and equipment                  | 431,657,331         | (319,394,572)            | 112,262,759    |
| Transportation equipment                 | 85,883              | (60,896)                 | 24,987         |
| Furniture and fixtures                   | 3,067,345           | (2,406,341)              | 661,004        |
| Leasehold improvement                    | 43,351              | (40,905)                 | 2,446          |
| Construction in progress and prepayments | 19,660,008          |                          | 19,660,008     |
| Total                                    | \$ 478,011,407      | \$ (329,091,059)         | \$ 148,920,348 |

- a. Total interest expense before capitalization amounted to NT\$62 million and NT\$153 million for the six-month periods ended June 30, 2008 and 2007, respectively.  
Details of capitalized interest are as follows:

|                                     | For the six-month period ended June 30, |             |
|-------------------------------------|-----------------------------------------|-------------|
|                                     | 2008                                    | 2007        |
| Machinery and equipment             | \$ 12,830                               | \$ 54,965   |
| Other property, plant and equipment | 4,858                                   | 7,680       |
| Total interest capitalized          | \$ 17,688                               | \$ 62,645   |
| Interest rates applied              | 0.11%~0.91%                             | 0.67%~0.92% |

- b. Property, plant, and equipment were not pledged.

(11) OTHER ASSETS - OTHERS

|               | As of June 30, |              |
|---------------|----------------|--------------|
|               | 2008           | 2007         |
| Leased assets | \$ 1,180,110   | \$ 1,224,825 |
| Deposits-out  | 744,601        | 752,062      |
| Others        | 200,755        | 252,793      |
| Total         | \$ 2,125,466   | \$ 2,229,680 |

Please refer to Note 6 for deposits-out pledged as collateral.

(12) IMPAIRMENT

|                                                 | For the six-month period ended June 30, |            |
|-------------------------------------------------|-----------------------------------------|------------|
|                                                 | 2008                                    | 2007       |
| Available for sale financial assets, noncurrent | \$ 135,586                              | \$ 162,481 |
| Financial assets measured at cost, noncurrent   | 49,117                                  | 86,074     |
| Fixed assets                                    | 9,990                                   |            |
| Total                                           | \$ 194,693                              | \$ 248,555 |

(13) SHORT-TERM LOANS

|                      | As of June 30, |            |
|----------------------|----------------|------------|
|                      | 2008           | 2007       |
| Unsecured bank loans | \$ 686,517     | \$ 364,329 |

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|                | For the six-month period ended June 30, |              |
|----------------|-----------------------------------------|--------------|
|                | 2008                                    | 2007         |
| Interest rates | 2.96%~3.67%                             | 3.28%~5.835% |

The Company's unused short-term lines of credits amounted to NT\$13,279 million and NT\$12,145 million as of June 30, 2008 and 2007, respectively.

(14) FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS, CURRENT

|                       | As of June 30, |            |
|-----------------------|----------------|------------|
|                       | 2008           | 2007       |
| Interest rate swaps   | \$ 75,795      | \$ 423,226 |
| Less: Current portion | (33,189)       | (224,775)  |
| Total                 | \$ 42,606      | \$ 198,451 |

During the six-month periods ended June 30, 2008 and 2007, net gain (loss) arising from financial liabilities at fair value through profit or loss were a net loss of NT\$55 million and a net gain of NT\$341 million, respectively.

(15) BONDS PAYABLE

|                                  | As of June 30, |               |
|----------------------------------|----------------|---------------|
|                                  | 2008           | 2007          |
| Unsecured domestic bonds payable | \$ 7,500,000   | \$ 18,000,000 |
| Convertible bonds payable        |                | 13,956,129    |
| Less: discounts on bonds payable | (3,973)        | (34,456)      |
| Total                            | 7,496,027      | 31,921,673    |
| Less: Current portion            |                | (24,426,911)  |
| Net                              | \$ 7,496,027   | \$ 7,494,762  |

- A. During the period from April 16 to April 27, 2001, UMC issued five-year and seven-year unsecured bonds totaled NT\$15,000 million, each with a face value of NT\$7,500 million. The interest is paid annually with stated interest rates of 5.1195% through 5.1850% and 5.2170% through 5.2850%, respectively. The five-year and seven-year bonds were due starting from April 2004 to April 2006 and April 2006 to April 2008, respectively, both in three yearly installments at the rates of 30%, 30% and 40%. On April 27, 2006 and April 27, 2008, the five-year and seven-year bonds were fully repaid, respectively.
- B. On May 10, 2002, UMC issued zero coupon exchangeable bonds listed on the Euro MTF Market of the Luxembourg Stock Exchange (LSE). The terms and conditions of the bonds were as follows:
- (a) Issue Amount: US\$235 million
- (b) Period: May 10, 2002 ~ May 10, 2007

(c) Redemption

- i. UMC may have redeemed the bonds, in whole or in part, after three months of the issuance and prior to the maturity date, at their principal amount if the closing price of the AU Optronics Corp. (AUO) common shares on the TSE, translated into US dollars at the prevailing exchange rate, for a period of 20 consecutive trading days, the last of which occurs not more than 10 days prior to the date upon which notice of such redemption is published, is at least 120% of the exchange price then in effect translated into US dollars at the rate of NT\$34.645=US\$ 1.00.
- ii. UMC may have redeemed the bonds, in whole, but not in part, if at least 90% in principal amount of the bonds has already been exchanged, redeemed or purchased and cancelled.
- iii. UMC may have redeemed all, but not in part, of the bonds, at any time, in the event of certain changes in the R.O.C. tax rules which would require UMC to gross up for payments of principal, or to gross up for payments of interest or premium.
- iv. UMC could have, at the option of the bondholders, redeemed such bonds on February 10, 2005 at its principal amount.

(d) Terms of Exchange

- i. Underlying Securities: ADSs or common shares of AUO.
- ii. Exchange Period: The bonds were exchangeable at any time on or after June 19, 2002 and prior to April 10, 2007, into AUO common shares or AUO ADSs; provided, however, that if the exercise date falls within 5 business days from the beginning of, and during, any closed period, the right of the exchanging holder of the bonds to vote with respect to the shares it received were subject to certain restrictions.
- iii. Exchange Price and Adjustment: The exchange price was NT\$44.3 per share, determined on the basis of a fixed exchange rate of NT\$34.645=US\$1.00. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

(e) Exchange of the Bonds

As of June 30, 2007, certain bondholders exercised their rights to exchange their bonds with the total principal amount of US\$235 million into AUO shares. Gains arising from the exercise of exchange rights during the six-month period ended June 30, 2007 amounted to NT\$2,782 million, and was recognized as gain on disposal of investments.

(f) Redemption at maturity date

At the maturity date of May 10, 2007, UMC redeemed all of the remaining bonds outstanding in the principal amount of US\$0.3 million.

- C. During the period from May 21 to June 24, 2003, UMC issued five-year and seven-year unsecured bonds totaling NT\$15,000 million, each with a face value of NT\$7,500 million. The interest is paid annually with stated interest rates of 4.0% minus USD 12-Month LIBOR and 4.3% minus USD 12-Month LIBOR, respectively. Stated interest rates are reset annually based on the prevailing USD 12-Month LIBOR. The five-year bonds and seven-year bonds are repayable in 2008 and 2010, respectively, upon the maturity of the bonds. On June 24, 2008, the five-year bonds were fully repaid.
- D. On October 5, 2005, UMC issued zero coupon convertible bonds on the LSE. The terms and conditions of the bonds are as follows:
- (a) Issue Amount: US\$381.4 million
  - (b) Period: October 5, 2005 ~ February 15, 2008 (Maturity date)
  - (c) Redemption:
    - i. On or at any time after April 5, 2007, if the closing price of the ADSs listed on the NYSE has been at least 130% of either the conversion price or the last adjusted conversion price, for 20 out of 30 consecutive ADS trading days, UMC may have redeemed all, but not in part, of the bonds.
    - ii. If at least 90% in principal amount of the bonds have already been redeemed, repurchased, cancelled or converted, UMC may have redeemed all, but not in part, of the bonds.
    - iii. In the event that UMC's ADSs or shares have officially ceased to be listed or admitted for trading on the NYSE or the TSE, as the case may be, each bondholder would have had the right, at such bondholder's option, to require UMC to repurchase all, but not in part, of such bondholder's bonds at their principal amount.
    - iv. In the event of certain changes in taxation in the R.O.C. resulting in UMC becoming required to pay additional amounts, UMC may have redeemed all, but not in part, of the bonds at their principal amount; bondholders may elect not to have their bonds redeemed by UMC in such event, in which case the bondholders would not have been entitled to receive payments of such additional amounts.

- v. If a significant change of control occurs with respect to UMC, each bondholder would have had the right at such bondholder's option, to require UMC to repurchase all, but not in part, of such bondholder's bonds at their principal amount.

- vi. UMC paid the principal amount of the bonds at its maturity date, February 15, 2008.

(d) Conversion:

- i. Conversion Period: Except for the closed period, the bonds may have been converted into UMC's ADSs on or after November 4, 2005 and on or prior to February 5, 2008.
- ii. Conversion Price and Adjustment: The conversion price was US\$4.253 per ADS. The applicable conversion price was subject to adjustments upon the occurrence of certain events set out in the indenture.

(e) Redemption at maturity date

At the maturity date of February 15, 2008, UMC had redeemed the bonds at the principal amount.

- E. On March 25, 2002, UMC's subsidiary, UMC JAPAN (UMCJ), issued LSE-listed zero coupon convertible bonds with an aggregate principal amount of JPY17,000 million, and the issue price was set at 101.75% of the principal amount. The terms and conditions of the bonds are as follows:

(a) Final Redemption

Unless previously converted, purchased and cancelled or redeemed, the bonds were redeemed on March 26, 2007 at their principal amount.

(b) Redemption at the Option of UMCJ

- i. On or at any time after March 25, 2005, UMCJ may have redeemed all, but not part, of the bonds if the closing price of the shares on the Japan OTC Market is at least 120% of the conversion price then in effect for at least 20 out of 30 consecutive trading days ending on the trading day immediately prior to the date of the notice of redemption; or if the principal amount that has not been redeemed, repurchased and cancelled or converted was equal to or less than 10% of original aggregate principal amount.

- ii. In case of a corporate split or share exchange share transfer, UMCJ may have redeemed all, but not part, of the bonds on or prior to the effective date of the transaction, provided that UMCJ was not able to ensure that the bondholders have the right to receive shares which they would have received had the conversion rights been exercised prior to the transaction.
- iii. If a change in controls of had UMCJ occurred, bondholders would have been able to require UMCJ to redeem their bonds on the date that was 85 days after the change of control occurs.

(c) Conversion Period

At any time on or after May 3, 2002, up to and including March 19, 2007, the bonds may have been converted into the common shares of UMCJ.

(d) Conversion Price

The conversion price was set at JPY400,000 per share, subject to adjustments upon the occurrence of certain events set out in the indenture.

(e) Reacquisition of the Bonds

As of June 30, 2007, UMCJ reacquired and cancelled a total amount of JPY11,630 million of the bonds from the open market. There was no reacquisition during the six-month period ended June 30, 2007.

(f) Redemption at maturity date

At the maturity date of March 26, 2007, UMCJ redeemed all the remaining bonds in the principal amount of JPY5,370 million.

- F. On November 25, 2003, UMCJ issued its second LSE-listed zero coupon convertible bonds with an aggregate principal amount of JPY21,500 million and the issue price was set at 101.25% of the principal amount. The terms and conditions of the bonds were as follows:

(a) Final Redemption

Unless previously converted, purchased and cancelled or redeemed, the bonds must be redeemed on November 25, 2013 at their principal amount.

(b) Redemption at the Option of UMCJ

- i. On or at any time after November 27, 2006, UMCJ may have redeemed all, but not part, of the bonds if the closing price of the shares on the Japan OTC Market is at least 120% of the conversion price then in effect for at least 20 out of 30 consecutive trading days ending on the trading day immediately prior to the date of the notice of redemption; or if the principal amount that had been redeemed, repurchased and cancelled or converted is equal to or less than 10% of original aggregate principal amount.

- ii. In case of a corporate split or share exchange share transfer, UMCJ may have redeemed all, but not part, of the bonds on or prior to the effective date of the transaction, provided that UMCJ is not able to ensure that the bondholders have the right to receive shares which they would have received had the conversion rights been exercised prior to the transaction.
- iii. If a change in controls of UMCJ had occurred, bondholders would have been able to require UMCJ to redeem their bonds on the date that was 70 days after the change of control occurs.
- iv. UMCJ would have, at the option of the bondholders, redeemed such bonds on November 26, 2007 at its principal amount.

(c) Conversion Period

The conversion period was any time on or after January 5, 2004 and on or prior to November 11, 2013. The bonds may have been converted into the common shares of UMCJ.

(d) Conversion Price

The conversion price was set at JPY187,500 per share, subject to adjustment upon the occurrence of certain events set out in the indenture.

(e) Reacquisition of the Bonds

As of June 30, 2007, UMCJ reacquired and cancelled JPY162,700 million and JPY8,430 million, respectively, of the bonds from the open market. The gain on the reacquisition amounting to JPY22 million was recognized as other income for the six-month period ended June 30, 2007. As of June 30, 2008, UMCJ redeemed bonds in the principal amount of JPY5,230 million upon request from the bondholders.

G. Repayments of the above-mentioned bonds in the future years are as follows:

| Bonds repayable in | Amount       |
|--------------------|--------------|
| 2010               | \$ 7,500,000 |

(16) PENSION PLAN

- a. The Labor Pension Act of the R.O.C.(Act), which adopts a defined contribution plan, became effective on July 1, 2005. Employees eligible for the Labor Standards Law, a defined benefit plan, were offered the option to elect the pension calculation under the Act or continue to be subject to the pension calculation under the Labor Standards Law. Those employees that elected to be subject to the Act will have their seniority achieved under the Labor Standards Law retained upon election of the Act, and the Company will make monthly contributions of no less than 6% of these employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions based on each individual employee's salary or wage to employees' pension accounts beginning July 1, 2005 and a total of NT\$203 million and NT\$196 million were contributed by the Company for the six-month periods ended June 30, 2008 and 2007, respectively. Pension benefits for employees of the Branch and subsidiaries overseas are provided in accordance with the local regulations, and during the six-month periods ended June 30, 2008 and 2007, the Company made contributions of NT\$67 million and NT\$63 million, respectively.
- b. The defined benefit plan under the Labor Standards Law is disbursed based on the units of service years and the average salary in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the fifteenth year. The total units shall not exceed 45 units. In accordance to the plan, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of an administered pension fund committee. Pension costs amounting to NT\$110 million and NT\$111 million were recognized for the six-month periods ended June 30, 2008 and 2007, respectively. The corresponding liability balances of the pension fund were NT\$1,361 million and NT\$1,253 million as of June 30, 2008 and 2007, respectively.

(17) CAPITAL STOCK

- a. UMC had 26,000 million common shares authorized to be issued, and 19,144 million shares were issued as of June 30, 2007, each at a par value of NT\$10.
- b. UMC has issued a total of 315 million ADSs, which were traded on the NYSE as of June 30, 2007. The total number of common shares of UMC represented by all issued ADSs was 1,576 million shares as of June 30, 2007. One ADS represents five common shares.
- c. Among the employee stock options issued by UMC on October 7, 2002, January 3, 2003 and October 13, 2004, 12 million shares were exercised during the six-month period ended June 30, 2007. The issuance process through the authority had been completed.

- d. As resolved during the shareholders' meeting on June 11, 2007, UMC carried out a capital reduction of NT\$57,394 million, which represented approximately 5,739 million shares or approximately 30% of its outstanding shares, for the purpose of increasing shareholders' return on equity and reducing idle funds. The capital reduction is comprised of NT\$53,911 million of cash distribution, and the proportionate cancellation of 348 million shares of treasury stock. The effective date of capital reduction was August 7, 2007 and the transaction was submitted and approved by the competent authority.
- e. On July 17, 2007, UMC cancelled 192 million shares of treasury stock, which were repurchased during the period from May 10, 2004 to May 21, 2004 for the purpose of transferring to employees.
- f. UMC sold 32 million and 65 million shares of treasury stock, which were repurchased during the periods from September 30 to November 29, 2005 and May 23 to July 13, 2006, respectively, to employees in December 2007. An additional 97 million shares were added to the total amount of shares outstanding.
- g. As recommended by the board of directors, and approved by the shareholders at the meeting held on June 13, 2008, UMC issued 678 million new shares from capitalization of retained earnings and additional paid-in capital that amounted to NT\$6,776 million, of which NT\$1,001 million was stock dividend, NT\$1,146 million was employee bonus, and NT\$4,629 million was additional paid-in capital. The effective date of capital increase is August 16, 2008, the decision made by the chairman who is authorized by the board of directors.
- h. UMC had 26,000 million common shares authorized to be issued, and 13,214 million shares were issued as of June 30, 2008, each at a par value of NT\$10.
- i. UMC had issued a total of 1,098 million ADSs, which were traded on the NYSE as of June 30, 2008. The total number of common shares of UMC represented by all issued ADSs was 220 million shares as of June 30, 2008. One ADS represents five common shares.

(18) EMPLOYEE STOCK OPTIONS

On September 11, 2002, October 8, 2003, September 30, 2004, December 22, 2005, and October 9, 2007, UMC was authorized by the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan, to issue employee stock options with a total number of 1 billion, 150 million, 150 million, 350 million, and 500 million units, respectively. Each unit entitles an optionee to subscribe for 1 share of UMC's common stock. Settlement upon the exercise of the options will be made through the issuance of new shares by UMC. The exercise price of the options was set at the closing price of UMC's common stock on the date of grant. The contractual life of the options is 6 years and an optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the date of grant. Detailed information relevant to the employee stock options is disclosed as follows:

| Date of grant      | Total number of<br>options granted<br>(in thousands) | Total number of<br>options outstanding<br>(in thousands) | Shares available to                        | Exercise price<br>(NTD)<br>(Note) |
|--------------------|------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|-----------------------------------|
|                    |                                                      |                                                          | option holders<br>(in thousands)<br>(Note) |                                   |
| October 7, 2002    | 939,000                                              | 397,997                                                  | 277,470                                    | \$ 22.52                          |
| January 3, 2003    | 61,000                                               | 41,191                                                   | 28,717                                     | \$ 25.39                          |
| November 26, 2003  | 57,330                                               | 42,257                                                   | 29,460                                     | \$ 35.43                          |
| March 23, 2004     | 33,330                                               | 19,120                                                   | 13,330                                     | \$ 32.85                          |
| July 1, 2004       | 56,590                                               | 40,273                                                   | 28,077                                     | \$ 29.69                          |
| October 13, 2004   | 20,200                                               | 9,821                                                    | 6,846                                      | \$ 25.53                          |
| April 29, 2005     | 23,460                                               | 12,573                                                   | 8,766                                      | \$ 23.52                          |
| August 16, 2005    | 54,350                                               | 34,844                                                   | 24,292                                     | \$ 30.98                          |
| September 29, 2005 | 51,990                                               | 41,716                                                   | 29,083                                     | \$ 28.27                          |
| January 4, 2006    | 39,290                                               | 21,971                                                   | 15,318                                     | \$ 24.36                          |
| May 22, 2006       | 42,058                                               | 30,220                                                   | 21,068                                     | \$ 26.48                          |
| August 24, 2006    | 28,140                                               | 20,540                                                   | 14,320                                     | \$ 25.32                          |
| December 13, 2007  | 500,000                                              | 481,523                                                  | 481,523                                    | \$ 18.95                          |
| Total              | 1,906,738                                            | 1,194,046                                                | 978,270                                    |                                   |

Note: The employee stock options granted prior to August 7, 2007, effective date of capital reduction, are adjusted in accordance with capital reduction rate. Each option unit entitles an optionee to subscribe for about 0.7 share of UMC's common stock. The exercise price of the options is also adjusted according to capital reduction rate. Each stock option unit granted after August 7, 2007 remains to be subscribed for 1 share of UMC's common stock.

- a. A summary of the equity-settled share-based payment transaction, and related information for the six-month periods ended June 30, 2008 and 2007, are as follows:

|                                                                     | For the six-month period ended June 30, 2008 |                                                               |                                                                  | 2007                     |                                                               |                                                                  |
|---------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|--------------------------|---------------------------------------------------------------|------------------------------------------------------------------|
|                                                                     | Option<br>(in thousands)                     | Shares<br>available to<br>option<br>holders (in<br>thousands) | Weighted-<br>average<br>Exercise<br>Price per<br>shares<br>(NTD) | Option<br>(in thousands) | Shares<br>available to<br>option<br>holders (in<br>thousands) | Weighted-<br>average<br>Exercise<br>Price per<br>shares<br>(NTD) |
| Outstanding at beginning of period                                  | 1,287,407                                    | 1,048,832                                                     | \$ 22.14                                                         | 913,958                  | 637,180                                                       | \$ 24.95                                                         |
| Granted                                                             |                                              |                                                               | \$                                                               |                          |                                                               | \$                                                               |
| Exercised                                                           |                                              |                                                               | \$                                                               | (11,918)                 | (8,309)                                                       | \$ 22.56                                                         |
| Forfeited                                                           | (93,361)                                     | (70,562)                                                      | \$ 22.04                                                         | (14,557)                 | (10,148)                                                      | \$ 27.80                                                         |
| Expired                                                             |                                              |                                                               | \$                                                               |                          |                                                               | \$                                                               |
| Outstanding at end of period                                        | 1,194,046                                    | 978,270                                                       | \$ 22.15                                                         | 887,483                  | 618,723                                                       | \$ 24.94                                                         |
| Exercisable at end of period                                        | 608,874                                      | 424,486                                                       | \$ 24.90                                                         | 662,435                  | 461,828                                                       | \$ 23.91                                                         |
| Weighted-average fair value of options<br>granted during the period | \$                                           |                                                               |                                                                  | \$                       |                                                               |                                                                  |

- b. The information on UMC's outstanding stock options as of June 30, 2008, is as follows:

| Outstanding Stock Options |                            |                          |                                                               |                                                        |                                                                 | Exercisable Stock Options |                                                               |                                                                 |
|---------------------------|----------------------------|--------------------------|---------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|---------------------------|---------------------------------------------------------------|-----------------------------------------------------------------|
| Authorization             | Range of<br>Exercise Price | Option<br>(in thousands) | Shares<br>available to<br>option<br>holders (in<br>thousands) | Weighted-<br>average<br>Expected<br>Remaining<br>Years | Weighted-<br>average<br>Exercise<br>Price per<br>share<br>(NTD) | Option<br>(in thousands)  | Shares<br>available to<br>option<br>holders (in<br>thousands) | Weighted-<br>average<br>Exercise<br>Price per<br>share<br>(NTD) |
| 2002.09.11                | \$22.52~\$25.39            | 439,188                  | 306,187                                                       | 0.29                                                   | \$ 22.79                                                        | 438,966                   | 306,032                                                       | \$ 22.79                                                        |
| 2003.10.08                | \$29.69~\$35.43            | 101,650                  | 70,867                                                        | 1.70                                                   | \$ 32.67                                                        | 91,512                    | 63,799                                                        | \$ 32.98                                                        |
| 2004.09.30                | \$23.52~\$30.98            | 98,954                   | 68,987                                                        | 3.05                                                   | \$ 28.35                                                        | 53,464                    | 37,273                                                        | \$ 28.06                                                        |
| 2005.12.22                | \$24.36~\$26.48            | 72,731                   | 50,706                                                        | 3.85                                                   | \$ 25.51                                                        | 24,932                    | 17,382                                                        | \$ 25.63                                                        |
| 2007.10.09                | \$18.95                    | 481,523                  | 481,523                                                       | 5.45                                                   | \$ 18.95                                                        |                           |                                                               | \$                                                              |
|                           |                            | 1,194,046                | 978,270                                                       | 2.94                                                   | \$ 22.15                                                        | 608,874                   | 424,486                                                       | \$ 24.90                                                        |

- c. UMC used the intrinsic value method to recognize compensation costs for its employee stock options issued between January 1, 2004 and December 31, 2007. Compensation costs for the six-month periods ended June 30, 2008 and 2007 are NT\$0. UMC granted options prior to adopting ROC SFAS No. 39 Accounting for Share-Based Payment. Pro forma information on net income and earnings per share using the fair value method is as follows:

|                                    | For the six-month period ended June 30, 2008 |                            |
|------------------------------------|----------------------------------------------|----------------------------|
|                                    | Basic earnings per share                     | Diluted earnings per share |
| Net Income                         | \$ 2,603,210                                 | \$ 2,473,300               |
| Earnings per share (NTD)           | \$ 0.21                                      | \$ 0.20                    |
| Pro forma net income               | \$ 2,131,444                                 | \$ 2,001,534               |
| Pro forma earnings per share (NTD) | \$ 0.17                                      | \$ 0.16                    |

|                                    | For the six-month period ended June 30, 2007 |                            |
|------------------------------------|----------------------------------------------|----------------------------|
|                                    | Basic earnings per share                     | Diluted earnings per share |
| Net Income                         | \$ 6,369,668                                 | \$ 6,497,263               |
| Earnings per share (NTD)           | \$ 0.36                                      | \$ 0.35                    |
| Pro forma net income               | \$ 6,166,802                                 | \$ 6,294,397               |
| Pro forma earnings per share (NTD) | \$ 0.35                                      | \$ 0.34                    |

The fair value of the options granted was estimated at the date of grant using the Black-Scholes options pricing model with the following weighted-average assumptions for the six-month periods ended June 30, 2008 and 2007:

|                                                 | For the six-month period ended June 30, |               |
|-------------------------------------------------|-----------------------------------------|---------------|
|                                                 | 2008                                    | 2007          |
| Expected dividend yields                        | 1.37%~1.71%                             | 1.37%~1.64%   |
| Volatility factors of the expected market price | 36.29%~49.10%                           | 36.90%~49.10% |
| Risk-free interest rate                         | 1.85%~2.85%                             | 1.85%~2.85%   |
| Weighted-average expected remaining years       | 4~5                                     | 4~5           |

(19) TREASURY STOCK

a. Changes in treasury stock during the six-month periods ended June 30, 2008 and 2007 are as follows:  
For the six-month period ended June 30, 2008

(In thousands of shares)

| Purpose                                             | As of<br>January 1, 2008 | Increase | Decrease | As of<br>June 30, 2008 |
|-----------------------------------------------------|--------------------------|----------|----------|------------------------|
| For transfer to employees                           | 355,716                  |          |          | 355,716                |
| For conversion of the convertible bonds into shares | 348,583                  |          |          | 348,583                |
| Total shares                                        | 704,299                  |          |          | 704,299                |

For the six-month period ended June 30, 2007

(In thousands of shares)

| Purpose                                             | As of<br>January 1, 2007 | Increase | Decrease | As of<br>June 30, 2007 |
|-----------------------------------------------------|--------------------------|----------|----------|------------------------|
| For transfer to employees                           | 842,067                  |          |          | 842,067                |
| For conversion of the convertible bonds into shares | 500,000                  |          |          | 500,000                |
| Total shares                                        | 1,342,067                |          |          | 1,342,067              |

- b. According to the Securities and Exchange Law of the R.O.C., the total shares of treasury stock shall not exceed 10% of UMC's issued stock, and the total purchase amount shall not exceed the sum of the retained earnings, additional paid-in capital premiums, and realized additional paid-in capital. As such, the maximum number of shares of treasury stock that UMC could hold as of June 30, 2008 and 2007, was 1,321 million shares and 1,914 million shares, while the ceiling amount was NT\$76,108 million and NT\$86,687 million, respectively.
- c. In compliance with Securities and Exchange Law of the R.O.C., treasury stock should not be pledged, nor should it be entitled to voting rights or receiving dividends. Stock held by subsidiaries is treated as treasury stock. These subsidiaries have the same rights as other stockholders except for subscription to new stock issuance. Starting June 22, 2005, stocks held by subsidiaries no longer have voting rights according to the revised Companies Act.

d. As of June 30, 2008, UMC's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 15 million shares of UMC's stock, with a book value of NT\$16.10 per share. The closing price on June 30, 2008 was NT\$16.10.  
As of June 30, 2007, UMC's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 22 million shares of UMC's stock, with a book value of NT\$19.85 per share. The closing price on June 30, 2007 was NT\$19.85.

(20) RETAINED EARNINGS AND DIVIDEND POLICIES

According to UMC's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order :

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as a legal reserve;
- d. Set aside 0.1% of the remaining amount after deducting items (a), (b), and (c) as directors' and supervisors' remuneration; and
- e. After deducting items (a), (b), and (c) above from the current year's earnings, no less than 5% of the remaining amount together with the prior years' unappropriated earnings is to be allocated as employees' bonus, which will be settled through issuance of new shares of UMC, or cash. Employees of UMC's subsidiaries, meeting certain requirements determined by the board of directors, are also eligible for the employees' bonus.
- f. The distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the shareholders meeting.

The policy for dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the benefit of shareholders, share bonus equilibrium, and long-term financial planning. The board of directors shall make the distribution proposal annually and present it at the shareholders' meeting. UMC's Articles of Incorporation further provide that no more than 80% of the dividends to shareholders, if any, must be paid in the form of stock dividends. Accordingly, at least 20% of the dividends must be paid in the form of cash.

During the six-month period ended June 30, 2008, the amounts of the employee bonuses and remunerations to directors and supervisors were estimated at NT\$182 million and NT\$1 million, respectively. The board of directors estimated the amount by taking consideration of the Company's Articles of Incorporation, government regulations and industrial average. Estimated amount of employee bonuses and remunerations directors and supervisors were charged to current income. If the board

modified the estimates significantly in the subsequent periods during the year, the company will recognize the change as an adjustment to current income. Moreover, if the amounts were modified by the shareholders' meeting of the following year, the adjustment will be regarded as a change of accounting estimate and will be reflected in the consolidated statement of income in the following year.

Details of the 2007 employee bonus settlement and directors' and supervisors' remuneration are as follows:

|                                                          | 2007                | 2006                |
|----------------------------------------------------------|---------------------|---------------------|
| Cash Dividend                                            | NT\$ 0.75 per share | NT\$ 0.70 per share |
| Stock Dividend                                           | 0.08 per share      |                     |
| Employees' bonus Cash Dividend (NTD thousands)           | 286,541             | 2,324,120           |
| Employees' bonus Stock Dividend (NTD thousands)          | 1,146,166           |                     |
| Directors' and Supervisors' remuneration (NTD thousands) | 11,939              | 15,494              |

Pursuant to Article 41 of the Securities and Exchange Law of the R.O.C., a special reserve is set aside from the current net income and prior unappropriated earnings with an amount equal to the amount of items that are accounted for as deductions to stockholders' equity such as unrealized loss on long-term investments and cumulative translation adjustments. When the deductions to stockholders' equity are reversed, the set-aside special reserve can be distributed.

## (21) OPERATING COSTS AND EXPENSES

The Company's personnel, depreciation, and amortization expenses are summarized as follows:

|                            | For the six-month period ended June 30, |                            |              |                 |                            |              |
|----------------------------|-----------------------------------------|----------------------------|--------------|-----------------|----------------------------|--------------|
|                            | Operating costs                         | 2008<br>Operating expenses | Total        | Operating costs | 2007<br>Operating expenses | Total        |
| Personnel expenses         |                                         |                            |              |                 |                            |              |
| Salaries                   | \$ 4,896,300                            | \$ 2,004,018               | \$ 6,900,318 | \$ 4,951,304    | \$ 1,907,137               | \$ 6,858,441 |
| Labor and health insurance | 270,141                                 | 103,256                    | 373,397      | 276,267         | 102,040                    | 378,307      |
| Pension                    | 282,091                                 | 97,936                     | 380,027      | 277,286         | 92,722                     | 370,008      |
| Other personnel expenses   | 118,464                                 | 60,420                     | 178,884      | 52,804          | 35,903                     | 88,707       |
| Depreciation               | 17,725,751                              | 1,132,665                  | 18,858,416   | 17,511,805      | 1,019,972                  | 18,531,777   |
| Amortization               | 25,676                                  | 638,988                    | 664,664      | 39,973          | 608,625                    | 648,598      |

(22) INCOME TAX

- a. Reconciliation between the income tax expense and the income tax calculated on pre-tax financial statement income based on the statutory tax rate is as follows:

|                                                     | For six-month period ended June 30, |              |
|-----------------------------------------------------|-------------------------------------|--------------|
|                                                     | 2008                                | 2007         |
| Income tax on pre-tax income at statutory tax rate  | \$ 700,354                          | \$ 1,769,175 |
| Permanent and temporary differences                 | (448,522)                           | (1,735,846)  |
| Change in investment tax credit                     | (379,167)                           | 2,456,272    |
| Change in loss carry-forward                        | (295,674)                           | 83,766       |
| Change in valuation allowance                       | 723,943                             | (2,081,677)  |
| Income basic Tax                                    | 47,519                              | 313,163      |
| Estimated 10% income tax on unappropriated earnings | 34                                  | 9            |
| Adjustment of prior year's tax expense              | (9,734)                             | (26,165)     |
| Others                                              | (95,935)                            | 14,302       |
| Income tax expense                                  | \$ 242,818                          | \$ 792,999   |

- b. Significant components of deferred income tax assets and liabilities are as follows:

|                                                   | As of June 30, |               |             |               |
|---------------------------------------------------|----------------|---------------|-------------|---------------|
|                                                   | 2008           |               | 2007        |               |
|                                                   | Amount         | Tax effect    | Amount      | Tax effect    |
| Deferred income tax assets                        |                |               |             |               |
| Investment tax credit                             |                | \$ 13,528,347 |             | \$ 12,536,459 |
| Depreciation                                      | \$ 24,876      | 9,770         | \$ 24,612   | 9,664         |
| Loss carry-forward                                | 7,095,800      | 2,610,627     | 9,977,827   | 3,254,694     |
| Pension                                           | 3,204,038      | 799,815       | 3,144,611   | 787,587       |
| Allowance on sales returns and discounts          | 603,113        | 151,453       | 376,246     | 94,929        |
| Allowance for loss on obsolescence of inventories | 895,702        | 233,956       | 739,808     | 192,060       |
| Others                                            | 3,145,351      | 831,991       | 1,827,514   | 492,290       |
| Total deferred income tax assets                  |                | 18,165,959    |             | 17,367,683    |
| Valuation allowance                               |                | (12,074,135)  |             | (9,795,583)   |
| Net deferred income tax assets                    |                | 6,091,824     |             | 7,572,100     |
| Deferred income tax liabilities                   |                |               |             |               |
| Unrealized exchange gain                          | (355)          | (89)          | (613)       | (153)         |
| Depreciation                                      | (4,392,450)    | (1,098,113)   | (5,732,562) | (1,433,140)   |
| Others                                            | (739,542)      | (164,484)     | (2,303,760) | (559,710)     |
| Total deferred income tax liabilities             |                | (1,262,686)   |             | (1,993,003)   |
| Total net deferred income tax assets              |                | \$ 4,829,138  |             | \$ 5,579,097  |

|                                              | As of June 30, |              |        |              |
|----------------------------------------------|----------------|--------------|--------|--------------|
|                                              | 2008           |              | 2007   |              |
|                                              | Amount         | Tax effect   | Amount | Tax effect   |
| Deferred income tax assets - current         |                | \$ 7,870,006 |        | \$ 5,163,000 |
| Deferred income tax liabilities - current    |                | (150,845)    |        | (205,650)    |
| Valuation allowance                          |                | (6,579,858)  |        | (2,796,396)  |
| Net                                          |                | 1,139,303    |        | 2,160,954    |
| Deferred income tax assets - noncurrent      |                | 10,295,953   |        | 12,204,683   |
| Deferred income tax liabilities - noncurrent |                | (1,111,841)  |        | (1,787,353)  |
| Valuation allowance                          |                | (5,494,277)  |        | (6,999,187)  |
| Net                                          |                | 3,689,835    |        | 3,418,143    |
| Total net deferred income tax assets         |                | \$ 4,829,138 |        | \$ 5,579,097 |

- c. UMC's income tax returns for all the fiscal years up to 2005 have been assessed and approved by the Tax Authority.
- d. UMC was granted several four- or five-year income tax exemption periods with respect to income derived from the expansion of operations. The starting date of the exemption period attributable to the expansion in 2003 had not yet been decided. The income tax exemption for other periods will expire on December 31, 2014.
- e. The Company earns investment tax credits for the amount invested in production equipment, research and development, employee training.
- As of June 30, 2008, the Company's unused investment tax credit was as follows:

| Expiration Year | Investment tax credits earned | Balance of unused investment tax credits |
|-----------------|-------------------------------|------------------------------------------|
| 2008            | \$ 6,384,432                  | \$ 5,997,980                             |
| 2009            | 2,517,486                     | 2,517,486                                |
| 2010            | 2,221,024                     | 2,221,024                                |
| 2011            | 1,825,227                     | 1,825,227                                |
| 2012            | 966,630                       | 966,630                                  |
| Total           | \$ 13,914,799                 | \$ 13,528,347                            |

- f. As of June 30, 2008, the unutilized accumulated losses for the Company were as follows:

| Expiration Year | Accumulated loss | Unutilized accumulated loss |
|-----------------|------------------|-----------------------------|
| 2008            | \$ 188,312       | \$ 188,312                  |
| 2009            | 518,628          | 518,628                     |
| 2010            | 392,049          | 392,049                     |
| 2011            | 183,801          | 183,801                     |
| 2012            | 3,800,596        | 3,800,596                   |
| 2013            | 1,389,828        | 1,389,828                   |
| 2014            | 152,502          | 152,502                     |
| 2015            | 470,084          | 470,084                     |
| Total           | \$ 7,095,800     | \$ 7,095,800                |

- g. The balance of UMC's imputation credit accounts as of June 30, 2008 and 2007 were NT\$1,167 million and NT\$2,112 million, respectively. The expected creditable ratio for 2007 and the actual creditable ratio for 2006 were 6.17% and 8.64%, respectively.
- h. UMC's earnings generated in the year ended December 31, 1997 and prior years have been fully appropriated.

(23) EARNINGS PER SHARE

- a. There were zero coupon convertible bonds and employee stock options outstanding as of June 30, 2008. Therefore, in consideration of such complex structure, the calculated basic and diluted earnings per share for the six-month periods ended June 30, 2008 and 2007, are disclosed as follows:

|                                               | For the six-month period ended June 30, 2008 |              | Earnings per share (NTD)      |                          |         |
|-----------------------------------------------|----------------------------------------------|--------------|-------------------------------|--------------------------|---------|
|                                               | Amount                                       |              | Shares expressed in thousands | Income before income tax |         |
|                                               | Income before income tax                     | Net income   |                               | Net income               |         |
| Earning per share-basic (NTD)                 |                                              |              |                               |                          |         |
| Income available to common stock shareholders | \$ 2,862,806                                 | \$ 2,603,210 | 12,494,810                    | \$ 0.23                  | \$ 0.21 |
| Effect of dilutive equivalent shares          |                                              |              |                               |                          |         |
| Employee stock options                        | \$                                           | \$           | 12,391                        |                          |         |
| Convertible bonds payable                     | \$ (173,214)                                 | \$ (129,910) | 113,329                       |                          |         |

|                                               | For the six-month period ended June 30, 2008 |              |                               |                          |            |
|-----------------------------------------------|----------------------------------------------|--------------|-------------------------------|--------------------------|------------|
|                                               | Amount                                       |              |                               | Earnings per share (NTD) |            |
|                                               | Income before income tax                     | Net income   | Shares expressed in thousands | Income before income tax | Net income |
| Earning per share-diluted:                    |                                              |              |                               |                          |            |
| Income available to common stock shareholders | \$ 2,689,592                                 | \$ 2,473,300 | 12,620,530                    | \$ 0.21                  | \$ 0.20    |

The employee stock options were not dilutive when calculating the diluted earning per share for the six-month period ended June 30, 2008; therefore, they were not included in the diluted earning per share calculation.

|                                               | For the six-month period ended June 30, 2007 |              |                               | Earnings per share       |            |
|-----------------------------------------------|----------------------------------------------|--------------|-------------------------------|--------------------------|------------|
|                                               | Amount                                       |              |                               | (NTD)                    |            |
|                                               | Income before income tax                     | Net income   | Shares expressed in thousands | Income before income tax | Net income |
| Earning per share-basic (NTD)                 |                                              |              |                               |                          |            |
| Income available to common stock shareholders | \$ 7,182,782                                 | \$ 6,369,668 | 17,777,875                    | \$ 0.40                  | \$ 0.36    |
| Effect of dilution                            |                                              |              |                               |                          |            |
| Employee stock options                        | \$                                           | \$           | 122,417                       |                          |            |
| Convertible bonds payable                     | \$ 133,258                                   | \$ 127,595   | 516,382                       |                          |            |
| Earning per share-diluted:                    |                                              |              |                               |                          |            |
| Income available to common stock shareholders | \$ 7,316,040                                 | \$ 6,497,263 | 18,416,674                    | \$ 0.39                  | \$ 0.35    |

- b. Pro forma information on retroactively adjusted earnings per share, as if 2008 earnings and capital reserve transferred to common stock are distributed:

|                                                                                                                                              | For the six-month period ended<br>June 30, 2008 |              |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------|
|                                                                                                                                              | Basic                                           | Diluted      |
| Net income                                                                                                                                   | \$ 2,603,210                                    | \$ 2,473,300 |
| Weighted-average number of shares outstanding (increase in capital through 2008 retained earnings and capital reserve at proportion of 5.4%) | 13,171,552                                      | 13,304,081   |
| Earnings per share (NTD)                                                                                                                     | \$ 0.20                                         | \$ 0.19      |

|                                                                                                                                              | For the six-month period ended<br>June 30, 2007<br>(retroactively adjusted) |              |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------|
|                                                                                                                                              | Basic                                                                       | Diluted      |
| Net income                                                                                                                                   | \$ 6,369,668                                                                | \$ 6,497,263 |
| Weighted-average number of shares outstanding (increase in capital through 2008 retained earnings and capital reserve at proportion of 5.4%) | 18,740,758                                                                  | 19,414,155   |
| Earnings per share (NTD)                                                                                                                     | \$ 0.34                                                                     | \$ 0.33      |

## 5. RELATED PARTY TRANSACTIONS

- (1) Name and Relationship of Related Parties

| Name of related parties                    | Relationship with the Company |
|--------------------------------------------|-------------------------------|
| UNITECH CAPITAL INC.                       | Equity Investee               |
| MEGA MISSION LIMITED PARTNERSHIP           | Equity Investee               |
| MTIC HOLDINGS PTE. LTD.                    | Equity Investee               |
| UNIMICRON HOLDING LIMITED                  | Equity Investee               |
| HSUN CHIEH INVESTMENT CO., LTD.            | Equity Investee               |
| AMIC TECHNOLOGY CORP.                      | Equity Investee               |
| PACIFIC VENTURE CAPITAL CO., LTD.          | Equity Investee               |
| XGI TECHNOLOGY INC.                        | Equity Investee               |
| NEXPOWER TECHNOLOGY CORP.                  | Equity Investee               |
| SILICON INTEGRATED SYSTEMS CORP. (SILICON) | The Company's director        |
| UWAVE TECHNOLOGY CORP.                     | Subsidiary's equity investee  |
| UCA TECHNOLOGY INC.                        | Subsidiary's equity investee  |
| SMEDIA TECHNOLOGY CORP.                    | Subsidiary's equity investee  |
| CRYSTAL MEDIA INC.                         | Subsidiary's equity investee  |
| MOBILE DEVICES INC.                        | Subsidiary's equity investee  |

## (2) Significant Related Party Transactions

## a. Operating revenues

|              | For the six-month period ended June 30,<br>2008 |            | 2007              |            |
|--------------|-------------------------------------------------|------------|-------------------|------------|
|              | Amount                                          | Percentage | Amount            | Percentage |
| SIS          | \$ 708,339                                      | 1          | \$ 426,549        | 1          |
| Others       | 375,421                                         | 1          | 255,457           | 0          |
| <b>Total</b> | <b>\$ 1,083,760</b>                             | <b>2</b>   | <b>\$ 682,006</b> | <b>1</b>   |

The sales price to the above related parties was determined through mutual agreement based on the market conditions. The collection period for overseas sales to related parties was net 60 days, while the terms for domestic sales were month-end 45~60 days. The collection period for third party overseas sales was net 30~60 days, while the terms for third party domestic sales were month-end 30~60 days.

## b. Accounts receivable

|                                                  | As of June 30,<br>2008 |            | 2007              |            |
|--------------------------------------------------|------------------------|------------|-------------------|------------|
|                                                  | Amount                 | Percentage | Amount            | Percentage |
| AMIC                                             | \$ 172,710             | 1          | \$ 149,643        | 1          |
| Others                                           | 200,147                | 1          | 75,910            | 0          |
| <b>Total</b>                                     | <b>372,857</b>         | <b>2</b>   | <b>225,553</b>    | <b>1</b>   |
| Less : Allowance for sales returns and discounts | (4,467)                |            | (3,931)           |            |
| <b>Net</b>                                       | <b>\$ 368,390</b>      |            | <b>\$ 221,622</b> |            |

6. ASSETS PLEDGED AS COLLATERAL

As of June 30, 2008

|                | Amount     | Party to which asset(s)<br>was pledged | Purpose of pledge      |
|----------------|------------|----------------------------------------|------------------------|
| Deposit-out    |            |                                        |                        |
| (Time deposit) | \$ 620,213 | Customs                                | Customs duty guarantee |

As of June 30, 2007

|             | Amount     | Party to which asset(s)<br>was pledged | Purpose of pledge |
|-------------|------------|----------------------------------------|-------------------|
| Deposit-out | \$ 621,597 | Customs                                | Customs duty      |

(Time deposit)

guarantee

7. COMMITMENTS AND CONTINGENT LIABILITIES

- (1) The Company has entered into several patent license agreements and development contracts of intellectual property for a total contract amount of approximately NT\$8.2 billion. Royalties and development fees payable in future years are NT\$3.4 billion as of June 30, 2008.
- (2) The Company signed several construction contracts for the expansion of its factory space. As of June 30, 2008, these construction contracts have amounted to approximately NT\$2.8 billion and the unpaid portion of the contracts, which was not accrued, was approximately NT\$0.7 billion.
- (3) The Company entered into several operating lease contracts for land and offices. These renewable operating leases will expire in various years through 2032 and are renewable. Future minimum lease payments under those leases are as follows:

| For the year ended December 31,               | Amount              |
|-----------------------------------------------|---------------------|
| 2008 (3 <sup>rd</sup> quarter and thereafter) | \$ 145,528          |
| 2009                                          | 273,071             |
| 2010                                          | 258,886             |
| 2011                                          | 250,995             |
| 2012                                          | 241,376             |
| 2013 and thereafter                           | 1,935,288           |
| <b>Total</b>                                  | <b>\$ 3,105,144</b> |

- (4) On February 15, 2005, the Hsinchu District Prosecutors Office conducted a search of UMC's facilities. On February 18, 2005, UMC's former Chairman Mr. Robert H.C. Tsao, released a public statement, explaining that its assistance to Hejian Technology Corp. (Hejian) did not involve any investment or technology transfer.

Furthermore, from the very beginning there was a verbal indication that, at the proper time, UMC would be compensated appropriately for its assistance, and circumstances permitting, at some time in the future, it will push through the merger between two companies. However, no promise was made by UMC and no written agreement was made and executed. Upon UMC's request to materialize the said verbal indication by compensating in the form of either cash or equity, the Chairman of the holding company of Hejian offered 15% of the approximately 700 million outstanding shares of the holding company of Hejian in return for UMC's past assistance and for continued assistance in the future.

Immediately after UMC had received such offer, it filed an application with the Investment Commission of the Ministry of Economic Affairs on March 18, 2005 (Ref. No. 94-Lian-Tung-Tzu-0222), for their executive guidance for the successful transfer of said shares to UMC. The shareholders meeting dated June 13, 2005 resolved that to the extent permitted by law

UMC shall try to get the 15% of the outstanding shares offered by the holding company of Hejian as an asset of UMC. The holding company of Hejian offered 106 million shares of its outstanding common shares in return for UMC's assistance. The holding company of Hejian has put all such shares in escrow. UMC was informed of such escrow on August 4, 2006. The subscription price per share of the holding company of Hejian in the last offering was US\$1.1. Therefore, the total market value of the said shares is worth more than US\$110 million. However, UMC may not acquire the ownership of nor exercise the rights of the said shares with any potential stock dividend or cash dividend distributed in the future until the ROC laws and regulations allow UMC to acquire and exercise. In the event that any stock dividend or cash dividend is distributed, UMC's stake in the holding company of Hejian will accumulate accordingly.

In April 2005, UMC's former Chairman Mr. Robert H.C. Tsao was personally fined with in the aggregate amount of NT\$3 million by the Financial Supervisory Commission, Executive Yuan, R.O.C. (ROC FSC) for failure to disclose material information relating to Hejian in accordance with applicable rules. As a result of the imposition of the fines by the ROC FSC, UMC was also fined in the amount of NT\$30,000 by Taiwan Stock Exchange (TSE) for the alleged non-compliance with the disclosure rules in relation to the material information. UMC and its former Chairman Mr. Robert H.C. Tsao have filed for administrative appeal and reconsideration with the Executive Yuan, R.O.C. and TSE, respectively. Mr. Robert H.C. Tsao's administrative appeal was dismissed by the Executive Yuan, R.O.C. on February 21, 2006 and the ROC FSC transferred the case against Mr. Robert H.C. Tsao to the Administrative Enforcement Agency for enforcement of the fine. Mr. Robert H.C. Tsao has filed an administrative action against the ROC FSC with Taipei High Administrative Court on April 14, 2006. On December 27, 2007, the Administrative High Court revoked the decision and ruled in favor of Mr. Tsao.

For UMC's assistance to Hejian Technology Corp., UMC's former Chairman Mr. Robert H.C. Tsao, former Vice Chairman Mr. John Hsuan, and Mr. Duen-Chian Cheng, the General Manager of Fortune Venture Capital Corp., which is 99.99% owned by UMC, were indicted for violating the Business Entity Accounting Act and breach of trust under the Criminal Law by Hsinchu District Prosecutors Office on January 9, 2006. Mr. Robert H.C. Tsao and Mr. John Hsuan had officially resigned from their positions of UMC's Chairman, Vice Chairman and directors prior to the announcement of the prosecution; for this reason, at the time of the prosecution, Mr. Robert H.C. Tsao and Mr. John Hsuan no longer served as UMC's directors and had not executed their duties as UMC's Chairman and Vice Chairman.

In the future, if a guilty judgment is pronounced by the court, such consequences would be Mr. Robert H.C. Tsao, Mr. John Hsuan and Mr. Duen-Chian Cheng's personal concerns only; UMC would not be subject to indictment regarding this case. Mr. Robert H.C. Tsao, Mr. John Hsuan and Mr. Duen-Chian Cheng were pronounced innocent of the charge by Hsinchu District Court on October 26, 2007. On November 15, 2007, Taiwan's Hsinchu District Prosecutors Office filed an appeal, which is currently under trial.

On February 15, 2006, UMC was fined in the amount of NT\$5 million for unauthorized investment activities in Mainland China, implicating violation of Article 35 of the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area by the R.O.C. Ministry of Economic Affairs (MOEA). However, as UMC believes it was illegally and improperly fined, UMC had filed an administrative appeal against MOEA to the Executive Yuan on March 16, 2006. On October 19, 2006, Executive Yuan denied the administrative appeal filed by UMC. UMC had filed an administrative litigation case against MOEA on December 8, 2006. Taipei High Administrative Court announced and reversed MOEA's administrative sanction on July 19, 2007. MOEA filed an appeal against UMC on August 10, 2007.

8. SIGNIFICANT DISASTER LOSS

None.

9. SIGNIFICANT SUBSEQUENT EVENT

None.

10. OTHERS

(1) Certain comparative amounts have been reclassified to conform to the current year's presentation.

(2) Financial risk management objectives and policies

UMC's principal financial instruments, other than derivatives, is comprised of cash and cash equivalents, common stock, preferred stock, convertible bonds, open-end funds, short-term loans, and bonds payable. The main purpose of these financial instruments is to manage financing for UMC's operations. UMC also holds various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

UMC also enters into derivative transactions, including credit-link deposits, interest rate swaps and forward currency contracts. The purpose of these derivative transactions is to mitigate interest rate risk and foreign currency exchange risks arising from UMC's operations and financing activities.

The main risks arising from UMC's financial instruments include cash flow interest rate risk, foreign currency risk, commodity price risk, credit risk, and liquidity risk.

Cash flow interest rate risk

UMC utilizes interest rate swap agreements to avoid its cash flow interest rate risk on the counter-floating rate of its unsecured domestic bonds issued during the period from May 21 to June 24, 2003. The terms of the interest rate swap agreements are the same as those of the domestic bonds, which are five and seven years. The floating rate is reset annually.

Foreign currency risk

UMC has foreign currency risk arising from purchases and sales. UMC utilizes spot or forward contracts to avoid foreign currency risk. The notional amounts of the foreign currency contracts are the same as the amounts of the hedged items. In principal, UMC does not carry out any forward contracts for uncertain commitments.

Commodity price risk

UMC's exposure to commodity price risk is minimal.

Credit risk

UMC trades only with established and creditworthy third parties. It is UMC's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, which consequently minimizes UMC's exposure to bad debts.

With respect to credit risk arising from the other financial assets of UMC, it is comprised of cash and cash equivalents, available-for-sale financial assets and certain derivative instruments. UMC's exposure to credit risk arising from the default of counter-parties is limited to the carrying amount of these instruments.

Although UMC trades only with established third parties, it will request collateral to be provided by third parties with less favorable financial positions.

Liquidity risk

UMC's objective is to maintain a balance of funding continuity and flexibility through the use of financial instruments such as cash and cash equivalents, short-term loans and bonds.

## (3) Information of financial instruments

## a. Fair value of financial instruments

| Financial Assets                                                  | As of June 30, |               |               |               |
|-------------------------------------------------------------------|----------------|---------------|---------------|---------------|
|                                                                   | 2008           |               | 2007          |               |
|                                                                   | Book Value     | Fair Value    | Book Value    | Fair Value    |
| <u>Non-derivative</u>                                             |                |               |               |               |
| Cash and cash equivalents                                         | \$ 36,496,163  | \$ 36,496,163 | \$ 85,608,440 | \$ 85,608,440 |
| Financial assets at fair value through profit or loss, current    | 3,283,426      | 3,283,426     | 7,802,258     | 7,802,258     |
| Held-to-maturity financial assets, current                        |                |               | 200,000       | 200,000       |
| Notes and accounts receivable                                     | 16,504,045     | 16,504,045    | 16,428,075    | 16,428,075    |
| Financial assets at fair value through profit or loss, noncurrent | 6,790          | 6,790         |               |               |
| Available-for-sale financial assets, noncurrent                   | 33,350,304     | 33,350,304    | 60,571,122    | 60,571,122    |
| Financial assets measured at cost, noncurrent                     | 8,490,466      |               | 7,882,650     |               |
| Long-term investments accounted for under the equity method       | 8,157,631      | 7,866,696     | 11,782,254    | 15,528,300    |
| Prepayment for long-term investments                              | 270,000        |               | 247,712       |               |
| Deposits-out                                                      | 744,601        | 744,601       | 752,062       | 752,062       |
| <u>Derivative</u>                                                 |                |               |               |               |
| Forward contract                                                  | 29,243         | 29,243        |               |               |

| Financial Liabilities                    | As of June 30, |            |            |            |
|------------------------------------------|----------------|------------|------------|------------|
|                                          | 2008           |            | 2007       |            |
|                                          | Book Value     | Fair Value | Book Value | Fair Value |
| <u>Non-derivative</u>                    |                |            |            |            |
| Short-term loans                         | \$ 686,517     | \$ 686,517 | \$ 364,329 | \$ 364,329 |
| Payables                                 | 25,600,280     | 25,600,280 | 32,201,264 | 32,201,264 |
| Capacity deposits (current portion)      |                |            | 174,020    | 174,020    |
| Bonds payable (current portion included) | 7,496,027      | 7,143,323  | 31,921,673 | 31,974,788 |
| <u>Derivative</u>                        |                |            |            |            |
| Interest rate swaps                      | 75,795         | 75,795     | 423,226    | 423,226    |

- b. The methods and assumptions used to measure the fair value of financial instruments are as follows:
- i. The book values of short-term financial instruments approximate their fair value due to their short maturities. Short-term financial instruments include cash and cash equivalents, notes and accounts receivable, short-term loans, payables, and current portion of capacity deposits.
  - ii. The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets are based on the quoted market prices. If there are restrictions on the sale or transfer of an available-for-sale financial asset, the fair value of the asset will be determined based on similar but unrestricted financial assets quoted market price with appropriate discounts for the restrictions.
  - iii. The fair value of held-to-maturity financial assets and long-term investments accounted for under the equity method are based on the quoted market prices. If market prices are unavailable, the Company estimates the fair value based on the book values.
  - iv. The fair value of financial assets measured at cost and prepayment for long-term investments are unable to be estimated since there is no active market in trading those unlisted investments.
  - v. The fair value of deposits-out is based on their book value since the deposit periods are principally within one year and renewed upon maturity.
  - vi. The fair value of bonds payable is determined by the market price.
  - vii. The fair value of derivative financial instruments is based on the amount the Company expects to receive (positive) or to pay (negative) assuming that the contracts are settled in advance at the balance sheet date.
- c. The fair value of the Company's financial instruments is determined by the quoted prices in active markets, or if the market for a financial instrument is not active, the Company establishes fair value by using a valuation technique:

| Non-derivative Financial Instruments                              | Active Market Quotation |              | Valuation Technique |            |
|-------------------------------------------------------------------|-------------------------|--------------|---------------------|------------|
|                                                                   | 2008.06.30              | 2007.06.30   | 2008.06.30          | 2007.06.30 |
| <b>Financial assets</b>                                           |                         |              |                     |            |
| Financial assets at fair value through profit or loss, current    | \$ 3,283,426            | \$ 7,802,258 | \$                  | \$         |
| Financial assets at fair value through profit or loss, noncurrent | 6,790                   |              |                     |            |
| Available-for-sale financial assets, noncurrent                   | 32,285,969              | 60,571,122   | 1,064,335           |            |
| Long-term investments accounted for under the equity method       |                         |              | 7,866,696           | 15,528,300 |
| <b>Financial liabilities</b>                                      |                         |              |                     |            |
| Short-term loans                                                  |                         |              | \$ 686,517          | \$ 364,329 |
| Bonds payable (current portion included)                          | 7,143,323               | 31,974,788   |                     |            |
| <b>Derivative Financial Instruments</b>                           |                         |              |                     |            |
| <b>Financial assets</b>                                           |                         |              |                     |            |
| Forward contract                                                  |                         |              | 29,243              |            |
| <b>Financial liabilities</b>                                      |                         |              |                     |            |
| Interest rate swaps                                               |                         |              | 75,795              | 423,226    |

- d. For the six-month periods ended June 30, 2008 and 2007, the total changes in fair value estimated by using a valuation technique and recognized in the consolidated statement of income during periods was NT\$684 million and NT\$341 million, respectively.
- e. The Company's financial liabilities with cash flow interest rate risk exposure were NT\$76 million and NT\$423 million as of June 30, 2008 and 2007, respectively.
- f. During the six-month periods ended June 30, 2008 and 2007, total interest revenue for financial assets or liabilities that are not at fair value through profit or loss were NT\$378 million and NT\$767 million, respectively, while interest expense for the six-month periods ended June 30, 2008 and 2007 were NT\$62 million and NT\$153 million, respectively.

- (4) During the six-month periods ended June 30, 2008 and 2007, the Company held credit-linked deposits and repackaged bonds that were recorded as held-to-maturity financial assets for the earning of interest income. The details are disclosed as follows:

a. Principal amount in original currency

As of June 30, 2008

The Company did not hold any credit-linked deposits or repackaged bonds as of June 30, 2008.

As of June 30, 2007

UMC

| Credit-linked deposits and repackaged bonds referenced to                    | Amount          | Due Date   |
|------------------------------------------------------------------------------|-----------------|------------|
| ADVANCED SEMICONDUCTOR ENGINEERING INC. European Convertible Bonds and Loans | NTD 200 million | 2007.09.25 |

b. Credit risk

The counterparties of the above investments were major international financial institutions. The repayment in full of these investments was subject to the non-occurrence of one or more credit events, which were referenced to the entities fulfillment of their own obligations as well as repayment of their corporate bonds. Upon the occurrence of one or more of such credit events, the Company and its subsidiary, UMCJ, may have received less than the full amount of these investments or nothing. The Company and its subsidiary, UMCJ, selected reference entities with high credit ratings to minimize the credit risk.

c. Liquidity risk

Early withdrawal is not allowed for the above investments unless called by the issuer. However, the anticipated liquidity risk is low since most of the investments will either have matured within one year, or are relatively liquid in the secondary market.

d. Market risk

There is no market risk for the above investments.

- (5) The Company entered into interest rate swap and forward contracts for hedging interest rate risk arising from the counter-floating rate of its domestic bonds and for hedging the exchange rate risk arising from the net assets or liabilities denominated in foreign currency. The Company entered into these derivative financial instruments in connection with its hedging strategy to reduce the market risk of the hedged items and these financial instruments were not held for trading purposes. The relevant information on the derivative financial instruments entered into by the Company is as follows:

- a. The Company utilized interest rate swap agreements to hedge its interest rate risk on the counter-floating rate of its unsecured domestic bonds issued during the period from May 21 to June 24, 2003. The terms of the interest rate swap agreements are the same as those of the domestic bonds, which are five and seven years. The floating rate is reset annually. The details of interest rate swap agreements are summarized as follows:

As of June 30, 2008 and 2007, the Company had the following interest rate swap agreements outstanding:

As of June 30, 2008

| Notional Amount   | Contract Period               | Interest Rate Received | Interest Rate Paid |
|-------------------|-------------------------------|------------------------|--------------------|
| NT\$7,500 million | May 21, 2003 to June 24, 2010 | 4.3% minus USD         | 1.48%              |
|                   |                               | 12-Month LIBOR         |                    |

As of June 30, 2007

| Notional Amount   | Contract Period               | Interest Rate Received | Interest Rate Paid |
|-------------------|-------------------------------|------------------------|--------------------|
| NT\$7,500 million | May 21, 2003 to June 24, 2008 | 4.0% minus USD         | 1.52%              |
|                   |                               | 12-Month LIBOR         |                    |
| NT\$7,500 million | May 21, 2003 to June 24, 2010 | 4.3% minus USD         | 1.48%              |
|                   |                               | 12-Month LIBOR         |                    |

- b. The details of forward contracts entered into by the Company are summarized as follows:

As of June 30, 2008

UMC

| Type              | Notional Amount      | Contract Period                 |
|-------------------|----------------------|---------------------------------|
| Forward contracts | Sell USD 343 million | May 12, 2008 to August 12, 2008 |

As of June 30, 2007

The Company did not hold any forward contracts as of June 30, 2007.

- c. Transaction risk

- (a) Credit risk

There is no significant credit risk exposure with respect to the above transactions as the counter-parties are reputable financial institutions with good global standing.

- (b) Liquidity and cash flow risk

The cash flow requirements on the interest rate swap agreements are limited to the net interest payables or receivables arising from the differences in the swap rates. The cash flow requirements on forward contracts are limited to the net difference between the forward and spot rates at the settlement date. Therefore, no significant cash flow risk is anticipated since the working capital is sufficient to meet the cash flow requirements.



(c) Market risk

Interest rate swap agreements and forward contracts are intended for hedging purposes. Gains or losses arising from the fluctuations in interest rates and exchange rates are likely to be offset against the gains or losses from the hedged items. As a result, no significant exposure to market risk is anticipated.

d. The presentation of derivative financial instruments in the consolidated financial statements

UMC

As of June 30, 2008 and 2007, the interest rate swap agreements that were classified as financial liabilities at fair value through profit or loss amounted to NT\$76 million and NT\$423 million, respectively.

A related valuation gain of NT\$18 million and loss of NT\$22 million was recorded under non-operating revenue and loss for the six-month periods ended June 30, 2008 and 2007, respectively.

As of June 30, 2008, the forward contracts were classified as current assets amounting to NT\$29 million and the related valuation gain of NT\$666 million was recorded under non-operating revenue for the six-month period ended June 30, 2008.

- (6) Significant intercompany transactions among consolidated entities for the six-month periods ended June 30, 2008 and 2007 are disclosed in Attachment 1.

(7) Details of subsidiaries that hold UMC's stock are as follows:

As of June 30, 2008

| Subsidiary                    | No. of Shares<br>(in thousands) | Amount     | Purpose              |
|-------------------------------|---------------------------------|------------|----------------------|
| FORTUNE VENTURE CAPITAL CORP. | 15,386                          | \$ 247,720 | Long-term investment |

As of June 30, 2007

| Subsidiary                    | No. of Shares<br>(in thousands) | Amount     | Purpose              |
|-------------------------------|---------------------------------|------------|----------------------|
| FORTUNE VENTURE CAPITAL CORP. | 22,070                          | \$ 438,090 | Long-term investment |

11. ADDITIONAL DISCLOSURES

- (1) The following are additional disclosures for the Company and its affiliates as required by the ROC Securities and Futures Bureau:

- a. Financing provided to others for the six-month period ended June 30, 2008: Please refer to Attachment 2.

- b. Endorsement/Guarantee provided to others for the six-month period ended June 30, 2008: Please refer to Attachment 3.
- c. Securities held as of June 30, 2008: Please refer to Attachment 4.
- d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2008: Please refer to Attachment 5.
- e. Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2008: Please refer to Attachment 6.
- f. Disposal of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2008: Please refer to Attachment 7.
- g. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2008: Please refer to Attachment 8.
- h. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2008: Please refer to Attachment 9.
- i. Names, locations and related information of investees as of June 30, 2008: Please refer to Attachment 10.
- j. Financial instruments and derivative transactions: Please refer to Note 10.

(2) Investment in Mainland China

- a. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), book value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 11.
- b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

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ATTACHMENT 1 (Significant intercompany transactions between consolidated entities)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

For the six-month period ended June 30, 2008

| No.<br>(Note1) | Related Party                       | Counterparty                          | Relationship with<br>the Company<br>(Note 2) | Account             | Amount        | Transactions      |                                                                                           |
|----------------|-------------------------------------|---------------------------------------|----------------------------------------------|---------------------|---------------|-------------------|-------------------------------------------------------------------------------------------|
|                |                                     |                                       |                                              |                     |               | Terms<br>(Note 3) | Percentage of consolidated operating<br>revenues or consolidated total assets<br>(Note 4) |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC GROUP (USA)                       | 1                                            | Sales               | \$ 26,794,854 | Net 60 days       | 51.82%                                                                                    |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC GROUP (USA)                       | 1                                            | Accounts receivable | 6,211,148     |                   | 2.47%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UNITED MICROELECTRONICS (EUROPE) B.V. | 1                                            | Sales               | 5,974,877     | Net 60 days       | 11.56%                                                                                    |
| 0              | UNITED MICROELECTRONICS CORPORATION | UNITED MICROELECTRONICS (EUROPE) B.V. | 1                                            | Accounts receivable | 2,546,083     |                   | 1.01%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC JAPAN                             | 1                                            | Sales               | 856,285       | Net 60 days       | 1.66%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC JAPAN                             | 1                                            | Accounts receivable | 271,254       |                   | 0.11%                                                                                     |

For the six-month period ended June 30, 2007

| No.<br>(Note1) | Related Party                       | Counterparty                          | Relationship with<br>the Company<br>(Note 2) | Account                          | Amount        | Transactions      |                                                                                           |
|----------------|-------------------------------------|---------------------------------------|----------------------------------------------|----------------------------------|---------------|-------------------|-------------------------------------------------------------------------------------------|
|                |                                     |                                       |                                              |                                  |               | Terms<br>(Note 3) | Percentage of consolidated operating<br>revenues or consolidated total assets<br>(Note 4) |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC GROUP (USA)                       | 1                                            | Sales                            | \$ 22,337,422 | Net 60 days       | 43.50%                                                                                    |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC GROUP (USA)                       | 1                                            | Accounts receivable              | 5,113,267     |                   | 1.40%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UNITED MICROELECTRONICS (EUROPE) B.V. | 1                                            | Sales                            | 3,561,729     | Net 60 days       | 6.94%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UNITED MICROELECTRONICS (EUROPE) B.V. | 1                                            | Accounts receivable              | 1,401,612     |                   | 0.38%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC JAPAN                             | 1                                            | Sales                            | 1,302,912     | Net 60 days       | 2.54%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UMC JAPAN                             | 1                                            | Accounts receivable              | 379,108       |                   | 0.10%                                                                                     |
| 0              | UNITED MICROELECTRONICS CORPORATION | UNITED MICRODISPLAY OPTRONICS CORP.   | 1                                            | Long -term investments accounted | 197,798       |                   | 0.05%                                                                                     |

for under  
the  
equity  
method

ATTACHMENT 1 (Significant intercompany transactions between consolidated entities)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

Note 1: UMC and its subsidiaries are coded as follows:

1. UMC is coded 0 .
2. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2: Transactions are categorized as follows :

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Note 4: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, cumulative balances are used as basis.

ATTACHMENT 2 (Financing provided to others for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Counter-party | Financial statement account | Maximum balance for the period | Ending balance | Interest rate | Nature of financing | Amount of sales to (purchases from) counter-party | Reason for financing | Allowance for doubtful accounts | Collateral |       | Limit of financing amount for individual counter-party | Li |
|---------------|-----------------------------|--------------------------------|----------------|---------------|---------------------|---------------------------------------------------|----------------------|---------------------------------|------------|-------|--------------------------------------------------------|----|
|               |                             |                                |                |               |                     |                                                   |                      |                                 | Item       | Value |                                                        |    |

ATTACHMENT 3 (Endorsement/Guarantee provided to others for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Receiving party |              |              | Limit of<br>guarantee/endorsement<br>amount for receiving party | Maximum<br>balance for the<br>period | Ending balance | Amount of collateral<br>guarantee/endorsement | Percentage of accumulated guarantee<br>amount to net assets value from the<br>latest financial statement | guarantee |
|-----------------|--------------|--------------|-----------------------------------------------------------------|--------------------------------------|----------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------|-----------|
| Guarantor       | Company name | Relationship |                                                                 |                                      |                |                                               |                                                                                                          |           |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Type of securities | Name of securities                                 | Relationship     | Financial statement account                                          | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|----------------------------------------------------|------------------|----------------------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                                                    |                  |                                                                      |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Stock              | PROMOS<br>TECHNOLOGIES INC.                        |                  | Financial assets at fair<br>value through profit or<br>loss, current | 471,400                                          | \$ 2,771,832  | 7.03                              | \$ 2,771,832                      | None                                  |
| Stock              | ACTION<br>ELECTRONICS CO.,<br>LTD.                 |                  | Financial assets at fair<br>value through profit or<br>loss, current | 16,270                                           | 150,333       | 4.59                              | 150,333                           | None                                  |
| Stock              | MICRONAS<br>SEMICONDUCTOR<br>HOLDING AG            |                  | Financial assets at fair<br>value through profit or<br>loss, current | 280                                              | 59,936        | 0.94                              | 59,936                            | None                                  |
| Stock              | CHINA<br>DEVELOPMENT<br>FINANCIAL HOLDING<br>CORP. |                  | Financial assets at fair<br>value through profit or<br>loss, current | 18,944                                           | 232,068       | 0.17                              | 232,068                           | None                                  |
| Stock              | YANG MING MARINE<br>TRANSPORT CORP.                |                  | Financial assets at fair<br>value through profit or<br>loss, current | 3,280                                            | 65,602        | 0.14                              | 65,602                            | None                                  |
| Stock              | UMC GROUP (USA)                                    | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 16,438                                           | 1,288,279     | 100.00                            | 1,288,279                         | None                                  |
| Stock              | UNITED<br>MICROELECTRONICS<br>(EUROPE) B.V.        | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 9                                                | 305,737       | 100.00                            | 298,123                           | None                                  |
| Stock              | UMC CAPITAL CORP.                                  | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 124,000                                          | 3,540,287     | 100.00                            | 3,540,287                         | None                                  |
| Stock              | UNITED<br>MICROELECTRONICS<br>CORP. (SAMOA)        | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 680                                              | 8,470         | 100.00                            | 8,470                             | None                                  |
| Stock              | UMCI LTD.                                          | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 880,006                                          | 167           | 100.00                            | 167                               | None                                  |
| Stock              | TLC CAPITAL CO.,<br>LTD.                           | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 628,800                                          | 6,515,204     | 100.00                            | 6,515,204                         | None                                  |
| Stock              | FORTUNE VENTURE<br>CAPITAL CORP.                   | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 499,994                                          | 8,854,009     | 99.99                             | 8,891,593                         | None                                  |
| Stock              | UNITED<br>MICRODISPLAY<br>OPTRONICS CORP.          | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 84,093                                           | 67,004        | 85.24                             | 67,004                            | None                                  |
| Stock              | UMC JAPAN                                          | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 496                                              | 6,003,704     | 50.09                             | 1,442,877                         | None                                  |
| Stock              | PACIFIC VENTURE<br>CAPITAL CO., LTD.               | Investee company | Long-term investments<br>accounted for under the<br>equity method    | 30,000                                           | 127,379       | 49.99                             | 133,469                           | None                                  |
| Stock              | MTIC HOLDINGS PTE<br>LTD.                          | Investee company | Long-term investments<br>accounted for under the                     | 4,000                                            | 80,111        | 49.94                             | 80,111                            | None                                  |

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|       |                                  |                  |                                                                              |        |           |       |           |      |
|-------|----------------------------------|------------------|------------------------------------------------------------------------------|--------|-----------|-------|-----------|------|
| Fund  | MEGA MISSION LIMITED PARTNERSHIP | Investee company | equity method<br>Long-term investments accounted for under the equity method |        | 1,654,006 | 45.00 | 1,654,006 | None |
| Stock | UNITECH CAPITAL INC.             | Investee company | Long-term investments accounted for under the equity method                  | 21,000 | 624,819   | 42.00 | 624,819   | None |
| Stock | HSUN CHIEH INVESTMENT CO., LTD.  | Investee company | Long-term investments accounted for under the equity method                  | 33,624 | 3,042,954 | 36.49 | 2,900,941 | None |
| Stock | NEXPOWER TECHNOLOGY CORP.        | Investee company | Long-term investments accounted for under the equity method                  | 44,912 | 749,227   | 34.55 | 753,149   | None |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Type of securities | Name of securities                         | Relationship           | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value(thousands) | Shares a<br>collatera |
|--------------------|--------------------------------------------|------------------------|-------------------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|----------------------------------------------|-----------------------|
|                    |                                            |                        |                                                                   |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                              |                       |
| Stock              | UNIMICRON<br>HOLDING LIMITED               | Investee company       | Long-term investments<br>accounted for under the<br>equity method | 20,000                                           | \$ 568,699    | 33.78                             | \$ 571,083                                   | Non                   |
| Stock              | XGI TECHNOLOGY<br>INC.                     | Investee company       | Long-term investments<br>accounted for under the<br>equity method | 3,307                                            | 33,462        | 15.27                             | 33,462                                       | Non                   |
| Stock              | AMIC TECHNOLOGY<br>CORP.                   | Investee company       | Long-term investments<br>accounted for under the<br>equity method | 15,550                                           | 20,467        | 11.18                             | 45,123                                       | Non                   |
| Stock              | ITE TECH. INC.                             |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 22,279                                           | 1,519,453     | 19.50                             | 1,519,453                                    | Non                   |
| Stock              | UNIMICRON<br>TECHNOLOGY CORP.              |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 206,414                                          | 7,121,279     | 19.53                             | 7,121,279                                    | Non                   |
| Stock              | HOLTEK<br>SEMICONDUCTOR<br>INC.            |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 36,986                                           | 1,209,450     | 16.91                             | 1,209,450                                    | Non                   |
| Stock              | UNITED FU SHEN<br>CHEN TECHNOLOGY<br>CORP. |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 18,460                                           | 113,899       | 16.60                             | 113,899                                      | Non                   |
| Stock              | FARADAY<br>TECHNOLOGY CORP.                |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 56,714                                           | 2,552,148     | 16.38                             | 2,552,148                                    | Non                   |
| Stock              | SILICON<br>INTEGRATED<br>SYSTEMS CORP.     | The Company's director | Available-for-sale<br>financial assets,<br>noncurrent             | 228,956                                          | 1,964,441     | 16.24                             | 1,964,441                                    | Non                   |
| Stock              | NOVATEK<br>MICROELECTRONICS<br>CORP.       |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 61,274                                           | 5,404,355     | 10.76                             | 5,404,355                                    | Non                   |
| Stock              | C-COM CORP.                                |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 996                                              | 14,144        | 2.37                              | 14,144                                       | Non                   |
| Stock              | SPRINGSOFT, INC.                           |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 8,572                                            | 278,596       | 4.16                              | 278,596                                      | Non                   |
| Stock              | CHIPBOND<br>TECHNOLOGY CORP.               |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 12,584                                           | 314,591       | 4.03                              | 314,591                                      | Non                   |
| Stock              | EPISTAR CORP.                              |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 21,005                                           | 1,144,945     | 3.39                              | 1,144,945                                    | Non                   |
| Stock              | KING YUAN<br>ELECTRONICS CO.,<br>LTD.      |                        | Available-for-sale<br>financial assets,<br>noncurrent             | 38,505                                           | 508,269       | 3.17                              | 508,269                                      | Non                   |
| Stock              |                                            |                        |                                                                   | 2,048                                            | 9,604         | 2.34                              | 9,604                                        | Non                   |

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|       |                                         |                                                       |        |           |      |           |     |
|-------|-----------------------------------------|-------------------------------------------------------|--------|-----------|------|-----------|-----|
|       | BILLIONTON<br>SYSTEMS INC.              | Available-for-sale<br>financial assets,<br>noncurrent |        |           |      |           |     |
| Stock | TOPOINT<br>TECHNOLOGY CO.,<br>LTD.      | Available-for-sale<br>financial assets,<br>noncurrent | 929    | 36,844    | 0.97 | 36,844    | Non |
| Stock | MEGA FINANCIAL<br>HOLDING COMPANY       | Available-for-sale<br>financial assets,<br>noncurrent | 95,577 | 2,293,844 | 0.86 | 2,293,844 | Non |
| Stock | MEDIATEK INC.                           | Available-for-sale<br>financial assets,<br>noncurrent | 3,774  | 1,320,908 | 0.36 | 1,320,908 | Non |
| Stock | HON HAI PRECISION<br>INDUSTRY CO., LTD. | Available-for-sale<br>financial assets,<br>noncurrent | 1,268  | 189,589   | 0.02 | 189,589   | Non |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Type of securities       | Name of securities                      | Relationship | Financial statement account                           | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |  | Percentage of<br>ownership<br>(%) | Market value/<br>Net assets value | Shares as<br>value/collateral<br>(thousand) |
|--------------------------|-----------------------------------------|--------------|-------------------------------------------------------|--------------------------------------------------|---------------|--|-----------------------------------|-----------------------------------|---------------------------------------------|
|                          |                                         |              |                                                       |                                                  | Book value    |  |                                   |                                   |                                             |
| Fund                     | VIETNAM<br>INFRASTRUCTURE<br>LTD.       |              | Available-for-sale<br>financial assets,<br>noncurrent | 5,000                                            | \$ 90,537     |  |                                   | \$ 90,537                         | None                                        |
| Stock                    | PIXTECH, INC.                           |              | Financial assets measured<br>at cost, noncurrent      | 9,883                                            |               |  | 17.63                             | Note                              | None                                        |
| Stock                    | UNITED<br>INDUSTRIAL<br>GASES CO., LTD. |              | Financial assets measured<br>at cost, noncurrent      | 13,185                                           | 146,250       |  | 7.66                              | Note                              | None                                        |
| Stock                    | INDUSTRIAL BANK<br>OF TAIWAN CORP.      |              | Financial assets measured<br>at cost, noncurrent      | 118,303                                          | 1,139,196     |  | 4.95                              | Note                              | None                                        |
| Stock                    | SUBTRON<br>TECHNOLOGY CO.,<br>LTD.      |              | Financial assets measured<br>at cost, noncurrent      | 13,774                                           | 208,746       |  | 4.29                              | Note                              | None                                        |
| Stock                    | TECO NANOTECH<br>CO. LTD.               |              | Financial assets measured<br>at cost, noncurrent      | 9,001                                            |               |  | 3.73                              | Note                              | None                                        |
| Stock                    | SINO SWEARINGEN<br>AIRCRAFT CORP.       |              | Financial assets measured<br>at cost, noncurrent      | 1,124                                            |               |  | 1.50                              | Note                              | None                                        |
| Stock                    | TAIWAN<br>AEROSPACE CORP.               |              | Financial assets measured<br>at cost, noncurrent      | 234                                              |               |  | 0.17                              | Note                              | None                                        |
| Fund                     | PACIFIC<br>TECHNOLOGY<br>PARTNERS, L.P. |              | Financial assets measured<br>at cost, noncurrent      |                                                  | 188,179       |  |                                   | N/A                               | None                                        |
| Fund                     | PACIFIC UNITED<br>TECHNOLOGY, L.P.      |              | Financial assets measured<br>at cost, noncurrent      |                                                  | 144,579       |  |                                   | N/A                               | None                                        |
| Stock-Preferred<br>stock | TAIWAN HIGH<br>SPEED RAIL CORP.         |              | Financial assets measured<br>at cost, noncurrent      | 30,000                                           | 300,000       |  |                                   | N/A                               | None                                        |
| Stock-Preferred<br>stock | MTIC HOLDINGS<br>PTE LTD.               |              | Financial assets measured<br>at cost, noncurrent      | 4,000                                            | 85,080        |  |                                   | N/A                               | None                                        |
| Stock-Preferred<br>stock | TONBU, INC.                             |              | Financial assets measured<br>at cost, noncurrent      | 938                                              |               |  |                                   | N/A                               | None                                        |
| Stock-Preferred<br>stock | AETAS<br>TECHNOLOGY INC.                |              | Financial assets measured<br>at cost, noncurrent      | 1,166                                            | 119,911       |  |                                   | N/A                               | None                                        |

**FORTUNE VENTURE CAPITAL CORP.**

| Type of securities | Name of securities | Relationship     | Financial statement account | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |  | Percentage of<br>ownership<br>(%) | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|--------------------|------------------|-----------------------------|--------------------------------------------------|---------------|--|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                    |                  |                             |                                                  | Book value    |  |                                   |                                   |                                       |
| Stock              |                    | Investee company |                             | 80,000                                           | \$ 1,236,327  |  | 100.00                            | \$ 1,236,327                      | None                                  |

|                 |                           |                  |                                                             |       |        |       |        |      |
|-----------------|---------------------------|------------------|-------------------------------------------------------------|-------|--------|-------|--------|------|
|                 | UNITRUTH INVESTMENT CORP. |                  | Long-term investments accounted for under the equity method |       |        |       |        |      |
| Stock-Preferred | AEVOE                     | Investee company | Long-term investments accounted for under the equity method | 4,155 | 28,368 | 45.31 | 28,368 | None |
| stock           | INTERNATIONAL LTD.        |                  |                                                             |       |        |       |        |      |

ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**FORTUNE VENTURE CAPITAL CORP.**

| of securities | Name of securities                   | Relationship                | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value(thous | Shar |
|---------------|--------------------------------------|-----------------------------|-------------------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------------|------|
|               |                                      |                             |                                                                   |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                         |      |
| Stock         | UWAVE<br>TECHNOLOGY CORP.            | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 10,186                                           | \$            | 44.29                             | \$                                      | 1    |
| Stock         | ANOTO TAIWAN<br>CORP.                | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 3,920                                            | 19,982        | 39.20                             | 19,982                                  | 1    |
| Stock         | WALTOP<br>INTERNATIONAL<br>CORP.     | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 6,000                                            | 119,317       | 26.09                             | 68,305                                  | 1    |
| Stock         | CRYSTAL MEDIA INC.                   | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 4,493                                            | 31,194        | 24.29                             | 31,194                                  | 1    |
| Stock         | ALLIANCE OPTOTEK<br>CORP.            | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 5,789                                            | 48,720        | 20.24                             | 41,284                                  | 1    |
| Stock         | SMEDIA<br>TECHNOLOGY CORP.           | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 9,045                                            | 32,888        | 18.99                             | 31,323                                  | 1    |
| Stock         | HIGH POWER<br>LIGHTING CORP.         | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 4,525                                            | 35,057        | 18.10                             | 25,825                                  | 1    |
| Stock         | MOBILE DEVICES<br>INC.               | Investee company            | Long-term investments<br>accounted for under the<br>equity method | 6,853                                            | 39,178        | 17.07                             | 35,544                                  | 1    |
| Stock         | AMIC TECHNOLOGY<br>CORP.             | Investee of UMC and Fortune | Long-term investments<br>accounted for under the<br>equity method | 20,478                                           | 59,264        | 14.69                             | 59,264                                  | 1    |
| Stock         | XGI TECHNOLOGY<br>INC.               | Investee of UMC and Fortune | Long-term investments<br>accounted for under the<br>equity method | 2,072                                            | 17,723        | 9.56                              | 20,966                                  | 1    |
| Stock         | DAVICOM<br>SEMICONDUCTOR,<br>INC.    |                             | Available-for-sale<br>financial assets,<br>noncurrent             | 11,872                                           | 416,708       | 14.94                             | 416,708                                 | 1    |
| Stock         | PIXART IMAGING<br>INC.               |                             | Available-for-sale<br>financial assets,<br>noncurrent             | 14,188                                           | 2,844,772     | 12.10                             | 2,844,772                               | 1    |
| Stock         | TOPOINT<br>TECHNOLOGY CO.,<br>LTD.   |                             | Available-for-sale<br>financial assets,<br>noncurrent             | 1,691                                            | 67,050        | 1.77                              | 67,050                                  | 1    |
| Stock         | EPISTAR CORP.                        |                             | Available-for-sale<br>financial assets,<br>noncurrent             | 4,731                                            | 259,259       | 0.76                              | 259,259                                 | 1    |
| Stock         | POWERTECH<br>INDUSTRIAL CO.,<br>LTD. |                             | Available-for-sale<br>financial assets,<br>noncurrent             | 595                                              | 22,592        | 0.56                              | 22,592                                  | 1    |
| Stock         |                                      |                             |                                                                   | 495                                              | 102,496       | 0.45                              | 102,496                                 | 1    |

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|       |                                                        |                  |                                                       |        |         |       |         |   |
|-------|--------------------------------------------------------|------------------|-------------------------------------------------------|--------|---------|-------|---------|---|
|       | RALINK<br>TECHNOLOGY CORP.                             |                  | Available-for-sale<br>financial assets,<br>noncurrent |        |         |       |         |   |
| Stock | C SUN MFG LTD.                                         |                  | Available-for-sale<br>financial assets,<br>noncurrent | 238    | 3,946   | 0.18  | 3,946   | 1 |
| Stock | UNITED<br>MICROELECTRONICS<br>CORP.                    | Investor company | Available-for-sale<br>financial assets,<br>noncurrent | 15,386 | 247,720 | 0.12  | 247,720 | 1 |
| Stock | ASROCK INC.                                            |                  | Available-for-sale<br>financial assets,<br>noncurrent | 49     | 6,370   | 0.05  | 6,370   | 1 |
| Stock | CLIENTRON CORP.<br>(formerly BCOM<br>ELECTRONICS INC.) |                  | Financial assets measured<br>at cost, noncurrent      | 17,675 | 176,797 | 19.64 | Note    | 1 |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**FORTUNE VENTURE CAPITAL CORP.**

| Type of securities | Name of securities                                        | Relationship | Financial statement account                   | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|-----------------------------------------------------------|--------------|-----------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                                                           |              |                                               |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Stock              | STAR SEMICONDUCTOR CORP.                                  |              | Financial assets measured at cost, noncurrent | 3,837                                            | \$ 35,174     | 18.43                             | Note                              | None                                  |
| Stock              | KUN YUAN TECHNOLOGY CO., LTD.                             |              | Financial assets measured at cost, noncurrent | 9,409                                            | 94,095        | 15.68                             | Note                              | None                                  |
| Stock              | USBEST TECHNOLOGY INC.                                    |              | Financial assets measured at cost, noncurrent | 7,347                                            | 95,303        | 15.57                             | Note                              | None                                  |
| Stock              | AWISE FIBER TECH.CO.,LTD.                                 |              | Financial assets measured at cost, noncurrent | 1,200                                            | 15,192        | 11.42                             | Note                              | None                                  |
| Stock              | CION TECHNOLOGY CORP.                                     |              | Financial assets measured at cost, noncurrent | 2,268                                            | 10,583        | 11.08                             | Note                              | None                                  |
| Stock              | VASTVIEW TECHNOLOGY INC.                                  |              | Financial assets measured at cost, noncurrent | 3,864                                            | 11,458        | 11.04                             | Note                              | None                                  |
| Stock              | UWIZ TECHNOLOGY CO., LTD.                                 |              | Financial assets measured at cost, noncurrent | 4,530                                            | 50,553        | 10.79                             | Note                              | None                                  |
| Stock              | GOLDEN TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP.        |              | Financial assets measured at cost, noncurrent | 3,599                                            | 34,866        | 10.67                             | Note                              | None                                  |
| Stock              | EXOJET TECHNOLOGY CORP.                                   |              | Financial assets measured at cost, noncurrent | 2,300                                            | 23,000        | 10.57                             | Note                              | None                                  |
| Stock              | EVERGLORY RESOURCE TECHNOLOGY CO., LTD.                   |              | Financial assets measured at cost, noncurrent | 2,500                                            | 21,875        | 10.23                             | Note                              | None                                  |
| Stock              | CHIP ADVANCED TECHNOLOGY INC.                             |              | Financial assets measured at cost, noncurrent | 3,140                                            | 22,886        | 10.10                             | Note                              | None                                  |
| Stock              | NCTU SPRING I TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP. |              | Financial assets measured at cost, noncurrent | 3,856                                            | 22,876        | 10.06                             | Note                              | None                                  |
| Stock              | ADVANCE MATERIALS CORP.                                   |              | Financial assets measured at cost, noncurrent | 11,452                                           | 109,898       | 9.94                              | Note                              | None                                  |
| Stock              | YAYATECH CO., LTD.                                        |              | Financial assets measured at cost, noncurrent | 1,396                                            | 42,180        | 9.77                              | Note                              | None                                  |
| Stock              | OCULON OPTOELECTRONICS INC.                               |              | Financial assets measured at cost, noncurrent | 1,100                                            | 17,600        | 9.49                              | Note                              | None                                  |
| Stock              | CHANG-YU TECHNOLOGY CO., LTD.                             |              | Financial assets measured at cost, noncurrent | 2,153                                            | 54,325        | 9.43                              | Note                              | None                                  |
| Stock              | COTECH, INC.                                              |              | Financial assets measured at cost, noncurrent | 750                                              | 30,289        | 9.38                              | Note                              | None                                  |
| Stock              |                                                           |              |                                               | 1,571                                            | 20,102        | 9.32                              | Note                              | None                                  |

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ALLEN PRECISION  
INDUSTRIES CO.,  
LTD.

Financial assets measured  
at cost, noncurrent

|       |                          |                                                  |       |        |      |      |      |
|-------|--------------------------|--------------------------------------------------|-------|--------|------|------|------|
| Stock | LIGHTUNING TECH.<br>INC. | Financial assets measured<br>at cost, noncurrent | 2,660 | 16,663 | 9.16 | Note | None |
|-------|--------------------------|--------------------------------------------------|-------|--------|------|------|------|

|       |                                       |                                                  |       |        |      |      |      |
|-------|---------------------------------------|--------------------------------------------------|-------|--------|------|------|------|
| Stock | EXCELLENCE<br>OPTOELECTRONICS<br>INC. | Financial assets measured<br>at cost, noncurrent | 8,529 | 85,291 | 9.09 | Note | None |
|-------|---------------------------------------|--------------------------------------------------|-------|--------|------|------|------|

ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**FORTUNE VENTURE CAPITAL CORP.**

| Type of securities | Name of securities                                 | Relationship | Financial statement account                   | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|----------------------------------------------------|--------------|-----------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                                                    |              |                                               |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Stock              | BCOM ELECTRONICS INC.                              |              | Financial assets measured at cost, noncurrent | 3,600                                            | \$ 43,200     | 9.00                              | Note                              | None                                  |
| Stock              | AMOD TECHNOLOGY CO., LTD.                          |              | Financial assets measured at cost, noncurrent | 1,060                                            | 10,421        | 8.15                              | Note                              | None                                  |
| Stock              | HITOP COMMUNICATIONS CORP.                         |              | Financial assets measured at cost, noncurrent | 752                                              | 15,673        | 8.08                              | Note                              | None                                  |
| Stock              | ANDES TECHNOLOGY CORP.                             |              | Financial assets measured at cost, noncurrent | 5,000                                            | 62,500        | 7.94                              | Note                              | None                                  |
| Stock              | CHINGIS TECHNOLOGY CORP.                           |              | Financial assets measured at cost, noncurrent | 4,198                                            | 37,156        | 7.80                              | Note                              | None                                  |
| Stock              | SHIN-ETSU HANDOTAI TAIWAN CO., LTD.                |              | Financial assets measured at cost, noncurrent | 10,500                                           | 105,000       | 7.00                              | Note                              | None                                  |
| Stock              | ACTI CORP.                                         |              | Financial assets measured at cost, noncurrent | 1,700                                            | 17,306        | 6.85                              | Note                              | None                                  |
| Stock              | RISELINK VENTURE CAPITAL CORP.                     |              | Financial assets measured at cost, noncurrent | 8,000                                            | 76,640        | 6.67                              | Note                              | None                                  |
| Stock              | NCTU SPRING VENTURE CAPITAL CO., LTD.              |              | Financial assets measured at cost, noncurrent | 2,000                                            | 7,000         | 6.28                              | Note                              | None                                  |
| Stock              | COSMOS TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP. |              | Financial assets measured at cost, noncurrent | 1,490                                            | 6,605         | 5.03                              | Note                              | None                                  |
| Stock              | PARAWIN VENTURE CAPITAL CORP.                      |              | Financial assets measured at cost, noncurrent | 5,000                                            | 41,900        | 5.00                              | Note                              | None                                  |
| Stock              | PRIMESENSOR TECHNOLOGY INC.                        |              | Financial assets measured at cost, noncurrent | 750                                              | 7,500         | 5.00                              | Note                              | None                                  |
| Stock              | EUTECH MICROELECTRONICS INC.                       |              | Financial assets measured at cost, noncurrent | 1,700                                            | 59,500        | 4.95                              | Note                              | None                                  |
| Stock              | LUMITEK CORP.                                      |              | Financial assets measured at cost, noncurrent | 1,750                                            | 32,000        | 4.86                              | Note                              | None                                  |
| Stock              | EE SOLUTIONS, INC.                                 |              | Financial assets measured at cost, noncurrent | 1,391                                            | 22,178        | 4.80                              | Note                              | None                                  |
| Stock              | GIGA SOLUTION TECH. CO., LTD.                      |              | Financial assets measured at cost, noncurrent | 4,245                                            | 26,742        | 4.56                              | Note                              | None                                  |
| Stock              | TRENDCHIP TECHNOLOGIES CORP.                       |              | Financial assets measured at cost, noncurrent | 1,220                                            | 14,736        | 4.08                              | Note                              | None                                  |
| Stock              | IBT VENTURE CORP.                                  |              | Financial assets measured at cost, noncurrent | 3,426                                            | 34,264        | 3.81                              | Note                              | None                                  |
| Stock              | SIMPAL ELECTRONICS CO., LTD.                       |              | Financial assets measured at cost, noncurrent | 6,009                                            | 70,179        | 3.62                              | Note                              | None                                  |

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|       |                                                 |                                                  |       |        |      |      |      |
|-------|-------------------------------------------------|--------------------------------------------------|-------|--------|------|------|------|
| Stock | BEYOND<br>INNOVATION<br>TECHNOLOGY CO.,<br>LTD. | Financial assets measured<br>at cost, noncurrent | 1,183 | 14,165 | 3.50 | Note | None |
|-------|-------------------------------------------------|--------------------------------------------------|-------|--------|------|------|------|

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**FORTUNE VENTURE CAPITAL CORP.**

| Type of securities | Name of securities                                | Relationship | Financial statement account                      | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|---------------------------------------------------|--------------|--------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                                                   |              |                                                  |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Stock              | SUBTRON<br>TECHNOLOGY CO.,<br>LTD.                |              | Financial assets measured<br>at cost, noncurrent | 11,143                                           | \$ 131,806    | 3.47                              | Note                              | None                                  |
| Stock              | JMICRON<br>TECHNOLOGY CORP.                       |              | Financial assets measured<br>at cost, noncurrent | 1,337                                            | 21,878        | 3.37                              | Note                              | None                                  |
| Stock              | ANIMATION<br>TECHNOLOGIES INC.                    |              | Financial assets measured<br>at cost, noncurrent | 1,480                                            | 9,472         | 3.16                              | Note                              | None                                  |
| Stock              | SUPERALLOY<br>INDUSTRIAL CO.,<br>LTD.             |              | Financial assets measured<br>at cost, noncurrent | 5,400                                            | 225,000       | 3.06                              | Note                              | None                                  |
| Stock              | MEMOCOM CORP.                                     |              | Financial assets measured<br>at cost, noncurrent | 1,225                                            | 8,195         | 3.02                              | Note                              | None                                  |
| Stock              | SHENG-HUA<br>VENTURE CAPITAL<br>CORP.             |              | Financial assets measured<br>at cost, noncurrent | 750                                              | 4,950         | 2.50                              | Note                              | None                                  |
| Stock              | UNIDISPLAY INC.                                   |              | Financial assets measured<br>at cost, noncurrent | 3,000                                            | 30,000        | 2.31                              | Note                              | None                                  |
| Stock              | HIGH POWER<br>OPTOELECTRONICS,<br>INC.            |              | Financial assets measured<br>at cost, noncurrent | 1,500                                            | 15,000        | 1.81                              | Note                              | None                                  |
| Stock              | TAIMIDE<br>TECHNOLOGY INC.                        |              | Financial assets measured<br>at cost, noncurrent | 1,500                                            | 16,095        | 1.66                              | Note                              | None                                  |
| Stock              | INPAQ<br>TECHNOLOGY CO.,<br>LTD.                  |              | Financial assets measured<br>at cost, noncurrent | 1,500                                            | 72,975        | 1.58                              | Note                              | None                                  |
| Fund               | CRYSTAL INTERNET<br>VENTURE FUND<br>II(BVI), L.P. |              | Financial assets measured<br>at cost, noncurrent |                                                  | 9,124         | 1.09                              | N/A                               | None                                  |
| Stock              | FIRST<br>INTERNATIONAL<br>TELECOM CORP.           |              | Financial assets measured<br>at cost, noncurrent | 4,610                                            | 41,490        | 1.02                              | Note                              | None                                  |
| Stock              | ADVANCED CHIP<br>ENGINEERING<br>TECHNOLOGY INC.   |              | Financial assets measured<br>at cost, noncurrent | 2,290                                            | 24,419        | 1.02                              | Note                              | None                                  |
| Stock              | PRINTECH<br>INTERNATIONAL<br>INC.                 |              | Financial assets measured<br>at cost, noncurrent | 162                                              | 737           | 0.91                              | Note                              | None                                  |
| Stock              | ASIA PACIFIC<br>MICROSYSTEMS,<br>INC.             |              | Financial assets measured<br>at cost, noncurrent | 1,162                                            | 9,739         | 0.66                              | Note                              | None                                  |
| Stock              | WAVEPLUS<br>TECHNOLOGY CO.,<br>LTD.               |              | Financial assets measured<br>at cost, noncurrent | 4                                                |               | 0.40                              | Note                              | None                                  |
| Fund               | IGLOBE PARTNERS<br>FUND, L.P.                     |              | Financial assets measured<br>at cost, noncurrent |                                                  | 37,351        |                                   | N/A                               | None                                  |
| Stock-Preferred    |                                                   |              |                                                  | 5,133                                            | 59,317        |                                   | N/A                               | None                                  |

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|                 |                                  |                                               |       |        |     |      |
|-----------------|----------------------------------|-----------------------------------------------|-------|--------|-----|------|
| stock           | AURORA SYSTEMS, INC.             | Financial assets measured at cost, noncurrent |       |        |     |      |
| Stock-Preferred | ALPHA & OMEGA SEMICONDUCTOR LTD. | Financial assets measured at cost, noncurrent | 1,500 | 46,313 | N/A | None |
| stock           |                                  |                                               |       |        |     |      |
| Stock           | NEXPOWER TECHNOLOGY CORP.        | Prepayment for long-term investments          | 2,700 | 81,000 |     | None |

ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**TLC CAPITAL CO., LTD.**

| Type of securities | Name of securities                       | Relationship     | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|------------------------------------------|------------------|-------------------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                                          |                  |                                                                   |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Fund               | FGIT GLOBAL REALTY & INFRASTRUCTURE FUND |                  | Financial assets at fair value through profit or loss, current    | 500                                              | \$ 3,655      |                                   | \$ 3,655                          | None                                  |
| Convertible bonds  | CAREER TECHNOLOGY (MFG.) CO., LTD.       |                  | Financial assets at fair value through profit or loss, noncurrent | 70                                               | 6,790         |                                   | 6,790                             | None                                  |
| Stock              | SOARING CAPITAL CORP.                    | Investee company | Long-term investments accounted for under the equity method       | 900                                              | 27,163        | 100.00                            | 27,163                            | None                                  |
| Stock              | YUNG LI INVESTMENTS, INC.                | Investee company | Long-term investments accounted for under the equity method       | 0.28                                             | 270,588       | 45.16                             | 270,588                           | None                                  |
| Fund               | CTC CAPITAL PARTNERS I, L.P.             | Investee company | Long-term investments accounted for under the equity method       |                                                  | 136,867       | 32.11                             | 136,867                           | None                                  |
| Stock              | SMEDIA TECHNOLOGY CORP.                  | Investee company | Long-term investments accounted for under the equity method       | 7,084                                            | 95,588        | 14.87                             | 24,533                            | None                                  |
| Stock              | RECHI PRECISION CO., LTD.                |                  | Available-for-sale financial assets, noncurrent                   | 20,768                                           | 217,029       | 5.70                              | 217,029                           | None                                  |
| Stock              | TOPOINT TECHNOLOGY CO., LTD.             |                  | Available-for-sale financial assets, noncurrent                   | 4,632                                            | 183,666       | 4.85                              | 183,666                           | None                                  |
| Stock              | SERCOMM CORP.                            |                  | Available-for-sale financial assets, noncurrent                   | 6,423                                            | 150,929       | 4.08                              | 150,929                           | None                                  |
| Stock              | SIMPLO TECHNOLOGY CO., LTD.              |                  | Available-for-sale financial assets, noncurrent                   | 5,500                                            | 786,500       | 2.96                              | 786,500                           | None                                  |
| Stock              | POWERTECH INDUSTRIAL CO., LTD.           |                  | Available-for-sale financial assets, noncurrent                   | 1,843                                            | 69,945        | 1.75                              | 69,945                            | None                                  |
| Stock              | EPISTAR CORP.                            |                  | Available-for-sale financial assets, noncurrent                   | 10,256                                           | 561,980       | 1.65                              | 561,980                           | None                                  |
| Stock              | MITAC TECHNOLOGY CORP.                   |                  | Available-for-sale financial assets, noncurrent                   | 6,000                                            | 119,400       | 1.12                              | 119,400                           | None                                  |
| Stock              | DARFON ELECTRONICS CORP.                 |                  | Available-for-sale financial assets, noncurrent                   | 2,900                                            | 189,950       | 1.05                              | 189,950                           | None                                  |
| Stock              | AVERMEDIA TECHNOLOGIES, INC.             |                  | Available-for-sale financial assets, noncurrent                   | 1,950                                            | 92,332        | 0.97                              | 92,332                            | None                                  |

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|       |                                 |                                                 |       |         |      |         |      |
|-------|---------------------------------|-------------------------------------------------|-------|---------|------|---------|------|
| Stock | CORETRONIC CORP.                | Available-for-sale financial assets, noncurrent | 6,127 | 196,686 | 0.88 | 196,686 | None |
| Stock | KING YUAN ELECTRONICS CO., LTD. | Available-for-sale financial assets, noncurrent | 9,000 | 118,800 | 0.74 | 118,800 | None |
| Stock | INPAQ TECHNOLOGY CO., LTD.      | Available-for-sale financial assets, noncurrent | 529   | 19,875  | 0.56 | 19,875  | None |
| Stock | ITE TECH. INC.                  | Available-for-sale financial assets, noncurrent | 500   | 34,100  | 0.44 | 34,100  | None |
| Stock | CYNTEC CO., LTD.                | Available-for-sale financial assets, noncurrent | 783   | 34,374  | 0.43 | 34,374  | None |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**TLC CAPITAL CO., LTD.**

| Type of securities       | Name of securities                          | Relationship | Financial statement account                           | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral |
|--------------------------|---------------------------------------------|--------------|-------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|-------------------------|
|                          |                                             |              |                                                       |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                         |
| Stock                    | ASROCK INC.                                 |              | Available-for-sale<br>financial assets,<br>noncurrent | 202                                              | \$ 26,260     | 0.20                              | \$ 26,260                         | None                    |
| Stock                    | TATUNG CO.                                  |              | Available-for-sale<br>financial assets,<br>noncurrent | 1,597                                            | 19,563        | 0.04                              | 19,563                            | None                    |
| Stock                    | CHUNGHWA<br>TELECOM CO.,<br>LTD.            |              | Available-for-sale<br>financial assets,<br>noncurrent | 3,410                                            | 267,685       | 0.04                              | 267,685                           | None                    |
| Stock                    | CATHAY<br>FINANCIAL<br>HOLDING CO.,<br>LTD. |              | Available-for-sale<br>financial assets,<br>noncurrent | 750                                              | 49,500        | 0.01                              | 49,500                            | None                    |
| Stock                    | UNIDISPLAY INC.                             |              | Financial assets measured<br>at cost, noncurrent      | 10,000                                           | 100,000       | 7.69                              | Note                              | None                    |
| Stock                    | SUPERALLOY<br>INDUSTRIAL CO.,<br>LTD.       |              | Financial assets measured<br>at cost, noncurrent      | 11,502                                           | 479,250       | 6.51                              | Note                              | None                    |
| Stock                    | ASIA PACIFIC<br>MICROSYSTEMS,<br>INC.       |              | Financial assets measured<br>at cost, noncurrent      | 10,000                                           | 100,000       | 5.67                              | Note                              | None                    |
| Stock                    | INPAQ<br>TECHNOLOGY<br>CO., LTD.            |              | Financial assets measured<br>at cost, noncurrent      | 2,500                                            | 121,625       | 2.63                              | Note                              | None                    |
| Stock                    | CANDO CORP.                                 |              | Financial assets measured<br>at cost, noncurrent      | 3,000                                            | 30,000        | 0.43                              | Note                              | None                    |
| Stock                    | RALINK<br>TECHNOLOGY<br>CORP.               |              | Financial assets measured<br>at cost, noncurrent      | 74                                               | 7,980         | 0.07                              | Note                              | None                    |
| Stock-Preferred<br>stock | TOUCH MEDIA<br>INTERNATIONAL<br>HOLDINGS    |              | Financial assets measured<br>at cost, noncurrent      | 4,126                                            | 160,355       |                                   | Note                              | None                    |
| Stock-Preferred<br>stock | KU6 HOLDING<br>LTD.                         |              | Financial assets measured<br>at cost, noncurrent      | 26,248                                           | 151,696       |                                   | Note                              | None                    |
| Stock                    | NEXPOWER<br>TECHNOLOGY<br>CORP.             |              | Prepayment for long-term<br>investments               | 5,400                                            | 162,000       |                                   |                                   | None                    |

**UNITRUTH INVESTMENT CORP.**

| Type of securities | Name of securities | Relationship | Financial statement account | Units (thousand)/<br>bonds/ shares | June 30, 2008 |                            | Market value/<br>Net assets value | Shares as<br>collateral |
|--------------------|--------------------|--------------|-----------------------------|------------------------------------|---------------|----------------------------|-----------------------------------|-------------------------|
|                    |                    |              |                             |                                    | Book value    | Percentage of<br>ownership |                                   |                         |

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|       |                            |                  |                                                             | (thousand) |           | (%)   |           | (thousand) |
|-------|----------------------------|------------------|-------------------------------------------------------------|------------|-----------|-------|-----------|------------|
| Stock | SMEDIA TECHNOLOGY CORP.    | Investee company | Long-term investments accounted for under the equity method | 5,241      | \$ 25,017 | 11.00 | \$ 18,149 | None       |
| Stock | WALTOP INTERNATIONAL CORP. | Investee company | Long-term investments accounted for under the equity method | 2,000      | 39,772    | 8.70  | 22,768    | None       |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITRUTH INVESTMENT CORP.**

| Type of securities | Name of securities             | Relationship                 | Financial statement account                                 | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                             | Market value/collateral<br>Net assets value(thousand) | Shares as of |
|--------------------|--------------------------------|------------------------------|-------------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------|-------------------------------------------------------|--------------|
|                    |                                |                              |                                                             |                                                  | Book value    | Percentage of ownership (%) |                                                       |              |
| Stock              | CRYSTAL MEDIA INC.             | Investee company             | Long-term investments accounted for under the equity method | 1,587                                            | \$ 11,018     | 8.58                        | \$ 11,018                                             | None         |
| Stock              | ALLIANCE OPTOTEK CORP.         | Investee company             | Long-term investments accounted for under the equity method | 2,150                                            | 18,096        | 7.52                        | 15,334                                                | None         |
| Stock              | HIGH POWER LIGHTING CORP.      | Investee company             | Long-term investments accounted for under the equity method | 1,225                                            | 9,491         | 4.90                        | 6,991                                                 | None         |
| Stock              | XGI TECHNOLOGY INC.            | Investee of UMC and Unitruth | Long-term investments accounted for under the equity method | 964                                              | 9,759         | 4.45                        | 9,759                                                 | None         |
| Stock              | UWAVE TECHNOLOGY CORP.         | Investee company             | Long-term investments accounted for under the equity method | 1,000                                            |               | 4.35                        |                                                       | None         |
| Stock              | MOBILE DEVICES INC.            | Investee company             | Long-term investments accounted for under the equity method | 1,700                                            | 8,818         | 4.24                        | 8,818                                                 | None         |
| Stock              | TOPOINT TECHNOLOGY CO., LTD.   |                              | Available-for-sale financial assets, noncurrent             | 929                                              | 36,844        | 0.97                        | 36,844                                                | None         |
| Stock              | POWERTECH INDUSTRIAL CO., LTD. |                              | Available-for-sale financial assets, noncurrent             | 695                                              | 26,357        | 0.66                        | 26,357                                                | None         |
| Stock              | RALINK TECHNOLOGY CORP.        |                              | Available-for-sale financial assets, noncurrent             | 369                                              | 76,383        | 0.33                        | 76,383                                                | None         |
| Stock              | ASROCK INC.                    |                              | Available-for-sale financial assets, noncurrent             | 49                                               | 6,370         | 0.05                        | 6,370                                                 | None         |
| Stock              | COTECH, INC.                   |                              | Financial assets measured at cost, noncurrent               | 738                                              | 29,804        | 9.23                        | Note                                                  | None         |
| Stock              | AWISE FIBER TECH.CO.,LTD.      |                              | Financial assets measured at cost, noncurrent               | 860                                              | 10,888        | 8.18                        | Note                                                  | None         |
| Stock              | UWIZ TECHNOLOGY CO., LTD.      |                              | Financial assets measured at cost, noncurrent               | 3,410                                            | 39,593        | 8.12                        | Note                                                  | None         |
| Stock              | OCULON OPTOELECTRONICS INC.    |                              | Financial assets measured at cost, noncurrent               | 900                                              | 14,400        | 7.77                        | Note                                                  | None         |
| Stock              | AMOD TECHNOLOGY CO., LTD.      |                              | Financial assets measured at cost, noncurrent               | 930                                              | 7,920         | 7.15                        | Note                                                  | None         |
| Stock              | YAYATECH CO., LTD.             |                              | Financial assets measured at cost, noncurrent               | 988                                              | 40,415        | 6.92                        | Note                                                  | None         |
| Stock              | EXCELLENCE OPTOELECTRONICS     |                              | Financial assets measured at cost, noncurrent               | 6,374                                            | 63,739        | 6.80                        | Note                                                  | None         |

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|       |                          |                                               |       |        |      |      |      |
|-------|--------------------------|-----------------------------------------------|-------|--------|------|------|------|
|       | INC.                     |                                               |       |        |      |      |      |
| Stock | VASTVIEW TECHNOLOGY INC. | Financial assets measured at cost, noncurrent | 2,010 | 25,850 | 5.74 | Note | None |
| Stock | LIGHTUNING TECH. INC.    | Financial assets measured at cost, noncurrent | 1,504 | 18,542 | 5.18 | Note | None |
| Stock | ADVANCE MATERIALS CORP.  | Financial assets measured at cost, noncurrent | 5,806 | 62,427 | 5.04 | Note | None |

ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITRUTH INVESTMENT CORP.**

| Type of securities | Name of securities                               | Relationship | Financial statement account                      | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|--------------------------------------------------|--------------|--------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                                                  |              |                                                  |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Stock              | EVERGLORY<br>RESOURCE<br>TECHNOLOGY CO.,<br>LTD. |              | Financial assets measured<br>at cost, noncurrent | 1,200                                            | \$ 10,500     | 4.91                              | Note                              | None                                  |
| Stock              | EE SOLUTIONS, INC.                               |              | Financial assets measured<br>at cost, noncurrent | 1,391                                            | 14,755        | 4.80                              | Note                              | None                                  |
| Stock              | CHINGIS<br>TECHNOLOGY CORP.                      |              | Financial assets measured<br>at cost, noncurrent | 2,518                                            | 31,218        | 4.68                              | Note                              | None                                  |
| Stock              | CHIP ADVANCED<br>TECHNOLOGY INC.                 |              | Financial assets measured<br>at cost, noncurrent | 1,386                                            | 3,059         | 4.46                              | Note                              | None                                  |
| Stock              | EXOJET<br>TECHNOLOGY CORP.                       |              | Financial assets measured<br>at cost, noncurrent | 850                                              | 8,500         | 3.91                              | Note                              | None                                  |
| Stock              | TRENDCHIP<br>TECHNOLOGIES<br>CORP.               |              | Financial assets measured<br>at cost, noncurrent | 1,138                                            | 13,747        | 3.80                              | Note                              | None                                  |
| Stock              | BCOM ELECTRONICS<br>INC.                         |              | Financial assets measured<br>at cost, noncurrent | 1,495                                            | 17,941        | 3.74                              | Note                              | None                                  |
| Stock              | ACTI CORP.                                       |              | Financial assets measured<br>at cost, noncurrent | 740                                              | 11,100        | 2.98                              | Note                              | None                                  |
| Stock              | LUMITEK CORP.                                    |              | Financial assets measured<br>at cost, noncurrent | 750                                              | 13,714        | 2.08                              | Note                              | None                                  |
| Stock              | MEMOCOM CORP.                                    |              | Financial assets measured<br>at cost, noncurrent | 695                                              | 4,650         | 1.72                              | Note                              | None                                  |
| Stock              | UNIDISPLAY INC.                                  |              | Financial assets measured<br>at cost, noncurrent | 2,000                                            | 20,000        | 1.54                              | Note                              | None                                  |
| Stock              | USBEST<br>TECHNOLOGY INC.                        |              | Financial assets measured<br>at cost, noncurrent | 660                                              | 7,145         | 1.40                              | Note                              | None                                  |
| Stock              | CHANG-YU<br>TECHNOLOGY CO.,<br>LTD.              |              | Financial assets measured<br>at cost, noncurrent | 315                                              | 7,950         | 1.38                              | Note                              | None                                  |
| Stock              | GIGA SOLUTION<br>TECH. CO., LTD.                 |              | Financial assets measured<br>at cost, noncurrent | 1,222                                            | 7,698         | 1.31                              | Note                              | None                                  |
| Stock              | STAR<br>SEMICONDUCTOR<br>CORP.                   |              | Financial assets measured<br>at cost, noncurrent | 260                                              | 2,193         | 1.25                              | Note                              | None                                  |
| Stock              | SUPERALLOY<br>INDUSTRIAL CO.,<br>LTD.            |              | Financial assets measured<br>at cost, noncurrent | 1,728                                            | 72,000        | 0.98                              | Note                              | None                                  |
| Stock              | JMICRON<br>TECHNOLOGY CORP.                      |              | Financial assets measured<br>at cost, noncurrent | 385                                              | 2,310         | 0.97                              | Note                              | None                                  |
| Stock              | PRINTECH<br>INTERNATIONAL<br>INC.                |              | Financial assets measured<br>at cost, noncurrent | 162                                              | 737           | 0.91                              | Note                              | None                                  |
| Stock              | HIGH POWER<br>OPTOELECTRONICS,<br>INC.           |              | Financial assets measured<br>at cost, noncurrent | 500                                              | 5,000         | 0.60                              | Note                              | None                                  |



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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITRUTH INVESTMENT CORP.**

| Type of securities       | Name of securities                            | Relationship | Financial statement account                      | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |  | Percentage of<br>ownership<br>(%) | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------------|-----------------------------------------------|--------------|--------------------------------------------------|--------------------------------------------------|---------------|--|-----------------------------------|-----------------------------------|---------------------------------------|
|                          |                                               |              |                                                  |                                                  | Book value    |  |                                   |                                   |                                       |
| Stock                    | ASIA PACIFIC<br>MICROSYSTEMS,<br>INC.         |              | Financial assets measured<br>at cost, noncurrent | 604                                              | \$ 5,064      |  | 0.34                              | Note                              | None                                  |
| Stock-Preferred<br>stock | ALLEN<br>PRECISION<br>INDUSTRIES CO.,<br>LTD. |              | Financial assets measured<br>at cost, noncurrent | 1,047                                            | 10,470        |  |                                   | N/A                               | None                                  |
| Stock                    | NEXPOWER<br>TECHNOLOGY<br>CORP.               |              | Prepayment for long-term<br>investments          | 900                                              | 27,000        |  |                                   |                                   | None                                  |

**UNITED MICRODISPLAY OPTRONICS CORP.**

| Type of securities | Name of securities  | Relationship     | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |  | Percentage of<br>ownership<br>(%) | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------|---------------------|------------------|-------------------------------------------------------------------|--------------------------------------------------|---------------|--|-----------------------------------|-----------------------------------|---------------------------------------|
|                    |                     |                  |                                                                   |                                                  | Book value    |  |                                   |                                   |                                       |
| Stock              | UMO (HK)<br>LIMITED | Investee company | Long-term investments<br>accounted for under the<br>equity method | 15,600                                           | \$ 3,078      |  | 100.00                            | \$ 3,078                          | None                                  |

**UMC CAPITAL CORP.**

| Type of securities       | Name of securities                    | Relationship     | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |  | Percentage of<br>ownership<br>(%) | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------------|---------------------------------------|------------------|-------------------------------------------------------------------|--------------------------------------------------|---------------|--|-----------------------------------|-----------------------------------|---------------------------------------|
|                          |                                       |                  |                                                                   |                                                  | Book value    |  |                                   |                                   |                                       |
| Stock                    | UMC CAPITAL<br>(USA)                  | Investee company | Long-term investments<br>accounted for under the<br>equity method | 200                                              | USD 375       |  | 100.00                            | USD 375                           | None                                  |
| Stock                    | ECP VITA LTD.                         | Investee company | Long-term investments<br>accounted for under the<br>equity method | 1,000                                            | USD 2,491     |  | 100.00                            | USD 2,491                         | None                                  |
| Stock-Preferred<br>stock | ACHIEVE MADE<br>INTERNATIONAL<br>LTD. | Investee company | Long-term investments<br>accounted for under the<br>equity method | 508                                              | USD 672       |  | 43.29                             | USD 139                           | None                                  |

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ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UMC CAPITAL CORP.**

| Type of securities       | Name of securities                | Relationship     | Financial statement account                                 | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                   | Market value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|--------------------------|-----------------------------------|------------------|-------------------------------------------------------------|--------------------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------------------------------|
|                          |                                   |                  |                                                             |                                                  | Book value    | Percentage of<br>ownership<br>(%) |                                   |                                       |
| Fund                     | UC FUND II                        | Investee company | Long-term investments accounted for under the equity method | 5,000                                            | USD 4,106     | 35.45                             | USD 4,106                         | None                                  |
| Fund                     | TRANSLINK CAPITAL PARTNERS I L.P. | Investee company | Long-term investments accounted for under the equity method |                                                  | USD 2,390     | 15.77                             | USD 2,390                         | None                                  |
| Stock                    | INTELLON CORP.                    |                  | Available-for-sale financial assets, noncurrent             | 1,150                                            | USD 3,796     | 3.84                              | USD 3,796                         | None                                  |
| American<br>Depository   | CHUNGHWA TELECOM CO., LTD.        |                  | Available-for-sale financial assets, noncurrent             | 344                                              | USD 8,720     | 0.04                              | USD 8,720                         | None                                  |
| Receipts                 |                                   |                  |                                                             |                                                  |               |                                   |                                   |                                       |
| Stock                    | PATENTOP, LTD.                    |                  | Financial assets measured at cost, noncurrent               | 720                                              |               | 18.00                             | Note                              | None                                  |
| Stock                    | CIPHERMAX, INC.                   |                  | Financial assets measured at cost, noncurrent               | 95                                               | USD 1,281     |                                   | Note                              | None                                  |
| Stock-Preferred<br>stock | AICENT, INC.                      |                  | Financial assets measured at cost, noncurrent               | 2,000                                            | USD 1,000     |                                   | N/A                               | None                                  |
| Stock-Preferred<br>stock | GCT SEMICONDUCTOR, INC.           |                  | Financial assets measured at cost, noncurrent               | 1,571                                            | USD 1,000     |                                   | N/A                               | None                                  |
| Stock-Preferred<br>stock | FORTEMEDIA, INC.                  |                  | Financial assets measured at cost, noncurrent               | 10,233                                           | USD 4,322     |                                   | N/A                               | None                                  |
| Stock                    | MAGNACHIP SEMICONDUCTOR LLC       |                  | Financial assets measured at cost, noncurrent               | 31                                               | USD 1,094     |                                   | Note                              | None                                  |
| Stock-Preferred<br>stock | MAXLINEAR, INC.                   |                  | Financial assets measured at cost, noncurrent               | 2,070                                            | USD 4,052     |                                   | N/A                               | None                                  |
| Stock-Preferred<br>stock | SMART VANGUARD LTD.               |                  | Financial assets measured at cost, noncurrent               | 5,750                                            | USD 6,500     |                                   | N/A                               | None                                  |
| Stock-Preferred<br>stock | WISAIR, INC.                      |                  | Financial assets measured at cost, noncurrent               | 153                                              | USD 1,596     |                                   | N/A                               | None                                  |
| Stock-Preferred<br>stock | AMALFI SEMICONDUCTOR, INC.        |                  | Financial assets measured at cost, noncurrent               | 1,471                                            | USD 1,500     |                                   | N/A                               | None                                  |
| Stock-Preferred          | DIBCOM, INC.                      |                  | Financial assets measured at cost, noncurrent               | 10                                               | USD 1,186     |                                   | N/A                               | None                                  |

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|                       |                                  |                                               |       |     |       |          |
|-----------------------|----------------------------------|-----------------------------------------------|-------|-----|-------|----------|
| stock                 |                                  |                                               |       |     |       |          |
| Convertible bonds     | DIBCOM, INC.                     | Financial assets measured at cost, noncurrent | 3     | USD | 506   | N/A None |
| Stock-Preferred stock | EAST VISION TECHNOLOGY LTD.      | Financial assets measured at cost, noncurrent | 2,770 | USD | 4,820 | N/A None |
| Stock-Preferred stock | ALPHA & OMEGA SEMICONDUCTOR LTD. | Financial assets measured at cost, noncurrent | 650   | USD | 1,462 | N/A None |
| Stock-Preferred stock | AURORA SYSTEMS, INC.             | Financial assets measured at cost, noncurrent | 550   | USD | 242   | N/A None |
| Stock-Preferred stock | VERIPRECISE TECHNOLOGY, INC.     | Financial assets measured at cost, noncurrent | 4,000 | USD | 4,000 | N/A None |

ATTACHMENT 4 (Securities held as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UMC CAPITAL CORP.**

| Type of securities    | Name of securities                 | Relationship | Financial statement account                   | Units (thousand)/<br>bonds/ shares<br>(thousand) | June 30, 2008 |                                | Market value/<br>Net assets<br>value | Shares as<br>collateral<br>(thousand) |
|-----------------------|------------------------------------|--------------|-----------------------------------------------|--------------------------------------------------|---------------|--------------------------------|--------------------------------------|---------------------------------------|
|                       |                                    |              |                                               |                                                  | Book value    | Percentage of<br>ownership (%) |                                      |                                       |
| Stock-Preferred stock | PACRUST COMMUNICATION, INC.        |              | Financial assets measured at cost, noncurrent | 4,850                                            | USD 4,850     |                                | N/A                                  | None                                  |
| Stock-Preferred stock | LUMINUS DEVICES, INC.              |              | Financial assets measured at cost, noncurrent | 477                                              | USD 3,000     |                                | N/A                                  | None                                  |
| Stock-Preferred stock | REALLUSION (CAYMAN) HOLDING INC.   |              | Financial assets measured at cost, noncurrent | 1,800                                            | USD 555       |                                | N/A                                  | None                                  |
| Stock-Preferred stock | FORCE10 NETWORKS, INC.             |              | Financial assets measured at cost, noncurrent | 4,373                                            | USD 4,500     |                                | N/A                                  | None                                  |
| Stock-Preferred stock | QSECURE, INC.                      |              | Financial assets measured at cost, noncurrent | 14,355                                           | USD 3,558     |                                | N/A                                  | None                                  |
| Stock-Preferred stock | VISAGE MOBILE INC.                 |              | Financial assets measured at cost, noncurrent | 5,099                                            | USD 2,000     |                                | N/A                                  | None                                  |
| Fund                  | VENGLOBAL CAPITAL FUND III, L.P.   |              | Financial assets measured at cost, noncurrent |                                                  | USD 712       |                                | N/A                                  | None                                  |
| Fund                  | DEXON DYNAMIC INVESTMENT FUND VIII |              | Financial assets measured at cost, noncurrent | 9                                                | USD 9,000     |                                | N/A                                  | None                                  |
| Stock-Preferred stock | PARADE TECHNOLOGIES, LTD.          |              | Financial assets measured at cost, noncurrent | 3,125                                            | USD 1,459     |                                | N/A                                  | None                                  |
| Stock-Preferred stock | CHIPX, INC.                        |              | Financial assets measured at cost, noncurrent | 63                                               | USD 117       |                                | N/A                                  | None                                  |
| Stock-Preferred stock | SIFOTONICS TECHNOLOGIES CO., LTD.  |              | Financial assets measured at cost, noncurrent | 1,000                                            | USD 500       |                                | N/A                                  | None                                  |
| Stock                 | KOTURA, INC.                       |              | Financial assets measured at cost, noncurrent | 0.59                                             |               |                                | Note                                 | None                                  |
| Stock-Preferred stock | ZYLOGIC SEMICONDUCTOR CORP.        |              | Financial assets measured at cost, noncurrent | 750                                              |               |                                | N/A                                  | None                                  |

Note : The net assets values for unlisted investees classified as Financial assets measured at cost, noncurrent were not available as of June 30, 2008.

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ATTACHMENT 5 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

## UNITED MICROELECTRONICS CORPORATION

| Name of the securities | Financial statement account                     | Counter-party | Relationship | Beginning balance             |                | Addition                      |                   | Disposal                      |                 | Gain (Loss) from disposal | Ending Units (thousand) |
|------------------------|-------------------------------------------------|---------------|--------------|-------------------------------|----------------|-------------------------------|-------------------|-------------------------------|-----------------|---------------------------|-------------------------|
|                        |                                                 |               |              | Units (thousand)/bonds/shares | Amount (Note1) | Units (thousand)/bonds/shares | Amount (thousand) | Units (thousand)/bonds/shares | Amount (Note 2) |                           |                         |
| ATEK INC.              | Available-for-sale financial assets, noncurrent | Open market   |              | 6,552                         | \$ 2,758,402   |                               | \$ 2,778          | \$ 1,059,582                  | \$ 27,366       | \$ 1,030,448              |                         |
| TEK CONDUCTOR          | Available-for-sale financial assets, noncurrent | Open market   |              | 42,326                        | 2,093,033      |                               | 5,340             | 220,053                       | 80,610          | (Note 4)                  | 3                       |

Note 1: The amounts of beginning and ending balances of financial assets at fair value through profit or loss and available for sale are recorded at the prevailing market prices.

Note 2: The disposal cost represents historical cost .

Note 3: The gain on disposal includes additional paid-in capital adjustments of NT\$(1,768) thousand dollars.

Note 4: The gain on disposal includes additional paid-in capital adjustments of NT\$(7,687) thousand and cumulative translation adjustments of NT\$315 thousand.

## FORTUNE VENTURE CAPITAL CORP.

| Name of the securities | Financial statement account                     | Counter-party | Relationship | Beginning balance             |                | Addition                      |                   | Disposal                      |                 | Gain (Loss) from disposal | Ending Units (thousand) |
|------------------------|-------------------------------------------------|---------------|--------------|-------------------------------|----------------|-------------------------------|-------------------|-------------------------------|-----------------|---------------------------|-------------------------|
|                        |                                                 |               |              | Units (thousand)/bonds/shares | Amount (Note1) | Units (thousand)/bonds/shares | Amount (thousand) | Units (thousand)/bonds/shares | Amount (Note 2) |                           |                         |
| LINK TECHNOLOGY CORP.  | Available-for-sale financial assets, noncurrent | Open market   |              | 1,389                         | \$ 14,828      |                               | \$ 894            | \$ 226,587                    | \$ 9,543        | \$ 217,044                | 4                       |

Note 1: The investee was reclassified as available-for-sale financial asset due to it went initial public offering in 2008. The beginning balance was stated at cost as the ending balance are recorded at the prevailing market price.

Note 2: The disposal cost represents historical cost .

## TLC CAPITAL CO., LTD.

| Name of the securities | Financial statement account | Counter-party | Relationship | Beginning balance             |                | Addition                      |                   | Disposal                      |                 | Gain (Loss) from disposal | Ending Units (thousand) |
|------------------------|-----------------------------|---------------|--------------|-------------------------------|----------------|-------------------------------|-------------------|-------------------------------|-----------------|---------------------------|-------------------------|
|                        |                             |               |              | Units (thousand)/bonds/shares | Amount (Note1) | Units (thousand)/bonds/shares | Amount (thousand) | Units (thousand)/bonds/shares | Amount (Note 2) |                           |                         |

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|         |                                                 |             |        |            |    |        |            |            |            |
|---------|-------------------------------------------------|-------------|--------|------------|----|--------|------------|------------|------------|
| UNG CO. | Available-for-sale financial assets, noncurrent | Open market | 26,152 | \$ 411,894 | \$ | 24,555 | \$ 427,852 | \$ 302,218 | \$ 125,634 |
|---------|-------------------------------------------------|-------------|--------|------------|----|--------|------------|------------|------------|

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ATTACHMENT 5 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**TLC CAPITAL CO., LTD.**

| Name of the securities          | Financial statement account                     | Counter-party                      | Relationship | Beginning balance                        |                | Addition                                 |         | Disposal                                 |                 |           | Gain (Loss) from disposal |
|---------------------------------|-------------------------------------------------|------------------------------------|--------------|------------------------------------------|----------------|------------------------------------------|---------|------------------------------------------|-----------------|-----------|---------------------------|
|                                 |                                                 |                                    |              | Units (thousand)/bonds/shares (thousand) | Amount (Note1) | Units (thousand)/bonds/shares (thousand) | Amount  | Units (thousand)/bonds/shares (thousand) | Amount (Note 2) |           |                           |
| IZON SECURITIES CO.,            | Available-for-sale financial assets, noncurrent | Open market                        |              | 8,858                                    | \$ 113,383     |                                          | \$      | 8,858                                    | \$ 139,659      | \$ 55,481 | \$ 84,178                 |
| SHENG SHEN CONSTRUCTION LTD.    | Available-for-sale financial assets, noncurrent | Open market                        |              | 3,300                                    | 79,695         |                                          |         | 3,300                                    | 105,296         | 88,460    | 16,836                    |
| ARMEDIA TECHNOLOGIES,           | Available-for-sale financial assets, noncurrent | Open market                        |              |                                          |                | 1,950                                    | 108,152 |                                          |                 |           |                           |
| NGHWA ECOM CO.,                 | Available-for-sale financial assets, noncurrent | Open market                        |              |                                          |                | 3,410                                    | 262,493 |                                          |                 |           |                           |
| CH MEDIA INTERNATIONAL HOLDINGS | Financial assets measured at cost, noncurrent   | TOUCH MEDIA INTERNATIONAL HOLDINGS |              |                                          |                | 4,126                                    | 160,355 |                                          |                 |           |                           |
| POWER TECHNOLOGY P.             | Prepayment for long-term investments            | NEXPOWER TECHNOLOGY CORP.          |              |                                          |                | 5,400                                    | 162,000 |                                          |                 |           |                           |

Note 1: The amounts of beginning and ending balances of available for sale are recorded at the prevailing market prices.

Note 2: The disposal cost represents historical cost .

**UNITRUTH INVESTMENT CORP.**

| Name of the securities | Financial statement account                     | Counter-party | Relationship | Beginning balance             |           | Addition                      |        | Disposal                      |                 | Gain (Loss) from disposal | Ending Unit (thousand)/bonds/shares |
|------------------------|-------------------------------------------------|---------------|--------------|-------------------------------|-----------|-------------------------------|--------|-------------------------------|-----------------|---------------------------|-------------------------------------|
|                        |                                                 |               |              | Units (thousand)/bonds/shares | Amount    | Units (thousand)/bonds/shares | Amount | Units (thousand)/bonds/shares | Amount          |                           |                                     |
|                        |                                                 |               |              | (thousand)                    | (Note1)   | (thousand)                    | Amount | (thousand)                    | Amount (Note 2) |                           |                                     |
| LINK TECHNOLOGY CORP.  | Available-for-sale financial assets, noncurrent | Open market   |              | 1,365                         | \$ 14,570 |                               | \$     | 996                           | \$ 231,570      | \$ 10,631                 | \$ 220,939                          |

Note 1: The investee was reclassified as available-for-sale financial asset due to it went initial public offering in 2008. The beginning balance was stated at cost as the ending balance are recorded at the prevailing market price.

Note 2: The disposal cost represents historical cost .

**UMC CAPITAL CORP.**

| Name of the securities | Financial statement account | Counter-party | Relationship | Beginning balance |  | Addition |  | Disposal |  |
|------------------------|-----------------------------|---------------|--------------|-------------------|--|----------|--|----------|--|
|                        |                             |               |              | Amount            |  | Amount   |  | Amount   |  |

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|                      |                                                    |             | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) | Amount<br>(Note 1) | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) |    | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) |  | Cost<br>(Note 2) | Gain<br>(Loss)<br>from<br>disposal | U<br>(tho<br>b<br>s<br>(tho |
|----------------------|----------------------------------------------------|-------------|--------------------------------------------------------|--------------------|--------------------------------------------------------|----|--------------------------------------------------------|--|------------------|------------------------------------|-----------------------------|
| ON<br>TOLOGY, INC.   | Available-for-sale financial<br>assets, noncurrent | Open market |                                                        | 275 USD 6,531      |                                                        | \$ | 275 USD 5,841                                          |  | USD 3,850        | USD 1,991                          |                             |
| DTRUM<br>UNICATIONS, | Available-for-sale financial<br>assets, noncurrent | Open market |                                                        | 550 USD 6,737      |                                                        |    | 550 USD 4,340                                          |  | USD 1,435        | USD 2,905                          |                             |
| GHWA<br>OM CO., LTD. | Available-for-sale financial<br>assets, noncurrent | Open market |                                                        |                    | 344 USD 8,752                                          |    |                                                        |  |                  |                                    |                             |

Note 1: The amounts of beginning and ending balances of available for sale are recorded at the prevailing market prices.

Note 2: The disposal cost represents historical cost .

ATTACHMENT 6 (Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Where counter-party is a related party, details of prior transactions |                    |                |               |              |                           |                                        |                     |                    |                 |                                               |
|-----------------------------------------------------------------------|--------------------|----------------|---------------|--------------|---------------------------|----------------------------------------|---------------------|--------------------|-----------------|-----------------------------------------------|
| Transaction date                                                      | Transaction amount | Payment status | Counter-party | Relationship | Relationship between      |                                        | Date of transaction | Transaction amount | Price reference | Date of acquisition and status of utilization |
|                                                                       |                    |                |               |              | Former holder of property | former holder and acquirer of property |                     |                    |                 |                                               |

ATTACHMENT 7 (Disposal of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| s of  | Transaction date | Date of original acquisition | Book value | Transaction | Status of  | Gain (Loss)   | Counter-party | Relationship | Reason of | Price reference | Oth    |  |
|-------|------------------|------------------------------|------------|-------------|------------|---------------|---------------|--------------|-----------|-----------------|--------|--|
| rties |                  |                              |            | amount      | proceeds   | from disposal |               |              | disposal  |                 | commit |  |
|       |                  |                              |            |             | collection |               |               |              |           |                 |        |  |

ATTACHMENT 8 ( Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Related party                                       | Relationship           | Transactions      |               | Percentage of total purchases (sales) (%) | Details of non-arm's length transaction | Notes and accounts receivable (payable) |      |              |                                     | Note |
|-----------------------------------------------------|------------------------|-------------------|---------------|-------------------------------------------|-----------------------------------------|-----------------------------------------|------|--------------|-------------------------------------|------|
|                                                     |                        | Purchases (Sales) | Amount        |                                           |                                         | Unit price                              | Term | Balance      | Percentage of total receivables (%) |      |
| UMC GROUP (USA)                                     | Investee company       | Sales             | \$ 26,794,854 | 55%                                       | Net 60 Days                             | N/A                                     | N/A  | \$ 6,211,148 | 40%                                 |      |
| UNITED MICROELECTRONICS (EUROPE) B.V.               | Investee company       | Sales             | 5,974,877     | 12%                                       | Net 60 Days                             | N/A                                     | N/A  | 2,546,083    | 17%                                 |      |
| UMC JAPAN SILICON                                   | Investee company       | Sales             | 856,285       | 2%                                        | Net 60 Days                             | N/A                                     | N/A  | 271,254      | 2%                                  |      |
| INTEGRATED SYSTEMS CORP.                            | The Company's director | Sales             | 708,339       | 1%                                        | Month-end 45 Days                       | N/A                                     | N/A  | 171,828      | 1%                                  |      |
| <b><u>UNITED MICROELECTRONICS (EUROPE) B.V.</u></b> |                        |                   |               |                                           |                                         |                                         |      |              |                                     |      |

| Related party                       | Relationship     | Transactions      |             | Percentage of total purchases (sales) (%) | Details of non-arm's length transaction | Notes and accounts receivable (payable) |      |            |                                     | Note |
|-------------------------------------|------------------|-------------------|-------------|-------------------------------------------|-----------------------------------------|-----------------------------------------|------|------------|-------------------------------------|------|
|                                     |                  | Purchases (Sales) | Amount      |                                           |                                         | Unit price                              | Term | Balance    | Percentage of total receivables (%) |      |
| UNITED MICROELECTRONICS CORPORATION | Investor company | Purchases         | USD 192,811 | 100 %                                     | Net 60 Days                             | N/A                                     | N/A  | USD 84,081 | 100 %                               |      |

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ATTACHMENT 8 ( Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UMC GROUP (USA)**

| Related party                       | Relationship     | Transactions      |             |                                           | Details of non-arm's length transaction |            | Notes and accounts receivable (payable) |             |                                     |      |
|-------------------------------------|------------------|-------------------|-------------|-------------------------------------------|-----------------------------------------|------------|-----------------------------------------|-------------|-------------------------------------|------|
|                                     |                  | Purchases (Sales) | Amount      | Percentage of total purchases (sales) (%) | Term                                    | Unit price | Term                                    | Balance     | Percentage of total receivables (%) | Note |
| UNITED MICROELECTRONICS CORPORATION | Investor company | Purchases         | USD 862,888 | 100 %                                     | Net 60 Days                             | N/A        | N/A                                     | USD 205,149 | 100 %                               |      |

**UMC JAPAN**

| Related party                       | Relationship     | Transactions      |               |                                           | Details of non-arm's length transaction |            | Notes and accounts receivable (payable) |             |                                     |      |
|-------------------------------------|------------------|-------------------|---------------|-------------------------------------------|-----------------------------------------|------------|-----------------------------------------|-------------|-------------------------------------|------|
|                                     |                  | Purchases (Sales) | Amount        | Percentage of total purchases (sales) (%) | Term                                    | Unit price | Term                                    | Balance     | Percentage of total receivables (%) | Note |
| UNITED MICROELECTRONICS CORPORATION | Investor company | Purchases         | JPY 2,848,908 | 62%                                       | Net 60 Days                             | N/A        | N/A                                     | JPY 953,343 | 32%                                 |      |
| AMIC TECHNOLOGY CORP.               | Investee of UMC  | Sales             | JPY 969,655   | 11%                                       | Month-end 45 Days                       | N/A        | N/A                                     | JPY 569,985 | 14%                                 |      |

ATTACHMENT 9 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Related party                                              | Relationship           | Ending balance      |                        |                      |              | Turnover<br>rate (times) | Overdue receivables |                   | Amount<br>received in<br>subsequent<br>period | Allowance for<br>doubtful<br>accounts |
|------------------------------------------------------------|------------------------|---------------------|------------------------|----------------------|--------------|--------------------------|---------------------|-------------------|-----------------------------------------------|---------------------------------------|
|                                                            |                        | Notes<br>receivable | Accounts<br>receivable | Other<br>receivables | Total        |                          | Amount              | Collection status |                                               |                                       |
| UMC GROUP (USA)                                            | Investee company       | \$                  | \$ 6,211,148           | \$ 753               | \$ 6,211,901 | 8.98                     | \$                  |                   | \$ 2,498,279                                  | \$                                    |
| UNITED<br>MICROELECTRONICS<br>(EUROPE) B.V.                | Investee company       |                     | 2,546,083              |                      | 2,546,083    | 5.50                     | 319,472             | Credit Collecting | 689,693                                       | 3,406                                 |
| UMC JAPAN                                                  | Investee company       |                     | 271,254                | 93                   | 271,347      | 5.47                     | 2,437               | Credit Collecting | 6,283                                         | 1,758                                 |
| SILICON<br>INTEGRATED<br>SYSTEMS CORP.<br><u>UMC JAPAN</u> | The Company's director |                     | 171,828                | 370                  | 172,198      | 5.02                     | 10,835              | Credit Collecting | 323                                           |                                       |

| Related party               | Relationship    | Ending balance      |                        |                      |             | Turnover<br>rate (times) | Overdue receivables |                   | Amount<br>received in<br>subsequent<br>period | Allowance for<br>doubtful<br>accounts |
|-----------------------------|-----------------|---------------------|------------------------|----------------------|-------------|--------------------------|---------------------|-------------------|-----------------------------------------------|---------------------------------------|
|                             |                 | Notes<br>receivable | Accounts<br>receivable | Other<br>receivables | Total       |                          | Amount              | Collection status |                                               |                                       |
| AMIC<br>TECHNOLOGY<br>CORP. | Investee of UMC | \$                  | JPY 569,985            | \$                   | JPY 569,985 | 4.81                     | JPY 296,627         | Credit Collecting | JPY 118,455                                   | \$                                    |

ATTACHMENT 10 (Endorsement/Guarantee provided to others for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

|                          |                              |                                                        | Initial Investment (Note 1) |            | Investment as of June 30, 2008 |            |                             |                             | Net income (loss) of investee company | Investment income (loss) recognized |            |
|--------------------------|------------------------------|--------------------------------------------------------|-----------------------------|------------|--------------------------------|------------|-----------------------------|-----------------------------|---------------------------------------|-------------------------------------|------------|
| Company                  | Address                      | Main businesses and products                           | Ending balance              |            | Beginning balance              |            | Number of shares (thousand) | Percentage of ownership (%) |                                       |                                     | Book value |
| GROUP (USA)              | Sunnyvale, California, USA   | IC Sales                                               | USD                         | 16,438     | USD                            | 16,438     | 16,438                      | 100.00                      | \$ 1,288,279                          | \$ 186,938                          | \$ 186,938 |
| ELECTRONICS (E) B.V.     | The Netherlands              | IC Sales                                               | USD                         | 5,421      | USD                            | 5,421      | 9                           | 100.00                      | 305,737                               | 27,732                              | 27,732     |
| CAPITAL CORP.            | Grand Cayman, Cayman Islands | Investment holding                                     | USD                         | 124,000    | USD                            | 124,000    | 124,000                     | 100.00                      | 3,540,287                             | 147,271                             | 147,271    |
| ELECTRONICS (SAMOA) LTD. | Apia, Samoa                  | Investment holding                                     | USD                         | 1,400      | USD                            | 1,000      | 680                         | 100.00                      | 8,470                                 | (5,294)                             | (5,294)    |
|                          | Singapore                    | Sales and manufacturing of integrated circuits         | USD                         | 839,880    | USD                            | 839,880    | 880,006                     | 100.00                      | 167                                   | (419)                               | (419)      |
| PITAL CO.,               | Taipei, Taiwan               | Consulting and planning for investment in new business |                             | 6,000,000  |                                | 6,000,000  | 628,800                     | 100.00                      | 6,515,204                             | 83,147                              | 82,547     |
| NE VENTURE L CORP.       | Taipei, Taiwan               | Consulting and planning for investment in new business |                             | 4,999,940  |                                | 4,999,940  | 499,994                     | 99.99                       | 8,854,009                             | 382,193                             | 382,186    |
| DISPLAY NICS CORP.       | Hsinchu Science Park, Taiwan | Sales and manufacturing of LCOS                        |                             | 1,205,876  |                                | 1,205,876  | 84,093                      | 85.24                       | 67,004                                | (97,975)                            | (90,067)   |
| PAN                      | Chiba, Japan                 | Sales and manufacturing of integrated circuits         | JPY                         | 20,994,400 | JPY                            | 20,994,400 | 496                         | 50.09                       | 6,003,704                             | (461,674)                           | (231,247)  |
| C VENTURE L CO., LTD.    | Taipei, Taiwan               | Consulting and planning for investment in new business |                             | 150,000    |                                | 150,000    | 30,000                      | 49.99                       | 127,379                               | 2,325                               |            |
| OLDINGS PTE              | Singapore                    | Investment holding                                     | SGD                         | 4,000      | SGD                            | 4,000      | 4,000                       | 49.94                       | 80,111                                | (2,339)                             | (1,169)    |
| H CAPITAL                | British Virgin Islands       | Investment holding                                     | USD                         | 21,000     | USD                            | 21,000     | 21,000                      | 42.00                       | 624,819                               | 96,821                              | 40,664     |
| HIEH MENT CO.,           | Taipei, Taiwan               | Investment holding                                     |                             | 336,241    |                                | 336,241    | 33,624                      | 36.49                       | 3,042,954                             | 51,118                              | 19,056     |
| VER OLOGY CORP.          | Taichung, Taiwan             | Sales and manufacturing of solar power batteries       |                             | 760,745    |                                | 760,745    | 44,912                      | 34.55                       | 749,227                               | (108,482)                           | (37,478)   |
| RON NG LIMITED           | Apia, Samoa                  | Investment holding                                     | USD                         | 20,000     | USD                            | 20,000     | 20,000                      | 33.78                       | 568,699                               | (224,608)                           | (75,881)   |
| CHNOLOGY                 | Hsinchu, Taiwan              | Cartography chip design and production                 |                             | 262,736    |                                | 248,795    | 3,307                       | 15.27                       | 33,462                                | (28,535)                            | (4,691)    |
| ECHNOLOGY                | Hsinchu Science Park, Taiwan | IC design, production and sales                        |                             | 133,009    |                                | 133,104    | 15,550                      | 11.18                       | 20,467                                | (146,011)                           | (14,482)   |
| MISSION O                | Grand Cayman,                | Investment holding                                     | USD                         | 67,500     | USD                            | 67,500     |                             | 45.00                       | 1,654,006                             | (1,139,970)                         | (512,986)  |

ERSHIP

Cayman  
Islands

Note 1: Initial investment amounts denominated in foreign currencies are expressed in thousands.

Note 2: On July 3, 2006, PACIFIC VENTURE CAPITAL CO., LTD. began the liquidation process. The Company had ceased to recognize investment income of PACIFIC VENTURE CAPITAL CO., LTD. thereafter.

Note 3: Previously recorded as a prepayment for long-term investments in prior periods.

Note 4: No shares since it belongs to partnership fund organization.

ATTACHMENT 10 (Endorsement/Guarantee provided to others for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**FORTUNE VENTURE CAPITAL CORP.**

| Investee company           | Address                      | Main businesses and products                                        | Initial Investment (Note 1) |                   | Investment as of June 30, 2008 |                             |              | Net income (loss) of investee company | Investment income (loss) recognized | Note   |
|----------------------------|------------------------------|---------------------------------------------------------------------|-----------------------------|-------------------|--------------------------------|-----------------------------|--------------|---------------------------------------|-------------------------------------|--------|
|                            |                              |                                                                     | Ending balance              | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Book value   |                                       |                                     |        |
| UNITRUTH INVESTMENT CORP.  | Taipei, Taiwan               | Investment holding                                                  | \$ 800,000                  | \$ 800,000        | 80,000                         | 100.00                      | \$ 1,236,327 | \$ 180,679                            | \$ 180,677                          |        |
| AEVOE INTERNATIONAL LTD.   | Samoa                        | Design of VOIP Telephone                                            | USD 2,213                   | USD 1,213         | 4,155                          | 45.31                       | 28,368       | (3,742)                               | (1,747)                             |        |
| UWAVE TECHNOLOGY CORP.     | Hsinchu, Taiwan              | RF IC Design                                                        | 85,471                      | 85,471            | 10,186                         | 44.29                       |              |                                       |                                     | Note 2 |
| ANOTO TAIWAN CORP.         | Taoyuan County, Taiwan       | Tablet transmission systems and chip-set                            | 39,200                      | 39,200            | 3,920                          | 39.20                       | 19,982       | (11,870)                              | (4,653)                             |        |
| WALTOP INTERNATIONAL CORP. | Hsinchu, Taiwan              | Tablet PC module, Pen LCD Monitor/module                            | 90,000                      | 90,000            | 6,000                          | 26.09                       | 119,317      | 4,273                                 | 1,127                               |        |
| CRYSTAL MEDIA INC.         | Hsinchu, Taiwan              | Design of VOIP network phones                                       | 50,629                      | 50,629            | 4,493                          | 24.29                       | 31,194       | (12,862)                              | (3,125)                             |        |
| ALLIANCE OPTOTEK CORP.     | Hsinchu County, Taiwan       | Design and manufacturing of LED                                     | 74,235                      | 74,235            | 5,789                          | 20.24                       | 48,720       | (34,902)                              | (7,065)                             |        |
| SMEDIA TECHNOLOGY CORP.    | Hsinchu, Taiwan              | Multimedia co-processor                                             | 93,478                      | 93,478            | 9,045                          | 18.99                       | 32,888       | (47,005)                              | (8,927)                             |        |
| HIGH POWER LIGHTING CORP.  | Taipei County, Taiwan        | High brightness LED package and Lighting module R&D and manufacture | 54,300                      | 54,300            | 4,525                          | 18.10                       | 35,057       | (6,616)                               | (1,197)                             |        |
| MOBILE DEVICES INC.        | Hsinchu County, Taiwan       | PHS & GSM/PHS dual mode B/B Chip                                    | 89,414                      | 89,414            | 6,853                          | 17.07                       | 39,178       | 2,664                                 | 464                                 |        |
| AMIC TECHNOLOGY CORP.      | Hsinchu Science Park, Taiwan | IC design, production and sales                                     | 214,745                     | 215,542           | 20,478                         | 14.69                       | 59,264       | (146,011)                             | (21,467)                            |        |
| XGI TECHNOLOGY INC.        | Hsinchu, Taiwan              | Cartography chip design and production                              | 277,483                     | 270,483           | 2,072                          | 9.56                        | 17,723       | (28,535)                              | (2,268)                             |        |

Note 1: Initial investment amounts denominated in foreign currencies are expressed in thousands.

Note 2: On June 29, 2007, UWAVE TECHNOLOGY CORP. (UWAVE) reached the decision of liquidation at its shareholders' meeting. The Company had ceased to recognize investment income of UWAVE thereafter.



ATTACHMENT 10 (Endorsement/Guarantee provided to others for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**TLC CAPITAL CO., LTD.**

| Investee company             | Address         | Main businesses and products | Initial Investment (Note 1) |                   | Investment as of June 30, 2008 |                             |            | Net income (loss) of investee company | Investment income (loss) recognized | Note   |
|------------------------------|-----------------|------------------------------|-----------------------------|-------------------|--------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|--------|
|                              |                 |                              | Ending balance              | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Book value |                                       |                                     |        |
| SOARING CAPITAL CORP.        | Samoa           | Investment holding           | USD 900                     | USD               | 900                            | 100.00                      | \$ 27,163  | \$ (89)                               | \$ (89)                             |        |
| YUNG LI INVESTMENTS, INC.    | Taipei, Taiwan  | Investment holding           | 280,000                     | 280,000           | 0.28                           | 45.16                       | 270,588    | (238)                                 | (1,178)                             |        |
| ETC CAPITAL PARTNERS I, L.P. | Cayman Islands  | Investment holding           | USD 4,500                   | USD 4,500         |                                | 32.11                       | 136,867    | 4,262                                 | 1,368                               | Note 2 |
| SMEDIA TECHNOLOGY CORP.      | Hsinchu, Taiwan | Multimedia co-processor      | 106,266                     | 106,266           | 7,084                          | 14.87                       | 95,588     | (47,005)                              | (6,992)                             |        |

Note 1: Initial investment amounts denominated in foreign currencies are expressed in thousands.

Note 2: No shares since it belongs to partnership fund organization.

**UNITRUTH INVESTMENT CORP.**

| Investee company           | Address                | Main businesses and products                                        | Initial Investment |                   | Investment as of June 30, 2008 |                             |            | Net income (loss) of investee company | Investment income (loss) recognized | Note   |
|----------------------------|------------------------|---------------------------------------------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|--------|
|                            |                        |                                                                     | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Book value |                                       |                                     |        |
| SMEDIA TECHNOLOGY CORP.    | Hsinchu, Taiwan        | Multimedia co-processor                                             | \$ 77,477          | \$ 77,477         | 5,241                          | 11.00                       | \$ 25,017  | \$ (47,005)                           | \$ (5,172)                          |        |
| WALTOP INTERNATIONAL CORP. | Hsinchu, Taiwan        | Tablet PC module, Pen LCD Monitor/module                            | 30,000             | 30,000            | 2,000                          | 8.70                        | 39,772     | 4,273                                 | 376                                 |        |
| CRYSTAL MEDIA INC.         | Hsinchu, Taiwan        | Design of VOIP network phones                                       | 16,493             | 16,493            | 1,587                          | 8.58                        | 11,018     | (12,862)                              | (1,104)                             |        |
| ALLIANCE OPTOTEK CORP.     | Hsinchu County, Taiwan | Design and manufacturing of LED                                     | 27,573             | 27,573            | 2,150                          | 7.52                        | 18,096     | (34,902)                              | (2,624)                             |        |
| HIGH POWER LIGHTING CORP.  | Taipei County, Taiwan  | High brightness LED package and Lighting module R&D and manufacture | 14,700             | 14,700            | 1,225                          | 4.90                        | 9,491      | (6,616)                               | (324)                               |        |
| XGI TECHNOLOGY INC.        | Hsinchu, Taiwan        | Cartography chip design and production                              | 32,201             | 26,400            | 964                            | 4.45                        | 9,759      | (28,535)                              | (981)                               |        |
| UWAVE TECHNOLOGY CORP.     | Hsinchu, Taiwan        | RF IC Design                                                        | 6,950              | 6,950             | 1,000                          | 4.35                        |            |                                       |                                     | Note 1 |

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MOBILE DEVICES

PHS &GSM/PHS dual

INC.

Hsinchu County, Taiwan mode B/B Chip

20,463

20,463

1,700

4.24

8,818

2,664

115

Note 1: On June 29, 2007, UWAVE TECHNOLOGY CORP. (UWAVE) reached the decesion of liquidation at it s shareholders meeting. The Company had ceased to recognize investment income of UWAVE thereafter.

ATTACHMENT 10 (Endorsement/Guarantee provided to others for the six-month period ended June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICRODISPLAY OPTRONICS CORP.**

|                     |          |                              | Initial Investment (Note 1) |                      | Investment as of June 30, 2008    |                                |               |                                                  |                                    |      |
|---------------------|----------|------------------------------|-----------------------------|----------------------|-----------------------------------|--------------------------------|---------------|--------------------------------------------------|------------------------------------|------|
|                     |          |                              |                             |                      |                                   |                                |               | Net income<br>(loss) of<br>investment<br>company | Investment<br>(loss)<br>recognized | Note |
| Investee company    | Address  | Main businesses and products | Ending<br>balance           | Beginning<br>balance | Number<br>of shares<br>(thousand) | Percentage of<br>ownership (%) | Book<br>value |                                                  |                                    |      |
| UMO (HK)<br>LIMITED | Hongkong | Investment holding           | USD 100                     | USD 100              | 15,600                            | 100.00                         | \$ 3,078      | \$ 29                                            | \$ 29                              |      |

Note 1: Initial investment amounts denominated in foreign currencies are expressed in thousands.

**UMC CAPITAL CORP.**

|                                   |                               |                              | Initial Investment (Note 1) |                      | Investment as of June 30, 2008    |                                |                          |           |           | Net income<br>(loss) of<br>investee<br>company |            | Investment<br>income<br>(loss)<br>recognized | Note |
|-----------------------------------|-------------------------------|------------------------------|-----------------------------|----------------------|-----------------------------------|--------------------------------|--------------------------|-----------|-----------|------------------------------------------------|------------|----------------------------------------------|------|
| Investee company                  | Address                       | Main businesses and products | Ending<br>balance           | Beginning<br>balance | Number<br>of shares<br>(thousand) | Percentage of<br>ownership (%) | Book value<br>(thousand) | investee  | company   | (thousand)                                     | (thousand) |                                              |      |
| UMC CAPITAL<br>(A)                | Sunnyvale, California,<br>USA | Investment holding           | USD 200                     | USD 200              | 200                               | 100.00                         | USD 375                  | USD 16    | USD 16    |                                                |            |                                              |      |
| VITA LTD.                         | British Virgin Islands        | Insurance                    | USD 1,000                   | USD 1,000            | 1,000                             | 100.00                         | USD 2,491                | USD 379   | USD 379   |                                                |            |                                              |      |
| WIEVE MADE<br>INTERNATIONAL<br>O. | British Virgin Islands        | Internet Content Provider    | USD 1,000                   | USD 1,000            | 508                               | 43.29                          | USD 672                  | USD (250) | USD (109) |                                                |            |                                              |      |
| FUND II                           | British Virgin Islands        | Investment holding           | USD 2,850                   | USD 3,850            | 5,000                             | 35.45                          | USD 4,106                | USD (32)  | USD (11)  |                                                |            |                                              |      |
| ANSLINK<br>CAPITAL                |                               |                              |                             |                      |                                   |                                |                          |           |           |                                                |            |                                              |      |
| RTNERS I L.P.                     | California, USA               | Investment holding           | USD 2,600                   | USD 1,560            |                                   | 15.77                          | USD 2,390                | USD (581) | USD (112) |                                                |            |                                              |      |

Note 1: Initial investment amounts denominated in foreign currencies are expressed in thousands.

Note 2: No shares since it belongs to partnership fund organization.

ATTACHMENT 11 (Investment in Mainland China as of June 30, 2008)

(Amount in thousand; Currency denomination in NTD unless otherwise specified)

**UNITED MICROELECTRONICS CORPORATION**

| Investee company                                                | Main<br>Businesses<br>and Products                                                                                   | Total Amount<br>of Paid-in<br>Capital<br>(Note 1) | Method of<br>Investment | Investment<br>Flows                                                                         |                | Accumulated<br>Outflow of<br>Investment from<br>Taiwan as of<br>June 30, 2008<br>(Note 1) | Percentage of<br>Ownership | Investment<br>income (loss)<br>recognized<br>(Note 1) | Accumulated<br>Inward<br>Carryover<br>Value as of<br>June 30, 2008<br>(Note 1) | Remittance of<br>Earnings as of<br>June 30, 2008 |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------|
|                                                                 |                                                                                                                      |                                                   |                         | Accumulated<br>Outflow of<br>Investment<br>from Taiwan as of<br>January 1, 2008<br>(Note 1) | Outflow Inflow |                                                                                           |                            |                                                       |                                                                                |                                                  |
| UNIMICRON<br>TECHNOLOGY<br>(SUZHOU) CORP.                       | PCB<br>production                                                                                                    |                                                   |                         | 20,000<br>USD (Note<br>3)                                                                   |                |                                                                                           |                            | \$ (62,205)                                           |                                                                                |                                                  |
| CHU DONG<br>MULTIMEDIA<br>TECHNOLOGY<br>(SHANGHAI) CO.,<br>LTD. | Development<br>& technical<br>design of<br>multimedia                                                                | RMB 450,636<br>(Note 5)                           | (Note 2)                | (Note 5)                                                                                    |                | USD 20,000<br>(Note 5)                                                                    | 33.78%                     | (Note 4)                                              | USD 19,104                                                                     | \$                                               |
| JIAOYUE<br>SOFTWARE<br>(SHANGHAI) CO.,<br>LTD.                  | Development<br>& design of<br>computer<br>software                                                                   | (Note 5)                                          | (Note 5)                |                                                                                             | (Note 5)       | (Note 5)                                                                                  |                            |                                                       |                                                                                |                                                  |
| TOUCH<br>TECHNOLOGY<br>DEVELOPMENT<br>(SHANGHAI) CO.,<br>LTD.   | Development<br>& technical<br>design of<br>multimedia                                                                | (Note 5)                                          | (Note 5)                |                                                                                             | (Note 5)       | (Note 5)                                                                                  |                            |                                                       |                                                                                |                                                  |
| RE BO CULTURE<br>BROADCASTING<br>LTD.(BEIJING)                  | TV program<br>producing ,<br>Advertisement<br>, Added value<br>service                                               | (Note 6)                                          | (Note 6)                |                                                                                             | (Note 6)       | (Note 6)                                                                                  |                            |                                                       |                                                                                |                                                  |
| U-YOU<br>INFORMATION<br>TECHNOLOGY<br>(SHANGHAI) Co.,<br>LTD.   | Commercial<br>consult of TV<br>shopping ,<br>Business<br>market plans<br>and business<br>management<br>consult, etc. | (Note 7)                                          | (Note 7)                |                                                                                             | (Note 7)       | (Note 7)                                                                                  |                            |                                                       |                                                                                |                                                  |
| KU6 (BEIJING)<br>TECHNOLOGY<br>CO., LTD.                        | Computer<br>software and<br>Computer<br>system<br>integrate, and<br>data<br>processing, etc.                         | (Note 8)                                          | (Note 8)                |                                                                                             | (Note 8)       | (Note 8)                                                                                  |                            |                                                       |                                                                                |                                                  |
| UNITRUTH<br>ADVISOR<br>(SHANGHAI) CO.,<br>LTD.                  | Investment<br>Holding<br>Introduce and<br>consult                                                                    | (Note 9)                                          | (Note 9)                |                                                                                             | (Note 9)       | (Note 9)                                                                                  |                            |                                                       |                                                                                |                                                  |

|                                                              | Investment Amounts       | Upper Limit   |
|--------------------------------------------------------------|--------------------------|---------------|
| Accumulated Investment in Mainland China as of June 30, 2008 | Authorized by Investment | on            |
|                                                              | Commission, MOEA         | Investment    |
| USD 20,000 (Note 5, 6, 7, 8)                                 | USD 30,950               | \$ 42,847,650 |

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Note 1: Initial investment amounts denominated in foreign currencies are expressed in thousands.

Note 2: Indirect investment in UNIMICRON TECHNOLOGY (SUZHOU) CORP. was through UNIMICRON HOLDING LIMITED (Samoa).

Note 3: The Company initially accounted for its investment in UNIMICRON HOLDING LIMITED (Samoa) as a prepayment for long-term investments.

In January 2008 UNIMICRON HOLDING LIMITED (Samoa) completed its increase in the capital, and the Company now accounts it under the equity method.

However, outflow of investment capital from Taiwan to UNIMICRON TECHNOLOGY (SUZHOU) CORP. was as of the end of 2007.

Note 4: Recognized on the basis of the audited financial statements for the same period.

Note 5: TLC Capital Co., Ltd. (TLC) indirectly invests in Mainland China via holding preferred shares issued by Touch Media International Holdings (Cayman) (Touch Media).

Due to TLC only holds preferred shares and do not have significant influence on Touch Media, the detail information of investments that Touch Media made in Mainland China were not available on a timely basis.

As of June 30, 2008, TLC had wired USD 5,000 thousand to Touch Media for the stated investment.

Note 6: TLC Capital Co., Ltd. (TLC) indirectly invests in Mainland China via investing in Zebra Media Inc. (Cayman) (Zebra) by its investee company, CTC Capital Partners I, L.P. (Cayman) (CTC).

Due to CTC only holds preferred shares and do not have significant influence on Zebra, the detail information of investments that Zebra made in Mainland China were not available on a timely basis.

As of June 30, 2008, CTC had wired USD 122 thousand to Zebra for the stated investment.

Note 7: TLC Capital Co., Ltd. (TLC) indirectly invests in Mainland China via investing in TFY HOLDING LTD. (BVI) (TFY) by its investee company, CTC Capital Partners I, L.P. (Cayman) (CTC).

Due to CTC only holds preferred shares and do not have significant influence on TFY, the detail information of investments that TFY made in Mainland China were not available on a timely basis.

As of June 30, 2008, CTC had wired USD 28 thousand to TFY for the stated investment.

Note 8: TLC Capital Co., Ltd. (TLC) indirectly invests in KU6 (BEIJING) TECHNOLOGY CO., LTD. via investing in KU6 HOLDING LTD. (KU6).

Due to TLC only holds preferred shares and do not have significant influence on KU6, the detail information of investments that KU6 made in Mainland China were not available on a timely basis.

As of June 30, 2008, TLC had wired USD 5,000 thousand to KU6 for the stated investment.

Note 9: TLC Capital Co., Ltd. (TLC) indirectly invests in UNITRUTH ADVISOR (SHANGHAI) CO., LTD.(UNITRUTH) via investing in SOARING CAPITAL CORP. (SOARING).

Due to the registration process of UNITRUTH has not yet been completed , the detail information of investments that SOARING made in Mainland China were not available on a timely basis.

As of June 30, 2008, TLC had wired USD 800 thousand to SOARING for the stated investment.