

UNITED MICROELECTRONICS CORP
Form 6-K
May 18, 2007

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 May 18, 2007

For the month of April 2007

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)

(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.)

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Yes _____ No Y

(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.

Date: 5/18/2007

United Microelectronics Corporation

By /s/ Chitung Liu
Chitung Liu
Chief Financial Officer

Exhibit

| Exhibit | Description |
|----------------|---|
| 99.1 | Announcement on April 27, 2007: To announce related materials on acquisition of machinery and equipment |
| 99.2 | Announcement on May 2, 2007: UMC announced its unconsolidated operating results for the first quarter of 2007 |
| 99.3 | Announcement on May 4, 2007: UMC Updates the financial statements in according to the rules change by Taiwan Stock Exchange |
| 99.4 | Announcement on May 9, 2007: March Revenue |
| 99.5 | Announcement on May 9, 2007: To announce the differences for 2006 financial statements between ROC GAAP and US GAAP |
| 99.6 | Announcement on May 15, 2007: 1) the trading and pledge of UMC common shares by directors, supervisors, executive officers and 10% shareholders of UMC; 2) the acquisition and disposition of assets by UMC |
| 99.7 | UNITED MICROELECTRONICS CORPORATION FINANCIAL STATEMENTS WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2007 AND 2006 |

Exhibit 99.1

To announce related materials on acquisition of machinery and equipment

1. Name and nature of the subject matter (e.g. land located at Sublot XX, Lot XX, North District, Taichung City): Machinery and equipment
2. Date of the occurrence of the event: 2007/03/27~2007/04/26
3. Transaction volume (e.g. XX square meters, equivalent to XX p ing), unit price, total transaction price: Transaction volume: one batch; average unit price:\$1,512,877,700 NTD; total transaction price:\$1,512,877,700 NTD
4. Counterparty to the trade and its relationship with the company (if the trading counterpart is a natural person and is not an actual related party of the Company, the name of the trading counterpart is not required to be disclosed): ASML HONG KONG LTD. C/O; non-related party transaction
5. Where the counterpart to the trade is an actual related party, a public announcement shall also include the reason for choosing the related party as trading counterpart and the identity of the previous owner (including its relationship with the company and the trading counterpart), price of transfer and the date of acquisition: Not applicable
6. Where a person who owned the property within the past five years has been an actual related person of the company, a public announcement shall also include the dates and prices of acquisition and disposal by the related person and the person's relationship to the company at those times: Not applicable
7. Anticipated loss or profit from the disposal (not applicable in cases of acquisition of assets) (where originally deferred, the status or recognition shall be stated and explained): Not applicable
8. Terms of delivery or payment (including payment period and monetary amount): 1) 90% paid upon shipment; 10% paid after acceptance 2) 100% paid after acceptance
9. The manner of deciding on this transaction (such as tender invitation, price comparison, or price negotiation), the reference basis for the decision on price and the decision-making department: transaction: price negotiation; the reference basis for the decision on price: market price. The decision-making department: the Selection Meeting
10. Name of the professional appraisal institution and its appraisal amount: Not applicable
11. Reason for any significant discrepancy with the transaction amount, and opinion of the certifying CPA: Not applicable
12. Is the appraisal report price a limited price or specific price?: Not applicable
13. Has an appraisal report not yet been obtained?: Not applicable
14. Reason an appraisal report has not yet been obtained: Not applicable
15. Broker and broker's fee: Not applicable
16. Concrete purpose or use of the acquisition or disposition: To produce integrated circuits
17. Do the directors have any objection to the present transaction?: No
18. Any other matters that need to be specified: None

UMC announced its unconsolidated operating results for the first quarter of 2007

1. Date of the investor/press conference: 2007/05/02

2. Location of the investor/press conference: 3rd Floor, Far Eastern Plaza Hotel, 201 Tunhwa South Rd., Sec. 3, Taipei

3. Financial and business related information:

United Microelectronics Corporation (NYSE: UMC; TSE: 2303) (UMC or the Company) today announced its unconsolidated operating results for the fourth quarter of 2006. Year-over-year revenue decreased by 5.6 % to NT\$23.03 billion from NT\$24.38 billion, and a 11.8% QoQ decrease from NT\$26.11 billion in 4Q06. The EPS for the first quarter in 2007 was NT\$0.08.

Wafer shipments in the fourth quarter were 730 thousand 8-inch equivalent wafers, decreased by 6.5% compared to last quarter. The utilization rate for the quarter was 74%. The percentage of revenue from 90nm and below business kept on 21% in 1Q07.

1Q07 was a challenging quarter for UMC. Our results reflected the anticipated soft demand caused by the industry-wide inventory correction, said UMC Chairman and CEO, Dr. Jackson Hu.

Dr. Hu continued, For Q2, we have noticed that customers' inventory levels have been continuously going down. Starting from June, demand for communications applications such as cell phone and consumer applications including DTV and panel driver ICs has picked up strongly. Demand for the computer segment is also starting to recover, although it is not as strong as the other two segments yet. If the demand continues to remain as strong as we are seeing now, Q3 revenue will be very strong, which will significantly improve the overall bottom line.

As far as new technology development is concerned, multiple 65nm programs are moving forward smoothly. Yield improvement is extremely encouraging. Besides the existing 65nm products that have been in production, additional business contributions from this technology node will start to come in later this year. Furthermore, we are working with multiple customers to prepare IP for 45nm technologies. We expect to have multiple product tape-outs in Q3 this year and to have working prototypes in Q4, 2007.

Particularly noteworthy is the fact that more and more IDMs are becoming fab-lite or fabless. This trend will help expand business for the foundries. Specifically, It will help UMC diversify into other product areas, such as CPU and memory. Currently, we are working with many customers to explore mutual beneficial opportunities in these areas. This trend will allow us to collaborate with our IDM customers more closely in developing future technologies such as 45nm and 32nm. As usual, our industry is full of challenges and opportunities. We are optimistic about the foundry industry's future as well as UMC's own business outlook.

4. Any other matters that need to be specified: None

UMC Updates the financial statements in according to the rules change by Taiwan Stock Exchange

1. Date of occurrence of the event: 2007/05/04

2. Company name: United Microelectronics Corp.

3. Relationship to the Company (please enter head office or affiliate company): Head office

4. Reciprocal shareholding ratios: N/A

5. Cause of occurrence:

According to TSE's rule amendment, the Company adds an Item of Capital collected in advance (in shares) into 2006 Balance Sheet.

6. Countermeasures: Re-upload the balance sheet after number updated.

7. Any other matters that need to be specified: none

United Microelectronics Corporation

May 9, 2007

This is to report the changes or status of 1) Sales volume 2) Funds lent to other parties 3) Endorsements and guarantees 4) Financial derivative transactions for the period of April 2007.

1) Sales volume (NT\$ Thousand)

| Period | Items | 2007 | 2006 | Changes | % |
|------------|----------------|------------|------------|-------------|---|
| April 2007 | Invoice amount | 7,101,076 | 8,036,247 | (935,171) | |
| April 2007 | Invoice amount | 27,074,563 | 29,994,089 | (2,919,526) | |
| April 2007 | Net sales | 8,131,493 | 8,463,302 | (331,809) | |
| April 2007 | Net sales | 31,156,724 | 32,847,468 | (1,690,744) | |

2) Funds lent to other parties (NT\$ Thousand)

| Balance as of period end | This Month | Last Month | Limit of lending |
|--------------------------|------------|------------|------------------|
| UMC | 0 | 0 | 38,288,503 |
| UMC's subsidiaries | 0 | 0 | 109,707 |

3) Endorsements and guarantees (NT\$ Thousand)

| | Change in This Month | Balance as of period end | Limit of endorsements |
|--|----------------------|--------------------------|-----------------------|
| UMC | 0 | 0 | 0 |
| UMC's subsidiaries | 0 | 0 | 0 |
| UMC endorses for subsidiaries | | 0 | 0 |
| UMC's subsidiaries endorse for UMC | | 0 | 0 |
| UMC endorses for PRC companies | | 0 | 0 |
| UMC's subsidiaries endorse for PRC companies | | 0 | 0 |

4) Financial derivatives transactions

a Hedging purpose : NT\$ thousand

| Financial instruments | Forwards | Interests SWAP |
|---------------------------------|----------|----------------|
| Deposit Paid | 0 | 0 |
| Royalty Income (Paid) | 0 | 0 |
| Unwritten-off Trading Contracts | 0 | 0 |
| Net Profit from Fair Value | 0 | 0 |
| Written-off Trading Contracts | 0 | 0 |
| Realized profit (loss) | 0 | 0 |

b Trading purpose : NT\$ thousand

| <i>Financial instruments</i> | Credit-linked Deposits |
|--|-------------------------------|
| <i>Deposit Paid</i> | 0 |
| <i>Unwritten-off Trading Contracts</i> | 15,210,011 |
| <i>Net Profit from Market Value</i> | (634,201) |
| <i>Written-off Trading Contracts</i> | 0 |
| <i>Realized profit (loss)</i> | 0 |

To announce the differences for 2006 financial statements between ROC GAAP and US GAAP

1. Date of occurrence of the event: 2007/05/09
2. Cause of occurrence: To announce the differences for 2006 financial statements between ROC GAAP and US GAAP
3. Content of overseas financial report required to be adjusted due to inconsistency in the accounting principles applied in the two places for:
 - (1) Under ROC GAAP, UMC reported consolidated net income of NT\$32,619,313 thousand, basic earnings per share of NT\$1.81 and diluted earnings per share of NT\$1.75 in 2006, total assets of NT\$367,653,461 thousand, total liabilities of NT\$70,250,572 thousand, minority interest of NT\$6,238,018 thousand, and total shareholders' equity of NT\$291,164,871 thousand as of December 31, 2006.
 - (2) Under US GAAP, UMC reported consolidated net income of NT\$21,796,730 thousand, basic earnings per share of NT\$1.22 and diluted earnings per share of NT\$1.18 in 2006, total assets of NT\$401,628,403 thousand, total liabilities of NT\$71,226,181 thousand, minority interest of NT\$6,240,207 thousand, and total shareholders' equity of NT\$324,162,015 thousand as of December 31, 2006.
 - (3) The differences between ROC GAAP and US GAAP applied by the Company mainly come from goodwill, treasury stock, compensation, derivative instruments, equity investments, convertible/exchangeable bond liabilities, income tax and pension etc.
4. Any other matters that need to be specified: For more details, please refer at: <http://www.umc.com/english/investors/c.asp>

United Microelectronics Corporation

For the month of April, 2007

This is to report 1) the trading of directors, supervisors, executive officers and 10% shareholders of United Microelectronics Corporation (UMC) (NYSE: UMC); 2) the pledge and clear of pledge of UMC common shares by directors, supervisors, executive officers and 10% shareholders of UMC; 3) the acquisition assets by UMC; 4) the disposition of assets by UMC for the month of April, 2007.

- 1) The trading of directors, supervisors, executive officers and 10% shareholders

| <i>Title</i> | <i>Name</i> | <i>Number of shares held as of</i> | <i>Number of shares held as of</i> | <i>Changes</i> |
|--------------|-------------|--|--|----------------|
| | | <i>March 31, 2007</i> | <i>April 30, 2007</i> | |
| | | | | |

- 2) The pledge and clear of pledge of UMC common shares by directors, supervisors, executive officers and 10% shareholders:

| <i>Title</i> | <i>Name</i> | <i>Number of shares held as of</i> | <i>Number of shares held as of</i> | <i>Changes</i> |
|--------------|-------------|--|--|----------------|
| | | <i>March 31, 2007</i> | <i>April 30, 2007</i> | |
| | | | | |

- 3) The acquisition assets (NT\$ Thousand)

| <i>Description of assets</i> | <i>April</i> | <i>2007</i> |
|---------------------------------------|--------------|-------------|
| Semiconductor Manufacturing Equipment | 1,830,683 | 13,611,805 |
| Fixed assets | 246,907 | 892,990 |

- 4) The disposition of assets (NT\$ Thousand)

| <i>Description of assets</i> | <i>April</i> | <i>2007</i> |
|---------------------------------------|--------------|-------------|
| Semiconductor Manufacturing Equipment | 34,624 | 46,821 |
| Fixed assets | 0 | 0 |

**UNITED MICROELECTRONICS CORPORATION FINANCIAL STATEMENTS WITH
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS FOR THE THREE-MONTH
PERIODS ENDED MARCH 31, 2007 AND 2006**

UNITED MICROELECTRONICS CORPORATION
FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2007 AND 2006

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.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To United Microelectronics Corporation

We have reviewed the accompanying balance sheets of United Microelectronics Corporation as of March 31, 2007 and 2006, and the related statements of income and cash flows for the three-month periods ended March 31, 2007 and 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to issue the review reports based on our reviews. As described in Note 4(8) to the financial statements, certain long-term investments were accounted for under the equity method based on financial statements as of March 31, 2007 and 2006 of the investees, which were reviewed by other auditors. Our review insofar as it relates to the investment income amounting to NT\$227 million and NT\$293 million for the three-month periods ended March 31, 2007 and 2006, respectively, and the related long-term investment balances of NT\$5,435 million and NT\$5,161 million as of March 31, 2007 and 2006, respectively, is based solely on the reports of the other auditors.

We conducted our reviews in accordance with the Statements of Auditing Standards No. 36, "Review of Financial Statements" of the Republic of China. A review is limited primarily to applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews and the reports of other auditors, we are not aware of any material modifications or adjustments that should have been made to the financial statements referred to above in order for them to be in conformity of "Business Entity Accounting Law", "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" and generally accepted accounting principles in the Republic of China.

As described in Note 3 to the financial statements, effective from January 1, 2006, United Microelectronics Corporation has adopted the R.O.C. Statement of Financial Accounting Standards No. 34, "Financial Instruments: Recognition and Measurement" and No. 36, "Financial Instruments: Disclosure and Presentation" to account for the financial instruments.

As described in Note 3 to the financial statements, effective from January 1, 2006, goodwill is no longer to be amortized.

April 16, 2007

Taipei, Taiwan

Republic of China

Notice to Readers

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

English Translation of Financial Statements Originally Issued in Chinese

UNITED MICROELECTRONICS CORPORATION

UNAUDITED BALANCE SHEETS

March 31, 2007 and 2006

(Expressed in Thousands of New Taiwan Dollars)

| Assets | Notes | As of March 31, | |
|--|------------|--------------------|--------------------|
| | | 2007 | 2006 |
| Current assets | | | |
| Cash and cash equivalents | 2, 4(1) | \$ 80,988,902 | \$ 96,371,991 |
| Financial assets at fair value through profit or loss, current | 2, 3, 4(2) | 7,553,964 | 1,498,018 |
| Held-to-maturity financial assets, current | 2, 3, 4(3) | 200,000 | 775,552 |
| Notes receivable | | 4,077 | 2,207 |
| Notes receivable - related parties | 5 | 32,172 | 69,765 |
| Accounts receivable, net | 2, 4(4) | 6,553,702 | 5,883,616 |
| Accounts receivable - related parties, net | 2, 5 | 6,260,914 | 5,847,801 |
| Other receivables | 2 | 798,635 | 633,251 |
| Inventories, net | 2, 4(5) | 9,957,197 | 9,613,213 |
| Prepaid expenses | | 990,721 | 1,025,695 |
| Deferred income tax assets, current | 2, 4(19) | 2,088,459 | 4,552,170 |
| Total current assets | | 115,428,743 | 126,273,279 |
| Funds and investments | | | |
| Available-for-sale financial assets, noncurrent | 2, 3, 4(6) | 43,359,493 | 50,370,985 |
| Held-to-maturity financial assets, noncurrent | 2, 3, 4(3) | | 200,000 |
| Financial assets measured at cost, noncurrent | 2, 3, 4(7) | 2,322,636 | 2,277,013 |
| Long-term investments accounted for under the equity method | 2, 3, 4(8) | 38,935,939 | 28,555,855 |
| Prepayment for long-term investments | | 163,809 | |
| Total funds and investments | | 84,781,877 | 81,403,853 |
| Property, plant and equipment | | | |
| | 2, 4(9), 7 | | |
| Land | | 1,132,576 | 1,132,576 |
| Buildings | | 16,319,736 | 16,251,168 |
| Machinery and equipment | | 400,298,576 | 375,349,360 |
| Transportation equipment | | 74,387 | 81,815 |
| Furniture and fixtures | | 2,469,833 | 2,286,096 |
| Total cost | | 420,295,108 | 395,101,015 |
| Less: Accumulated depreciation | | (302,676,687) | (263,729,167) |
| Add: Construction in progress and prepayments | | 28,330,350 | 11,555,578 |
| Property, plant and equipment, net | | 145,948,771 | 142,927,426 |
| Intangible assets | | | |
| Goodwill | 2, 3 | 3,745,122 | 3,745,122 |
| Technological know-how | 2 | | 327,949 |
| Total intangible assets | | 3,745,122 | 4,073,071 |

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| | | | |
|---|------------------------|-----------------------|-----------------------|
| Other assets | | | |
| Deferred charges | 2 | 1,545,583 | 1,751,430 |
| Deferred income tax assets, noncurrent | 2, 4(19) | 3,772,985 | 2,783,733 |
| Other assets - others | 2, 4(10), 6 | 2,023,140 | 1,967,761 |
| Total other assets | | 7,341,708 | 6,502,924 |
| Total assets | | \$ 357,246,221 | \$ 361,180,553 |
| Liabilities and Stockholders Equity | | | |
| Current liabilities | | | |
| Financial liabilities at fair value through profit or loss, current | 2, 3, 4(11) | \$ 1,003,561 | \$ 1,512,520 |
| Accounts payable | | 4,653,399 | 4,194,732 |
| Income tax payable | 2 | 2,096,472 | 735,953 |
| Accrued expenses | | 6,336,628 | 6,120,711 |
| Payable on equipment | | 8,912,224 | 4,509,601 |
| Current portion of long-term liabilities | 2, 4(12) | 17,833,831 | 10,250,000 |
| Other current liabilities | | 971,865 | 2,213,243 |
| Total current liabilities | | 41,807,980 | 29,536,760 |
| Long-term liabilities | | | |
| Bonds payable | 2, 4(12) | 17,993,317 | 35,676,485 |
| Total long-term liabilities | | 17,993,317 | 35,676,485 |
| Other liabilities | | | |
| Accrued pension liabilities | 2, 4(13) | 3,107,671 | 3,023,630 |
| Deposits-in | | 14,568 | 21,001 |
| Deferred credits - intercompany profits | 2 | 3,579 | 9,806 |
| Other liabilities - others | 2 | 486,704 | 579,551 |
| Total other liabilities | | 3,612,522 | 3,633,988 |
| Total liabilities | | 63,413,819 | 68,847,233 |
| Capital | | | |
| Common stock | 2, 4(14), 4(15), 4(17) | 191,442,517 | 198,452,341 |
| Additional Paid-in Capital | | | |
| Premiums | 2, 4(14) | 61,138,863 | 64,876,944 |
| Treasury stock transactions | | 8,938 | |
| Change in equities of long-term investments | | 6,632,428 | 6,666,381 |
| Retained earnings | | | |
| Legal reserve | 4(14), 4(17) | 16,699,508 | 15,996,839 |
| Special reserve | | 322,150 | 1,744,171 |
| Unappropriate earnings | | 19,233,025 | 11,861,925 |
| Adjustment items to stockholders equity | | | |
| Cumulative translation adjustment | 2, 4(6) | 234,304 | (871,727) |
| Unrealized gain or loss on financial assets | | 27,515,333 | 31,059,735 |
| Treasury stock | 2, 4(8), 4(14), 4(16) | (29,394,664) | (37,453,289) |
| Total stockholders equity | | 293,832,402 | 292,333,320 |

| | | |
|--|----------------|----------------|
| Total liabilities and stockholders equity | \$ 357,246,221 | \$ 361,180,553 |
|--|----------------|----------------|

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

English Translation of Financial Statements Originally Issued in Chinese

UNITED MICROELECTRONICS CORPORATION

UNAUDITED STATEMENTS OF INCOME

For the three-month periods ended March 31, 2007 and 2006

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

| | Notes | For the three-month period ended March 31, | |
|--|-------------|---|---------------|
| | | 2007 | 2006 |
| Operating revenues | 2, 5 | | |
| Sales revenues | | \$ 22,439,100 | \$ 23,972,109 |
| Less : Sales returns and discounts | | (64,514) | (331,023) |
| Net sales | | 22,374,586 | 23,641,086 |
| Other operating revenues | | 650,645 | 743,080 |
| Net operating revenues | | 23,025,231 | 24,384,166 |
| Operating costs | 4(18), 5 | | |
| Cost of goods sold | | (18,940,565) | (20,731,122) |
| Other operating costs | | (428,372) | (441,129) |
| Operating costs | | (19,368,937) | (21,172,251) |
| Gross profit | | 3,656,294 | 3,211,915 |
| Unrealized intercompany profit | 2 | (85,883) | (76,994) |
| Realized intercompany profit | 2 | 105,892 | 120,153 |
| Gross profit-net | | 3,676,303 | 3,255,074 |
| Operating expenses | 2, 4(18), 5 | | |
| Sales and marketing expenses | | (650,389) | (612,188) |
| General and administrative expenses | | (677,850) | (531,522) |
| Research and development expenses | 2 | (2,329,555) | (2,026,382) |
| Subtotal | | (3,657,794) | (3,170,092) |
| Operating income | | 18,509 | 84,982 |
| Non-operating income | | | |
| Interest revenue | | 352,170 | 358,116 |
| Investment gain accounted for under the equity method, net | 2, 4(8) | 696,546 | |
| Gain on disposal of property, plant and equipment | 2 | 12,197 | 24,119 |
| Gain on disposal of investments | 2 | 1,624,124 | 13,914,826 |
| Exchange gain, net | 2, 10 | 16,543 | 42,192 |
| Other income | | 152,723 | 223,728 |
| Subtotal | | 2,854,303 | 14,562,981 |
| Non-operating expenses | | | |
| Interest expense | 2, 4(9) | (92,258) | (220,708) |

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| | | | |
|---|----------|--------------|---------------|
| Investment loss accounted for under the equity method, net | 2, 4(8) | (2,369) | |
| Loss on disposal of property, plant and equipment | 2 | (836) | |
| Loss on decline in market value and obsolescence of inventories | 2 | (398,673) | (33,233) |
| Financial expenses | | (17,390) | (38,010) |
| Loss on valuation of financial assets | 2 | (587,623) | (105,352) |
| Loss on valuation of financial liabilities | 2 | (25,373) | (52,644) |
| Other losses | | (14,169) | (19,763) |
| Subtotal | | (1,135,486) | (472,915) |
| Income from continuing operations before income tax | | 1,737,326 | 14,175,048 |
| Income tax expense | 2, 4(19) | (278,636) | (700,273) |
| Net income from continuing operations | | 1,458,690 | 13,474,775 |
| Cumulative effect of changes in accounting principles (the net amount after deducting income tax expense \$ 0) | 3 | | (1,188,515) |
| Net income | | \$ 1,458,690 | \$ 12,286,260 |

| | | Pre-tax | Post-tax | Pre-tax | Post-tax |
|---|----------|---------|----------|---------|----------|
| Earnings per share-basic (NTD) | 2, 4(20) | | | | |
| Income from continuing operations | | \$ 0.10 | \$ 0.08 | \$ 0.76 | \$ 0.72 |
| Cumulative effect of changes in accounting principles | | | | (0.06) | (0.06) |
| Net income | | \$ 0.10 | \$ 0.08 | \$ 0.70 | \$ 0.66 |

| | | | | | |
|---|----------|---------|---------|---------|---------|
| Earnings per share-diluted (NTD) | 2, 4(20) | | | | |
| Income from continuing operations | | \$ 0.10 | \$ 0.08 | \$ 0.73 | \$ 0.69 |
| Cumulative effect of changes in accounting principles | | | | (0.06) | (0.06) |
| Net income | | \$ 0.10 | \$ 0.08 | \$ 0.67 | \$ 0.63 |

| | | | | | |
|--|----------|--|--------------|--|---------------|
| Pro forma information on earnings as if subsidiaries investment in the Company is not treated as treasury stock | 2, 4(20) | | | | |
| Net income | | | \$ 1,458,690 | | \$ 12,286,260 |
| Earnings per share-basic (NTD) | | | \$ 0.08 | | \$ 0.65 |
| Earnings per share-diluted (NTD) | | | \$ 0.08 | | \$ 0.62 |

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

English Translation of Financial Statements Originally Issued in Chinese

UNITED MICROELECTRONICS CORPORATION

UNAUDITED STATEMENTS OF CASH FLOWS

For the three-month periods ended March 31, 2007 and 2006

(Expressed in Thousands of New Taiwan Dollars)

| | For the three-month period ended March 31, | |
|---|---|---------------|
| | 2007 | 2006 |
| Cash flows from operating activities: | | |
| Net income | \$ 1,458,690 | \$ 12,286,260 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 8,857,189 | 11,670,941 |
| Amortization | 335,061 | 417,147 |
| Bad debt reversal | (1,378) | (21,001) |
| Loss on decline in market value and obsolescence of inventories | 398,673 | 33,233 |
| Cash dividends received under the equity method | 353,592 | |
| Investment (gain) loss accounted for under the equity method | (696,546) | 2,369 |
| Loss on valuation of financial assets and liabilities | 612,996 | 1,346,511 |
| Gain on disposal of investments | (1,624,124) | (13,914,826) |
| Gain on disposal of property, plant and equipment | (12,197) | (23,283) |
| Exchange (gain) loss on financial assets and liabilities | (132) | 10,742 |
| Exchange (gain) loss on long-term liabilities | 255,248 | (186,923) |
| Amortization of bond discounts | 22,842 | 24,659 |
| Amortization of deferred income | (36,764) | (33,129) |
| Changes in assets and liabilities: | | |
| Financial assets and liabilities at fair value through profit or loss, current | 442,313 | 675,731 |
| Notes and accounts receivable | (446,926) | 559,562 |
| Other receivables | (88,279) | 108,494 |
| Inventories | (206,049) | 302,717 |
| Prepaid expenses | (346,966) | (601,722) |
| Deferred income tax assets | 200,578 | |
| Accounts payable | 88,685 | 100,041 |
| Accrued expenses | 780,519 | (835,642) |
| Other current liabilities | 16,938 | 366,629 |
| Capacity deposits | (652,400) | (7,800) |
| Accrued pension liabilities | 20,896 | 19,853 |
| Other liabilities - others | | 29,605 |
| Net cash provided by operating activities | 9,732,459 | 12,330,168 |
| Cash flows from investing activities: | | |
| Acquisition of available-for-sale financial assets | (152,347) | (296,823) |
| Proceeds from disposal of available-for-sale financial assets | 473,747 | 582,837 |
| Proceeds from disposal of held-to-maturity financial assets | 776,000 | |
| Acquisition of financial assets measured at cost | (37,310) | |
| Proceeds from disposal of financial assets measured at cost | 400 | 50 |
| Acquisition of long-term investments accounted for under the equity method | (296,800) | (332,800) |
| Proceeds from disposal of long-term investments accounted for under the equity method | 155,846 | 7,801,029 |
| Prepayment for long-term investments | (163,809) | |
| Acquisition of property, plant and equipment | (12,520,849) | (6,141,935) |
| Proceeds from disposal of property, plant and equipment | 7,099 | 39,120 |
| Increase in deferred charges | (488,652) | (221,329) |

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| | | |
|---|--------------|-----------|
| Decrease in other assets - others | 11,809 | 38,968 |
| Net cash provided by (used in) investing activities | (12,234,866) | 1,469,117 |

English Translation of Financial Statements Originally Issued in Chinese

UNITED MICROELECTRONICS CORPORATION

UNAUDITED STATEMENTS OF CASH FLOWS

For the three-month periods ended March 31, 2007 and 2006

(Expressed in Thousands of New Taiwan Dollars)

| | For the three-month period ended March 31, | |
|--|---|---------------|
| | 2007 | 2006 |
| (continued) | | |
| Cash flows from financing activities: | | |
| Exercise of employee stock options | \$ 187,493 | \$ 745,575 |
| Purchase of treasury stock | | (14,776,261) |
| Increase in deposits-in, net | 117 | 176 |
| Net cash provided by (used in) financing activities | 187,610 | (14,030,510) |
| Effect of exchange rate changes on cash and cash equivalents | (91,103) | 6,593 |
| Decrease in cash and cash equivalents | (2,405,900) | (224,632) |
| Cash and cash equivalents at beginning of period | 83,394,802 | 96,596,623 |
| Cash and cash equivalents at end of period | \$ 80,988,902 | \$ 96,371,991 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | \$ | \$ 517 |
| Cash paid for income tax | \$ 29,128 | \$ 51,513 |
| Investing activities partially paid by cash: | | |
| Acquisition of property, plant and equipment | \$ 11,331,306 | \$ 5,373,673 |
| Add: Payable at beginning of period | 10,101,767 | 5,277,863 |
| Less: Payable at end of period | (8,912,224) | (4,509,601) |
| Cash paid for acquisition of property, plant and equipment | \$ 12,520,849 | \$ 6,141,935 |
| Investing and financing activities not affecting cash flows: | | |
| Principal amount of exchangeable bonds exchanged by bondholders | \$ 190,415 | \$ |
| Book value of available-for-sale financial assets delivered for exchange | (51,878) | |
| Elimination of related balance sheet accounts | 20,921 | |
| Recognition of gain on disposal of investments | \$ 159,458 | \$ |

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

UNITED MICROELECTRONICS CORPORATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS

March 31, 2007 and 2006

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

1. HISTORY AND ORGANIZATION

United Microelectronics Corporation (the Company) was incorporated in May 1980 and commenced operations in April 1982. The Company is a full service semiconductor wafer foundry, and provides a variety of services to satisfy customer needs. These services include intellectual property, embedded IC design, design verification, mask tooling, wafer fabrication, and testing. The Company'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 March 31, 2007 and 2006 were 13,415 and 12,428, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in conformity with the Business Entity Accounting Law, 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:

Use of Estimates

The preparation of the Company's Financial Statements in conformity with generally accepted accounting principles requires management to make 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. 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 statements of income. Translation gains or losses from investments in foreign entities are recognized as 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 statements of income, are remeasured at the exchange rate at the balance sheet date, with related exchange gains or losses recorded in the 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 adjustment items to 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 the Company's Singapore branch (the Branch) are translated into New Taiwan Dollars using the spot rates as of each financial statement date for asset and liability accounts, average exchange rates for profit and loss accounts. The cumulative translation effects from the Branch using functional currencies other than the New Taiwan Dollars are included in the cumulative translation adjustment in 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 Instruments

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 purchasing or selling the asset or liability. Financial assets and financial liabilities are initially recognized at fair value plus acquisition or issuance costs.

a. Financial instruments 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 statements of income. Stock of listed companies, convertible bonds, and close-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.

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 stockholders equity until such investment is reclassified or disposed of, upon which the cumulative gain or loss previously charged to stockholders equity will be recorded in the 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 stockholders' equity. The impairment loss of a debt security may be reversed and recognized in the current period's statement of income if the security recovers and the Company concludes the recovery is clearly 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 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 initially recorded at acquisition cost. Investments acquired by the contribution of technological know-how are credited to deferred credits among affiliates, which will be amortized to income 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 no longer to be amortized.

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 end of 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-others on the balance sheet.

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. When property, plant and equipment are disposed, their original 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, if any. The estimated economic life of the property, plant and equipment is as follows: buildings 20 to 55 years; machinery and equipment 5 years; transportation equipment 5 years; furniture and fixtures 5 years.

Intangible Assets

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

Technological know-how is stated at cost and amortized over its estimated economic life using the straight-line method.

An impairment loss will be recognized when the decreases 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-select the shorter term of contract or estimated economic life of the related technology; and software-3 years.

Prior to December 31, 2005, the issuance costs of convertible and exchangeable bonds were classified as deferred charges and amortized over the life of the bonds. Effective 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 the adjustment of 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 on 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 in the committee's name in the Central Trust of China 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 are provided in accordance with the local regulations.

The Labor Pension Act of the ROC (the Act), which adopts a defined contribution plan, became effective on July 1, 2005. Employees subject to the Labor Standards Law, a defined benefit plan, were allowed to choose to either 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 accounting for the Company'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 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 by the actuary. The Company 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 since January 1, 2004. Under the intrinsic value method, the Company recognizes the difference between the market price of the stock on date of grant and the exercise price of its employee stock option as compensation cost. The Company also discloses pro forma net income and earnings per share under the fair value method for options granted since January 1, 2004.

Treasury Stock

The Company adopted ROC SFAS No. 30, Accounting for Treasury Stocks which requires that treasury stock held by the Company to be accounted for under the cost method. The cost of treasury stock is shown as a deduction to stockholders' equity, while any gain or loss from selling treasury stock is treated as an adjustment to additional paid-in capital. 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 taking into consideration 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

An expenditure is capitalized when it is probable that the Company will receive future economic benefits associated with the expenditure. Otherwise, the expenditure is expensed as incurred.

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, then it is classified as either current or noncurrent 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 in which 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 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, there is 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 loss and income, respectively.

3. ACCOUNTING CHANGES

Goodwill

The Company adopted the amendments to ROC SFAS No. 1, Conceptual Framework of Financial Accounting and Preparation of Financial Statements, SFAS No. 5, Long-Term Investments in Equity Securities, and SFAS No. 25, Business Combinations-Accounting Treatment under Purchase Method, all of which have discontinued the amortization of goodwill effective January 1, 2006. As a result of adopting the revised SFAS No.1, revised SFAS No.5 and revised SFAS No.25 on January 1, 2006, the Company's total assets as of March 31, 2006 are NT\$ 216 million higher than if it had continued to account for goodwill under the prior year's requirements. The net income and earnings per share for the three-month period ended March 31, 2006, are NT\$216 million and NT\$0.01 higher, respectively, than if the Company had continued to account for goodwill under the prior year's requirements.

Financial Instruments

- (1) The Company adopted ROC SFAS No. 34, Financial Instruments: Recognition and Measurement and SFAS No. 36, Financial Instruments: Disclosure and Presentation to account for the financial instruments effective January 1, 2006. Some prior year items have been reclassified as required by ROC Guidelines Governing the Preparation of Financial Reports by Securities Issuers, SFAS No. 34 and No. 36 to conform with current year's presentation.

- (2) The above changes in accounting principles increased the Company's total assets, total liabilities, and stockholders' equity as of January 1, 2006 by NT\$23,648 million, NT\$1,326 million, and NT\$22,322 million, respectively; and resulted in an unfavorable cumulative effect of changes in accounting principles of NT\$1,189 million deducted from net income, thereby reducing earnings per share by NT\$0.06 for the three-month period ended March 31, 2006.

4. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

| | As of March 31, | |
|-------------------------------|----------------------|----------------------|
| | 2007 | 2006 |
| Cash: | | |
| Cash on hand | \$ 1,953 | \$ 1,741 |
| Checking and savings accounts | 1,740,435 | 3,283,271 |
| Time deposits | 75,224,676 | 80,196,910 |
| Subtotal | 76,967,064 | 83,481,922 |
| Cash equivalents: | 4,021,838 | 12,890,069 |
| Total | \$ 80,988,902 | \$ 96,371,991 |

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

| | As of March 31, | |
|-------------------------|------------------|------------------|
| | 2007 | 2006 |
| Held for trading | | |
| Listed stocks | \$ 7,190,853 | \$ 1,259,147 |
| Convertible bonds | 363,111 | 233,796 |
| Open-end fund | | 5,075 |
| Total | \$ 7,553,964 | \$ 1,498,018 |

During the three-month periods ended March 31, 2007 and 2006, net loss arising from the changes in fair value of financial assets at fair value through profit or loss, current, were NT\$578 million and NT\$123 million, respectively.

(3) HELD-TO-MATURITY FINANCIAL ASSETS

| | As of March 31, | |
|--|-------------------|-------------------|
| | 2007 | 2006 |
| Credit-linked deposits and repackage bonds | \$ 200,000 | \$ 975,552 |
| Less: Non-current portion | | (200,000) |
| Total | \$ 200,000 | \$ 775,552 |

(4) ACCOUNTS RECEIVABLE, NET

| | As of March 31, | |
|---|-----------------|--------------|
| | 2007 | 2006 |
| Accounts receivable | \$ 6,861,345 | \$ 6,097,043 |
| Less: Allowance for sales returns and discounts | (307,643) | (150,341) |
| Less: Allowance for doubtful accounts | | (63,086) |
| Net | \$ 6,553,702 | \$ 5,883,616 |

(5) INVENTORIES, NET

| | As of March 31, | |
|--|-----------------|--------------|
| | 2007 | 2006 |
| Raw materials | \$ 1,069,920 | \$ 515,639 |
| Supplies and spare parts | 1,768,392 | 1,649,744 |
| Work in process | 7,293,416 | 7,246,956 |
| Finished goods | 1,080,850 | 751,555 |
| Total | 11,212,578 | 10,163,894 |
| Less: Allowance for loss on decline in market value and obsolescence | (1,255,381) | (550,681) |
| Net | \$ 9,957,197 | \$ 9,613,213 |

Inventories were not pledged.

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

| | As of March 31, | |
|-----------------|-----------------|---------------|
| | 2007 | 2006 |
| Common stock | \$ 43,359,493 | \$ 48,962,566 |
| Preferred stock | | 1,408,419 |
| Total | \$ 43,359,493 | \$ 50,370,985 |

During the three-month periods ended March 31, 2007 and 2006, the total unrecognized gain adjustment to stockholders' equity due to changes in fair value of available-for-sale assets were NT\$968 million and NT\$12,159 million, respectively.

Additionally, the Company recognized a gain of NT\$1,069 million and NT\$566 million due to the disposal of available-for-sale assets during the three-month periods ending March 31, 2007 and 2006, respectively.

(7) FINANCIAL ASSETS MEASURED AT COST, NONCURRENT

| | As of March 31, | |
|--------------|-----------------|--------------|
| | 2007 | 2006 |
| Common stock | \$ 1,495,556 | \$ 1,458,246 |

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| | | |
|-----------------|--------------|--------------|
| Preferred stock | 385,080 | 300,000 |
| Funds | 442,000 | 518,767 |
| Total | \$ 2,322,636 | \$ 2,277,013 |

(8) 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 March 31, | | | |
|--|----------------------|--|----------------------|--|
| | 2007 Amount | 2007 Percentage of Ownership or Voting Rights | 2006 Amount | 2006 Percentage of Ownership or Voting Rights |
| <u>Listed companies</u> | | | | |
| UMC JAPAN | \$ 6,010,932 | 50.09 | \$ 5,969,510 | 48.95 |
| HOLTEK SEMICONDUCTOR INC. | 884,521 | 23.24 | 879,126 | 24.81 |
| ITE TECH. INC. | 359,780 | 21.62 | 345,242 | 22.07 |
| UNIMICRON TECHNOLOGY CORP.(UNIMICRON)(Note A) | | | 4,282,188 | 20.40 |
| Subtotal | 7,255,233 | | 11,476,066 | |
| <u>Unlisted companies</u> | | | | |
| UMC GROUP (USA) | 977,029 | 100.00 | 780,741 | 100.00 |
| UNITED MICROELECTRONICS (EUROPE) B.V. | 289,562 | 100.00 | 274,361 | 100.00 |
| UMC CAPITAL CORP. | 3,682,961 | 100.00 | 2,087,983 | 100.00 |
| UNITED MICROELECTRONICS CORP. (SAMOA) | 7,034 | 100.00 | 13,489 | 100.00 |
| UMCI LTD. | 94 | 100.00 | 9,619 | 100.00 |
| TLC CAPITAL CO., LTD. | 7,727,434 | 100.00 | 2,947,999 | 100.00 |
| FORTUNE VENTURE CAPITAL CORP. (Note B) | 10,330,744 | 99.99 | 4,777,043 | 99.99 |
| UNITED MICRODISPLAY OPTRONICS CORP. (UMO)(Note C) | 126,674 | 81.76 | 285,275 | 86.72 |
| PACIFIC VENTURE CAPITAL CO., LTD. (PACIFIC)(Note D) | 127,379 | 49.99 | 298,422 | 49.99 |
| MTIC HOLDINGS PTE LTD | 82,153 | 49.94 | | |
| MEGA MISSION LIMITED PARTNERSHIP | 2,355,815 | 45.00 | | |
| UNITECH CAPITAL INC. | 1,026,305 | 42.00 | 673,981 | 42.00 |
| NEXPOWER TECHNOLOGY CORP. | 296,941 | 37.10 | | |
| HSUN CHIEH INVESTMENT CO., LTD. (HSUN CHIEH) (Note E) | 4,550,816 | 36.49 | 4,485,473 | 36.49 |
| XGI TECHNOLOGY INC. (Note F) | 47,000 | 16.48 | 71,704 | 16.51 |
| AMIC TECHNOLOGY CORP. (Note F) | 52,765 | 11.84 | 58,166 | 11.86 |
| THINTEK OPTRONICS CORP. (THINTEK) (Note C) | | | 32,470 | 27.82 |
| HIGHLINK TECHNOLOGY CORP. (HIGHLINK)(Note F, G) | | | 283,063 | 18.99 |
| Subtotal | 31,680,706 | | 17,079,789 | |
| Total | \$ 38,935,939 | | \$ 28,555,855 | |

Note A: As the Company did not have significant influence after decreasing its percentage of ownership in UNIMICRON in 2006, the investee was classified as available-for-sale financial asset.

Note B: As of March 31, 2007 and 2006, the cost of the investment was NT\$10,503 million and NT\$4,949 million, respectively. After deducting the Company's stock held by the subsidiary (treated as treasury stock by the Company) of NT\$172 million in both years, the residual book values totalled NT\$10,331 million and NT\$4,777 million as of March 31, 2007 and 2006, respectively.

Note C: THINTEK was merged into UMO on October 1, 2006. The exchange ratio was 2.31 to 1.

Note D: On June 27, 2006, PACIFIC set July 3, 2006 as its liquidation date through decision at its shareholders' meeting. The liquidation has not been completed as of March 31, 2007.

Note E: As of January 27, 2006, the Company sold 58.5 million shares of HSUN CHIEH. The Company's ownership percentage decreased from 99.97% to 36.49%. As HSUN CHIEH ceased to be a subsidiary, the Company's stock held by HSUN CHIEH was reclassified from treasury stock to long-term investments accounted for under the equity method. The reclassification increased long-term investments accounted for under the equity method and stockholders' equity by NT\$10,881 million.

Note F: The equity method was applied for investees, in which the total ownership held by the Company and its subsidiaries is over 20%.

Note G: As of March 1, 2007, HIGHLINK (an equity method investee) and EPITECH TECHNOLOGY CORP. (EPITECH) (accounted for as a noncurrent available-for-sale financial asset) merged into EPISTAR CORP. and was continued as EPISTAR CORP. (classified as a noncurrent available-for-sale financial asset after the merger).

During the transaction, 5.5 shares of the HIGHLINK were exchanged for 1 share of EPISTAR CORP. and 3.08 shares of the EPITECH were exchanged for 1 share of EPISTAR CORP.

b. Total gain and loss arising from investments accounted for under the equity method were NT\$697 million and NT\$2 million for the three-month periods ended March 31, 2007 and 2006, respectively. Among which, investment income amounted to NT\$227 million and NT\$293 million for the three-month periods ended March 31, 2007 and 2006, respectively, and the related long-term investment balances of NT\$5,435 million and NT\$5,161 million as of March 31, 2007 and 2006, respectively, were determined based on the investees' financial statements audited by other auditors.

c. The long-term investments were not pledged.

(9) PROPERTY, PLANT AND EQUIPMENT

| | Cost | As of March 31, 2007 | |
|--|-----------------------|-----------------------------|-----------------------|
| | | Accumulated Depreciation | Book Value |
| Land | \$ 1,132,576 | \$ | \$ 1,132,576 |
| Buildings | 16,319,736 | (5,584,923) | 10,734,813 |
| Machinery and equipment | 400,298,576 | (295,139,002) | 105,159,574 |
| Transportation equipment | 74,387 | (55,909) | 18,478 |
| Furniture and fixtures | 2,469,833 | (1,896,853) | 572,980 |
| Construction in progress and prepayments | 28,330,350 | | 28,330,350 |
| Total | \$ 448,625,458 | \$ (302,676,687) | \$ 145,948,771 |

| | Cost | As of March 31, 2006 | |
|--|-----------------------|-----------------------------|-----------------------|
| | | Accumulated Depreciation | Book Value |
| Land | \$ 1,132,576 | \$ | \$ 1,132,576 |
| Buildings | 16,251,168 | (4,846,656) | 11,404,512 |
| Machinery and equipment | 375,349,360 | (257,243,101) | 118,106,259 |
| Transportation equipment | 81,815 | (58,843) | 22,972 |
| Furniture and fixtures | 2,286,096 | (1,580,567) | 705,529 |
| Construction in progress and prepayments | 11,555,578 | | 11,555,578 |
| Total | \$ 406,656,593 | \$ (263,729,167) | \$ 142,927,426 |

- a. No interest was capitalized during the three-month periods ended March 31, 2007 and 2006.
- b. Property, plant and equipment were not pledged.

(10) OTHER ASSETS - OTHERS

| | As of March 31, | |
|---------------|---------------------|---------------------|
| | 2007 | 2006 |
| Leased assets | \$ 1,321,594 | \$ 1,365,667 |
| Deposits-out | 642,428 | 542,976 |
| Others | 59,118 | 59,118 |
| Total | \$ 2,023,140 | \$ 1,967,761 |

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

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

As of March 31,

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| | 2007 | 2006 |
|--|---------------------|---------------------|
| Interest rate swaps | \$ 627,002 | \$ 784,198 |
| Derivatives embedded in exchangeable bonds | 376,559 | 728,322 |
| Total | \$ 1,003,561 | \$ 1,512,520 |

During the three-month periods ended March 31, 2007 and 2006 net loss arising from the changes in fair value of financial liabilities at fair value through profit or loss, current were NT\$36 million and NT\$44 million, respectively.

(12) BONDS PAYABLE

| | As of March 31, | |
|----------------------------------|----------------------|----------------------|
| | 2007 | 2006 |
| Unsecured domestic bonds payable | \$ 20,250,000 | \$ 30,500,000 |
| Convertible bonds payable | 12,639,596 | 12,391,686 |
| Exchangeable bonds payable | 2,988,565 | 3,180,446 |
| Less: discounts on bonds payable | (51,013) | (145,647) |
| Total | 35,827,148 | 45,926,485 |
| Less: Current portion | (17,833,831) | (10,250,000) |
| Net | \$ 17,993,317 | \$ 35,676,485 |

- a. During the period from April 16 to April 27, 2001, the Company 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 5.1195% through 5.1850% and 5.2170% through 5.2850%, respectively. The five-year bonds and seven-year bonds are repaid 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, the five-year bonds were fully repaid.
- b. During the period from October 2 to October 15, 2001, the Company issued three-year and five-year unsecured bonds totaling NT\$10,000 million, each with a face value of NT\$5,000 million. The interest was paid annually with stated interest rates of 3.3912% through 3.420% and 3.4896% through 3.520%, respectively. On October 15, 2006 and 2004, the five-year bonds and the three-year bonds were fully repaid, respectively.
- c. On May 10, 2002, the Company issued zero coupon exchangeable bonds listed on the EuroMTF Market of the Luxembourg stock Exchange (LSE). The terms and conditions of the bonds are as follows:
 - (a) Issue Amount: US\$235 million
 - (b) Period: May 10, 2002 ~ May 10, 2007

(c) Redemption

- i. The Company may redeem 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 Optionics 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 NTD34.645=USD 1.00.
- ii. The Company may redeem 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. The Company may redeem all, but not part, of the bonds, at any time, in the event of certain changes in the R.O.C.'s tax rules which would require the Company to gross up for payments of principal, or to gross up for payments of interest or premium.
- iv. The Company will, at the option of the bondholders, redeem 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 are 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 receives will be subject to certain restrictions.
- iii. Exchange Price and Adjustment: The exchange price is NTD44.3 per share, determined on the basis of a fixed exchange rate of NTD34.645=USD1.00. 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 March 31, 2007 and 2006, certain bondholders have exercised their rights to exchange their bonds with the total principal amount of US\$145 million and US\$137 million into AUO shares, respectively. Gains arising from the exercise of exchange rights during the three-month period ended March 31, 2007 amounted NT\$159 million and was recognized as gain on disposal of investment. No exchange rights had been exercised for the three-month period ended March 31, 2006.

- d. During the period from May 21 to June 24, 2003, the Company 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.
- e. On October 5, 2005, the Company 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, 2006 ~ 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, the Company may redeem all, but not some only, of the bonds.
- ii. If at least 90% in principal amount of the bonds have already been redeemed, repurchased, cancelled or converted, the Company may redeem all, but not some only, of the bonds.
- iii. In the event that the Company's ADSs or shares have officially cease to be listed or admitted for trading on the New York Stock Exchange or the Taiwan Stock Exchange, as the case may be, each bondholder shall have the right, at such bondholder's option, to require the Company 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 the Company becoming required to pay additional amounts, the Company may redeem all, but not part, of the bonds at their principal amount; bondholders may elect not to have their bonds redeemed by the Company in such event, in which case the bondholders shall not be entitled to receive payments of such additional amounts.

- v. If a change of control occurs with respect to the Company, each bondholder shall have the right at such bondholder's option, to require the Company to repurchase all, but not in part, of such bondholder's bonds at their principal amount.
- vi. The Company will pay 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 be converted into the Company's ADSs on or after November 4, 2005 and on or prior to February 5, 2008.
- ii Conversion Price and Adjustment: The conversion price is US\$3.693 per ADS. The applicable conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

f. Repayments of the above-mentioned bonds in the future years are as follows:
(assuming the convertible bonds and exchangeable bonds are both paid off upon maturity)

| Bonds repayable in | Amount |
|---------------------|-------------------|
| 2007 | \$ 5,238,565 |
| 2008 | 23,139,596 |
| 2009 | |
| 2010 | 7,500,000 |
| 2011 and thereafter | |
| Total | \$ 35,858,161 |

(13) PENSION PLAN

- a. The Labor Pension Act of the R.O.C. (the Act), which adopts a defined contribution plan, became effective on July 1, 2005. Employees subject to the Labor Standards Law, a defined benefit plan, were allowed to choose to either 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 totaled NT\$96 million and NT\$89 million as of March 31, 2007 and 2006, respectively. Pension benefits for employees of the Branch are provided in accordance with the local regulations, and the Company has contributed the amount of both NT\$31 million as of March 31, 2007 and 2006, 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 Central Trust of China in the name of an administered pension fund committee. Pension costs amounting to NT\$47 million and NT\$48 million were recognized for the three-month periods ended March 31, 2007 and 2006, respectively. The corresponding balances of the pension fund were NT\$1,232 million and NT\$1,113 million as of March 31, 2007 and 2006, respectively.

(14) CAPITAL STOCK

- a. The Company had 26,000 million common shares authorized to be issued, and 19,845 million shares were issued as of March 31, 2006, each at a par value of NT\$10.
- b. The Company has issued a total of 277 million ADSs, which were traded on the NYSE as of March 31, 2006. The total number of common shares of the Company represented by all issued ADSs was 1,384 million shares as of March 31, 2006. One ADS represents five common shares.
- c. Among the employee stock options issued by the Company on October 7, 2002 and January 3, 2003, 109 million shares were exercised during the year ended December 31, 2006. The issuance process through the authority had been completed.
- d. On May 22, 2006 the Company cancelled 1,000 million shares of treasury stock, which were bought back during the period from February 16, 2006 to April 11, 2006 for retention of the Company's creditability and stockholders' interests.
- e. As recommended by the board of directors, and approved by the shareholders on the meeting held on June 12, 2006, the Company issued 225 million new shares from capitalization of retained earnings and additional paid-in capital that amounted to NT\$2,249 million, of which NT\$895 million was stock dividend, NT\$459 million was employee bonus, and NT\$895 million was additional paid-in capital. The issuance process through the authority had been completed.
- f. The Company had 26,000 million common shares authorized to be issued, and 19,144 million shares was issued as of March 31, 2007, each at a par value of NT\$10.
- g. The Company had issued a total of 315 million ADSs, which were traded on the NYSE as of March 31, 2007. The total number of common shares of the Company represented by all issued ADSs was 1,576 million shares as of March 31, 2007. One ADS represents five common shares.

- h. Among the employee stock options issued by the Company on October 7, 2002, January 3, 2003 and October 13, 2004, 12 million shares were exercised during the three-month period ended March 31, 2007. The issuance process through the authority had been completed.

(15) EMPLOYEE STOCK OPTIONS

On September 11, 2002, October 8, 2003, September 30, 2004, and December 22, 2005, the Company 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, and 350 million units, respectively. Each unit entitles an optionee to subscribe to 1 share of the Company's common stock. Settlement upon the exercise of the options will be made through the issuance of new shares by the Company. The exercise price of the options was set at the closing price of the Company's common stock on the date of grant. The contractual life 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 | | Exercise price (NTD) |
|--------------------|--|---------------------------------------|-------------------------|
| | Total number of options granted (in thousands) | options outstanding (in thousands) | |
| October 7, 2002 | 939,000 | 531,986 | \$ 15.7 |
| January 3, 2003 | 61,000 | 44,411 | \$ 17.7 |
| November 26, 2003 | 57,330 | 45,073 | \$ 24.7 |
| March 23, 2004 | 33,330 | 21,765 | \$ 22.9 |
| July 1, 2004 | 56,590 | 44,130 | \$ 20.7 |
| October 13, 2004 | 20,200 | 12,412 | \$ 17.8 |
| April 29, 2005 | 23,460 | 17,510 | \$ 16.4 |
| August 16, 2005 | 54,350 | 40,070 | \$ 21.6 |
| September 29, 2005 | 51,990 | 45,919 | \$ 19.7 |
| January 4, 2006 | 39,290 | 29,660 | \$ 17.7 |
| May 22, 2006 | 42,058 | 36,210 | \$ 19.2 |
| August 24, 2006 | 28,140 | 24,800 | \$ 18.4 |

- a. A Summary of the Company's stock option plans, and related information for the three-month periods ended March 31, 2007 and 2006 are as follows:

| Option | For the three-month period ended March 31, | | | |
|--|--|--------------------------|--|---------|
| | 2007 | | 2006 | |
| (in thousands) | Weighted-average Exercise Price (NTD) | Option (in thousands) | Weighted-average Exercise Price (NTD) | |
| Outstanding at beginning of period | 913,958 | \$ 17.5 | 975,320 | \$ 17.3 |
| Granted | | \$ | 39,290 | \$ 17.7 |
| Exercised | (11,918) | \$ 15.7 | (50,531) | \$ 15.7 |
| Forfeited | (8,094) | \$ 19.9 | (16,515) | \$ 18.9 |
| Outstanding at end of period | 893,946 | \$ 17.5 | 947,564 | \$ 17.3 |
| Exercisable at end of period | 654,015 | \$ 16.7 | 502,264 | \$ 16.5 |
| Weighted-average fair value of options granted during the period (NTD) | \$ | | \$ 5.4 | |

b. The information of the Company's outstanding stock options as of March 31, 2007 is as follows:

| Authorization Date | Range of Exercise Price | Outstanding Stock Options | | | Exercisable Stock Options | | |
|--------------------|-------------------------|---------------------------|---|---------------------------------------|---------------------------|---------------------------------------|--|
| | | Option (in thousands) | Weighted-average Expected Remaining Years | Weighted-average Exercise Price (NTD) | Option (in thousands) | Weighted-average Exercise Price (NTD) | |
| 2002.09.11 | \$ 15.7~\$17.7 | 576,397 | 1.54 | \$ 15.9 | 576,133 | \$ 15.9 | |
| 2003.10.08 | \$ 20.7~\$24.7 | 110,968 | 2.95 | \$ 22.8 | 72,405 | \$ 23.1 | |
| 2004.09.30 | \$ 16.4~\$21.6 | 115,911 | 4.29 | \$ 19.7 | 5,477 | \$ 17.8 | |
| 2005.12.22 | \$ 17.7~\$19.2 | 90,670 | 5.09 | \$ 18.5 | | \$ | |
| | | 893,946 | 2.43 | \$ 17.5 | 654,015 | \$ 16.7 | |

c. The Company uses intrinsic value method to recognize compensation costs for its employee stock options issued since January 1, 2004. The compensation costs for the three-month periods ended March 31, 2007 and 2006 are nil because the Company grants options with the exercise price equal to the current market price. Pro forma information using the fair value method on net income and earnings per share is as follows:

| | For the three-month period ended March 31, 2007 | |
|------------------------------------|---|----------------------------|
| | Basic earnings per share | Diluted earnings per share |
| Net Income | \$ 1,458,690 | \$ 1,458,690 |
| Earnings per share (NTD) | \$ 0.08 | \$ 0.08 |
| Pro forma net income | \$ 1,345,283 | \$ 1,345,283 |
| Pro forma earnings per share (NTD) | \$ 0.08 | \$ 0.08 |

| | For the three-month period ended March 31, 2006 (retroactively adjusted) | |
|------------------------------------|---|----------------------------|
| | Basic earnings per share | Diluted earnings per share |
| Net Income | \$ 12,286,260 | \$ 12,146,008 |
| Earnings per share (NTD) | \$ 0.66 | \$ 0.63 |
| Pro forma net income | \$ 12,194,544 | \$ 12,054,292 |
| Pro forma earnings per share (NTD) | \$ 0.65 | \$ 0.62 |

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 three-month period ended March 31, 2006: expected dividend yield of 1.37%; volatility of the expected market price of the Company's common stock of 38.38%~41.14%; risk-free interest rate of 1.88%; and expected life of the options of 4~5 years.

(16) TREASURY STOCK

- a. The Company bought back its own shares from the open market during the three-month periods ended March 31, 2007 and 2006. Details of the treasury stock transactions are as follows:

For the three-month period ended March 31, 2007*(In thousands of shares)*

| Purpose | As of January 1, 2007 | Increase | Decrease | As of March 31, 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 |

For the three-month period ended March 31, 2006*(In thousands of shares)*

| Purpose | As of January 1, 2006 | Increase | Decrease | As of March 31, 2006 |
|---|--------------------------------------|-----------------|-----------------|-------------------------------------|
| For transfer to employees | 442,067 | | | 442,067 |
| For conversion of the convertible bonds into shares | 500,000 | | | 500,000 |
| For retention of the Company's creditability and stockholders interests | | 815,747 | | 815,747 |
| Total shares | 942,067 | 815,747 | | 1,757,814 |

- b. According to the Securities and Exchange Law of the R.O.C., the total shares of treasury stock shall not exceed 10% of the Company'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 of shares of treasury stock that the Company could hold as of March 31, 2007 and 2006, was 1,914 million and 1,985 million, while the ceiling amount was NT\$81,776 million and NT\$84,700 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 voting rights or receive dividends. Stock held by subsidiaries is treated as treasury stock. These subsidiaries have the same rights as other stockholders excluding joining the proceeds from new issues. Starting June 22, 2005, stock held by subsidiaries no longer have voting rights according to the revised Companies Act.

d. As of March 31, 2007, the Company's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 22 million shares of the Company's stock, with a book value of NT\$19.10 per share. The closing price on March 31, 2007 was NT\$19.10. As of March 31, 2006, the Company's subsidiaries, FORTUNE VENTURE CAPITAL CORP., held 22 million shares of the Company's stock, with a book value of NT\$20.5 per share. The closing price on March 31, 2006 was NT\$20.5.

(17) RETAINED EARNINGS AND DIVIDEND POLICIES

According to the Company'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 the Company, or cash. Employees of the Company'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 subject to shareholders' approval.

The Company has entered a stage of sustained growth; 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. The Company's Articles of Incorporation further provide that no more than 80% of the dividends to shareholders, if any, may be paid in the form of stock dividends. Accordingly, at least 20% of the dividends must be paid in the form of cash.

The distribution of retained earnings for the year 2006 was approved by the board of directors on March 15, 2007 and the distribution of retained earnings for the year 2005 was approved at the shareholders' meeting held on June 12, 2006. The details of distribution are as follows:

| | 2006 | 2005 |
|--|-------------------|-------------------|
| Cash Dividend | \$ 0.70 per share | \$ 0.40 per share |
| Stock Dividend | | \$ 0.05 per share |
| Employees' bonus - Cash | 2,324,119 | 305,636 |
| Dividend (NTD thousands) | | |
| Employees' bonus - Stock | | 458,455 |
| Dividend (NTD thousands) | | |
| Directors' and Supervisors remuneration (NTD thousands) | 15,494 | 6,324 |

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 unappropriated earnings for items that are accounted for as deductions to stockholders' equity such as unrealized loss on long-term investment and cumulative translation adjustments. However, there are the following exceptions for the Company's investees' unrealized loss on long-term investments arising from the merger, which was recognized by the Company in proportion to the company's ownership percentage:

- a. According to the explanatory letter No. 101801 of the Securities and Futures Commission (SFC), if the Company recognizes the investees' additional paid-in capital-excess from the merger in proportion to the ownership percentage, then the special reserve is exempted for the amount originated from the acquisition of the long-term investments.
- b. If the Company and its investees transfer a portion of the additional paid-in capital to increase capital, a special reserve equal to the amount of the transfer shall be provided according to the explanatory letter No. 101801-1 of the SFC.
- c. In accordance with the explanatory letter No. 170010 of the SFC applicable to listed companies, in the case where the market value of the Company's stock held by its subsidiaries at period-end is lower than the book value, a special reserve shall be provided in the company's accounts in proportion to its ownership percentage.

For the 2005 appropriations approved by the shareholders' meeting on June 12, 2006, unrealized loss on long-term investments exempted from the provision of special reserve pursuant to the above regulations amounted to NT\$18,208 million.

(18) OPERATING COSTS AND EXPENSES

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

| | For the three-month period ended March 31, | | | | | |
|----------------------------|--|--------------------|--------------|-----------------|--------------------|--------------|
| | 2007 | | | 2006 | | |
| | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Personnel expenses | | | | | | |
| Salary | \$ 2,316,212 | \$ 710,336 | \$ 3,026,548 | \$ 1,524,724 | \$ 408,197 | \$ 1,932,921 |
| Labor and health insurance | 110,472 | 32,251 | 142,723 | 105,676 | 29,659 | 135,335 |
| Pension | 133,323 | 40,611 | 173,934 | 130,153 | 37,067 | 167,220 |
| Other personnel expenses | 23,641 | 9,967 | 33,608 | 18,624 | 7,515 | 26,139 |
| Depreciation | 8,365,398 | 489,566 | 8,854,964 | 11,105,986 | 560,419 | 11,666,405 |
| Amortization | 21,932 | 313,129 | 335,061 | 49,652 | 367,495 | 417,147 |

(19) 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 the three-month period ended March 31, | |
|--|--|--------------|
| | 2007 | 2006 |
| Income tax on pre-tax income at statutory tax rate | \$ 899,049 | \$ 3,803,548 |
| Permanent differences | (963,348) | (3,866,913) |
| Change in investment tax credit | 3,172,498 | 383,421 |
| Change in valuation allowance | (2,907,621) | (320,056) |
| Income Basic Tax | 77,800 | 700,000 |
| Income tax on interest revenue separately taxed | 258 | 273 |
| Income tax expense | \$ 278,636 | \$ 700,273 |

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

| | As of March 31, | | | |
|---|-----------------|---------------------|---------------|---------------------|
| | 2007 | | 2006 | |
| Deferred income tax assets | Amount | Tax effect | Amount | Tax effect |
| Investment tax credit | | \$ 11,692,460 | | \$ 13,225,624 |
| Loss carry-forward | \$ 3,815,034 | 953,758 | \$ 13,372,060 | 3,343,015 |
| Pension | 3,103,952 | 775,988 | 3,021,968 | 755,492 |
| Allowance on sales returns and discounts | 491,085 | 122,771 | 752,659 | 188,165 |
| Allowance for loss on obsolescence of inventories | 637,754 | 159,439 | 174,550 | 43,637 |
| Unrealized exchange loss | 76,803 | 19,201 | | |
| Others | 759,188 | 189,797 | 240,510 | 60,127 |
| Total deferred income tax assets | | 13,913,414 | | 17,616,060 |
| Valuation allowance | | (6,203,492) | | (8,355,306) |
| Net deferred income tax assets | | 7,709,922 | | 9,260,754 |
| Deferred income tax liabilities | | | | |
| Unrealized exchange gain | | | (159,969) | (39,992) |
| Depreciation | (5,336,716) | (1,334,179) | (7,539,435) | (1,884,859) |
| Others | (2,057,198) | (514,299) | | |
| Total deferred income tax liabilities | | (1,848,478) | | (1,924,851) |
| Total net deferred income tax assets | | \$ 5,861,444 | | \$ 7,335,903 |
| Deferred income tax assets - current | | | | |
| Deferred income tax assets - current | | \$ 3,478,307 | | \$ 7,552,307 |
| Deferred income tax liabilities - current | | (205,498) | | (39,992) |
| Valuation allowance | | (1,184,350) | | (2,960,145) |
| Net | | 2,088,459 | | 4,552,170 |
| Deferred income tax assets - noncurrent | | | | |
| Deferred income tax assets - noncurrent | | 10,435,107 | | 10,063,753 |
| Deferred income tax liabilities - noncurrent | | (1,642,980) | | (1,884,859) |
| Valuation allowance | | (5,019,142) | | (5,395,161) |
| Net | | 3,772,985 | | 2,783,733 |
| Total net deferred income tax assets | | \$ 5,861,444 | | \$ 7,335,903 |

c. The Company's income tax returns for all fiscal years up to 2003 have been assessed and approved by the R.O.C. Tax Authority.

- d. The Company 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 2002 had not yet been decided. The income tax exemption for other periods will expire on December 31, 2012.
- e. The Company earns investment tax credits for the amount invested in production equipment, research and development, and employee training.

As of March 31, 2007, the Company's unused investment tax credits were as follows:

| Expiration Year | Investment tax credits earned | Balance of unused investment tax credits |
|-----------------|-------------------------------|--|
| 2007 | \$ 1,611,785 | \$ 622,672 |
| 2008 | 6,296,685 | 6,296,685 |
| 2009 | 2,549,487 | 2,549,487 |
| 2010 | 1,600,806 | 1,600,806 |
| 2011 | 622,810 | 622,810 |
| Total | \$ 12,681,573 | \$ 11,692,460 |

- f. Under the rules of the Income Tax Law of the R.O.C., net losses can be carried forward for 5 years. As of March 31, 2007, the unutilized accumulated losses were as follows:

| Expiration Year | Accumulated losses | Unutilized accumulated losses |
|--|--------------------|-------------------------------|
| 2007 | \$ 3,773,826 | \$ 3,773,826 |
| 2008 (Transferred in from merger with SiSMC) | 2,283 | 2,283 |
| 2009 (Transferred in from merger with SiSMC) | 38,925 | 38,925 |
| Total | \$ 3,815,034 | \$ 3,815,034 |

- g. The balance of the Company's imputation credit accounts as of March 31, 2007 and 2006 were NT\$95 million and NT\$53 million, respectively. The expected creditable ratio for 2006 and the actual creditable ratio for 2005 was 0.54% and 0%, respectively.

- h. The Company's earnings generated in the year ended December 31, 1997 and prior years have been fully appropriated.

(20) EARNINGS PER SHARE

- a. The Company's capital structure is composed mainly of zero coupon convertible bonds and employee stock options. Therefore, in consideration of such complex structure, the calculated basic and diluted earnings per share for the three-month periods ended March 31, 2007 and 2006, are disclosed as follows:

| | For the three-month period ended March 31, 2007 | | | | |
|---|---|--------------|-------------------------------|--------------------------|------------|
| | Amount | | | Earnings per share (NTD) | |
| | Income before income tax | Net income | Shares Expressed in thousands | Income before income tax | Net income |
| Earning per share-basic (NTD) | | | | | |
| Income from continuing operations | \$ 1,737,326 | \$ 1,458,690 | 17,775,611 | \$ 0.10 | \$ 0.08 |
| Cumulative effect of changes in accounting principles | | | | | |
| Net income | \$ 1,737,326 | \$ 1,458,690 | | \$ 0.10 | \$ 0.08 |
| Effect of dilution | | | | | |
| Employee stock options | \$ | \$ | 128,465 | | |
| Earning per share-diluted: | | | | | |
| Income from continuing operations | \$ 1,737,326 | \$ 1,458,690 | 17,904,076 | \$ 0.10 | \$ 0.08 |
| Cumulative effect of changes in accounting principles | | | | | |
| Net income | \$ 1,737,326 | \$ 1,458,690 | | \$ 0.10 | \$ 0.08 |

The convertible bonds payable was not dilutive when calculating diluted earnings per share for the three-month period ended March 31, 2007.

| | For the three-month period ended March 31, 2006 (retroactively adjusted) | | | | |
|---|--|---------------|-------------------------------|--------------------------|------------|
| | Amount | | | Earnings per share (NTD) | |
| | Income before income tax | Net income | Shares expressed in thousands | Income before income tax | Net income |
| Earning per share-basic (NTD) | | | | | |
| Income from continuing operations | \$ 14,175,048 | \$ 13,474,775 | 18,691,631 | \$ 0.76 | \$ 0.72 |
| Cumulative effect of changes in accounting principles | (1,188,515) | (1,188,515) | | (0.06) | (0.06) |
| Net income | \$ 12,986,533 | \$ 12,286,260 | | \$ 0.70 | \$ 0.66 |
| Effect of dilution | | | | | |
| Employee stock options | \$ | \$ | 104,303 | | |
| Convertible bonds payable | \$ (137,420) | \$ (140,252) | 516,382 | | |
| Earning per share-diluted: | | | | | |
| Income from continuing operations | \$ 14,037,628 | \$ 13,334,523 | 19,312,316 | \$ 0.73 | \$ 0.69 |
| Cumulative effect of changes in accounting principles | (1,188,515) | (1,188,515) | | (0.06) | (0.06) |
| Net income | \$ 12,849,113 | \$ 12,146,008 | | \$ 0.67 | \$ 0.63 |

- b. Pro forma information on earnings as if subsidiaries investment in the Company is not treated as treasury stock is set out as follows:

| <i>(shares expressed in thousands)</i> | For the three-month period ended March 31, 2007 | |
|---|--|----------------|
| | Basic | Diluted |
| Net income | \$ 1,458,690 | \$ 1,458,690 |
| Weighted-average of shares outstanding: | | |
| Beginning balance | 17,789,126 | 17,789,126 |
| Weighted-average shares of exercising employee stock options | 8,555 | 8,555 |
| Dilutive shares of employee stock options accounted for under treasury stock method | | 128,465 |
| Ending balance | 17,797,681 | 17,926,146 |
| Earnings per share | | |
| Net income (NTD) | \$ 0.08 | \$ 0.08 |

| <i>(shares expressed in thousands)</i> | For the three-month period ended March 31, 2006 (retroactively adjusted) | |
|---|---|----------------|
| | Basic | Diluted |
| Net income | \$ 12,286,260 | \$ 12,146,008 |
| Weighted-average of shares outstanding: | | |
| Beginning balance | 18,852,636 | 18,852,636 |
| Increase in capital through 2006 retained earnings and additional paid-in capital at proportion of 1.3% | 239,693 | 239,693 |
| Purchase of 815,747 thousand shares of treasury stock from January 1 to March 31, 2006 | (207,319) | (207,319) |
| Weighted-average shares of exercising employee stock options | 10,968 | 10,968 |
| Dilutive shares of employee stock options accounted for under treasury stock method | | 104,303 |
| Dilutive shares issued assuming conversion of bonds | | 516,382 |
| Ending balance | 18,895,978 | 19,516,663 |
| Earnings per share | | |
| Net income (NTD) | \$ 0.65 | \$ 0.62 |

5. RELATED PARTY TRANSACTIONS

(1) Name and Relationship of Related Parties

| Name of related parties | Relationship with the Company |
|---|---|
| UMC GROUP (USA) (UMC-USA) | Equity Investee |
| UNITED MICROELECTRONICS (EUROPE) B.V. | Equity Investee |
| UMC CAPITAL CORP. | Equity Investee |
| UNITED MICROELECTRONICS CORP. (SAMOA) | Equity Investee |
| UMCI LTD. | Equity Investee |
| UMC JAPAN (UMCJ) | Equity Investee |
| UNITECH CAPITAL INC. | Equity Investee |
| MEGA MISSION LIMITED PARTNERSHIP | Equity Investee |
| MTIC HOLDINGS PTE. LTD. | Equity Investee |
| FORTUNE VENTURE CAPITAL CORP. | Equity Investee |
| HSUN CHIEH INVESTMENT CO., LTD. | Equity Investee |
| UNITED MICRODISPLAY OPTRONICS CORP. | Equity Investee |
| HOLTEK SEMICONDUCTOR INC. (HOLTEK) | Equity Investee |
| ITE TECH. INC. | Equity Investee |
| AMIC TECHNOLOGY CORP. | Equity Investee |
| PACIFIC VENTURE CAPITAL CO., LTD. | Equity Investee |
| XGI TECHNOLOGY INC. | Equity Investee |
| TLC CAPITAL CO., LTD. | Equity Investee |
| HIGHLINK TECHNOLOGY CORP. (merged into EPISTAR CORP. since March 2007) | Equity Investee |
| NEXPOWER TECHNOLOGY CORP. | Equity Investee |
| SILICON INTEGRATED SYSTEMS CORP. | The Company's director |
| UNITRUTH INVESTMENT CORP. | Subsidiary's equity investee |
| UWAVE TECHNOLOGY CORP. | Subsidiary's equity investee |
| UCA TECHNOLOGY INC. | Subsidiary's equity investee |
| AFA TECHNOLOGY, INC. | Subsidiary's equity investee |
| STAR SEMICONDUCTOR CORP. (No longer an subsidiary's equity investee since March 2007) | Subsidiary's equity investee |
| USBEST TECHNOLOGY INC. (No longer an subsidiary's equity investee since February 2007) | Subsidiary's equity investee |
| SMEDIA TECHNOLOGY CORP. | Subsidiary's equity investee |
| U-MEDIA COMMUNICATIONS, INC. | Subsidiary's equity investee |
| CRYSTAL MEDIA INC. | Subsidiary's equity investee |
| MOBILE DEVICES INC. | Subsidiary's equity investee |
| CHIP ADVANCED TECHNOLOGY INC. | Same chairman with the Company's subsidiary |

(2) Significant Related Party Transactions

a. Operating revenues

| | For the three-month period ended March 31, | | | |
|--------------|--|------------|----------------------|------------|
| | 2007 | | 2006 | |
| | Amount | Percentage | Amount | Percentage |
| UMC-USA | \$ 10,574,481 | 46 | \$ 11,147,820 | 46 |
| Others | 2,716,084 | 12 | 4,051,553 | 16 |
| Total | \$ 13,290,565 | 58 | \$ 15,199,373 | 62 |

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. Notes receivable

| | As of March 31, | | | |
|--------------|------------------|------------|------------------|------------|
| | 2007 | | 2006 | |
| | Amount | Percentage | Amount | Percentage |
| HOLTEK | \$ 30,342 | 84 | \$ 67,720 | 94 |
| Others | 1,830 | 5 | 2,045 | 3 |
| Total | \$ 32,172 | 89 | \$ 69,765 | 97 |

c. Accounts receivable, net

| | As of March 31, | | | |
|---|---------------------|------------|---------------------|------------|
| | 2007 | | 2006 | |
| | Amount | Percentage | Amount | Percentage |
| UMC-USA | \$ 4,537,604 | 34 | \$ 4,058,564 | 32 |
| Others | 1,960,033 | 15 | 2,510,859 | 20 |
| Total | 6,497,637 | 49 | 6,569,423 | 52 |
| Less: Allowance for sales returns and discounts | (236,105) | | (643,401) | |
| Less: Allowance for doubtful accounts | (618) | | (78,221) | |
| Net | \$ 6,260,914 | | \$ 5,847,801 | |

d. Endorsements and guarantees

The Company did not provide any note as endorsement and guarantee for related parties during the three-month period ended March 31, 2007.

As of March 31, 2006, the Company provided notes of endorsement or guarantees on behalf of its subsidiary, UMCJ, totaling NT\$2,894 million.

6. ASSETS PLEDGED AS COLLATERALAs of March 31, 2007

| | Amount | Party to which asset(s) was pledged | Purpose of pledge |
|-------------|------------|--|-------------------|
| Deposit-out | \$ 620,996 | Customs | Customs duty |

(Time deposit)

guarantee

As of March 31, 2006

| | Amount | Party to which asset(s) was pledged | Purpose of pledge |
|-------------|------------|--|-------------------|
| Deposit-out | \$ 520,847 | 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\$19.9 billion. Royalties and development fees for the future years are NT\$ 5.7 billion as of March 31, 2007.
- (2) The Company signed several construction contracts for the expansion of its factory space. As of March 31, 2007, these construction contracts have amounted to approximately NT\$6.1 billion and the unpaid portion of the contracts, which was not accrued, was approximately NT\$3.3 billion.
- (3) OAK Technology, Inc. (OAK) and the Company entered into a settlement agreement on July 31, 1997 concerning a complaint filed with the United States International Trade Commission (ITC) by OAK against the Company and others, alleging unfair trade practices based on alleged patent infringement regarding certain CD-ROM controllers (the first OAK ITC case). On October 27, 1997, OAK filed a civil action in a California federal district court, alleging claims for breach of the settlement agreement and fraudulent misrepresentation. In connection with its breach of contract and other claims, OAK sought damages in excess of US\$750 million. The Company denied the material allegations of the complaint, and asserted counterclaims against OAK for breach of contract, intentional interference with economic advantage and rescission and restitution based on fraudulent concealment and/or mistake. The Company also asserted declaratory judgment claims for invalidity and unenforceability of the relevant OAK patent. On February 9, 2006, the parties entered a settlement agreement in which the Company, OAK and Zoran (the successor to OAK) fully and finally released one another from any and all claims and liabilities arising out of the facts alleged in the district court case. The terms of settlement are confidential and, except for the obligation to keep the terms confidential, impose no obligation on the Company.

- (4) The Company entered into several operating lease contracts for land. These renewable operating leases are set to expire in various years through to 2032 and are renewable. Future minimum lease payments under those leases are as follows:

| For the year ended December 31, | Amount |
|---|---------------------|
| 2007 (2 nd quarter and thereafter) | \$ 143,848 |
| 2008 | 191,952 |
| 2009 | 192,309 |
| 2010 | 192,680 |
| 2011 | 193,066 |
| 2012 and thereafter | 1,847,938 |
| Total | \$ 2,761,793 |

- (5) The Company entered into several wafer-processing contracts with its principal customers. According to the contracts, the Company shall guarantee processing capacity, while these customers make deposits to the Company.
- (6) The Company has entered into contracts for the purchase of materials and masks with certain vendors. As of March 31, 2007, the commitment of these construction contracts has amounted to approximately NT\$6.3 billion, and the unpaid portion of the contracts, which was not accrued, was approximately NT\$5 billion.
- (7) On February 15, 2005, the Hsinchu District Prosecutor's Office conducted a search of the Company's facilities. On February 18, 2005, the Company'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, the Company 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 the Company and no written agreement was made and executed. Upon the Company'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 the Company's past assistance and for continued assistance in the future.

Immediately after the Company 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 the Company. The shareholders meeting dated June 13, 2005 resolved that to the extent permitted by law the Company shall try to get the 15% of the outstanding shares offered by the holding company of Hejian as an asset of the Company. The holding company of Hejian offered 106 million shares of its outstanding common shares in return for the Company's assistance. The holding company of Hejian has put all such shares in escrow. The Company 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, the Company 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 the Company to acquire and exercise. In the event that any stock dividend or cash dividend is distributed, the Company's stake in the holding company of Hejian will accumulate accordingly.

In April 2005, the Company'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, the Company 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. The Company 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 Execution 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. As of March 31, 2007, the result of such reconsideration and administrative action has not been finalized. The case is being processed in Taipei High Administrative Court.

For the Company's assistance to Hejian Technology Corp., the Company'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 the Company, were indicted for violating the Business Accounting Law and breach of trust under the Criminal Law by Hsinchu District Court's Prosecutor's Office on January 9, 2006. Mr. Robert H.C. Tsao and Mr. John Hsuan had officially resigned from their positions of the Company'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 the Company's directors and had not executed their duties as the Company'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; the Company would not be subject to indictment regarding this case.

On February 15, 2006, the Company 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 the Company believes it was illegally and improperly fined, the Company had filed an administrative appeal against MOEA to the Executive Yuan on March 16, 2006. The Company's administrative appeal was dismissed by the Executive Yuan, R.O.C. on October 19, 2006. The Company filed an administrative action against the R.O.C. Ministry of Economic Affairs to Taipei High Administrative Court on December 8, 2006. As of March 31, 2007, the result of such administrative action has not been finalized. The case is being processed in Taipei High Administrative Court.

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

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

The Company 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 the Company's operations and financing activities.

The main risks arising from the Company'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

The Company utilizes interest rate swap agreements to avoid its cash flow interest rate risk on its counter-floating rate of unsecured domestic bonds issued during the period from May 21 to June 24, 2003. The periods 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

The Company has foreign currency risk arising from purchases or sales. The Company utilizes spot or forward contracts to avoid foreign currency risk. The Company buys or sell the same amount of foreign currency with hedged through for ward hedging items for contracts. In principal, the Company does not carry out any forward contracts for uncertain commitments.

Commodity price risk

The Company's exposure to commodity price risk is minimal.

Credit risk

The Company trades only with established and creditworthy third parties. It is the Company'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 the Company's exposure to bad debts.

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

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

Liquidity risk

The Company's objective is to maintain a balance of funding continuity and flexibility through the use of financial instruments such as cash and cash equivalents, bank loans and bonds.

(3) Information of financial instruments

a. Fair value of financial instruments

| Financial Assets | As of March 31, | | | |
|--|-----------------|---------------|---------------|---------------|
| | 2007 | | 2006 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| <u>Non-derivative</u> | | | | |
| Cash and cash equivalents | \$ 80,988,902 | \$ 80,988,902 | \$ 96,371,991 | \$ 96,371,991 |
| Financial assets at fair value through profit or loss, current | 7,553,964 | 7,553,964 | 1,498,018 | 1,498,018 |
| Held-to-maturity financial assets, current | 200,000 | 200,000 | 775,552 | 775,552 |
| Notes and accounts receivable | 13,649,500 | 13,649,500 | 12,436,640 | 12,436,640 |
| Available-for-sale financial assets, noncurrent | 43,359,493 | 43,359,493 | 50,370,985 | 50,370,985 |
| Held-to-maturity financial assets, noncurrent | | | 200,000 | 200,000 |
| Financial assets measured at cost, noncurrent | 2,322,636 | | 2,277,013 | |
| Long-term investments accounted for under the equity method | 38,935,939 | 39,857,068 | 28,555,855 | 34,954,692 |
| Prepayment for long-term investments | 163,809 | | | |
| Deposits-out | 642,428 | 642,428 | 542,976 | 542,976 |

| Financial Liabilities | As of March 31, | | | |
|--|-----------------|---------------|---------------|---------------|
| | 2007 | | 2006 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| <u>Non-derivative</u> | | | | |
| Payables | \$ 21,998,723 | \$ 21,998,723 | \$ 15,560,997 | \$ 15,560,997 |
| Capacity deposits (current portion) | 249,785 | 249,785 | 894,685 | 894,685 |
| Bonds payable (current portion included) | 35,827,148 | 36,084,559 | 45,926,485 | 47,784,515 |
| <u>Derivative</u> | | | | |
| Interest rate swaps | \$ 627,002 | \$ 627,002 | \$ 784,198 | \$ 784,198 |
| Derivatives embedded in exchangeable bonds | 376,559 | 376,559 | 728,322 | 728,322 |

- 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 receivable, accounts receivable, current portion of capacity deposits, and payables.
 - 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.
 - iii. The fair value of held-to-maturity financial assets and long-term investments accounted for under 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 is unable to estimate 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 | |
|--|-------------------------|--------------|---------------------|------------|
| | 2007.03.31 | 2006.03.31 | 2007.03.31 | 2006.03.31 |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss, current | \$ 7,553,964 | \$ 1,498,018 | \$ | \$ |
| Available-for-sale financial assets, noncurrent | 43,359,493 | 50,370,985 | | |
| Long-term investments | 39,857,068 | 34,954,692 | | |

| Non-derivative | Active Market Quotation | | Valuation Technique | |
|---|-------------------------|---------------|---------------------|------------|
| | 2007.03.31 | 2006.03.31 | 2007.03.31 | 2006.03.31 |
| Financial Instruments | | | | |
| Financial liabilities accounted for under the equity method | | | | |
| Bonds payable (current portion included) | \$ 36,084,559 | \$ 47,784,515 | \$ | \$ |
| Derivative Financial Instruments | | | | |
| Financial liabilities | | | | |
| Interest rate swaps | \$ | \$ | \$ 627,002 | \$ 784,198 |
| Derivatives embedded in exchangeable bonds | | | 376,559 | 728,322 |

- d. The Company recognized losses in NT\$36 million and NT\$44 million arising from the changes in fair value of financial liabilities at fair value through profit or loss for the three-month periods ended March 31, 2007 and 2006, respectively.
- e. The Company's financial liability with cash flow interest rate risk exposure as of March 31, 2007 and 2006 amounted to NT\$627 million and NT\$784 million, respectively.
- f. During the first quarter ended March 31, 2007, total interest revenue and interest expense for financial assets or liabilities that are not at fair value through profit or loss were NT\$352 million and NT\$93 million, respectively, while interest revenue and expense for the first quarter period ended March 31, 2006 each amounted to NT\$358 million and NT\$221 million, respectively.
- (4) The Company and its subsidiary held credit-linked deposits and repackage bonds for the earning of interest income. The details are disclosed as follows:

- a. Principal amount in original currency
As of March 31, 2007

The Company

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

As of March 31, 2006

The Company

| Credit-linked deposits and repackage bonds referenced to | Amount | Due Date |
|---|-----------------|-----------------|
| SILICONWARE PRECISION INDUSTRIES CO., LTD. European Convertible Bonds and Loans | NTD 400 million | 2007.02.05 |
| SILICONWARE PRECISION INDUSTRIES CO., LTD. European Convertible Bonds and Loans | NTD 200 million | 2007.02.05 |
| UMC JAPAN European Convertible Bonds | JPY 640 million | 2007.03.28 |
| ADVANCED SEMICONDUCTOR ENGINEERING INC. European Convertible Bonds and Loans | NTD 200 million | 2007.09.25 |
| <u>UMC JAPAN</u> | | |

| Credit-linked deposits and repackage bonds referenced to | Amount | Due Date |
|---|-----------------|-----------------|
| UMC JAPAN European Convertible Bonds | JPY 500 million | 2007.03.29 |

b. Credit risk

The counterparties of the above investments are major international financial institutions. The repayment in full of these investments is subject to the non-occurrence of one or more credit events, which are 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, UMC JAPAN, may receive less than the full amount of these investments or nothing. The Company and its subsidiary, UMC JAPAN, have 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 two years, or are relatively liquid in the secondary market.

d. Market risk

There is no market risk for the above investments except for the fluctuations in the exchange rates of US Dollars and Japanese Yen to NT Dollars at the balance sheet date and the settlement date.

- (5) The Company and its subsidiary, UMC JAPAN, entered into interest rate swap and forward contracts for hedging the interest rate risk arising from the counter-floating rate of domestic bonds and for hedging the exchange rate risk arising from the net assets or liabilities denominated in foreign currency. The hedging strategy was developed with the objective to reduce the market risk for non-trading purpose. 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 risks on its counter-floating rate of unsecured domestic bonds issued during the period from May 21 to June 24, 2003. The periods 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 March 31, 2007 and 2006, the Company had the following interest rate swap agreements in effect:

| 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 12-Month LIBOR | 1.52% |
| NT\$7,500 million | May 21, 2003 to June 24, 2010 | 4.3% minus USD 12-Month LIBOR | 1.48% |

- b. 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.

- c. The presentation of derivative financial instruments on the financial statements

As of March 31, 2007 and 2006, the Company's interest rate swap agreements were classified as current liabilities amounting to NT\$627 million and NT\$784 million, respectively.

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 three-month period ended March 31, 2007: please refer to Attachment 1.
 - b. Endorsement/Guarantee provided to others for the three-month period ended March 31, 2007: please refer to Attachment 2.
 - c. Securities held as of March 31, 2007: please refer to Attachment 3.
 - d. 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 three-month period ended March 31, 2007: please refer to Attachment 4.
 - e. Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2007: please refer to Attachment 5.
 - f. Disposal of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2007: please refer to Attachment 6.
 - g. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2007: please refer to Attachment 7.
 - h. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of March 31, 2007: please refer to Attachment 8.
 - i. Names, locations and related information of investees as of March 31, 2007: please refer to Attachment 9.
 - j. Financial instruments and derivative transactions: please refer to Note 10.
- (2) Investment in Mainland China
None.

ATTACHMENT 1 (Financing provided to others for the three-month period ended March 31, 2007)

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

| counter-party | Financial statement account | Maximum | | | 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 |
|---------------|-----------------------------|------------------------|----------------|---------------|---------------------|---|----------------------|---------------------------------|------------|-------|--|
| | | balance for the period | Ending balance | Interest rate | | | | | Item | Value | |

ATTACHMENT 2 (Endorsement/Guarantee provided to others for the three-month period ended March 31, 2007)

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

| Endorser/Guarantor | Receiving party | Relationship | Limit of guarantee/endorsement amount for receiving party | Maximum balance for the period | Ending balance | Amount of collateral guarantee/endorsement | Percentage of accumulated guarantee amount to net assets value from the latest financial statement | Limit of guarantee/enc amou |
|--------------------|-----------------|--------------|--|-----------------------------------|----------------|--|---|-----------------------------------|
|--------------------|-----------------|--------------|--|-----------------------------------|----------------|--|---|-----------------------------------|

ATTACHMENT 3 (Securities held as of March 31, 2007)

(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)/ bonds/ shares (thousand) | March 31, 2007 | | Market value/ Net assets value (thousand) | Shares as collateral |
|--------------------|--|------------------|--|--|----------------|-----------------------------|---|-------------------------|
| | | | | | Book value | Percentage of ownership (%) | | |
| Convertible bonds | EDOM TECHNOLOGY CO., LTD. | | Financial assets at fair value through profit or loss, current | 60 | \$ 197,011 | \$ 197,011 | None | |
| Convertible bonds | TOPOINT TECHNOLOGY CO., LTD. | | Financial assets at fair value through profit or loss, current | 380 | 60,800 | 60,800 | None | |
| Convertible bonds | TATUNG CO. | | Financial assets at fair value through profit or loss, current | 402 | 50,250 | 50,250 | None | |
| Convertible bonds | CHANG WAH ELECTRONMATERIALS INC. | | Financial assets at fair value through profit or loss, current | 500 | 55,050 | 55,050 | None | |
| Stock | FIRICH ENTERPRISES CO.,LTD. | | Financial assets at fair value through profit or loss, current | 122 | 56,260 | 0.22 56,260 | None | |
| Stock | PROMOS TECHNOLOGIES INC. | | Financial assets at fair value through profit or loss, current | 471,400 | 6,057,490 | 7.67 6,057,490 | None | |
| Stock | L&K ENGINEERING CO., LTD. | | Financial assets at fair value through profit or loss, current | 1,683 | 89,545 | 0.99 89,545 | None | |
| Stock | MICRONAS SEMICONDUCTOR HOLDING AG | | Financial assets at fair value through profit or loss, current | 280 | 189,588 | 0.86 189,588 | None | |
| Stock | ACTION ELECTRONICS CO., LTD. | | Financial assets at fair value through profit or loss, current | 16,270 | 332,718 | 0.44 332,718 | None | |
| Stock | CHINA DEVELOPMENT FINANCIAL HOLDING CORP. | | Financial assets at fair value through profit or loss, current | 23,538 | 347,188 | 0.21 347,188 | None | |
| Stock | SILICONWARE PRECISION INDUSTRIES CO., LTD. | | Financial assets at fair value through profit or loss, current | 708 | 43,870 | 0.03 43,870 | None | |
| Stock | YANG MING MARINE TRANSPORT CORP. | | Financial assets at fair value through profit or loss, current | 3,254 | 74,194 | 0.14 74,194 | None | |
| Stock | UMC GROUP (USA) | Investee company | Long-term investments accounted for under the equity method | 16,438 | 977,029 | 100.00 977,029 | None | |
| Stock | UNITED MICROELECTRONICS | Investee company | Long-term investments | 9 | 289,562 | 100.00 281,947 | None | |

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| | | | | | | | | |
|-------|---------------------------------------|------------------|---|---------|-----------|--------|-----------|------|
| | (EUROPE) B.V. | | accounted for under the equity method | | | | | |
| Stock | UMC CAPITAL CORP. | Investee company | Long-term investments accounted for under the equity method | 124,000 | 3,682,961 | 100.00 | 3,682,961 | None |
| Stock | UNITED MICROELECTRONICS CORP. (SAMOA) | Investee company | Long-term investments accounted for under the equity method | 280 | 7,034 | 100.00 | 7,034 | None |
| Stock | UMCI LTD. | Investee company | Long-term investments accounted for under the equity method | 880,006 | 94 | 100.00 | 94 | None |
| Stock | TLC CAPITAL CO., LTD. | Investee company | Long-term investments accounted for under the equity method | 600,000 | 7,727,434 | 100.00 | 7,727,434 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | Market value/Net assets value | Shares as collateral | |
|--------------------|-------------------------------------|------------------|---|--|-----------------------------|-------------------------------|----------------------|------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Percentage of ownership (%) | | | |
| Stock | FORTUNE VENTURE CAPITAL CORP. | Investee company | Long-term investments accounted for under the equity method | 499,994 | \$ 10,330,744 | 99.99 | \$ 10,900,221 | None |
| Stock | UNITED MICRODISPLAY OPTRONICS CORP. | Investee company | Long-term investments accounted for under the equity method | 64,313 | 126,674 | 81.76 | 126,674 | None |
| Stock | UMC JAPAN | Investee company | Long-term investments accounted for under the equity method | 496 | 6,010,932 | 50.09 | 2,603,852 | None |
| Stock | PACIFIC VENTURE CAPITAL CO., LTD. | Investee company | Long-term investments accounted for under the equity method | 30,000 | 127,379 | 49.99 | 137,587 | None |
| Stock | MTIC HOLDINGS PTE LTD. | Investee company | Long-term investments accounted for under the equity method | 4,000 | 82,153 | 49.94 | 82,153 | None |
| Stock | MEGA MISSION LIMITED PARTNERSHIP | Investee company | Long-term investments accounted for under the equity method | | 2,355,815 | 45.00 | 2,355,815 | None |
| Stock | UNITECH CAPITAL INC. | Investee company | Long-term investments accounted for under the equity method | 21,000 | 1,026,305 | 42.00 | 1,026,305 | None |
| Stock | NEXPOWER TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 29,680 | 296,941 | 37.10 | 300,910 | None |
| Stock | HSUN CHIEH INVESTMENT CO., LTD. | Investee company | Long-term investments accounted for under the equity method | 33,624 | 4,550,816 | 36.49 | 4,407,420 | None |
| Stock | HOLTEK SEMICONDUCTOR INC. | Investee company | Long-term investments accounted for under the equity method | 49,439 | 884,521 | 23.24 | 3,510,196 | None |
| Stock | ITE TECH. INC. | Investee company | Long-term investments accounted for under the equity method | 24,229 | 359,780 | 21.62 | 1,603,984 | None |

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| | | | method | | | | | |
|-------|--------------------------------------|------------------------|---|---------|-----------|-------|-----------|------|
| Stock | XGI TECHNOLOGY INC. | Investee company | Long-term investments accounted for under the equity method | 8,758 | 47,000 | 16.48 | 47,000 | None |
| Stock | AMIC TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 16,200 | 52,765 | 11.84 | 78,452 | None |
| Stock | UNIMICRON TECHNOLOGY CORP. | | Available-for-sale financial assets, noncurrent | 202,367 | 8,671,406 | 19.89 | 8,671,406 | None |
| Stock | FARADAY TECHNOLOGY CORP. | | Available-for-sale financial assets, noncurrent | 55,611 | 6,339,704 | 17.27 | 6,339,704 | None |
| Stock | UNITED FU SHEN CHEN TECHNOLOGY CORP. | | Available-for-sale financial assets, noncurrent | 18,460 | 133,652 | 16.60 | 133,652 | None |
| Stock | SILICON INTEGRATED SYSTEMS CORP. | The Company's director | Available-for-sale financial assets, noncurrent | 228,956 | 4,235,684 | 16.09 | 4,235,684 | None |
| Stock | NOVATEK MICROELECTRONICS CORP. | | Available-for-sale financial assets, noncurrent | 60,073 | 8,590,384 | 11.54 | 8,590,384 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

(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)/ bonds/ shares (thousand) | March 31, 2007 | | Market value/ Net assets value | Shares as collateral (thousand) |
|--------------------|---|--------------|---|--|----------------|--------------------------------|--------------------------------------|---------------------------------------|
| | | | | | Book value | Percentage of ownership (%) | | |
| Stock | C-COM CORP. | | Available-for-sale financial assets, noncurrent | 3,083 | \$ 25,095 | 4.40 | \$ 25,095 | None |
| Stock | SPRINGSOFT, INC. | | Available-for-sale financial assets, noncurrent | 8,323 | 538,467 | 4.20 | 538,467 | None |
| Stock | CHIPBOND TECHNOLOGY CORP. | | Available-for-sale financial assets, noncurrent | 12,330 | 458,666 | 4.15 | 458,666 | None |
| Stock | EPISTAR CORP. | | Available-for-sale financial assets, noncurrent | 18,969 | 2,295,212 | 3.67 | 2,295,212 | None |
| Stock | KING YUAN ELECTRONICS CO., LT D. | | Available-for-sale financial assets, noncurrent | 35,008 | 967,969 | 3.21 | 967,969 | None |
| Stock | BILLIONTON SYSTEMS INC. | | Available-for-sale financial assets, noncurrent | 2,048 | 20,785 | 2.63 | 20,785 | None |
| Stock | MEDIATEK INC. | | Available-for-sale financial assets, noncurrent | 13,910 | 5,285,990 | 1.44 | 5,285,990 | None |
| Stock | AU OPTRONICS CORP. | | Available-for-sale financial assets, noncurrent | 73,941 | 3,497,412 | 0.98 | 3,497,412 | None |
| Stock | MEGA FINANCIAL HOLDING COMPANY | | Available-for-sale financial assets, noncurrent | 95,577 | 2,064,459 | 0.86 | 2,064,459 | None |
| Stock | HON HAI PRECISION INDUSTRY CO., LTD. | | Available-for-sale financial assets, noncurrent | 1,057 | 234,608 | 0.02 | 234,608 | None |
| Stock | PIXTECH, INC. | | Financial assets measured at cost, noncurrent | 9,883 | | 17.63 | Note | None |
| Stock | SINO-AEROSPACE INVESTMENT CORP. | | Financial assets measured at cost, noncurrent | 28,500 | | 11.11 | Note | None |
| Stock | UNITED INDUSTRIAL GASES CO., LTD. | | Financial assets measured at cost, noncurrent | 13,185 | 146,250 | 7.80 | Note | None |
| Stock | INDUSTRIAL BANK OF TAIWAN CORP. | | Financial assets measured at cost, noncurrent | 118,303 | 1,139,196 | 4.95 | Note | None |
| Stock | SUBTRON TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 13,593 | 210,110 | 4.68 | Note | None |
| Stock | TECO NANOTECH CO. LTD. | | Financial assets measured at cost, noncurrent | 9,001 | | 3.73 | Note | None |
| Fund | PACIFIC TECHNOLOGY PARTNERS, L.P. | | Financial assets measured at cost, noncurrent | | 280,846 | | N/A | None |
| Fund | | | | | 161,154 | | N/A | None |

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PACIFIC UNITED
TECHNOLOGY,
L.P.

Financial assets
measured at cost,
noncurrent

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | Market value/ Net assets value | Shares as collateral (thousand) |
|-----------------------|------------------------------|--------------|---|--|-----------------------------|--------------------------------|---------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Percentage of ownership (%) | | |
| Stock-Preferred stock | TAIWAN HIGH SPEED RAIL CORP. | | Financial assets measured at cost, noncurrent | 30,000 | \$ 300,000 | N/A | None |
| Stock-Preferred stock | MTIC HOLDINGS PTE LTD. | | Financial assets measured at cost, noncurrent | 4,000 | 85,080 | N/A | None |
| Stock-Preferred stock | TONBU, INC. | | Financial assets measured at cost, noncurrent | 938 | | N/A | None |
| Stock-Preferred stock | AETAS TECHNOLOGY INC. | | Prepayment for long-term investments | 1,550 | 163,809 | N/A | None |

FORTUNE VENTURE CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | Market value/ Net assets value | Shares as collateral (thousand) |
|-----------------------|----------------------------|------------------|---|--|-----------------------------|--------------------------------|---------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Percentage of ownership (%) | | |
| Stock | UNITRUTH INVESTMENT CORP. | Investee company | Long-term investments accounted for under the equity method | 80,000 | \$ 762,516 | 100.00 \$ 762,516 | None |
| Stock | ANOTO TAIWAN CORP. | Investee company | Long-term investments accounted for under the equity method | 3,920 | 29,441 | 49.00 29,441 | None |
| Stock-Preferred stock | AEVOE INTERNATIONAL LTD. | Investee company | Long-term investments accounted for under the equity method | 2,500 | 8,563 | 48.17 8,563 | None |
| Stock | UWAVE TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 10,186 | 30,057 | 44.29 30,057 | None |
| Stock | UCA TECHNOLOGY INC. | Investee company | Long-term investments accounted for under the equity method | 11,285 | 34,455 | 42.38 25,071 | None |
| Stock | WALTOP INTERNATIONAL CORP. | Investee company | Long-term investments accounted for under the equity method | 6,000 | 88,496 | 30.00 37,484 | None |
| Stock | TERA XTAL TECHNOLOGY CORP. | Investee company | Long-term investments accounted for | 5,200 | 89,301 | 26.00 55,468 | None |

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| | | | | | | | | |
|-------|-------------------------|------------------|--|-------|--------|-------|--------|------|
| Stock | CRYSTAL MEDIA INC. | Investee company | under the equity method Long-term investments accounted for under the equity method | 4,493 | 37,692 | 25.15 | 37,692 | None |
| Stock | SMEDIA TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 9,045 | 32,363 | 23.08 | 30,797 | None |
| Stock | ALLIANCE OPTOTEK CORP. | Investee company | Long-term investments accounted for under the equity method | 3,500 | 30,912 | 21.21 | 23,476 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

FORTUNE VENTURE CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | Percentage of ownership (%) | Market value/ Net assets value (thousand) | Shares as collateral |
|--------------------|-------------------------------|-----------------------------|---|--|------------|-----------------------------|---|----------------------|
| | | | | Units (thousand)/ bonds/shares (thou sand) | Book value | | | |
| Stock | U-MEDIA COMMUNICATIONS, INC. | Investee company | Long-term investments accounted for under the equity method | 5,000 | \$ 15,679 | 20.78 | \$ 15,679 | None |
| Stock | AFA TECHNOLOGY, INC. | Investee company | Long-term investments accounted for under the equity method | 6,713 | 76,779 | 19.43 | 64,757 | None |
| Stock | HIGH POWER LIGHTING CORP. | Investee company | Long-term investments accounted for under the equity method | 4,525 | 44,650 | 18.10 | 35,418 | None |
| Stock | MOBILE DEVICES INC. | Investee company | Long-term investments accounted for under the equity method | 5,863 | 25,413 | 18.01 | 22,299 | None |
| Stock | AMIC TECHNOLOGY CORP. | Investee of UMC and Fortune | Long-term investments accounted for under the equity method | 23,405 | 112,917 | 17.08 | 112,917 | None |
| Stock | XGI TECHNOLOGY INC. | Investee of UMC and Fortune | Long-term investments accounted for under the equity method | 6,281 | 27,880 | 11.83 | 33,683 | None |
| Stock | NEXPOWER TECHNOLOGY CORP. | Investee of UMC and Fortune | Long-term investments accounted for under the equity method | 800 | 8,111 | 1.00 | 8,111 | None |
| Stock | DAVICOM SEMICONDUCTOR, INC. | | Financial assets measured at cost, noncurrent | 12,848 | 142,031 | 19.89 | Note | None |
| Stock | BCOM ELECTRONICS INC. | | Financial assets measured at cost, noncurrent | 17,675 | 176,797 | 19.64 | Note | None |
| Stock | USBEST TECHNOLOGY INC. | | Financial assets measured at cost, noncurrent | 3,313 | 47,897 | 19.49 | Note | None |
| Stock | KUN YUAN TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 6,650 | 66,500 | 19.00 | Note | None |
| Stock | STAR SEMICONDUCTOR CORP. | | Financial assets measured at cost, noncurrent | 3,837 | 35,174 | 18.64 | Note | None |
| Stock | HITOP COMMUNICATIONS CORP. | | Financial assets measured at cost, noncurrent | 4,340 | 60,848 | 16.07 | Note | None |
| Stock | | | | 2,268 | 21,600 | 15.68 | Note | None |

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| | | | | | | | |
|-------|-------------------------------|---|-------|--------|-------|------|------|
| | SION TECHNOLOGY CORP. | Financial assets measured at cost, noncurrent | | | | | |
| Stock | LIGHTNING TECH. INC. | Financial assets measured at cost, noncurrent | 2,660 | 16,663 | 14.94 | Note | None |
| Stock | UWIZ TECHNOLOGY CO., LTD. | Financial assets measured at cost, noncurrent | 4,230 | 46,953 | 13.22 | Note | None |
| Stock | CHIP ADVANCED TECHNOLOGY INC. | Financial assets measured at cost, noncurrent | 3,140 | 22,886 | 13.10 | Note | None |
| Stock | VASTVIEW TECHNOLOGY INC. | Financial assets measured at cost, noncurrent | 3,487 | 11,891 | 12.02 | Note | None |

ATTACHMENT 3 (Securities held as of March 31, 2007)

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

FORTUNE VENTURE CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | Market value/ Net assets value | Shares as collateral (thousand) |
|--------------------|--|--------------|--|--|------------|--------------------------------|-----------------------------------|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | | |
| Stock | YAYATECH CO., LTD. | | Financial assets measured at cost, noncurrent | 1,080 | \$ 36,180 | 10.80 | Note | None |
| Stock | GOLDEN TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP. | | Financial assets measured at cost, noncurrent | 5,040 | 49,280 | 10.67 | Note | None |
| Stock | AMOD TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 1,060 | 10,421 | 10.60 | Note | None |
| Stock | EXOJET TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 2,300 | 23,000 | 10.57 | Note | None |
| Stock | ADVANCE MATERIALS CORP. | | Financial assets measured at cost, noncurrent | 11,434 | 113,017 | 10.36 | Note | None |
| Stock | EVERGLORY RESOURCE TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 2,500 | 21,875 | 10.23 | Note | None |
| Stock | NCTU SPRING 1 TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP. | | Financial assets measured at cost, noncurrent | 4,284 | 27,160 | 10.06 | Note | None |
| Stock | EXCELLENCE OPTOELECTRONICS INC. | | Financial assets measured at cost, noncurrent | 8,529 | 85,291 | 9.61 | Note | None |
| Stock | CHANG-YU TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 2,050 | 55,350 | 9.49 | Note | None |
| Stock | ALLEN PRECISION INDUSTRIES CO., LTD. | | Financial assets measured at cost, noncurrent | 3,000 | 38,400 | 9.32 | Note | None |
| Stock | JMICRON TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 2,660 | 47,880 | 8.18 | 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 | 7.83 | 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 | 13,600 | 6.28 | Note | None |
| Stock | HIGH POWER OPTOELECTRONICS, INC. | | Financial assets measured at cost, noncurrent | 1,500 | 15,000 | 6.00 | Note | None |

ATTACHMENT 3 (Securities held as of March 31, 2007)

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

FORTUNE VENTURE CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | Market value/ Net assets value | Shares as collateral (thousand) |
|--------------------|---|--------------|--|--|------------|--------------------------------|-----------------------------------|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | | |
| Stock | SIMPAL ELECTRONICS CO., LTD. | | Financial assets measured at cost, noncurrent | 6,009 | \$ 70,179 | 5.67 | Note | None |
| Stock | COSMOS TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP. | | Financial assets measured at cost, noncurrent | 1,742 | 15,964 | 5.03 | Note | None |
| Stock | PARAWIN VENTURE CAPITAL CORP. | | Financial assets measured at cost, noncurrent | 5,000 | 41,900 | 5.00 | Note | None |
| Stock | MEMOCOM CORP. | | Financial assets measured at cost, noncurrent | 2,450 | 16,391 | 4.90 | Note | None |
| Stock | LUMITEK CORP. | | Financial assets measured at cost, noncurrent | 1,750 | 32,000 | 4.89 | Note | None |
| Stock | EE SOLUTIONS, INC. | | Financial assets measured at cost, noncurrent | 1,300 | 22,178 | 4.85 | Note | None |
| Stock | TRENDCHIP TECHNOLOGIES CORP. | | Financial assets measured at cost, noncurrent | 1,249 | 15,086 | 4.72 | Note | None |
| Stock | GIGA SOLUTION TECH. CO., LTD. | | Financial assets measured at cost, noncurrent | 3,930 | 26,742 | 4.65 | Note | None |
| Stock | BEYOND INNOVATION TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 1,183 | 14,165 | 4.11 | Note | None |
| Stock | WAVEPLUS TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 1,200 | | 4.00 | Note | None |
| Stock | IBT VENTURE CORP. | | Financial assets measured at cost, noncurrent | 7,614 | 76,142 | 3.81 | Note | None |
| Stock | SUBTRON TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 10,993 | 132,634 | 3.79 | None | Note |
| Fund | IGLOBE PARTNERS FUND, L.P. | | Financial assets measured at cost, noncurrent | | 39,051 | 3.45 | N/A | None |
| Stock | FORTUNE SEMICONDUCTOR CORP. | | Financial assets measured at cost, noncurrent | 1,254 | 20,787 | 3.33 | Note | None |
| Stock | ANIMATION TECHNOLOGIES INC. | | Financial assets measured at cost, noncurrent | 1,480 | 22,200 | 3.16 | Note | None |
| Stock | SUPERALLOY INDUSTRIAL CO., LTD. | | Financial assets measured at cost, noncurrent | 5,000 | 225,000 | 3.08 | Note | None |
| Stock | CHIPSENCE CORP. | | Financial assets measured at cost, noncurrent | 1,750 | 11,325 | 2.93 | Note | None |

ATTACHMENT 3 (Securities held as of March 31, 2007)

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

FORTUNE VENTURE CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | Shares as collateral (thousand) |
|-----------------------|--|------------------|---|--|------------|-----------------------------|--------------------------------|---------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ Net assets value | |
| Stock | PRINTECH INTERNATIONAL INC. | | Financial assets measured at cost, noncurrent | 540 | \$ 2,457 | 2.69 | Note | None |
| Stock | SHENG-HUA VENTURE CAPITAL CORP. | | Financial assets measured at cost, noncurrent | 1,250 | 9,950 | 2.50 | Note | None |
| Stock | ADVANCED CHIP ENGINEERING TECHNOLOGY INC. | | Financial assets measured at cost, noncurrent | 2,290 | 24,419 | 1.84 | Note | None |
| Stock | TAIMIDE TECHNOLOGY INC. | | Financial assets measured at cost, noncurrent | 1,500 | 16,095 | 1.70 | Note | None |
| Stock | RALINK TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 1,323 | 14,828 | 1.60 | Note | None |
| Fund | CRYSTAL INTERNET VENTURE FUND II(BVI),L.P. | | Financial assets measured at cost, noncurrent | | 9,342 | 0.99 | N/A | None |
| Stock | ARCADIA DESIGN SYSTEMS (TAIWAN), INC. | | Financial assets measured at cost, noncurrent | 162 | | 0.83 | Note | None |
| Stock-Preferred stock | AURORA SYSTEMS, INC. | | Financial assets measured at cost, noncurrent | 5,133 | 59,317 | | N/A | None |
| Stock-Preferred stock | ALPHA & OMEGA SEMICONDUCTOR LTD. | | Financial assets measured at cost, noncurrent | 1,500 | 46,313 | | N/A | None |
| Stock | PIXART IMAGING INC. | | Available-for-sale financial assets, noncurrent | 13,274 | 5,535,254 | 12.71 | 5,535,254 | None |
| Stock | UNITED ORTHOPEDIC CORP. | | Available-for-sale financial assets, noncurrent | 1,236 | 27,068 | 3.64 | 27,068 | None |
| Stock | AIMTRON TECHNOLOGY, INC. | | Available-for-sale financial assets, noncurrent | 1,384 | 83,039 | 3.15 | 83,039 | None |
| Stock | AVERLOGIC TECHNOLOGIES CORP. | | Available-for-sale financial assets, noncurrent | 552 | 9,623 | 1.79 | 9,623 | None |
| Stock | TOPOINT TECHNOLOGY CO., LTD. | | Available-for-sale financial assets, noncurrent | 959 | 78,075 | 1.24 | 78,075 | None |
| Stock | EPISTAR CORP. | | Available-for-sale financial assets, noncurrent | 4,272 | 516,956 | 0.84 | 516,956 | None |
| Stock | CHIPBOND TECHNOLOGY CORP. | | Available-for-sale financial assets, noncurrent | 2,190 | 81,477 | 0.74 | 81,477 | None |
| Stock | C SUN MFG LTD. | | Available-for-sale financial assets, noncurrent | 527 | 13,384 | 0.41 | 13,384 | None |
| Stock | UNITED MICROELECTRONICS CORP. | Investor company | Available-for-sale financial assets, noncurrent | 22,070 | 421,534 | 0.12 | 421,534 | None |

ATTACHMENT 3 (Securities held as of March 31, 2007)

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

FORTUNE VENTURE CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | |
|--------------------|--------------------------------|--------------|---|--|------------|--------------------------------|---|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ Net assets value (thousand) | Shares as collateral (thousand) |
| Stock | ATHEROS COMMUNICATION INC. | | Available-for-sale financial assets, noncurrent | 8 | \$ 6,313 | 0.02 | \$ 6,313 | None |
| Convertible bonds | TOPOINT TECHNOLOGY CO., LTD. | | Financial assets at fair value through profit or loss, noncurrent | 258 | 41,280 | | 41,280 | None |
| Convertible bonds | POWERTECH INDUSTRIAL CO., LTD. | | Financial assets at fair value through profit or loss, noncurrent | 300 | 36,720 | | 36,720 | None |

TLC CAPITAL CO., LTD.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | |
|--------------------|---------------------------------|------------------|---|--|------------|--------------------------------|---|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ Net assets value (thousand) | Shares as collateral (thousand) |
| Stock | YUNG LI INVESTMENTS, INC. | Investee company | Long-term investments accounted for under the equity method | 0.20 | \$ 202,715 | 44.44 | \$ 202,715 | None |
| Stock | SMEDIA TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 7,084 | 95,176 | 18.08 | 24,122 | None |
| Stock | ASIA PACIFIC MICROSYSTEMS, INC. | | Financial assets measured at cost, noncurrent | 10,000 | 100,000 | 8.40 | Note | None |
| Stock | SUPERALLOY INDUSTRIAL CO., LTD. | | Financial assets measured at cost, noncurrent | 10,650 | 479,250 | 6.55 | Note | None |
| Stock | TOPOINT TECHNOLOGY CO., LTD. | | Available-for-sale financial assets, noncurrent | 5,430 | 442,016 | 7.02 | 442,016 | None |
| Stock | RECHI PRECISION CO., LTD. | | Available-for-sale financial assets, noncurrent | 20,163 | 332,697 | 5.82 | 332,697 | None |
| Stock | SERCOMM CORP. | | Available-for-sale financial assets, noncurrent | 6,192 | 238,681 | 4.48 | 238,681 | None |
| Stock | HORIZON SECURITIES CO., LTD. | | Available-for-sale financial assets, noncurrent | 16,858 | 115,309 | 3.92 | 115,309 | None |
| Stock | SIMPLO TECHNOLOGY CO., LTD. | | Available-for-sale financial assets, noncurrent | 5,000 | 857,500 | 3.33 | 857,500 | None |
| Stock | EPISTAR CORP. | | Available-for-sale financial assets, noncurrent | 6,555 | 793,192 | 1.28 | 793,192 | None |
| Stock | POWERTECH INDUSTRIAL CO., LTD. | | Available-for-sale financial assets, noncurrent | 1,048 | 64,766 | 1.15 | 64,766 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

TLC CAPITAL CO., LTD.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | |
|--------------------|---|--------------|---|--|------------|-----------------------------|---|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/collateral Net assets value (thousand) | Shares as collateral (thousand) |
| Stock | AIMTRON TECHNOLOGY, INC. | | Available-for-sale financial assets, noncurrent | 500 | \$ 30,000 | 1.14 | \$ 30,000 | None |
| Stock | MITAC TECHNOLOGY CORP. | | Available-for-sale financial assets, noncurrent | 2,988 | 74,401 | 0.93 | 74,401 | None |
| Stock | CORETRONIC CORP. | | Available-for-sale financial assets, noncurrent | 6,007 | 274,526 | 0.90 | 274,526 | None |
| Stock | FORMOSA EPITAXY INC. | | Available-for-sale financial assets, noncurrent | 1,509 | 48,892 | 0.84 | 48,892 | None |
| Stock | TATUNG CO. | | Available-for-sale financial assets, noncurrent | 32,152 | 450,128 | 0.74 | 450,128 | None |
| Stock | INPAQ TECHNOLOGY CO., LTD. | | Available-for-sale financial assets, noncurrent | 500 | 31,850 | 0.74 | 31,850 | None |
| Stock | ORIENT SEMICONDUCTOR ELECTRONICS, LTD. | | Available-for-sale financial assets, noncurrent | 6,264 | 77,047 | 0.72 | 77,047 | None |
| Stock | HUNG SHENG CONSTRUCTION LTD. | | Available-for-sale financial assets, noncurrent | 3,300 | 80,520 | 0.59 | 80,520 | None |
| Stock | K.S. TERMINALS INC. | | Available-for-sale financial assets, noncurrent | 501 | 19,189 | 0.48 | 19,189 | None |
| Stock | CYNTEC CO., LTD. | | Available-for-sale financial assets, noncurrent | 517 | 27,194 | 0.32 | 27,194 | None |
| Stock | KEE TAI PROPERTIES CO., LTD. | | Available-for-sale financial assets, noncurrent | 800 | 21,760 | 0.29 | 21,760 | None |
| Stock | OPTO TECH CORP. | | Available-for-sale financial assets, noncurrent | 2,000 | 54,400 | 0.26 | 54,400 | None |
| Stock | SYSTEX CORP. | | Available-for-sale financial assets, noncurrent | 800 | 29,360 | 0.25 | 29,360 | None |
| Stock | CHINA DEVELOPMENT FINANCIAL HOLDING CORP. | | Available-for-sale financial assets, noncurrent | 23,596 | 348,037 | 0.21 | 348,037 | None |
| Stock | SHIHLIN ELECTRIC & ENGINEERING CORP. | | Available-for-sale financial assets, noncurrent | 950 | 31,065 | 0.18 | 31,065 | None |

ATTACHMENT 3 (Securities held as of March 31, 2007)

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

TLC CAPITAL CO., LTD.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | |
|--------------------|--|--------------|---|--|------------|--------------------------------|---|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ Net assets value (thousand) | Shares as collateral (thousand) |
| Stock | HANNSTAR DISPLAY CORP. | | Available-for-sale financial assets, noncurrent | 9,000 | \$ 46,530 | 0.15 | \$ 46,530 | None |
| Stock | CHONG HONG CONSTRUCTION CO., LTD. | | Available-for-sale financial assets, noncurrent | 200 | 12,600 | 0.14 | 12,600 | None |
| Stock | TUNG HO STEEL ENTERPRISE CORP. | | Available-for-sale financial assets, noncurrent | 900 | 33,030 | 0.11 | 33,030 | None |
| Stock | TAIWAN FERTILIZER CO., LTD. | | Available-for-sale financial assets, noncurrent | 800 | 44,000 | 0.08 | 44,000 | None |
| Stock | YULON MOTOR CO., LTD. | | Available-for-sale financial assets, noncurrent | 1,000 | 37,200 | 0.07 | 37,200 | None |
| Stock | CHINA METAL PRODUCTS CO., LTD. | | Available-for-sale financial assets, noncurrent | 150 | 8,295 | 0.07 | 8,295 | None |
| Stock | ADVANCED SEMICONDUCTOR ENGINEERING, INC. | | Available-for-sale financial assets, noncurrent | 2,700 | 105,975 | 0.06 | 105,975 | None |
| Stock | NANTEX INDUSTRY CO., LTD. | | Available-for-sale financial assets, noncurrent | 150 | 2,805 | 0.06 | 2,805 | None |
| Stock | YUNG TAY ENGINEERING CO., LTD. | | Available-for-sale financial assets, noncurrent | 190 | 3,553 | 0.05 | 3,553 | None |
| Stock | CHINA AIRLINES LTD. | | Available-for-sale financial assets, noncurrent | 2,000 | 29,500 | 0.05 | 29,500 | None |
| Stock | INTERNATIONAL GAMES SYSTEM CO., LTD. | | Available-for-sale financial assets, noncurrent | 20 | 6,440 | 0.04 | 6,440 | None |
| Stock | FAR EASTERN INTERNATIONAL BANK | | Available-for-sale financial assets, noncurrent | 500 | 8,850 | 0.03 | 8,850 | None |
| Stock | CHINATRUST FINANCIAL HOLDING CO., LTD. | | Available-for-sale financial assets, noncurrent | 1,600 | 41,360 | 0.02 | 41,360 | None |
| Stock | TA CHONG BANK LTD. | | Available-for-sale financial assets, noncurrent | 100 | 1,040 | 0.01 | 1,040 | None |
| Convertible bonds | EPISTAR CORP. | | Financial assets at fair value through profit or loss, noncurrent | 2,500 | 329,500 | | 329,500 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

TLC CAPITAL CO., LTD.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | |
|--------------------|-----------------------------------|--------------|---|--|------------|--------------------------------|---|-------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ collateral Net assets value (thousand) | Shares as (thousand) |
| Convertible bonds | TOPOINT TECHNOLOGY CO., LTD. | | Financial assets at fair value through profit or loss, noncurrent | 380 | \$ 60,800 | | \$ 60,800 | None |
| Convertible bonds | POWERTECH INDUSTRIAL CO., LTD. | | Financial assets at fair value through profit or loss, noncurrent | 350 | 42,840 | | 42,840 | None |
| Stock | Y.S. FINANCIAL ADVISORY CO., LTD. | | Prepayment for long-term investments | 7,000 | 70,000 | | | None |

UNITRUTH INVESTMENT CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | |
|--------------------|------------------------------|-----------------------------|---|--|------------|--------------------------------|---|-------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ collateral Net assets value (thousand) | Shares as (thousand) |
| Stock | WALTOP INTERNATIONAL CORP. | Investee company | Long-term investments accounted for under the equity method | 2,000 | \$ 29,499 | 10.00 | \$ 12,495 | None |
| Stock | CRYSTAL MEDIA INC. | Investee company | Long-term investments accounted for under the equity method | 1,587 | 13,313 | 8.88 | 13,313 | None |
| Stock | ALLIANCE OPTOTEK CORP. | Investee company | Long-term investments accounted for under the equity method | 1,300 | 11,482 | 7.88 | 8,720 | None |
| Stock | TERA XTAL TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 1,500 | 17,683 | 7.50 | 16,000 | None |
| Stock | SMEDIA TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 2,570 | 15,618 | 6.56 | 8,750 | None |
| Stock | UCA TECHNOLOGY INC. | Investee company | Long-term investments accounted for under the equity method | 1,585 | 6,740 | 5.95 | 3,521 | None |
| Stock | U-MEDIA COMMUNICATIONS, INC. | Investee company | Long-term investments accounted for under the equity method | 1,250 | 3,920 | 5.20 | 3,920 | None |
| Stock | HIGH POWER LIGHTING CORP. | Investee company | Long-term investments accounted for under the equity method | 1,225 | 12,087 | 4.90 | 9,588 | None |
| Stock | UWAVE TECHNOLOGY CORP. | Investee company | Long-term investments accounted for under the equity method | 1,000 | 2,951 | 4.35 | 2,951 | None |
| Stock | MOBILE DEVICES INC. | Investee company | Long-term investments accounted for under the equity method | 1,250 | 4,754 | 3.84 | 4,754 | None |
| Stock | XGI TECHNOLOGY INC. | Investee of UMC and Fortune | Long-term investments accounted for under the equity method | 1,760 | 9,438 | 3.31 | 9,438 | None |
| Stock | AFA TECHNOLOGY, INC. | Investee company | Long-term investments accounted for under the equity method | 1,000 | 9,647 | 2.89 | 9,647 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

UNITRUTH INVESTMENT CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | Market value/ Net assets value | Shares as collateral (thousand) |
|--------------------------|--|--------------|--|--|------------|--------------------------------|-----------------------------------|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | | |
| Stock | AMOD TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 930 | \$ 7,920 | 9.30 | Note | None |
| Stock | EXCELLENCE OPTOELECTRONICS INC. | | Financial assets measured at cost, noncurrent | 6,374 | 63,739 | 7.18 | Note | None |
| Stock-Preferred stock | ALLEN PRECISION INDUSTRIES., LTD. | | Financial assets measured at cost, noncurrent | 2,000 | 20,000 | 6.21 | Note | None |
| Stock | VAST VIEW TECHNOLOGY INC. | | Financial assets measured at cost, noncurrent | 1,748 | 25,850 | 6.03 | Note | None |
| Stock | CHIP ADVANCED TECHNOLOGY INC. | | Financial assets measured at cost, noncurrent | 1,386 | 3,059 | 5.78 | Note | None |
| Stock | ADVANCE MATERIALS CORP. | | Financial assets measured at cost, noncurrent | 5,637 | 62,427 | 5.11 | Note | None |
| Stock | EVERGLORY RESOURCE TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 1,200 | 10,500 | 4.91 | Note | None |
| Stock | YAYATECH CO., LTD. | | Financial assets measured at cost, noncurrent | 490 | 16,415 | 4.90 | Note | None |
| Stock | LUMITEK CORP. | | Financial assets measured at cost, noncurrent | 1,750 | 32,000 | 4.89 | Note | None |
| Stock | EE SOLUTIONS, INC. | | Financial assets measured at cost, noncurrent | 1,300 | 14,755 | 4.85 | Note | None |
| Stock | LIGHTNING TECH. INC. | | Financial assets measured at cost, noncurrent | 840 | 5,262 | 4.72 | Note | None |
| Stock | CHINGIS TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 2,518 | 31,218 | 4.70 | Note | None |
| Stock | UWIZ TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 1,470 | 16,317 | 4.59 | Note | None |
| Stock | TRENDCHIP TECHNOLOGIES CORP. | | Financial assets measured at cost, noncurrent | 1,138 | 13,747 | 4.30 | Note | None |
| Stock | JMICRON TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 1,340 | 8,844 | 4.12 | Note | None |
| Stock | MEMOCOM CORP. | | Financial assets measured at cost, noncurrent | 2,005 | 13,416 | 4.01 | Note | None |
| Stock | EXOJET TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 850 | 8,500 | 3.91 | Note | None |

ATTACHMENT 3 (Securities held as of March 31, 2007)

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

UNITRUTH INVESTMENT CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | Market value/ Net assets value | Shares as collateral (thousand) |
|--------------------|----------------------------------|--------------|---|--|------------|--------------------------------|-----------------------------------|---------------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | | |
| Stock | FORTUNE SEMICONDUCTOR CORP. | | Financial assets measured at cost, noncurrent | 1,311 | \$ 17,095 | 3.48 | Note | None |
| Stock | ACTI CORP. | | Financial assets measured at cost, noncurrent | 740 | 11,100 | 2.98 | Note | None |
| Stock | PRINTECH INTERNATIONAL INC. | | Financial assets measured at cost, noncurrent | 540 | 2,457 | 2.69 | Note | None |
| Stock | GIGA SOLUTION TECH. CO., LTD. | | Financial assets measured at cost, noncurrent | 1,801 | 12,256 | 2.13 | Note | None |
| Stock | HIGH POWER OPTOELECTRONICS, INC. | | Financial assets measured at cost, noncurrent | 500 | 5,000 | 2.00 | Note | None |
| Stock | RALINK TECHNOLOGY CORP. | | Financial assets measured at cost, noncurrent | 1,300 | 14,570 | 1.57 | Note | None |
| Stock | CHIPSENCE CORP. | | Financial assets measured at cost, noncurrent | 910 | 5,889 | 1.52 | Note | None |
| Stock | CHANG-YU TECHNOLOGY CO., LTD. | | Financial assets measured at cost, noncurrent | 300 | 8,100 | 1.39 | Note | None |
| Stock | STAR SEMICONDUCTOR CORP. | | Financial assets measured at cost, noncurrent | 260 | 2,193 | 1.26 | Note | None |
| Stock | SUPERALLOY INDUSTRIAL CO., LTD. | | Financial assets measured at cost, noncurrent | 1,600 | 72,000 | 0.98 | Note | None |
| Convertible bonds | TOPOINT TECHNOLOGY CO., LTD. | | Financial assets at fair value through profit or loss, noncurrent | 380 | 60,800 | | 60,800 | None |
| Convertible bonds | POWERTECH INDUSTRIAL CO., LTD. | | Financial assets at fair value through profit or loss, noncurrent | 350 | 42,840 | | 42,840 | None |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

UMC CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | | | | | |
|-----------------------|---|------------------|---|--|------------|--------------------------------|-----------------------------------|---------------------|---------------------------------------|--|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | Percentage of ownership (%) | Market value/ Net assets value | collateral value | Shares as collateral (thousand) | |
| Stock | UMC CAPITAL (USA) | Investee company | Long-term investments accounted for under the equity method | 200 | USD 337 | 100.00 | USD 337 | | None | |
| Stock | ECP VITA LTD. | Investee company | Long-term investments accounted for under the equity method | 1,000 | USD 1,633 | 100.00 | USD 1,633 | | None | |
| Stock-Preferred stock | ACHIEVE MADE INTERNATIONAL LTD. | Investee company | Long-term investments accounted for under the equity method | 508 | USD 876 | 44.44 | USD 343 | | None | |
| Fund | UC FUND II | Investee company | Long-term investments accounted for under the equity method | 5,000 | USD 4,800 | 35.45 | USD 4,800 | | None | |
| Stock-Preferred stock | PARADE TECHNOLOGIES, LTD. | Investee company | Long-term investments accounted for under the equity method | 3,125 | USD 1,689 | 20.61 | USD 786 | | None | |
| Stock | PATENTOP, LTD. | | Financial assets measured at cost, noncurrent | 720 | | 18.00 | Note | | None | |
| Stock-Preferred stock | CIPHERMAX, INC. (formerly MAXXAN SYSTEMS, INC.) | | Financial assets measured at cost, noncurrent | 2,537 | USD 1,281 | | N/A | | None | |
| Stock-Preferred stock | AICENT, INC. | | Financial assets measured at cost, noncurrent | 2,000 | USD 1,000 | | N/A | | None | |
| Stock-Preferred stock | SPREADTRUM COMMUNICATIONS, INC. | | Financial assets measured at cost, noncurrent | 1,649 | USD 1,436 | | N/A | | None | |
| Stock-Preferred stock | SILICON 7, INC. | | Financial assets measured at cost, noncurrent | 1,678 | USD 2,000 | | N/A | | None | |
| Stock-Preferred stock | GCT SEMICONDUCTOR, INC. | | Financial assets measured at cost, noncurrent | 1,571 | USD 1,000 | | N/A | | None | |
| Stock-Preferred stock | INTELLON CORP. | | Financial assets measured at cost, noncurrent | 5,481 | USD 4,652 | | N/A | | None | |
| Stock-Preferred stock | FORTEMEDIA, INC. | | Financial assets measured at cost, noncurrent | 10,066 | USD 4,053 | | N/A | | None | |
| Stock-Preferred stock | MAXLINEAR, INC. | | Financial assets measured at cost, noncurrent | 2,070 | USD 4,052 | | N/A | | None | |
| Stock-Preferred stock | SMART VANGUARD LTD. | | Financial assets measured at cost, noncurrent | 5,750 | USD 6,500 | | N/A | | None | |
| Stock-Preferred stock | WISAIR, INC. | | Financial assets measured at cost, noncurrent | 153 | USD 1,596 | | N/A | | None | |
| Stock-Preferred stock | AMALFI SEMICONDUCTOR, INC. | | Financial assets measured at cost, noncurrent | 1,471 | USD 1,500 | | N/A | | None | |
| Stock-Preferred stock | DIBCOM, INC. | | Financial assets measured at cost, noncurrent | 10 | USD 1,186 | | N/A | | None | |

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ATTACHMENT 3 (Securities held as of March 31, 2007)

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

UMC CAPITAL CORP.

| Type of securities | Name of securities | Relationship | Financial statement account | March 31, 2007 | | Percentage of ownership (%) | Market value/ Net assets value | Shares as collateral (thousand) |
|-----------------------|----------------------------------|--------------|---|--|------------|-----------------------------|--------------------------------|---------------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Book value | | | |
| 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 | 1,500 | USD 3,375 | | 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 |
| Stock-Preferred stock | PACTRUST 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 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 | 12,422 | USD 3,000 | | N/A | None |
| Stock | MAGNACHIP SEMICONDUCTOR LLC | | Financial assets measured at cost, noncurrent | 31 | USD 1,094 | | Note | None |
| Fund | VENGLOBAL CAPITAL FUND III, L.P. | | Financial assets measured at cost, noncurrent | | USD 712 | | 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 March 31, 2007.

ATTACHMENT 4 (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 three-month period ended March 31, 2007) (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 (Note 3) | Ending balance (Note 3) |
|---|--|--------------------------|--------------|---|----------------|--|-----------|--|------------|---------------|------------------------------------|-------------------------|
| | | | | Units (thousand)/ bonds/ shares (thousand) | Amount (Note1) | Units (thousand)/ bonds/ shares (thousand) | Amount | Units (thousand)/ bonds/ shares (thousand) | Amount | Cost (Note 2) | | |
| ALICONWARE PRECISION INDUSTRIES CO., LTD. | Financial assets at fair value through profit or loss, current | Open market | | 5,395 | \$ 276,202 | | \$ | 4,687 | \$ 285,236 | \$ 185,407 | \$ 99,829 | |
| EPITECH TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Note 4 | | 37,221 | 1,155,725 | | | 37,221 | 1,313,916 | 794,117 | 519,799 | |
| EPISTAR CORP. | Available-for-sale financial assets, noncurrent | Open market/ Note 4 | | | | 18,969 | 2,106,684 | | | | | |
| MEDIATEK INC. | Available-for-sale financial assets, noncurrent | Open market | | 14,979 | 5,048,091 | | | 1,069 | 392,332 | 11,057 | 380,561 | (Note 6) |
| OPTRONICS CORP. | Available-for-sale financial assets, noncurrent | Open market | | 78,266 | 3,545,441 | | | 4,325 | 210,973 | 51,878 | 159,458 | (Note 7) |
| HIGHLINK TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Note 4 | | 28,500 | 225,624 | | | 28,500 | 593,318 | 175,810 | 417,625 | (Note 8) |
| OLTEK SEMICONDUCTOR INC. | Long-term investments accounted for under the equity method | Open market | | 51,939 | 878,747 | | | 2,500 | 166,226 | 47,810 | 118,416 | |
| EXPOWER TECHNOLOGY CORP. | Long-term investments accounted for under the equity method | Proceeds from new issues | | | | 29,680 | 296,800 | | | | | |
| AETAS TECHNOLOGY INC. | Prepayment for long-term investments | AETAS TECHNOLOGY INC. | | | | 1,550 | 163,809 | | | | | |

- 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: Gain/Loss from disposal includes realized exchange gain/loss to which the R.O.C. SFAS No. 34, Accounting for Financial Instruments , is applied. As for the gain/loss from disposal of financial assets at fair value through profit/loss transfers t financial assets.
- Note 4: On March 1, 2007, EPITECH TECHNOLOGY CORP. and HIGHLINK TECHNOLOGY CORP. merged into EPISTAR CORP.
- Note 5: The addition included shares exchanged of 12,085 thousand shares of EPITECH TECHNOLOGY CORP. (amounted to NT\$1,313,916 thousand) , 5,182 thousand shares of HIGHLINK TECHNOLOGY CORP.(NT\$593,318 thousand) and 1,702 thousand shares acquired in open market(amounted to NT\$199,450 thousand).
- Note 6: The gain on disposal includes additional paid-in capital adjustments of NT\$(714) thousand.
- Note 7: The gain on disposal includes additional paid-in capital adjustments of NT\$355 thousand and cumulative translation adjustments of NT\$8 thousand.
- Note 8: The gain on disposal includes additional paid-in capital adjustments of NT\$117 thousand.

ATTACHMENT 4 (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 three-month period ended March 31, 2007) (Amount in thousand; Currency denomination in NTD unless otherwise specified)

FORTUNE VENTURE CAPITAL CORP.

| Type of the securities | Financial statement account | Counter-party | Relationship | Beginning balance | | Addition | | Disposal | | Gain (Loss) Cost from disposal | Ending balance Units (thousand) bonds/ |
|---------------------------|---|---------------|--------------|--------------------------|------------|--------------------------|---------|--------------------------|-----------|--------------------------------|--|
| | | | | Units (thousand)/ bonds/ | Amount | Units (thousand)/ bonds/ | Amount | Units (thousand)/ bonds/ | Amount | | |
| HIGHLINK TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Note 2 | | 13,128 | \$ 407,627 | | \$ | 13,128 | \$463,421 | \$300,613 | \$ 162,808 |
| EPITECH TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Note 2 | | | | 4,272 | 464,566 | | | | |

Note 1: The amounts of beginning and ending balances of available-for-sale financial assets are recorded at the prevailing market prices. Note 2: On March 1, 2007, EPITECH TECHNOLOGY CORP. and HIGHLINK TECHNOLOGY CORP. merged into EPISTAR CORP.

TLC CAPITAL CO., LTD.

| Type of the securities | Financial statement account | Counter-party | Relationship | Beginning balance | | Addition | | Disposal | | Gain(Loss) Cost from disposal | Ending balance Units (thousand) bonds/ |
|---------------------------|---|---------------|--------------|--------------------------|---------|--------------------------|------------|--------------------------|---------|-------------------------------|--|
| | | | | Units (thousand)/ bonds/ | Amount | Units (thousand)/ bonds/ | Amount | Units (thousand)/ bonds/ | Amount | | |
| EPITECH TECHNOLOGY CORP. | Financial assets at fair value through profit or loss, noncurrent | Note 2 | | | \$ | 2,500 | \$ 317,500 | | \$ | \$ | |
| HIGHLINK TECHNOLOGY CORP. | Financial assets at fair value through profit or loss, noncurrent | Note 2 | | | | | | 2,500 | 317,500 | 250,000 | 67,500 |
| EPITECH TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Open market | | | | 2,700 | 101,763 | | | | |
| EPITECH TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Open market | | 4,085 | 163,196 | | | 4,085 | 165,586 | 146,474 | 19,112 |
| EPITECH TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Note 2 | | | | 6,555 | 731,055 | | | | |
| EPITECH TECHNOLOGY CORP. | Available-for-sale financial assets, noncurrent | Note 2 | | 10,413 | 323,324 | | | 10,413 | 367,579 | 298,327 | 69,252 |
| EPITECH TECHNOLOGY CORP. | Long-term investments accounted for under the equity method | Note 2 | | 17,460 | 134,999 | | | 17,460 | 363,476 | 134,999 | 231,019 (Note3) |

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.

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Note 2: On March 1, 2007, EPITECH TECHNOLOGY CORP. and HIGHLINK TECHNOLOGY CORP. merged into EPISTAR CORP.

Note 3: The gain on disposal includes long-term additional paid-in capital adjustments of NT\$2,542 thousand due to disproportionate changes in shareholding.

ATTACHMENT 5 (Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

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

ATTACHMENT 6 (Disposal of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

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

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ATTACHMENT 7 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three-month period ended March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

| Related party | Relationship | Purchases (Sales) | Amount | Transactions Percentage of total purchases (sales) (%) | Term | Details of non-arm's length transaction Notes and accounts receivable (payable) | | | |
|--|------------------------|-------------------|---------------|--|-------------------|---|------|--------------|--|
| | | | | | | Unit price | Term | Balance | Percentage of total receivables (%) Note |
| UMC GROUP (USA) | Investee company | Sales | \$ 10,574,481 | 46 | Net 60 Days | N/A | N/A | \$ 4,537,604 | 34 |
| UNITED MICROELECTRONICS (EUROPE) B.V. | Investee company | Sales | 1,469,226 | 6 | Net 60 Days | N/A | N/A | 1,107,322 | 8 |
| UMC JAPAN SILICON INTEGRATED SYSTEMS CORP. | Investee company | Sales | 694,435 | 3 | Net 60 Days | N/A | N/A | 473,547 | 4 |
| HOLTEK SEMICONDUCTOR INC. | The Company's director | Sales | 259,729 | 1 | Month-end 45 Days | N/A | N/A | 201,706 | 2 |
| | Investee company | Sales | 133,708 | 1 | Month-end 45 Days | N/A | N/A | 107,774 | 1 |

UNITED MICROELECTRONICS (EUROPE) B.V.

| Related party | Relationship | Purchases (Sales) | Amount | Transactions Percentage of total purchases (sales) (%) | Term | Details of non-arm's length transaction Notes and accounts receivable (payable) | | | |
|-------------------------------------|------------------|-------------------|------------|--|-------------|---|------|------------|--|
| | | | | | | Unit price | Term | Balance | Percentage of total receivables (%) Note |
| UNITED MICROELECTRONICS CORPORATION | Investor company | Purchases | USD 44,828 | 100 | Net 60 Days | N/A | N/A | USD 33,516 | 100 |

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ATTACHMENT 7 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three-month period ended March 31, 2007)

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

UMC GROUP (USA)

| Related party | Relationship | Purchases (Sales) | Amount | Transactions Percentage of total purchases (sales) (%) | Term | Details of non-arm's length transaction | | Notes and accounts receivable (payable) Percentage of total receivables | |
|-------------------------------------|------------------|-------------------|-------------|--|-------------|---|------|---|-----|
| | | | | | | Unit price | Term | Balance | (%) |
| UNITED MICROELECTRONICS CORPORATION | Investor company | Purchases | USD 322,574 | 100 | Net 60 Days | N/A | N/A | USD 137,338 | 100 |

UMC JAPAN

| Related party | Relationship | Purchases (Sales) | Amount | Transactions Percentage of total purchases (sales) (%) | Term | Details of non-arm's length transaction | | Notes and accounts receivable (payable) Percentage of total receivables | |
|-------------------------------------|------------------|-------------------|---------------|--|-------------------|---|------|---|-----|
| | | | | | | Unit price | Term | Balance | (%) |
| UNITED MICROELECTRONICS CORPORATION | Investor company | Purchases | JPY 2,454,910 | 64 | Net 60 Days | N/A | N/A | JPY 1,384,221 | 24 |
| UMC TECHNOLOGY CORP. | Investee of UMC | Sales | JPY 489,400 | 6 | Month-end 45 Days | N/A | N/A | JPY 492,981 | 6 |

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ATTACHMENT 8 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

| Related party | Relationship | Ending balance | | | | Turnover rate (times) | Overdue receivables | | Amount received in subsequent period | Allowance for doubtful accounts |
|---|------------------------|---------------------|------------------------|----------------------|--------------|--------------------------|---------------------|-------------------|---|------------------------------------|
| | | Notes receivable | Accounts receivable | Other receivables | Total | | Amount | Collection status | | |
| UMC GROUP (USA) | Investee company | \$ | \$ 4,537,604 | \$ 53 | \$ 4,537,657 | 8.76 | \$ | | \$ 1,374,890 | \$ |
| UNITED MICROELECTRONICS (EUROPE) B.V. | Investee company | | 1,107,322 | 30 | 1,107,352 | 6.38 | 166,985 | Credit Collecting | | |
| UMC JAPAN | Investee company | | 473,547 | 228 | 473,775 | 6.35 | | | 63,215 | 618 |
| SILICON INTEGRATED SYSTEMS CORP. | The Company's director | | 201,706 | 1,325 | 203,031 | 6.91 | 18,847 | Credit Collecting | | |
| HOLTEK SEMICONDUCTOR INC. | Investee company | | 30,342 | 77,432 | 107,774 | 4.79 | | | 62,317 | |

UMC JAPAN

| Related party | Relationship | Ending balance | | | | Turnover rate (times) | Overdue receivables | | Amount received in subsequent period | Allowance for doubtful accounts |
|-----------------------------|-----------------|---------------------|------------------------|----------------------|-------------|--------------------------|---------------------|-------------------|---|------------------------------------|
| | | Notes receivable | Accounts receivable | Other receivables | Total | | Amount | Collection status | | |
| AMIC TECHNOLOGY CORP. | Investee of UMC | \$ | JPY 492,981 | \$ | JPY 492,981 | 6.41 | JPY 145,144 | Credit Collecting | \$ | \$ |

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ATTACHMENT 9 (Names, locations and related information of investee companies as of March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

| Company | Address | Main businesses and products | Initial Investment (Note 1) | | Investment as of March 31, 2007 | | | Net income (loss) of investee company | Investment income (loss) recognized |
|-------------------------|------------------------------|--|-----------------------------|-------------------|---------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|
| | | | 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 | \$ 977,029 | \$ (48,797) | \$ (48,797) |
| D ELECTRONICS (PE) B.V. | The Netherlands | IC Sales | USD 5,421 | USD 5,421 | 9 | 100.00 | 289,562 | 2,062 | 2,062 |
| CAPITAL CORP. | Cayman, Cayman Islands | Investment holding | USD 124,000 | USD 124,000 | 124,000 | 100.00 | 3,682,961 | 4,966 | 4,966 |
| D ELECTRONICS (SAMOA) | Apia, Samoa | Investment holding | USD 1,000 | USD 1,000 | 280 | 100.00 | 7,034 | (1,576) | (1,576) |
| LTD. | Singapore | Sales and manufacturing of integrated circuits | USD 839,880 | USD 839,880 | 880,006 | 100.00 | 94 | (213) | (213) |
| CAPITAL CO., | Taipei, Taiwan | Consulting and planning for investment in new business | 6,000,000 | 6,000,000 | 600,000 | 100.00 | 7,727,434 | 427,222 | 427,222 |
| INE VENTURE AL CORP. | Taipei, Taiwan | Consulting and planning for investment in new business | 4,999,940 | 4,999,940 | 499,994 | 99.99 | 10,330,744 | 172,309 | 174,557 |
| D DISPLAY ONICS CORP. | Hsinchu Science Park, Taiwan | Sales and manufacturing of LCOS | 1,008,078 | 1,008,078 | 64,313 | 81.76 | 126,674 | (49,586) | (40,543) |
| JAPAN | Chiba, Japan | Sales and manufacturing of integrated circuits | JPY 20,994,400 | JPY 20,994,400 | 496 | 50.09 | 6,010,932 | (178,991) | (89,654) |
| C VENTURE AL CO., LTD. | Taipei, Taiwan | Consulting and planning for investment in new business | 150,000 | 150,000 | 30,000 | 49.99 | 127,379 | 5,172 | |
| HOLDINGS PTE | Singapore | Investment holding | SGD 4,000 | SGD 4,000 | 4,000 | 49.94 | 82,153 | (2,741) | (1,369) |
| CH CAPITAL | British Virgin Islands | Investment holding | USD 21,000 | USD 21,000 | 21,000 | 42.00 | 1,026,305 | 153,175 | 64,333 |
| OWER OLOGY CORP. | Hsinchu, Taiwan | Sales and manufacturing of solar power batteries | 296,800 | | 29,680 | 37.10 | 296,941 | 1,137 | 141 |
| CHIEH TMENT CO., | Taipei, Taiwan | Investment holding | 336,241 | 336,241 | 33,624 | 36.49 | 4,550,816 | 620,923 | 227,834 |
| EK ONDUCTOR | Hsinchu Science Park, Taiwan | IC design and production | 340,415 | 357,628 | 49,439 | 23.24 | 884,521 | 199,163 | 48,664 |
| CH. INC. | Hsinchu Science Park, Taiwan | Sales and manufacturing of integrated circuits | 186,898 | 186,898 | 24,229 | 21.62 | 359,780 | 86,138 | 18,729 |

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ATTACHMENT 9 (Names, locations and related information of investee companies as of March 31, 2007)

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

UNITED MICROELECTRONICS CORPORATION

| Investee company | Address | Main businesses and products | Initial Investment (Note 1) | | Investment as of March 31, 2007 | | | Net income (loss) of investee company | Investment income (loss) recognized | No |
|---------------------------------|------------------------------|--|-----------------------------|-------------------|---------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|----|
| | | | Ending balance | Beginning balance | Number of shares (thousand) | Percentage of ownership (%) | Book value | | | |
| HI TECHNOLOGY C. | Hsinchu, Taiwan | Cartography chip design and production | \$ 248,795 | \$ 248,795 | 8,758 | 16.48 | \$ 47,000 | \$ (44,090) | \$ (7,265) | No |
| MIC TECHNOLOGY CORP. | Hsinchu Science Park, Taiwan | IC design, production and sales | 135,000 | 135,000 | 16,200 | 11.84 | 52,765 | (36,924) | (4,376) | No |
| VEGA ASSION LIMITED PARTNERSHIP | Cayman Islands | Investment holding | USD 56,700 | USD 67,500 | | 45.00 | 2,355,815 | (63,014) | (28,356) | No |

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

Note 2: From the third quarter, the Company no longer recognized the investment income of PACIFIC VENTURE CAPITAL CO., LTD. because of the liquidation began in July 3, 2006.

Note 3: No shares since it belongs to partnership fund organization.

FORTUNE VENTURE CAPITAL CORP.

| Investee company | Address | Main businesses and products | Initial Investment (Note 1) | | Investment as of March 31, 2007 | | | Net income (loss) of investee company | Investment income (loss) recognized | No |
|--------------------------|------------------------|--|-----------------------------|-------------------|---------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|----|
| | | | Ending balance | Beginning balance | Number of Shares (thousand) | Percentage of ownership (%) | Book value | | | |
| NITRUTH INVESTMENT CORP. | Taipei, Taiwan | Investment holding | \$ 800,000 | \$ 800,000 | 80,000 | 100.00 | \$ 762,516 | \$ 13,383 | \$ 13,383 | No |
| NOTO TAIWAN CORP. | Taoyuan County, Taiwan | Tablet transmission systems and chip-set | 39,200 | 39,200 | 3,920 | 49.00 | 29,441 | (6,491) | (3,181) | No |
| VOE INTERNATIONAL LTD. | Samoa | Design of VOIP Telephone | USD 912 | USD 912 | 2,500 | 48.17 | 8,563 | (2,612) | 2,912 | No |
| WAVE TECHNOLOGY CORP. | Hsinchu, Taiwan | RF IC Design | 85,471 | 85,471 | 10,186 | 44.29 | 30,057 | (7,843) | (3,473) | No |
| CA TECHNOLOGY IC. | Taipei County, Taiwan | Design of MP3 player chip | 99,311 | 99,311 | 11,285 | 42.38 | 34,455 | (18,484) | (7,833) | No |

ATTACHMENT 9 (Names, locations and related information of investee companies as of March 31, 2007)

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

FORTUNE VENTURE CAPITAL CORP.

| Investee company | Address | Main businesses and products | Initial Investment | | Investment as of March 31, 2007 Number of shares (thousand) | Percentage of ownership (%) | Net income (loss) of investee company | Investment income (loss) recognized | |
|------------------------------------|------------------------------|---|--------------------|-------------------|---|--------------------------------------|--|--|---------|
| | | | Ending balance | Beginning balance | | | | | |
| ALTOP INTERNATIONAL CORP. | Hsinchu, Taiwan | Tablet PC module, Pen LCD Monitor/module | \$ 90,000 | \$ 90,000 | 6,000 | 30.00 | \$ 88,496 | \$ 2,220 | \$ 403 |
| CRYSTAL TECHNOLOGY CORP. | Taoyuan County, Taiwan | Lithium Tantalate and Niobate, Optical Grade Lithium Niobate Lithium Tetraborate and Sapphire | 85,200 | 85,200 | 5,200 | 26.00 | 89,301 | 4,488 | 1,167 |
| CRYSTAL MEDIA INC. | Hsinchu, Taiwan | Design of VOIP network phones | 50,629 | 50,629 | 4,493 | 25.15 | 37,692 | 1,043 | 262 |
| CRYSTAL MEDIA TECHNOLOGY CORP. | Hsinchu, Taiwan | Multimedia co-processor | 93,478 | 93,478 | 9,045 | 23.08 | 32,363 | (27,177) | (6,272) |
| CRYSTAL ALLIANCE OPTOTEK CORP. | Hsinchu County, Taiwan | Design and manufacturing of LED | 39,900 | 39,900 | 3,500 | 21.21 | 30,912 | (16,199) | (3,436) |
| CRYSTAL MEDIA COMMUNICATIONS, INC. | Hsinchu, Taiwan | WLAN, Broadband, Digital Home ODM | 45,750 | 45,750 | 5,000 | 20.78 | 15,679 | (17,792) | (3,698) |
| CRYSTAL MEDIA TECHNOLOGY, INC. | Taipei County, Taiwan | IC design | 104,001 | 64,544 | 6,713 | 19.43 | 76,779 | (22,459) | (4,705) |
| CRYSTAL 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 | 44,650 | (16,072) | (2,909) |
| CRYSTAL MOBILE DEVICES INC. | Hsinchu County, Taiwan | PHS & GSM/PHS dual mode B/B Chip | 62,190 | 56,102 | 5,863 | 18.01 | 25,413 | (32,694) | (6,247) |
| CRYSTAL MIC TECHNOLOGY CORP. | Hsinchu Science Park, Taiwan | IC design, production and sales | 291,621 | 291,621 | 23,405 | 17.08 | 112,917 | (36,924) | (6,308) |
| CRYSTAL MIC TECHNOLOGY INC. | Hsinchu, Taiwan | Design and manufacturing of cartography chip | 270,483 | 270,483 | 6,281 | 11.83 | 27,880 | (44,090) | (4,704) |
| CRYSTAL XPOWER TECHNOLOGY CORP. | Hsinchu, Taiwan | Sales and manufacturing of solar power batteries | 8,000 | 8,000 | 800 | 1.00 | 8,111 | 1,137 | 399 |

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

ATTACHMENT 9 (Names, locations and related information of investee companies as of March 31, 2007)

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

TLC CAPITAL CO., LTD.

| Investee company | Address | Main businesses and products | Initial Investment | | Investment as of March 31, 2007 | | Book value | Net income (loss) of investee company | Investment income (loss) recognized | Notes |
|---------------------------|-----------------|------------------------------|--------------------|-------------------|---------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|-------|
| | | | Ending balance | Beginning balance | Number of shares (thousand) | Percentage of ownership (%) | | | | |
| YUNG LI INVESTMENTS, INC. | Taipei, Taiwan | Investment | \$ 200,000 | \$ 200,000 | 0.20 | 44.44 | \$ 202,715 | \$ 732 | \$ 325 | |
| SMEDIA TECHNOLOGY CORP. | Hsinchu, Taiwan | Multimedia co-processor | 106,266 | 106,266 | 7,084 | 18.08 | 95,176 | (27,177) | (4,913) | |

UNITRUTH INVESTMENT CORP.

| Investee company | Address | Main businesses and products | Initial Investment | | Investment as of March 31, 2007 | | Book value | Net income (loss) of investee company | Investment income (loss) recognized | Notes |
|------------------------------|------------------------|---|--------------------|-------------------|---------------------------------|-----------------------------|------------|---------------------------------------|-------------------------------------|-------|
| | | | Ending balance | Beginning balance | Number of shares (thousand) | Percentage of ownership (%) | | | | |
| WALTOP INTERNATIONAL CORP. | Hsinchu, Taiwan | Tablet PC module, Pen LCD Monitor/module | \$ 30,000 | \$ 30,000 | 2,000 | 10.00 | \$ 29,499 | \$ 2,220 | \$ 134 | |
| CRYSTAL MEDIA INC. | Hsinchu, Taiwan | Design of VOIP network phones | 16,493 | 16,493 | 1,587 | 8.88 | 13,313 | 1,043 | 93 | |
| ALLIANCE OPTOTEK CORP. | Hsinchu County, Taiwan | Design and manufacturing of LED | 14,820 | 14,820 | 1,300 | 7.88 | 11,482 | (16,199) | (1,276) | |
| TERA XTAL TECHNOLOGY CORP. | Taoyuan County, Taiwan | Lithium Tantalate and Niobate, Optical Grade Lithium Niobate Lithium Tetraborate and Sapphire | 16,500 | 19,800 | 1,500 | 7.50 | 17,683 | 4,488 | 404 | |
| SMEDIA TECHNOLOGY CORP. | Hsinchu, Taiwan | Multimedia co-processor | 24,057 | 24,057 | 2,570 | 6.56 | 15,618 | (27,177) | (1,782) | |
| UCA TECHNOLOGY INC. | Taipei County, Taiwan | Design of MP3 player chip | 11,910 | 11,910 | 1,585 | 5.95 | 6,740 | (18,484) | (1,100) | |
| U-MEDIA COMMUNICATIONS, INC. | Hsinchu, Taiwan | WLAN, Broadband, Digital Home ODM | 13,800 | 13,800 | 1,250 | 5.20 | 3,920 | (17,792) | (924) | |

ATTACHMENT 9 (Names, locations and related information of investee companies as of March 31, 2007)

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

UNITRUTH INVESTMENT CORP.

| Investee company | Address | Main businesses and products | Initial Investment | | Investment as of March 31, 2007 | | Percentage of ownership (%) | Book value | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|---------------------------|------------------------|---|--------------------|-------------------|---------------------------------|------|-----------------------------|-------------|---------------------------------------|-------------------------------------|------|
| | | | Ending balance | Beginning balance | Number of shares (thousand) | | | | | | |
| 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 | \$ 12,087 | \$ (16,072) | \$ (788) | | |
| UWAVE TECHNOLOGY CORP. | Hsinchu, Taiwan | RF IC Design | 6,950 | 6,950 | 1,000 | 4.35 | 2,951 | (7,843) | (341) | | |
| MOBILE DEVICES INC. | Hsinchu County, Taiwan | PHS & GSM/PHS dual mode B/B Chip | 11,463 | 11,463 | 1,250 | 3.84 | 4,754 | (32,694) | (1,431) | | |
| XGI TECHNOLOGY INC. | Hsinchu, Taiwan | Design and manufacturing of cartography chip | 26,400 | 26,400 | 1,760 | 3.31 | 9,438 | (44,090) | (1,461) | | |
| AFA TECHNOLOGY, INC. | Taipei County, Taiwan | IC design | 5,600 | 5,600 | 1,000 | 2.89 | 9,647 | (22,459) | (671) | | |

UMC CAPITAL CORP.

| Investee company | Address | Main businesses and products | Initial Investment (Note 1) | | Investment as of March 31, 2007 | | Percentage of ownership (%) | Book value | Net income (loss) of investee company | Investment income (loss) recognized |
|---------------------------------------|-------------------------------|------------------------------|-----------------------------|-------------------|---------------------------------|--------|-----------------------------|------------|---------------------------------------|-------------------------------------|
| | | | Ending balance | Beginning balance | Number of shares (thousand) | | | | | |
| UMC CAPITAL (USA) | Sunnyvale, California, U.S.A. | Investment holding | USD 200 | USD 200 | 200 | 100.00 | USD 337 | USD 11 | USD 11 | |
| UMC VITA LTD. | British Virgin Islands | Insurance | USD 1,000 | USD 1,000 | 1,000 | 100.00 | USD 1,633 | USD 83 | USD 83 | |
| UMC BELIEVE MADE INTERNATIONAL LTD. | British Virgin Islands | Internet Content Provider | USD 1,000 | USD 1,000 | 508 | 44.44 | USD 876 | USD (96) | USD (43) | |
| UMC FUND II | British Virgin Islands | Investment holding | USD 3,850 | USD 3,850 | 5,000 | 35.45 | USD 4,800 | USD 1,939 | USD 687 | |
| UMC BELIEVE MADE TECHNOLOGIES, U.S.A. | | IC design | USD 2,500 | USD 2,500 | 3,125 | 20.61 | USD 1,689 | USD (977) | USD (218) | |

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