



United Microelectronics Corporation

2013 Regular Shareholder Meeting

Meeting Minutes

Date: June 11, 2013

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United Microelectronics Corporation 2012 Regular Shareholder Meeting Agenda

Time: Tuesday, June 11, 2012 9:00 am

Location: UMC's Fab 8S Conference Hall, No.16, Creation Rd. 1, Hsinchu Science Park

Attendants: All shareholders and their proxy holders, representing 9,772,001,739 shares (among them, 3,983,072,070 shares voted via electronic transmission), or 77.90% of the total 12,542,738,551 outstanding shares

Chairperson: Stan Hung, Chairman

Minute Recorder: Philip Lien

I. Chairman announced commencement.

II. Chairman's Address (**omitted**)

III. Status Reports:

(1) 2012 business operations

Acknowledged

(2) Audit Committee's report on review of 2012 audited financial reports

Acknowledged

(3) Amendment of "Convention Rules for Meetings of Board of Directors"

Acknowledged

(4) Progress on private placement

Acknowledged

(5) The issuance of Corporate Bonds

Acknowledged

(6) Acquisition of shares of Best Elite International Limited, the holding company of Hejian Technology (Suzhou) Co., Ltd.

Acknowledged

(7) The status of the 15th shares repurchase program

Acknowledged

IV. Approval Items

(1) 2012 Annual Business Report and financial statements

1. The Company's 2012 Annual Business Report and financial statements have been approved by the 7th meeting of the Board of Directors, 12th term, and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.
2. Please refer to the 2012 Annual Business Report (Attachment 1) and UMC's website (www.umc.com) for financial statements.
3. It is proposed to approve the 2012 Annual Business Report and financial statements.

Resolution: The proposal has been unanimously approved by present shareholders



after Chairman solicited shareholders' opinions.

Voting Result: 9,772,001,739 shares were represented at the time of voting (among them, 3,983,072,070 shares voted via electronic transmission), 8,722,739,138 shares voted for the proposal (among them, 3,191,860,686 shares voted via electronic transmission); 1,465,462 shares voted against the proposal (among them, 1,465,462 shares voted via electronic transmission).

(2) 2012 Surplus Earnings Distribution Chart

1. The Company's 2012 Surplus Earnings Distribution Chart has been approved by the 7th meeting of the board of directors, 12th term, and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly (Attachment 2).
2. In accordance with Financial Supervisory Commission ("FSC") reference number 1010012865 on April 6, 2012, when the Company adopted International Financial Reporting Standards ("IFRS") starting from 2013, no special reserve was recorded because both unrealized revaluation increments and CTA credits falling under exempt items in IFRS 1 adoption "First-Time Adoption of IFRS" at the transition date were not included into retained earnings.

In the meantime, due to the Company's adoption of IFRS, undistributed earnings has increased NT\$575,195 thousand and decreased NT\$1,414,989 thousand at the January 1, 2012 opening date and December 31, 2012, respectively. For the undistributed earnings adjustment details, please refer to the footnotes in the 2012 consolidated financial statements report.

3. Please refer to the 2012 Surplus Earnings Distribution Chart (Attachment 3).
4. It is proposed to approve the 2012 Surplus Earnings Distribution Chart.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

Voting Result: 9,772,001,739 shares were represented at the time of voting (among them, 3,983,072,070 shares voted via electronic transmission), 8,723,840,854 shares voted for the proposal (among them, 3,191,876,306 shares voted via electronic transmission); 1,470,149 shares voted against the proposal (among them, 1,470,149 shares voted via electronic transmission).

V. Discussion Items

(1) To amend the Company's "Loan Procedure"

1. The amendment is based on the Regulations Governing the Loans, Endorsements and Guarantees by Public Companies promulgated by SFC on July 6, 2012 (Ref. 1010029874),
2. The table below compares the Original Articles and Amended Articles:

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)
3	<p>“Subsidiary” and “Parent company” shall be defined in accordance with the No. 5 and No.7 of the General Accepted Accounting Principles of the ROC Accounting Research Institution Regulation.</p> <p>The submission for disclosure shall refer to inputting the relevant data into the Market Observation Post System website designated by the Securities and Futures Commissions’.</p>	<p>“Subsidiary” and “Parent company” shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>“Net Value” mentioned in the Procedure is defined as the balance sheet equity attributable to the holders of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The submission for disclosure shall refer to inputting the relevant data into the website designated by the Financial Supervisory Commission.</p> <p>“Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of board of directors resolutions, or other date of the counter party and amount of the transaction determined, whichever date is earlier.</p>
4	<p>1) Funds lent to companies having short-term capital needs with the Company or subsidiaries shall not exceed 40% of net value of the said companies or subsidiaries or 2% of the Company’s net value, whichever is lower.</p> <p>2) Funds lent to companies that have business relationship with the Company shall not exceed 10% of the previous year’s amount of business with the borrower or 2% of the Company’s net value, whichever is lower.</p>	<p>1) Funds lent to companies having short-term capital needs with the Company or subsidiaries shall not exceed 40% of net value of the said companies or subsidiaries or 2% of the Company’s net value, whichever is lower.</p> <p>2) Funds lent to companies that have business relationship with the Company shall not exceed 10% of the previous year’s amount of business with the borrower or 2% of the Company’s net value, whichever is lower.</p> <p>When there are short-term capital needs among the offshore companies which are 100% owned directly and indirectly by the Company, the total lending amount shall be subject to the limit of 40% of the net value of the lending subsidiary, and the lending amount for any individual entity shall not exceed 10% of the net value of the lending subsidiary. The lending period in this case shall be within one year and the interest rate of such loan shall not be lower than the capital cost of the lending subsidiary from its short-term loan with the financial institution. The interest to be collected shall be calculated and paid once a month, be withheld when the fund is appropriated, or be paid on the last day of the lending period.</p>
5	<p>4) If the borrower requests the disposition of funds according to the preceding section, the borrower shall furnish promissory notes of equal amount and when necessary create pledge of movables or immovables, mortgage of movables or immovables to serve as the securities of the loan.</p>	<p>4) If the borrower requests the disposition of funds according to the preceding section, the borrower shall furnish promissory notes, bank guarantee, or other guarantee (collateral) of equal amount, and when necessary create pledge of movables or immovables, mortgage of movables or immovables to serve as the securities of the loan. When the subsidiaries in which the Company directly and indirectly holds more than 50% of the voting shares are the borrowers, they are excepted in this case.</p>
6	<p>The term of the loan shall not exceed one year, and any extension should be approved by the board of directors.</p>	<p>The term of the loan shall not exceed one year.</p>
7	<p>2) When the loan is due or the borrower pays the loan before the due date, the borrower shall</p>	<p>2) When the loan is due or the borrower pays the loan before the due date, the borrower shall</p>

	<p>calculate the payable interests and pay the interests with the principal before the promissory note or object of mortgage may be rescinded and returned to the lender or the mortgage registration may be cancelled. The lender shall demand repayment of principals and interests when the loan becomes due. If the timely repayment could not be effected and extension of the term is needed, prior request is required to the board of directors for its approval. Each extension shall not exceed 6 months, and shall be limited to only once. Any loan which is due and which is not repaid 15 days after the written notice of collection by the Company shall be subjected to the court's ruling and the promissory notes and collaterals be effected.</p> <p>3) The Company shall, in accordance with GAAP, evaluate the status of the loan, list adequate preparatory bad debt, appropriately disclose relevant information in the financial report, and provide relevant data for the certified accountant to proceed with necessary auditing procedures.</p>	<p>calculate the payable interests and pay the interests with the principal before the promissory note, bank guarantee, other guarantee (collateral), or object of mortgage may be rescinded and returned to the lender or the mortgage registration may be cancelled. The lender shall demand repayment of principals and interests when the loan becomes due. If the timely repayment could not be effected and extension of the term is needed, prior request is required to the board of directors for its approval. Each extension shall not exceed 6 months and the whole lending period shall be within one year. Such extension shall be limited to only once. Any loan which is due and which is not repaid after the written notice of collection by the Company shall be subjected to the Company's further legal actions or the court's ruling and the promissory notes and collaterals be effected.</p> <p>3) The Company shall evaluate the status of the loan, list adequate preparatory bad debt, appropriately disclose relevant information in the financial report, and provide relevant data for the certified accountant to proceed with necessary auditing procedures.</p>
8	The interests to be collected mentioned in the preceding section shall be calculated and paid once a month or be withheld when the fund is appropriated.	The interests to be collected mentioned in the preceding section shall be calculated and paid once a month, be withheld when the fund is appropriated, or be paid on the last day of the lending period.
9	If the remaining amount of the loan reaches any of the following criteria, it shall be disclosed and reported within two days from the occurrence of the event.	If the remaining amount of the loan reaches any of the following criteria, it shall be disclosed and reported within two days commencing immediately from the occurrence of the event.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

Voting Result: 9,772,001,739 shares were represented at the time of voting (among them, 3,983,072,070 shares voted via electronic transmission), 8,710,198,908 shares voted for the proposal (among them, 3,178,663,431 shares voted via electronic transmission); 14,649,232 shares voted against the proposal (among them, 14,649,232 shares voted via electronic transmission).

(2) To amend the Company's "Endorsements and Guarantees Procedure"

1. The amendment is based on the Regulations Governing the Loans, Endorsements and Guarantees by Public Companies promulgated by SFC on July 6, 2012 (Ref. 1010029874).
2. The table below compares the Original Articles and Amended Articles:

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)
2	<p>The parties to be endorsed and guaranteed are as follows:</p> <ol style="list-style-type: none"> 1) Companies who have business relationship with the Company. 2) Subsidiaries over 50% of the common stocks of which are directly held by the Company. 3) Companies over 50% of the common stocks of which are held by the Company directly or indirectly. 4) Companies which hold over 50% of the Company's common shares directly or indirectly. <p>In case the Company endorses or guarantees for the invested company the amount determined according to the portion of holding shares as a shareholder based on a joint investment, the preceding section shall not govern.</p> <p>The Company can endorse or guarantee for the invested companies that the Company directly or indirectly holds more than 90% of voting rights. The endorsed or guaranteed amount shall not exceed 10% of the Company's net value, however, the rule is not applicable for the invested companies that the Company directly or indirectly holds 100% of voting rights.</p> <p>“Subsidiary” and “Parent company” mentioned in the Procedure are defined according to No. 5 and No.7 of the General Accepted Accounting Principles of the ROC Accounting Research Institution Regulation.</p> <p>“Disclosure and report” mentioned in the Procedure represents data uploading to specific website defined by Financial Supervisory Commission, Executive Yuan.</p>	<p>The parties to be endorsed and guaranteed are as follows:</p> <ol style="list-style-type: none"> 1) Companies who have business relationship with the Company. 2) Companies over 50% of the common stocks of which are held by the Company directly or indirectly. 3) Companies which hold over 50% of the Company's common shares directly or indirectly. <p>In case the Company endorses or guarantees for the invested company the amount determined according to the portion of holding shares as a shareholder based on a joint investment, the preceding section shall not govern.</p> <p>The Company can endorse or guarantee for the invested companies that the Company directly or indirectly holds more than 90% of voting rights only if the proposed endorsement or guarantee resolved by the Company's board of directors in advance. The endorsed or guaranteed amount shall not exceed 10% of the Company's net value, However, the aforementioned rules are not applicable for the invested companies that the Company directly or indirectly holds 100% of voting rights.</p>
2-1	-	<p>“Subsidiary” and “Parent company” mentioned in the Procedure are defined according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>“Net value” mentioned in the Procedure is defined as the balance sheet equity attributable to the holders of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>“Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of board of directors resolutions, or other date of the counterparty and amount of transaction determined, whichever date is earlier.</p> <p>“Disclosure and report” mentioned in the Procedure represents data uploading to specific website defined by Financial Supervisory Commission.</p>
4	<p>The total amount of the Company's endorsements and guarantees is limited to 20% of the Company's net value, and the scope and amount of endorsements and guarantees are as follows.</p> <ol style="list-style-type: none"> 1) Endorsements and Guarantees for financing shall be NT\$500,000,000 	<p>The total amount of the Company's endorsements and guarantees is limited to 20% of the Company's net value, and the amount of endorsements and guarantees to one enterprise is as follows.</p> <ol style="list-style-type: none"> 1) The accumulated amount of endorsements and guarantees to one enterprise shall not exceed 5% of the net value of the

	<p>2) Endorsements and Guarantees for customs shall be NT\$50,000,000.</p> <p>3) Other Endorsements and Guarantees shall not exceed 5% of the Company's net value.</p> <p>4) The accumulated amount of endorsements and guarantees to one enterprise shall not exceed the net value of the company endorsed, the paid-in capital of the company endorsed or 5% of the net value of the Company, whichever is lower.</p> <p>5) For the endorsements and guarantees to the companies having business relationship with the Company, in addition to the aforementioned amount, the individual amount of the endorsement and guarantee shall not exceed the amount of business. The amount of business refers to the higher amount of buying or selling.</p> <p>The consolidated amount of endorsements and guarantees from the Company and subsidiaries shall not exceed 40% of the Company's net value.</p>	<p>Company.</p> <p>2) For the endorsements and guarantees to the companies having business relationship with the Company, in addition to the aforementioned amount restriction, the amount of the endorsement and guarantee shall not exceed the amount of business. The amount of business refers to the higher amount of buying or selling.</p> <p>The consolidated amount of endorsements and guarantees from the Company and subsidiaries shall not exceed 40% of the Company's net value, and, for any single entity, shall not exceed 20% of the Company's net value.</p>
5	<p>Decision of Endorsements and Guarantees and level of Authorization:</p> <p>1) When any department has a need for Endorsements and Guarantees due to business needs, it must receive approval from the Board of Directors. To satisfy the need for timely decision, the chairman of the board of directors may be authorized by the board of directors to make decisions first within an amount and then reported to the Board of Directors for its approval. Material amount of endorsement and guarantee shall be reported to the board meeting after receiving the approval from more than 1/2 members of Audit Committee.</p>	<p>Decision of Endorsements and Guarantees and level of Authorization:</p> <p>1) When any department has a need for Endorsements and Guarantees due to business needs, it must receive approval from the Board of Directors.</p> <p>Material amount of endorsement and guarantee shall be reported to the board meeting after receiving the approval from more than 1/2 members of Audit Committee.</p>
6	<p>4) The Company shall request the delivery of notes of the same amount as a counter guarantee, or the provision of collateral if necessary.</p> <p>5) The financial department shall make a detailed list of the guarantee provided and cancelled every month for the purpose of tracing and disclosure and report and, according to the No. 9 of the Regulation on the Financial Accounting, quarterly assess and acknowledge contingent losses of the endorsement or guarantee, and disclose relevant information in the financial report and provide the certified public accountant with relevant information to proceed with the necessary auditing procedure.</p> <p>7) The Company shall set an expiration date when providing endorsement and guarantee. When the net value of endorsed or guaranteed companies lower than 50% of their paid-in capital, it shall</p>	<p>4) The Company shall request the delivery of notes of the same amount as a counter guarantee, or the provision of collateral if necessary. Endorsement and guarantee to the subsidiaries in which the Company directly and indirectly holds more than 50% of the voting shares are excepted in this case.</p> <p>5) The financial department shall make a detailed list of the guarantee provided and cancelled every month for the purpose of tracing and disclosure and report and quarterly assess and acknowledge contingent losses of the endorsement or guarantee, and disclose relevant information in the financial report and provide the certified public accountant with relevant information to proceed with the necessary auditing procedure.</p> <p>7) The Company shall set an expiration date when providing endorsement and</p>

	<p>apply Article 6 and shall not make extension for such endorsement or guarantee when the original term expires. When the net value of a subsidiary lower than 50% of its paid-in capital, it shall apply Article 6 and FIN departments shall follow its financial status quarterly and provide written reports about unusual issues and recommendations, if any.</p>	<p>guarantee. When the net value of endorsed or guaranteed companies lower than 50% of their paid-in capital, it shall apply Article 6 and shall not make extension for such endorsement or guarantee when the original term expires. When the net value of a subsidiary lower than 50% of its paid-in capital, it shall apply Article 6 and FIN departments shall follow its financial status quarterly and provide written reports about unusual issues and recommendations, if any. The aforementioned paid-in capital shall be the sum of the share capital and paid-in capital in excess of par value of the share in case of a subsidiary with shares having no par value or a par value other than NT\$10.</p>
10	<p>2) If the Company and its subsidiary meet any of the following criteria, the Company shall disclose and report the relevant information within two days of the occurrence of the event.</p> <p>iii. The Company's and its subsidiary's remaining amount of the endorsement and guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement and guarantee, long-term investment and loan exceeds 30% of the net worth of the Company's latest financial report.</p>	<p>2) If the Company and its subsidiary meet any of the following criteria, the Company shall disclose and report the relevant information within two days commencing immediately from the occurrence of the event.</p> <p>iii The Company's and its subsidiary's remaining amount of the endorsement and guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement and guarantee, investment with long-term nature and loan exceeds 30% of the net worth of the Company's latest financial report.</p>

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

Voting Result: 9,772,001,739 shares were represented at the time of voting (among them, 3,983,072,070 shares voted via electronic transmission), 8,709,766,730 shares voted for the proposal (among them, 3,178,660,324 shares voted via electronic transmission); 14,653,889 shares voted against the proposal (among them, 14,653,889 shares voted via electronic transmission).

(3) To propose the issuance plan of private placement for common shares, ADR/GDR or CB/ECB, including Secured or Unsecured Corporate Bonds, to no more than 10% of registered capital

1. To provide the flexibility to engage in a semiconductor technology cooperation or alliance with major companies, and meanwhile to supplement operating capital for future needs, the Company proposed to engage with strategic investors through private placement of issuing either single or combo instruments such as common shares, DRs (including but not limited to ADS), or Euro/Domestic convertible

bonds (including secured or unsecured corporate bonds) in one or separated times, based on market condition and the Company needs. The amount of shares issued or convertible is proposed to be no more than 10% of total shares issued (i.e., no more than 1,295,180,554 shares), and it is proposed to authorize the Company's Board to determine the amount of actual shares issued based on the status of capital markets.

2. The instructions from item 6, Article 43-6, Security and Exchange Act are:

A. The rationality to determine the price of private placement:

- (a) The common stock price per share shall be no less than the reference price. The reference price is set as the higher of the following two basis prices: 1) The average closing price from either 1, 3 or 5 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction. 2) The average price of 30 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.
- (b) The issuance price of convertible bonds shall be no less than the theoretical price which is determined by a pricing model considering all options in the issuance terms.
- (c) The pricing date, actual reference price, theoretical price, and actual issuance price (including the conversion price of corporate bonds) are proposed to authorize the Board to determine after taking into consideration the market status, objective conditions, and qualification of specific parties. The price determination above shall follow regulations from government authorities. Considering that the Security and Exchange Act has set a no-trading period of 3 years on private placement securities, the price determination above shall be reasonable.

B. The method to determine specific parties: The strategic investors have the priority to be considered as specific parties for private placement if, (i) Being qualified for the rules in item 1, Article 43-6, Security and Exchange Act, (ii) Can meet the Company's needs on technology cooperation and alliance, (iii) Recognize the Company's operating strategy. It is proposed to authorize the Company's Board to determine the specific parties for private placement.

C. The necessity of private placement:

- (a) The reasons for not taking a public offering: Considering the capital market status, effectiveness, feasibility and costs to raise capital, and the no-trading period of 3 years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. Therefore, the Company proposed to raise capital through

private placement, rather than public offering.

- (b) The amount of the private placement: less than 1,295,180,554 shares
 - (c) The capital usage plan and projected benefits of private placement: The Company plans to do private placement at one time or several times (no more than 3 times) based on market conditions and specific parties. The capital raised will be fully used as working capital. The private placement will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.
3. It is proposed to authorize the Board to determine, proceed or revise the issuance plan of private placement through instruments such as common shares, DRs (including but not limited to ADS), or Euro/Domestic convertible bonds (including secured or unsecured corporate bonds), including issue price, shares, terms and conditions, plan items, amount, record date, projected progresses and benefits, and any other item related to the issuance plan, based on market conditions. It is also proposed to authorize the Company's Board to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from government authorities.
 4. The limitations with regard to private placement are based on Article 43-8, Security and Exchange Act and other letters from government authorities
 5. It is proposed to authorize Chairman or person assigned by Chairman to represent the Company to negotiate and sign any document and contract with regard to a private placement plan. For matters regarding private placement but not included above, it is proposed to authorize the Chairman to handle, according to related laws and regulations

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

Voting Result: 9,772,001,739 shares were represented at the time of voting (among them, 3,983,072,070 shares voted via electronic transmission), 8,691,694,664 shares voted for the proposal (among them, 3,160,159,187 shares voted via electronic transmission); 33,186,112 shares voted against the proposal (among them, 33,186,112 shares voted via electronic transmission).

- (4) To release the directors from non-competition restrictions
 1. According to Article 209, Company Law, if directors' activities for personal or others' interests are related to the Company's business scope, directors shall explain the content of their activities and ask the approval from shareholders at the meeting.



2. UMC owns 86.88% of the outstanding shares of Best Elite International Limited, the holding company of Hejian Technology (Suzhou) Co., Ltd., and is responsible for the operation's decisions. UMC appointed Stan Hung and Po-Wen Yen as the directors of Best Elite International Limited in order to create synergy.
3. Propose to approve the Company's directors, Stan Hung and Po-Wen Yen, as the directors of the company's subsidiary Best Elite International Limited and to exempt them from non-competition restrictions.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

Voting Result: 9,772,001,739 shares were represented at the time of voting (among them, 3,983,072,070 shares voted via electronic transmission), 8,573,884,289 shares voted for the proposal (among them, 3,178,504,812 shares voted via electronic transmission); 14,811,850 shares voted against the proposal (among them, 14,811,850 shares voted via electronic transmission).

VI. Extraordinary Motions: None

VII. Adjournment: Meeting ended at 9:45 am



Attachments

Attachment 1

United Microelectronics Corporation 2012 Annual Business Report

Dear Shareholders,

In 2012, the semiconductor supply chain experienced a steeper inventory adjustment over previous years due to the impact from the European debt crisis. As a result, UMC underwent two quarters of inventory corrections in the second half of 2012. For the year, wafers shipments totaled 4.3 million 8-inch equivalent wafers, leading to NT\$105.99 billion in revenue, a utilization rate of 80%, 21.2% gross margin, 8.6% operating margin, NT\$7.81 billion net income, NT\$0.62 earnings per share and 3.8% ROE.

As part of management's "Customer-Driven Foundry Solutions" philosophy, UMC continuously invests in advanced process R&D to provide customers the most appropriate technology solutions. Accompanied by smooth progress of leading-edge technology R&D and capacity deployment, 65nm and below accounted for 55% of revenue in the fourth quarter alone, while 40nm revenue grew to 15% of overall sales. For the full year, revenue contribution from 65nm and below grew from 39% in 2011 to 52% in 2012. 40nm contribution grew substantially, doubling from the year before.

As UMC continues to invest considerable R&D resources, R&D expenses reached NT\$9.3 billion in 2012, marking five consecutive years of growth. Besides the existing progress for production of 28nm Poly/SiON and verification of 28nm High-K/Metal-Gate processes, UMC is engaging with more customers for advanced nodes and is producing an increasing number of products in mobile communication & computing, wired & wireless connectivity, DTV, data storage controller, and programmable logic. For 20nm and next generation leading-edge technology, UMC entered into a technology agreement with IBM, licensing their 20nm process design kit and FinFET technology, to allow UMC to expedite the timely development of our own 14nm FinFET R&D. UMC has also received positive feedback from customers and backend partners about our 3DIC chip stacking technology development that uses UMC's 2.5D TSI open ecosystem platform. This 3DIC stacking technology, which integrates TSV and DRAM, has passed package-level reliability assessment and can now be applied onto HLP (high-performance/low power) mobile communications products. Meanwhile, UMC has also collaborated with Singapore's IME for joint-development of BSI-TSV technology, which has already helped UMC broaden our Singapore base. In



addition, UMC demonstrated a number of excellent results in specialty technologies, including the industry's first 55nm high voltage technology that was successfully applied onto smartphone panels. Other accomplishments include validating the industry's first high voltage embedded eFlash solution using 12V technology, 65nm FSI-CIS technology entering mass production and successful development of BSI-CIS technology. Moreover, UMC was honored with the National Innovation and Creation award by Taiwan's Bureau of Intellectual Property, Ministry of Economic Affairs. This distinguished award not only recognized UMC's innovation effort but also underscored the company's worldwide foundry technical leadership.

In addition to R&D investment for leading-edge process technology, UMC has continued to expand advanced technology capacity. Last year alone, UMC spent US\$1.7 billion, mainly on Fab 12A Phase 3 and Phase 4 expansion in the Tainan Science Park, 28/40nm capacity expansion, and converting R&D and tools to accommodate 20nm and below nodes. The company also broke ground for Fab 12A Phase 5 and 6 in May 2012, while Phase 7 and 8 plants are being planned to suit customers' long-term demand. This expansion will introduce a new era for 12-inch manufacturing by greatly expanding 28nm capacity and laying out a solid foundation for 20nm and below process. Aside from meeting customers' demand for advanced process capacity, the expansion will propel UMC into the next round of growth.

UMC has long dedicated itself to fulfilling enterprise responsibilities and strengthening corporate governance. Both the "Compensation Committee" and "Audit Committee" will further improve efficiency and complete oversight functions. Through checks and balances between the Board and management, operating transparency is enhanced and shareholders' rights and interests are secured. In order to fulfill enterprise and social responsibilities, UMC hopes to become a promoter in "Social Sustainability." In 2012, the company received numerous recognitions and honors for its social responsibility accomplishments, including the Green Factory Mark, Taiwan Green Role Model Award, Enterprise Environmental and Corporate Disclosure A+ honors, "2012 Corporate Citizenship Award" from Commonwealth Magazine and "Corporate Social Responsibility Report Award" from the Taiwan Institute for Sustainable Energy. UMC has also been selected as a component stock of Dow Jones Sustainability Indexes (DJSI) for five consecutive years and has achieved the highest grades in environmental policy and product environmental responsibilities categories, demonstrating UMC's ability to innovate within our core technological competency while maintaining our commitment as an industry leader in fulfilling environmental responsibilities. Moreover, the company's Fab 12A Phase 3 and 4 have passed Gold level certification (Leadership in Energy and Environmental Design – New Construction, LEED-NC) from the U.S. Green



Building Council. This is another green building recognition received following Gold level green building certification by Taiwan's EEWH (Ecology, Energy Saving, Waste Reduction and Health).

With our solid R&D foundation, established manufacturing capabilities, a healthy financial structure and a wealth of experience of dealing with the cyclical nature of the semiconductor industry, UMC is well positioned to weather the headwinds that face the economy. For 2013, our operating objectives will be to expedite the development of leading edge process and specialty technologies in order to enable our customers' success, continue to enhance our manufacturing, improve quality and shorten product cycle time. We will also expand our marketing efforts and customer penetration to ensure UMC's position as a leading foundry supplier, while increasing the organization's effectiveness, motivating employees to maximize their potential and encouraging employee accountability, thus reshaping long-term competitiveness to reach new peaks in operating performance.

Finally, we would like to thank every shareholder for supporting UMC over the years. The management team will continue to strengthen UMC's advantages on our existing foundation, and enhance technology and service quality in order to maximize shareholders' equity.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu

Attachment 2

Audit Committee's Report

The board of directors has prepared and submitted to us the Company's 2012 financial statements. These statements have been audited by Ernst & Young. The financial statements present fairly the financial position of the Company and the results of its operations and cash flows. We, as the Audit Committee of the Company, have reviewed these statements, the report of operations and surplus earnings distribution chart. According to Article 219 of the Company Law, we hereby submit this report.

United Microelectronics Corporation
Audit Committee:

Chun-Yen Chang

Chung Laung Liu

Paul S.C. Hsu

Cheng-Li Huang

March 13, 2013



Attachment 3

UMC 2012 Surplus Earnings Distribution Chart

Unit: NT\$

Item	Amount		Note
	Subtotal	Total	
2012 Earning Before Tax	9,889,376,439	9,889,376,439	
<i>Minus:</i> Income Tax Expense	2,069,928,553		
Net Profit After Tax		7,819,447,886	
<i>Minus:</i> Adjustment of Retained Earnings Accounted For Under The Equity Method	96,912,326		
<i>Minus:</i> Appropriated For Legal Reserve	772,253,556		
<i>Plus:</i> Previous Year's Unappropriated Earnings	13,706,119,117		
Earnings Available For Distribution (Cumulative)		20,656,401,121	
Items for Distribution:			
Cash Dividends To Shareholders	5,061,310,216		Dividend per share at approximately NT\$0.4
Total Distribution		5,061,310,216	
End of Term Unappropriated Earnings		15,595,090,905	
Note			
1. Directors' Remunerations	6,950,282		
2. Employee Cash Bonuses	1,040,179,328		Approximately 15% of earnings available for distribution

1. According to Article 22, Articles of Incorporation, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence: (1) Payment of taxes (2) Making up loss for preceding years (3) Setting aside 10% for legal reserve (4) Appropriating or reversing special reserve by government officials or other regulations (5) Allocation of 0.1% of residual amount after deducting the amounts stated in Items 1 through 4 above for remuneration of directors (6) The amount of no less than 5% of the residual amount after distribution of item 1 to 4, plus undistributed earnings from previous years, shall be distributed as bonus to employees in the form of cash or new shares.
2. According to the ruling issued by MOF on April 30, 1998 (Ref. 871941343), when distributing earnings it should be taxed according to the year that the earnings were gained. UMC adopts last-in first-out method when distributing earnings, which is to say, first distribute earnings from the most current year (i.e. 2012) and then the previous year's when not sufficient.
3. In the event of any change in the number of outstanding shares resulting from the purchase back of the Company common stock, transfer, conversation or cancellation of the treasury shares, or the exercise of the employee stock options, the dividend ratio must be adjusted. It is proposed to fully authorize the board of directors to adjust the dividend ratio and to proceed on the relevant matters.
4. It is proposed to distribute NT\$6,950,282 for directors' remunerations, NT\$1,040,179,328 for employee cash bonus, and NT\$0 for employee stock bonus shares.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu



Attachment 4

UMC 2012 Financial Statements

Please refer to www.umc.com for Audit Report of Independent Auditors and Financial Statements.