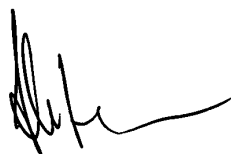


---

## LETTER OF REPRESENTATION

We confirm, to the best of our knowledge and belief, the following representations:

1. The companies represented in the consolidated financial statements of "United Microelectronics Corporation and its Affiliated Enterprises" for the year ended December 31, 2000 were made in accordance with "The Rules Governing Preparation of Affiliated Enterprises Consolidated Operating Report, Affiliated Enterprises Consolidated Financial Statements and Relationship Report", and are the identical companies represented in the consolidated financial statements of "United Microelectronics Corporation and Subsidiaries" for the year ended December 31, 2000 made in accordance with ROC Statement of Financial Accounting Standards No. 7.
2. The disclosures to the consolidated financial statements of "United Microelectronics Corporation and Its Affiliated Enterprises" for the year ended December 31, 2000 are made in accordance with "The Rules Governing Preparation of Affiliated Enterprises Consolidated Operating Report, Affiliated Enterprises Consolidated Financial Statements and Relationship Report", and are fully presented in the consolidated financial statements of "United Microelectronics Corporation and Subsidiaries" for the year ended December 31, 2000 made in accordance with ROC Statement of Financial Accounting Standards No. 7.
3. The consolidated financial statements of "United Microelectronics Corporation and Its Affiliated Enterprises" for the year ended December 31, 2000 are made in accordance with "The Rules Governing Preparation of Affiliated Enterprises Consolidated Operating Report, Affiliated Enterprises Consolidated Financial Statements and Relationship Report" and are presented in the consolidated financial statements of "United Microelectronics Corporation and Subsidiaries" as of December 31, 2000 made in accordance with ROC Statement of Financial Accounting Standards No. 7.



John Hsuan

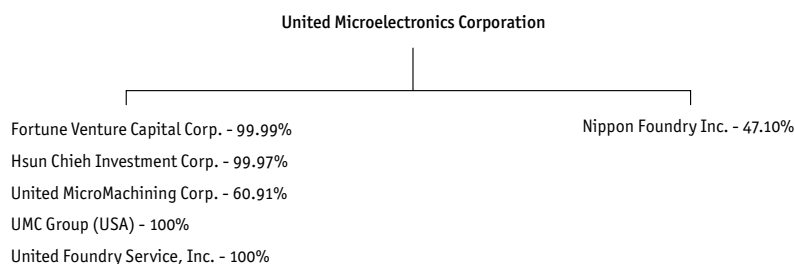
Chairman

United Microelectronics Corporation

January 17, 2001

## SUMMARY OF AFFILIATED ENTERPRISES

### ORGANIZATION CHART



### BASIC DATA OF AFFILIATED ENTERPRISES

*In thousand NTD*

Name of Corporation	Date of Establishment	Address	Outstanding Capital	Major Business /Production Items
Fortune Venture Capital Corp.	1993/09/21	2F, No. 76, Sec. 2, Tunhwa S. Rd., Taipei, Taiwan, R.O.C.	3,000,000	Consulting & Planning for Investment in New Business
Hsun Chieh Investment Corp.	2000/01/12	2F, No.76, Sec. 2, Tunhwa S. Rd., Taipei, Taiwan, R.O.C.	14,177,110	Investment
UMC Group (USA)	1997/10	488 De Guigne Dr., Sunnyvale, CA 94086, USA	527 (USD 16,000)	IC Sales
United MicroMachining Corp.	1996/07/19	1557A Centre Pointe Dr., Milpitas, CA 95035, USA	325 (USD 9,850)	R&D, Manufacturing & Sales of Delicate Machinery
Nippon Foundry Inc.	1984/05/15	No. 1580, Yamamoto, Tateyama-City, Chiba, Japan	7,720,887 (JPY 26,920,806,000)	Sales & Manufacturing of Integrated Circuits Fabrication
United Foundry Service, Inc.	1996/07/29	488 De Guigne Dr., Sunnyvale, CA 94086, USA	66 (USD 2,005)	Supervising and Monitoring Group Project

Note: USD:NTD=1:32.96 JPY:NTD=1:0.2868

### DATA OF COMMON SHAREHOLDERS OF TREATED-AS CONTROLLED COMPANIES AND AFFILIATES

None.

**BUSINESS OF UNITED MICROELECTRONICS CORPORATION (UMC) & ITS AFFILIATED ENTERPRISES**

The business of UMC and its affiliated enterprises covers investment industry, manufacturing industry, trade industry, electronics industry, semiconductor wafers manufacturing, and machinery industry, etc.

**DIRECTORS, SUPERVISORS & PRESIDENTS OF AFFILIATED ENTERPRISES**

Name of Corporation	Title	Name of Representative	Shareholding	
			Shares	%
<b>Fortune Venture Capital Corp.</b>	Chairman	United Microelectronics Corp. Representative: Robert H.C. Tsao	299,994,000	99.99%
	Director	United Microelectronics Corp. Representative: John Hsuan	299,994,000	99.99%
	Director	United Microelectronics Corp. Representative: Hsin-Chien Tuan	299,994,000	99.99%
	Director	United Microelectronics Corp. Representative: Chia-Tsung Hung	299,994,000	99.99%
	Director	Ming-Kai Tsai	1,000	0.00%
	Supervisor	United Microelectronics Corp. Representative: Tzu-Chang Tseng	299,994,000	99.99%
<b>Hsun Chieh Investment Corp.</b>	Chairman	United Microelectronics Corp. Representative: Robert H.C. Tsao	1,417,294,000	99.97%
	Director	United Microelectronics Corp. Representative: John Hsuan	1,417,294,000	99.97%
	Director	United Microelectronics Corp. Representative: Ing-Dar Liu	1,417,294,000	99.97%
	Supervisor	United Microelectronics Corp. Representative: Chia-Tsung Hung	1,417,294,000	99.97%
<b>UMC Group (USA)</b>	Director	Tony Yu	—	—
	Director	Peter Courture	—	—
	President	Jim Kupec	—	—
<b>United MicroMachining Corp.</b>	Director	United Microelectronics Corp. Representative: Robert H.C. Tsao	6,000,000	60.91%
	Director	United Microelectronics Corp. Representative: John Hsuan	6,000,000	60.91%
	Director	Peter Courture	—	—
	President	Web Chang	500,000	5.08%
<b>Nippon Foundry Inc.</b>	Chairman	Robert H.C. Tsao	—	—
	President	Yukio Sakamoto	100	0.04%
	Director	John Hsuan	—	—
	Director	Theodore M.H. Huang	—	—
	Director	Tsing-Yuan Hwang	—	—
	Director	Hong-Jen Wu	—	—
	Director	Peter Chang	—	—
	Director	Chia-Tsung Hung	—	—
	Director	Semi Wang	272	0.10%
	Director	Donald W. Brooks	—	—
Director	Ing-Dar Liu	—	—	

*Continued on next page*

Name of Corporation	Title	Name of Representative	Shareholding	
			Shares	%
<i>Continued from previous page</i>				
<b>Nippon Foundry Inc.</b>	Director	Henry Liu	288	0.11%
	Director	Hiromitsu Takeuchi	522	0.22%
	Director	Frank Wen	—	—
	Supervisor	Kuang-Yeh Chang	272	0.10%
	Supervisor	Jin-Shuang Chen	—	—
	Supervisor	Eiichi Arakawa	66	0.026%
<b>United Foundry Service, Inc.</b>	President & Director	Peter Courture	—	—

## SUMMARIZED OPERATION RESULTS OF AFFILIATED ENTERPRISES

*In thousand NTD*

Name of Corporation	Outstanding Capital	Total Assets	Total Liabilities	Net Worth	Net Operating Revenues	Operating Income	Net Income	Earnings Per Share (NTD)
Fortune Venture Capital Corp.	3,000,000	3,662,914	17,493	3,645,421	574,535	(37,336)	(37,082)	(0.12)
Hsun Chieh Investment Corp.	14,177,110	28,742,697	82,605	28,660,092	2,321,273	815,962	1,022,231	0.72
UMC Group (USA)	527	10,173,928	9,498,182	675,746	45,900,096	140,508	113,481	6.92
United MicroMachining Corp.	325	51,832	1,123	50,709	8,585	(2,827)	178	0.03
Nippon Foundry Inc.	7,720,887	25,760,641	6,842,557	18,918,085	10,436,404	3,423,926	2,246,238	8.834
United Foundry Service, Inc.	66	72,897	1,284	71,613	90,686	5,150	5,693	2.97

Note 1: USD:NTD=1:32.96 JPY:NTD=1:0.2868

Note 2: Earnings per share of NFI is calculated based on outstanding shares of 254,272.2.

## DIVIDEND POLICY AND STATUS

If there are earnings for distribution at the end of each fiscal year, they will be paid but in the following order:

- a. Tax Payment.
- b. Coverage of losses.
- c. 10% addition to the contributed surplus in accordance with statutory mandate.
- d. Remuneration for Directors and Supervisors: one percent (1%) of the amount remaining after the previous 3 items have been paid out.
- e. Shareholder and employee bonuses will be distributed or retained, with a distribution or retention ratio of 92% for shareholders and 8% for employees.

The Company policy for distribution for share bonuses should reflect such factors as the current and future investment environment, fund requirements, domestic and international competition, and capital estimates; 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 to the Shareholders Meeting.

**IMPACT OF DIVIDENDS ON OPERATION RESULTS, EPS AND ROE**

*In thousand NTD, except for earnings per share*

		1999	2000	
Paid-in capital at Jan.1 of the year		\$ 55,418,013	\$ 66,549,966	
Dividend	Cash dividend per share	—	—	
	Stock dividend from earnings per share	0.05	0.10	
	Stock dividend from capital reserve per share	0.10	0.10	
Operation results	Operating income	\$ 5,521,394	\$ 43,573,127	
	Increase (decrease) of operating income as % of the previous year	1308%	689%	
	Net income	\$ 10,497,892	\$ 50,780,378	
	Increase (decrease) of net income as % of the previous year	138%	384%	
	Earnings per share	\$ 1.60	\$ 4.57	
	Increase (decrease) of earnings per share as % of the previous year	97%	186%	
	Annual return on investment (reciprocal of annual P/E)	2.37%	5.35%	
Pro forma earnings per share and P/E ratio	If stock dividend from earnings is distributed in full as cash dividend	Pro forma earnings per share	\$ 1.65	\$ 4.94
		Pro forma annual return on investment	2.45%	5.79%
	If no stock dividend from capital reserve is distributed	Pro forma earnings per share	\$ 1.75	\$ 4.97
		Pro forma annual return on investment	2.59%	5.82%
	If no stock dividend from capital reserve is distributed, and stock dividend from earnings is distributed in full as cash dividend	Pro forma earnings per share	\$ 1.81	\$ 5.42
		Pro forma annual return on investment	2.68%	6.35%

**Notes**

1. Assumptions of estimated or pro forma data applied on this table are as follows:

(1) The 1998 effective tax rate of 8% is applied for 1999.

(2) The 1999 effective tax rate of 3% is applied for tax rate estimation in 2000. The tax rate is calculated based on the formula: income tax payable/income before tax.

(3) The estimated interest rate is 7.5%.

2. The pro forma earnings per share if stock dividend from earnings was distributed in full as a cash dividend.

= [Net income – assumed interest accrued from cash dividend \* (1 – tax rate %)] / [The outstanding shares at year-end – shares increased due to the stock dividend from earnings]\*\*

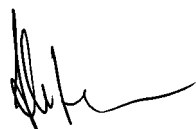
\*The capitalized earnings x the annual primary interest rate

\*\*Shares increased by the capitalized earnings of the previous year.

3. The total outstanding number of shares at year-end and shares increased by capital reserve and stock dividend are calculated based on weighted average method.

4. The annual P/E ratio = (The annual average market price of the share) / (earnings per share of the year)

SPECIAL DISCLOSURES



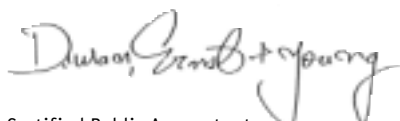
Chairman



CFO



Manager



Certified Public Accountant

---

## OTHER DISCLOSURES

Disclosures of events which may have significant influence on stockholders' equity or stock price, in compliance with Item 2, Paragraph 2 of Article 36 of the Securities and Exchange Law.

a. At the twenty-third board meeting of the seventh-term on May 3, 2000, Vice Chairman John Hsuan was elected as Chairman of UMC. The board meeting passed a resolution to invite Robert H. C. Tsao, the former Chairman, to serve as Chairman of UMC Group to continue to provide strategic guidance and advice to the company.

b. The twenty-eighth board meeting of the seventh-term board of directors and supervisors passed a resolution to change the Company's auditing Certified Public Accountants from PricewaterhouseCooper's Albert Hsueh and James Tsai to Diwan, Ernest & Young's James Wang and Thomas Yue, due to management reasons. This change became effective from November 29, 2000.



UMC 2000 ANNUAL REPORT

**SUPPLEMENTARY INFORMATION**

SUPERVISORS' REPORT OF UNITED MICROELECTRONICS CORPORATION

STATEMENT OF INTERNAL CONTROL

IMPACT OF DIVIDENDS ON OPERATION RESULTS, EPS AND ROE

---

# SUPERVISORS' REPORT OF UNITED MICROELECTRONICS CORPORATION

The Board of Directors has prepared and submitted to us the Company's 2000 balance sheets, statements of income, changes in stockholders' equity, cash flows and principal property. These statements have been audited by Diwan, Ernst & Young. The financial statements present fairly the financial position of the Company and the results of its operations and the cash flows. We, as the Supervisors of the Company, have reviewed these statements, report of operations and the proposals relating to distribution of net profit. According to the article 219 of Company Law, we hereby submit this report.

United Microelectronics Corporation

Supervisors:



Felix S.T. Chen



Ming-Jan Chen

March 27, 2001

---

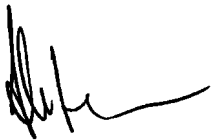
## STATEMENT OF INTERNAL CONTROL

The self-assessment of UMC's internal control was conducted for the year ended December 31, 2000 based on UMC's internal control system. The results are described as follows:

1. UMC acknowledges that the Board of Directors and the management are responsible for establishing, executing and maintaining a sufficient internal control system, which has been already set up. The purposes of the internal control system are to provide a reasonable assurance of achieving the goals of efficiency and effectiveness of the operations, such as profitability, performance and the safeguard of the assets, the reliability of the financial reports and the compliance with the applicable laws and regulations.
2. The internal control system has its inherent constraints, and it could only provide reasonable assurance of achieving the three goals mentioned above no matter how well it has been designed. The effectiveness of the internal control system could be changed due to changes of the environment and the situations. UMC has established an internal control system with the function of self-monitoring which could undertake corrective actions whenever a shortcoming is identified.
3. UMC's assessment of the effectiveness of the design and execution of the internal control system is based on the execution points (the Points). The Points are covered by the guidelines of establishing the public company's internal control system issued by the Securities and Futures Commission of the Ministry of Finance, which specify the judgement items for evaluating the effectiveness of internal control.

The internal control is divided into five components, based on the process of management control, according to the judgement points for internal control employed by the Items, such as: (1) Control Environment, (2) Risk Assessments, (3) Control Activities, (4) Information and Communication, and (5) Monitoring. Each component consists of certain items, which could be referred to the Items as described.

4. UMC has employed the judgement items mentioned above to evaluate the effectiveness of the design and execution of the internal control system.
5. UMC believes that the effectiveness of the design and execution of its internal control system during the above mentioned assessment period provides reasonable assurance of achieving the goals of the efficiency and effectiveness of operations, the reliability of financial reports and the compliance with applicable laws and regulations.
6. The Statement of Internal Control will be an integral part of UMC's annual report and prospectus that are open to the public, and within which any illegal acts, such as misstatement or concealment, would subject to the legal liabilities of Code 20, Code 32, Code 171 and Code 174 of the Securities Exchange Laws.
7. UMC's Board of Directors has approved the Statement of Internal Control (the Statement) on March 27, 2001. Ten directors attended and agreed with the content of the Statement.



UMC Chairman



UMC President

March 27, 2001

# IMPACT OF DIVIDENDS ON OPERATION RESULTS, EPS AND ROE

*In thousand NTD, except for earnings per share*

		1999	2000	2001 Est.	
Paid-in capital at Jan.1 of the year		\$ 55,418,013	\$ 66,549,966	\$ 114,714,519	
Dividend	Cash dividend per share	—	—	—	
	Stock dividend from earnings per share	0.05	0.10	0.15	
	Stock dividend from capital reserve per share	0.10	0.10	—	
Operation results	Operating income	\$ 5,521,394	\$ 43,573,127	\$ 11,330,617	
	Increase (decrease) of operating income as % of the previous year	1308%	689%	(74%)	
	Net income	\$ 10,497,892	\$ 50,780,378	\$ 13,330,968	
	Increase (decrease) of net income as % of the previous year	138%	384%	(74%)	
	Earnings per share	\$ 1.60	\$ 4.57	\$ 1.00	
	Increase (decrease) of earnings per share as % of the previous year	97%	186%	(78%)	
	Annual return on investment (reciprocal of annual P/E ratio)	2.37%	5.35%	1.87%	
Pro forma earnings per share and P/E ratio	If stock dividend from earnings is distributed in full as cash dividend	Pro forma earnings per share	\$ 1.65	\$ 4.94	\$ 1.05
		Pro forma annual return on investment	2.45%	5.79%	1.96%
	If no stock dividend from capital reserve is distributed	Pro forma earnings per share	\$ 1.75	\$ 4.97	\$ 1.00
		Pro forma annual return on investment	2.59%	5.82%	1.87%
	If no stock dividend from capital reserve is distributed, and stock dividend from earnings is distributed in full as cash dividend	Pro forma earnings per share	\$ 1.81	\$ 5.42	\$ 1.05
		Pro forma annual return on investment	2.68%	6.35%	1.96%

## Notes

1. Assumptions of estimated or pro forma data applied on this table are as follows:

(1) The 1998 effective tax rate of 8% is applied for 1999.

(2) The 1999 effective tax rate of 3% is applied for tax rate estimation in 2000. The tax rate is calculated based on the formula: income tax payable/income before tax.

(3) The 2000 estimated tax rate of 9% is applied for tax rate estimation in 2001.

(4) The estimated interest rate is 7.5%.

2. The pro forma earnings per share if stock dividend from earnings was distributed in full as a cash dividend.

= [Net income – assumed interest accrued from cash dividend \* (1 – tax rate %)] / [The outstanding shares at year-end – shares increased due to the stock dividend from earnings]\*\*

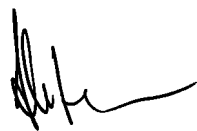
\*The capitalized earnings x the annual primary interest rate

\*\*Shares increased by the capitalized earnings of the previous year.

3. The total outstanding number of shares at year-end and shares increased by capital reserve and stock dividend are calculated based on weighted average method.

4. The annual P/E ratio = (The annual average market price of the share) / (earnings per share of the year)

5. Paid-in capital at the beginning of the year does not eliminate the effect of the treasury stock.



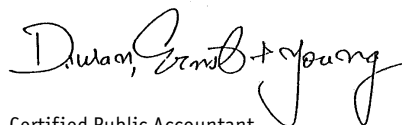
Chairman



CFO



Manager



Certified Public Accountant

## CORPORATE INFORMATION

### *Spokesman*

#### **Jing-Shan Aur**

Executive Board Director

Telephone 886 (3) 578 2258

### *Main Office*

No. 3, Li-Hsin Rd. 2

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 578 2258

### *Fab 6A*

No. 10, Innovation Rd. 1

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 578 2259

### *Fab 8A*

No. 3, Li-Hsin Rd. 2

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 578 9158

### *Fab 8B*

No. 5, Li-Hsin Rd. 2

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 579 5158

### *Fab 8C*

No. 6, Li-Hsin Rd. 3

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 578 9388

### *Fab 8D*

No. 8, Li-Hsin Rd. 3

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 578 2258

### *Fab 8E*

No. 17, Li-Hsin Rd.

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 567 9797

### *Fab 8F*

No. 3, Li-Hsin Rd. 6

Science-Based Industrial Park,

Hsin-Chu City, Taiwan, R.O.C.

Telephone 886 (3) 578 2258

### *Taipei Office*

3F, No. 76, Sec. 2, Tunhwa S. Rd.

Taipei, Taiwan, R.O.C.

Telephone 886 (2) 2700 6999

### *Hsin-Tien Office*

8F, No. 233-1, Bao-Chiao Rd.

Hsin-Tien, Taipei County, Taiwan, R.O.C.

Telephone 886 (2) 2918 1589

### *Securities Dealing Institute*

#### **National Securities Corp.**

3F, No. 53, Po-Ai Rd., Taipei, Taiwan, R.O.C.

Telephone 886 (2) 2381 6288

### *ADR Depository Bank*

#### **Citibank N.A.**

#### **Depository Services Dept.**

111 Wall Street, 20 Floor/Zone 7

New York, NY 10005, USA

Telephone 1 212 657 1853

Facsimile 1 212 825 2103/1 212 825 5398

Toll-free 1 877 CITI ADR (1 877 248 4237)

Shareholder Service Representatives are available

Monday through Friday, 8:30a.m. to 6:00p.m.

Eastern time.

[www.citibank.com/adr](http://www.citibank.com/adr)

### *Auditor*

#### **Diwan, Ernst & Young**

James Wang, Thomas Yue

9th Fl., 333 Keelung Rd., Sec. 1

Taipei 110, Taiwan, R.O.C.

Telephone 886 (2) 2720 4000

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

