

**UNITED MICROELECTRONICS CORPORATION
FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2008 AND 2007**

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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 (the “Company”) as of September 30, 2008 and 2007, and the related statements of income and cash flows for the nine-month periods ended September 30, 2008 and 2007. These financial statements are the responsibility of the Company’s management. Our responsibility is to issue the review report based on our reviews. As described in Note 4(7) to the financial statements, certain long-term investments were accounted for under the equity method based on financial statements as of September 30, 2008 and 2007 of the investees, which were reviewed by other auditors. Our review insofar as it relates to the investment income amounting to NT\$96 million and NT\$848 million for the nine-month periods ended September 30, 2008 and 2007, respectively, and the related long-term investment balances of NT\$3,310 million and NT\$6,099 million as of September 30, 2008 and 2007, respectively, is based solely on the reports of 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 with requirements of the Business Entity Accounting Act and Regulation on Business Entity Accounting Handling with respect to financial accounting standards, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

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

October 20, 2008
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
 September 30, 2008 and 2007
 (Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of September 30,		Liabilities and Stockholders' Equity	Notes	As of September 30,	
		2008	2007			2008	2007
Current assets				Current liabilities			
Cash and cash equivalents	2, 4(1)	\$ 25,194,181	\$ 76,787,162	Financial liabilities at fair value through profit or loss, current	2, 4(11)	\$ 175,781	\$ 224,775
Financial assets at fair value through profit or loss, current	2, 4(2)	1,939,396	5,770,280	Accounts payable		3,844,188	5,323,400
Notes receivable		100,595	46,747	Income tax payable	2	688,272	645,100
Notes receivable - related parties, net	5	14,057	-	Accrued expenses	2	8,161,779	7,240,866
Accounts receivable, net	2, 4(3)	5,291,522	7,886,392	Payable on equipment		1,526,862	2,832,686
Accounts receivable - related parties, net	2, 5	8,713,541	9,268,491	Other payables	4(14)	-	53,910,992
Other receivables	2	297,000	503,142	Current portion of long-term liabilities	2, 4(12)	-	22,923,647
Inventories, net	2, 4(4)	11,761,863	10,889,073	Other current liabilities		238,682	626,514
Prepaid expenses		493,104	920,809	Total current liabilities		\$ 14,635,564	\$ 93,727,980
Deferred income tax assets, current	2, 4(19)	1,086,442	1,137,674				
Total current assets		54,891,701	113,209,770	Long-term liabilities			
Funds and investments				Financial liabilities at fair value through profit or loss, noncurrent	2, 4(11)	-	154,531
Financial assets at fair value through profit or loss, noncurrent	2, 4(2)	17,708	-	Bonds payable	2, 4(12)	7,496,568	7,495,033
Available-for-sale financial assets, noncurrent	2, 4(5), 4(10)	17,226,829	50,781,477	Total long-term liabilities		7,496,568	7,649,564
Financial assets measured at cost, noncurrent	2, 4(6), 4(10)	2,510,431	2,321,538				
Long-term investments accounted for under the equity method	2, 4(7)	32,305,933	40,849,073	Other liabilities			
Prepayment for long-term investments		-	81,244	Accrued pension liabilities	2, 4(13)	3,226,978	3,148,584
Total funds and investments		52,060,901	94,033,332	Deposits-in		8,835	13,543
Property, plant and equipment	2, 4(8), 7			Other liabilities - others	2	485,109	507,251
Land		1,132,576	1,132,576	Total other liabilities		3,720,922	3,669,378
Buildings		17,375,081	17,073,478	Total liabilities		25,853,054	105,046,922
Machinery and equipment		436,007,887	425,154,992				
Transportation equipment		69,959	74,254	Capital	2, 4(14), 4(15), 4(17)		
Furniture and fixtures		2,952,806	2,580,336	Common stock		135,434,871	132,128,269
Total cost		457,538,309	446,015,636	Additional paid-in capital	2, 4(14)		
Less : Accumulated depreciation		(355,409,819)	(319,892,779)	Premiums		53,431,558	59,413,279
Add : Construction in progress and prepayments		5,042,416	7,296,294	Change in equities of long-term investments		6,889,202	6,635,819
Property, plant and equipment, net		107,170,906	133,419,151	Retained earnings	4(14), 4(17)		
Intangible assets				Legal reserve		19,711,865	18,476,942
Goodwill	2	3,745,122	3,745,122	Special reserve		-	824,922
Total intangible assets		3,745,122	3,745,122	Unappropriated earnings		(1,896,286)	10,990,175
Other assets				Adjusting items in stockholders' equity	2, 4(5)		
Deferred charges	2	1,120,703	1,365,895	Cumulative translation adjustment		(908,546)	(822,697)
Deferred income tax assets, noncurrent	2, 4(19)	3,659,045	4,007,797	Unrealized gain or loss on financial instruments		(4,911,805)	35,871,422
Other assets - others	2, 4(9), 6	1,874,705	1,914,898	Treasury stock	2, 4(7), 4(14), 4(16)	(9,080,830)	(16,869,088)
Total other assets		6,654,453	7,288,590	Total stockholders' equity		198,670,029	246,649,043
Total assets		\$ 224,523,083	\$ 351,695,965	Total liabilities and stockholders' equity		\$ 224,523,083	\$ 351,695,965

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 nine-month periods ended September 30, 2008 and 2007
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the nine-month period ended September 30,				
		2008		2007		
Operating revenues	2, 5					
Sales revenues		\$	72,873,287	\$	77,597,690	
Less : Sales returns and discounts			(1,104,892)		(597,939)	
Net sales			71,768,395		76,999,751	
Other operating revenues			2,220,703		2,150,727	
Net operating revenues			73,989,098		79,150,478	
Operating costs	2, 4(18)					
Cost of goods sold			(59,278,886)		(61,024,764)	
Other operating costs			(971,149)		(1,268,370)	
Operating costs			(60,250,035)		(62,293,134)	
Gross profit			13,739,063		16,857,344	
Unrealized intercompany profit	2		(86,204)		(106,726)	
Realized intercompany profit	2		85,543		105,892	
Gross profit-net			13,738,402		16,856,510	
Operating expenses	2, 4(18)					
Sales and marketing expenses			(2,008,712)		(2,303,782)	
General and administrative expenses			(2,019,010)		(2,121,490)	
Research and development expenses			(6,232,951)		(6,952,445)	
Subtotal			(10,260,673)		(11,377,717)	
Operating income			3,477,729		5,478,793	
Non-operating income						
Interest revenue			435,250		975,490	
Investment gain accounted for under the equity method, net	2, 4(7)		-		2,720,853	
Dividend income			1,712,894		2,089,647	
Gain on disposal of property, plant and equipment	2		31,881		135,210	
Gain on disposal of investments	2, 4(12)		1,787,074		7,694,679	
Exchange gain, net	2		52,118		33,435	
Gain on valuation of financial liabilities	2, 4(11)		-		351	
Other income			724,105		696,658	
Subtotal			4,743,322		14,346,323	
Non-operating expenses						
Interest expense	2, 4(8)		(50,749)		(117,894)	
Investment loss accounted for under the equity method, net	2, 4(7)		(50,423)		-	
Loss on disposal of property, plant and equipment	2		(5,546)		(74,293)	
Loss on decline in market value and obsolescence of inventories	2		(369,106)		(62,311)	
Financial expenses			(74,508)		(118,989)	
Impairment loss	2, 4(10)		(3,307,772)		(246,144)	
Loss on valuation of financial assets	2, 4(2)		(2,067,302)		(2,018,705)	
Loss on valuation of financial liabilities	2, 4(11)		(677,066)		-	
Other losses			(54,555)		(43,225)	
Subtotal			(6,657,027)		(2,681,561)	
Income from continuing operations before income tax			1,564,024		17,143,555	
Income tax expense	2, 4(19)		(374,439)		(1,540,845)	
Net income			\$ 1,189,585		\$ 15,602,710	
			Pre-tax	Post-tax	Pre-tax	Post-tax
Earnings per share-basic (NTD)	2, 4(20)					
Net income			\$ 0.12	\$ 0.09	\$ 0.97	\$ 0.89
Earnings per share-diluted (NTD)	2, 4(20)					
Net income			\$ 0.11	\$ 0.08	\$ 0.94	\$ 0.86
Pro forma information on earnings as if subsidiaries' investment in the Company is not treated as treasury stock	2, 4(20)					
Net income			\$ 1,201,125		\$ 15,618,159	
Earnings per share-basic (NTD)			\$ 0.09		\$ 0.89	
Earnings per share-diluted (NTD)			\$ 0.08		\$ 0.86	

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 nine-month periods ended September 30, 2008 and 2007
 (Expressed in Thousands of New Taiwan Dollars)

	For the nine-month period ended September 30,	
	2008	2007
Cash flows from operating activities:		
Net income	\$ 1,189,585	\$ 15,602,710
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	27,325,736	27,095,069
Amortization	906,978	1,020,200
Bad debt expenses (reversal)	2,505	(270)
Loss on decline in market value and obsolescence of inventories	369,106	62,311
Cash dividends received under the equity method	492,920	582,530
Investment loss (gain) accounted for under the equity method	50,423	(2,720,853)
Loss on valuation of financial assets and liabilities	2,744,368	2,018,354
Impairment loss	3,307,772	246,144
Gain on disposal of investments	(1,787,074)	(7,694,679)
Gain on disposal of property, plant and equipment	(26,335)	(60,917)
Exchange gain on financial assets and liabilities	(8,479)	(15,845)
Exchange loss (gain) on long-term liabilities	(178,877)	173,185
Amortization of bond discounts	7,289	46,593
Amortization of deferred income	(124,125)	(110,011)
Changes in assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(57,059)	539,042
Notes and accounts receivable	(475,331)	(4,839,889)
Other receivables	106,928	111,547
Inventories	(769,351)	(851,371)
Prepaid expenses	(46,456)	(277,510)
Deferred income tax assets	(217,784)	909,763
Accounts payable	(939,868)	1,308,758
Accrued expenses	152,216	(330,768)
Other current liabilities	(177,774)	50,569
Capacity deposits	(4,447)	(755,832)
Accrued pension liabilities	57,177	61,809
Other liabilities - others	145,597	98,254
Net cash provided by operating activities	<u>32,045,640</u>	<u>32,268,893</u>
Cash flows from investing activities:		
Acquisition of available-for-sale financial assets	-	(365,918)
Proceeds from disposal of available-for-sale financial assets	1,938,540	3,231,877
Acquisition of financial assets measured at cost	(215,726)	(119,875)
Proceeds from disposal of financial assets measured at cost	10	400
Acquisition of long-term investments accounted for under the equity method	(1,444,694)	(494,598)
Proceeds from disposal of long-term investments accounted for under the equity method	378	965,655
Proceeds from maturities of held-to-maturity financial assets	-	976,000
Prepayment for long-term investments	-	(81,244)
Proceeds from liquidation of long-term investments	197,883	45,505
Acquisition of property, plant and equipment	(9,951,249)	(25,372,210)
Proceeds from disposal of property, plant and equipment	107,083	239,146
Increase in deferred charges	(628,295)	(885,589)
Decrease in other assets - others	2,385	649
Net cash used in investing activities	<u>(9,993,685)</u>	<u>(21,860,202)</u>

UNITED MICROELECTRONICS CORPORATION

UNAUDITED STATEMENTS OF CASH FLOWS

For the nine-month periods ended September 30, 2008 and 2007

(Expressed in Thousands of New Taiwan Dollars)

	For the nine-month period ended September 30,	
	2008	2007
(continued)		
Cash flows from financing activities:		
Redemption of bonds	\$ (22,716,624)	\$ (2,259,992)
Cash dividends	(9,382,647)	(12,461,529)
Payment of employee bonus	(286,541)	(2,324,120)
Remuneration paid to directors and supervisors	(11,939)	(15,494)
Exercise of employee stock options	-	187,493
Purchase of treasury stock	(2,087,205)	-
Decrease in deposits-in	(6,284)	(903)
Net cash used in financing activities	<u>(34,491,240)</u>	<u>(16,874,545)</u>
Effect of exchange rate changes on cash and cash equivalents	180,837	(141,786)
Net decrease in cash and cash equivalents	(12,258,448)	(6,607,640)
Cash and cash equivalents at beginning of period	37,452,629	83,394,802
Cash and cash equivalents at end of period	<u>\$ 25,194,181</u>	<u>\$ 76,787,162</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 390,259</u>	<u>\$ 502,693</u>
Cash paid for income tax	<u>\$ 724,675</u>	<u>\$ 1,907,088</u>
Investing activities partially paid by cash:		
Acquisition of property, plant and equipment	\$ 5,461,717	\$ 18,103,129
Add: Payable at beginning of period	6,016,394	10,101,767
Less: Payable at end of period	(1,526,862)	(2,832,686)
Cash paid for acquiring property, plant and equipment	<u>\$ 9,951,249</u>	<u>\$ 25,372,210</u>
Investing and financing activities not affecting cash flows:		
Principal amount of exchangeable bonds exchanged by bondholders	\$ -	\$ 3,285,254
Book value of available-for-sale financial assets delivered for exchange	-	(895,055)
Elimination of related balance sheet accounts	-	392,118
Recognition of gain on disposal of available-for-sale financial assets	<u>\$ -</u>	<u>\$ 2,782,317</u>
Cash paid for capital reduction:		
Payment of the cash distribution pursuant to the capital reduction	\$ -	\$ 53,910,992
Less: Payable at end of period	-	(53,910,992)
Cash paid for capital reduction	<u>\$ -</u>	<u>\$ -</u>

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

UNITED MICROELECTRONICS CORPORATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS

September 30, 2008 and 2007

(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. 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 September 30, 2008 and 2007 were 13,239 and 13,786, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in conformity with requirements of the Business Entity Accounting Act and Regulation on Business Entity Accounting Handling with respect to financial accounting standards, 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 reasonable estimates and assumptions that will affect the amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. The actual results may differ from those estimates.

Foreign Currency Transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are reported at fair value with changes in fair value charged to the 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 a cumulative translation adjustment in 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 at the balance sheet date for asset and liability accounts and average exchange rates for profit and loss accounts. The cumulative translation effects from the Branch using functional currencies other than 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 Assets and Financial Liabilities

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

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

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

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

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

b. Held-to-maturity financial assets

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

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

c. Financial assets measured at cost

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

d. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial instruments not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables. Subsequent measurement is calculated at fair value. Investments in listed companies are measured at closing prices as of the balance sheet date. Any gain or loss arising from the change in fair value, excluding impairment loss and exchange gain or loss arising from monetary financial assets denominated in foreign currencies, is recognized as an adjustment to 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 related to improvements in the factors or events that originally caused the impairment.

Allowance for Doubtful Accounts

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

Inventories

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

Long-term Investments Accounted for Under the Equity Method

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

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

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

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

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

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

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

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

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

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Interest incurred on loans used to finance the construction of property, plant and equipment is capitalized and depreciated accordingly. Maintenance and repairs are charged to expense as incurred. Significant renewals and improvements are treated as capital expenditures and are depreciated over their estimated useful lives. Upon disposal of property, plant and equipment, the 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. 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 and furniture and fixtures – 5 years.

Intangible Assets

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

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

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

Convertible and Exchangeable Bonds

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

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

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

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

Pension Plan

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

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

The accounting for 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 independent actuarial valuation. Pension cost components such as service cost, interest cost, expected return on plan assets, the amortization of net obligation at transition, pension gain or loss, and prior service cost, are all taken into consideration. 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 between January 1, 2004 and December 31, 2007, in accordance with Accounting Research and Development Foundation interpretation Nos. 92-070~072. For options granted on or after January 1, 2008, the Company recognizes compensation cost using the fair value method in accordance with ROC SFAS No. 39 “Accounting for Share-Based Payment.”

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

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

Treasury Stock

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

Revenue Recognition

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

Allowance for sales returns and discounts are estimated based on history of customer complaints, historical experiences, management judgment and any other known factors that might significantly affect collectability. 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 Expenditure versus Operating Expenditure

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

Income Tax

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

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

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

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

Earnings per Share

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

Asset Impairment

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

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

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

3. ACCOUNTING CHANGE

Employee Stock Options

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

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

Effective from January 1, 2008, the Company adopted Accounting Research and Development Foundation interpretation No. 96-052 to account for share-based employee bonuses and remunerations paid to directors and supervisors. This change in accounting principles had no effect on net income or earnings per share for the nine-month period ended September 30, 2008.

4. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

	As of September 30,	
	2008	2007
Cash		
Cash on hand	\$2,006	\$1,913
Checking and savings accounts	4,496,187	49,937,037
Time deposits	16,361,580	16,936,040
Subtotal	<u>20,859,773</u>	<u>66,874,990</u>
Cash equivalents	4,334,408	9,912,172
Total	<u><u>\$25,194,181</u></u>	<u><u>\$76,787,162</u></u>

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

	As of September 30,	
	2008	2007
Held for trading		
Current		
Listed stocks	\$1,939,396	\$5,659,080
Convertible bonds	-	111,200
subtotal	<u>1,939,396</u>	<u>5,770,280</u>
Noncurrent		
Interest rate swaps	<u>17,708</u>	<u>-</u>
Total	<u>\$1,957,104</u>	<u>\$5,770,280</u>

During the nine-month period ended September 30, 2008 and 2007, net losses arising from the changes in fair value of financial assets at fair value through profit or loss, were NT\$1,980 million and NT\$1,999 million, respectively.

(3) ACCOUNTS RECEIVABLE, NET

	As of September 30,	
	2008	2007
Accounts receivable	\$5,370,300	\$8,054,798
Less: Allowance for sales returns and discounts	(78,766)	(168,406)
Less: Allowance for doubtful accounts	(12)	-
Net	<u>\$5,291,522</u>	<u>\$7,886,392</u>

(4) INVENTORIES, NET

	As of September 30,	
	2008	2007
Raw materials	\$1,213,149	\$984,389
Supplies and spare parts	2,190,503	1,909,176
Work in process	6,987,057	8,174,611
Finished goods	<u>2,498,639</u>	<u>573,075</u>
Total	12,889,348	11,641,251
Less: Allowance for loss on decline in market value and obsolescence	<u>(1,127,485)</u>	<u>(752,178)</u>
Net	<u>\$11,761,863</u>	<u>\$10,889,073</u>

Inventories were not pledged.

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

	As of September 30,	
	2008	2007
Common stocks	\$17,164,902	\$50,619,690
Funds	61,927	161,787
Total	<u>\$17,226,829</u>	<u>\$50,781,477</u>

During the nine-month periods ended September 30, 2008 and 2007, the net unrealized gain (loss) adjustment to stockholders' equity due to changes in fair value of available-for-sale assets were a loss of NT\$20,646 million and a gain of NT\$14,779 million, respectively.

Additionally, the Company recognized a loss of NT\$1,509 million and a gain of NT\$6,492 million due to the disposal of available-for-sale assets during the nine-month periods ended September 30, 2008 and 2007, respectively.

As of March 1, 2007, HIGHLINK (an equity method investee) and EPITECH TECHNOLOGY CORP. (EPITECH) (classified as an available-for-sale financial asset, noncurrent) merged into EPISTAR CORP. and were continued as EPISTAR CORP. (classified as an available-for-sale financial asset, noncurrent after the merger). During the transaction, 5.5 shares of the HIGHLINK and 3.08 shares of the EPITECH were exchanged for 1 share of EPISTAR CORP. Among which, 5 million shares of HIGHLINK were acquired through private placement and its subsequent stock dividends since February 2006. The exchange of these shares are restricted by Article 43 paragraph 8 of the Securities and Exchange Law.

(6) FINANCIAL ASSETS MEASURED AT COST, NONCURRENT

	As of September 30,	
	2008	2007
Common stocks	\$1,494,192	\$1,495,556
Preferred stocks	683,481	467,645
Funds	332,758	358,337
Total	<u>\$2,510,431</u>	<u>\$2,321,538</u>

(7) 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 Companies	As of September 30,			
	2008		2007	
	Amount	Percentage of Ownership or Voting Rights	Amount	Percentage of Ownership or Voting Rights
<u>Listed companies</u>				
UMC JAPAN	\$6,412,053	50.81	\$6,044,752	50.09
Subtotal	6,412,053		6,044,752	
<u>Unlisted companies</u>				
UMC GROUP (USA)	1,519,530	100.00	1,078,653	100.00
UNITED MICROELECTRONICS (EUROPE) B.V.	320,838	100.00	309,875	100.00
UMC CAPITAL CORP.	3,744,641	100.00	3,909,319	100.00
UNITED MICROELECTRONICS CORP. (SAMOA)	6,431	100.00	3,513	100.00
UMCI LTD.	202	100.00	96	100.00
TLC CAPITAL CO., LTD.	5,861,276	100.00	9,231,569	100.00
FORTUNE VENTURE CAPITAL CORP. (Note A)	7,230,420	99.99	10,758,238	99.99
UNITED MICRODISPLAY OPTRONICS CORP.	118,051	89.99	202,925	85.24
PACIFIC VENTURE CAPITAL CO., LTD. (PACIFIC) (Note B)	7,379	49.99	127,379	49.99
MTIC HOLDINGS PTE LTD.	260,713	46.49	79,330	49.94
MEGA MISSION LIMITED PARTNERSHIP	1,463,298	45.00	2,601,300	45.00
UNITECH CAPITAL INC.	579,791	42.00	1,177,242	42.00
HSUN CHIEH INVESTMENT CO., LTD.	2,139,281	36.49	4,921,899	36.49
NEXPOWER TECHNOLOGY CORP.	2,004,794	27.64	307,050	35.46
UNIMICRON HOLDING LIMITED	590,774	25.25	-	-
XGI TECHNOLOGY INC. (Note C)	34,532	14.67	45,814	16.44
AMIC TECHNOLOGY CORP. (Note C)	11,929	11.18	50,119	11.55
Subtotal	25,893,880		34,804,321	
Total	\$32,305,933		\$40,849,073	

Note A: As of September 30, 2008 and 2007, the costs of investment were NT\$7,350 million and NT\$10,878 million, respectively. After deducting the Company's stock held by the subsidiary (treated as treasury stock by the Company) both of NT\$120 million, the residual book values totalled NT\$7,230 million and NT\$10,758 million as of September 30, 2008 and 2007, respectively.

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

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

b. Total gain (loss) arising from investments accounted for under the equity method were a loss of NT\$50 million and a gain of NT\$2,721 million for the nine-month periods ended September 30, 2008 and 2007, respectively. Investment income (loss) amounted to NT\$96 million and NT\$848 million for the nine-month periods ended September 30, 2008 and 2007, respectively, and the related long-term investment balances of NT\$3,310 million and NT\$6,099 million as of September 30, 2008 and 2007, respectively, were determined based on the investees' financial statements reviewed by other auditors.

c. The long-term equity investments were not pledged.

(8) PROPERTY, PLANT AND EQUIPMENT

	As of September 30, 2008		
	Cost	Accumulated Depreciation	Book Value
Land	\$1,132,576	\$-	\$1,132,576
Buildings	17,375,081	(6,745,524)	10,629,557
Machinery and equipment	436,007,887	(346,314,426)	89,693,461
Transportation equipment	69,959	(62,213)	7,746
Furniture and fixtures	2,952,806	(2,287,656)	665,150
Construction in progress and prepayments	5,042,416	-	5,042,416
Total	<u>\$462,580,725</u>	<u>\$(355,409,819)</u>	<u>\$107,170,906</u>

	As of September 30, 2007		
	Cost	Accumulated Depreciation	Book Value
Land	\$1,132,576	\$-	\$1,132,576
Buildings	17,073,478	(5,958,241)	11,115,237
Machinery and equipment	425,154,992	(311,856,519)	113,298,473
Transportation equipment	74,254	(59,587)	14,667
Furniture and fixtures	2,580,336	(2,018,432)	561,904
Construction in progress and prepayments	7,296,294	-	7,296,294
Total	<u>\$453,311,930</u>	<u>\$(319,892,779)</u>	<u>\$133,419,151</u>

- a. Total interest expense before capitalization amounted to NT\$79 million and NT\$195 million for the nine-month periods ended September 30, 2008 and 2007, respectively.

Details of capitalized interest are as follows:

	For the nine-month period ended September 30,	
	2008	2007
Machinery and equipment	\$17,873	\$76,240
Other property, plant and equipment	10,641	1,258
Total interest capitalized	\$28,514	\$77,498
Interest rates applied	0.11%~1.22%	0.67%~0.92%

- b. The property, plant, and equipment were not pledged.

(9) OTHER ASSETS-OTHERS

	As of September 30,	
	2008	2007
Leased assets	\$1,168,919	\$1,213,639
Deposits-out	646,471	641,943
Others	59,315	59,316
Total	\$1,874,705	\$1,914,898

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

(10) IMPAIRMENT LOSS

	For the nine-month period ended September 30,	
	2008	2007
Available for sale financial assets, noncurrent	\$3,307,772	\$162,481
Financial assets measured at cost, noncurrent	-	83,663
Total	\$3,307,772	\$246,144

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

	As of September 30,	
	2008	2007
Current		
Forward contract	\$142,592	\$-
Interest rate swaps	33,189	224,775
subtotal	175,781	224,775
Noncurrent		
Interest rate swaps	-	154,531
Total	\$175,781	\$379,306

During the nine-month periods ended September 30, 2008 and 2007, net gain (loss) arising from financial liabilities at fair value through profit or loss were a net loss of NT\$756 million and a net gain of NT\$386 million, respectively.

(12) BONDS PAYABLE

	As of September 30,	
	2008	2007
Unsecured domestic bonds payable	\$7,500,000	\$18,000,000
Convertible bonds payable	-	12,441,268
Less: discounts on bonds payable	(3,432)	(22,588)
Total	7,496,568	30,418,680
Less: Current portion	-	(22,923,647)
Net	\$7,496,568	\$7,495,033

- A. During the period from April 16 to April 27, 2001, the Company issued five-year and seven-year unsecured bonds totaled NT\$15,000 million, each with a face value of NT\$7,500 million. The interest is paid annually with stated interest rates of 5.1195% through 5.1850% and 5.2170% through 5.2850%, respectively. The five-year and seven-year bonds were due starting from April 2004 to April 2006 and April 2006 to April 2008, respectively, both in three yearly installments at the rates of 30%, 30% and 40%. On April 27, 2006 and April 27, 2008, the five-year and seven-year bonds were fully repaid, respectively.
- B. On May 10, 2002, the Company issued zero coupon exchangeable bonds listed on the Euro MTF Market of the Luxembourg Stock Exchange (LSE). The terms and conditions of the bonds were as follows:
- (a) Issue Amount: US\$235 million
 - (b) Period: May 10, 2002 ~ May 10, 2007
 - (c) Redemption
 - i. The Company may have redeemed the bonds, in whole or in part, after three months of the issuance and prior to the maturity date, at their principal amount if the closing price of the AU Optronics Corp. (AUO) common shares on the TSE, translated into US dollars at the prevailing exchange rate, for a period of 20 consecutive trading days, the last of which occurs not more than 10 days prior to the date upon which notice of such redemption is published, is at least 120% of the exchange price then in effect translated into US dollars at the rate of NT\$34.645=US\$ 1.00.
 - ii. The Company may have redeemed the bonds, in whole, but not in part, if at least 90% in principal amount of the bonds has already been exchanged, redeemed or purchased and cancelled.

- iii. The Company may have redeemed all, but not in part, of the bonds, at any time, in the event of certain changes in the R.O.C. tax rules which would require the Company to gross up for payments of principal, or to gross up for payments of interest or premium.
 - iv. The Company could have, at the option of the bondholders, redeemed such bonds on February 10, 2005 at its principal amount.
- (d) Terms of Exchange
- i. Underlying Securities: ADSs or common shares of AUO.
 - ii. Exchange Period: The bonds were exchangeable at any time on or after June 19, 2002 and prior to April 10, 2007, into AUO common shares or AUO ADSs; provided, however, that if the exercise date falls within 5 business days from the beginning of, and during, any closed period, the right of the exchanging holder of the bonds to vote with respect to the shares it receives were subject to certain restrictions.
 - iii. Exchange Price and Adjustment: The exchange price was NT\$44.3 per share, determined on the basis of a fixed exchange rate of NT\$34.645=US\$1.00. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
- (e) Exchange of the Bonds
- As of September 30, 2007, certain bondholders exercised their rights to exchange their bonds with the total principal amount of US\$235 million into AUO shares. Gains arising from the exercise of exchange rights during the nine-month period ended June 30, 2007 amounted to NT\$2,782 million, and was recognized as gain on disposal of investments.
- (f) Redemption at maturity date
- At the maturity date of May 10, 2007, the Company redeemed all of the remaining bonds outstanding in the principal amount of US\$0.3 million.
- C. During the period from May 21 to June 24, 2003, the Company issued five-year and seven-year unsecured bonds totaled NT\$15,000 million, each with a face value of NT\$7,500 million. The interest is paid annually with stated interest rates of 4.0% minus USD 12-Month LIBOR and 4.3% minus USD 12-Month LIBOR, respectively. Stated interest rates are reset annually based on the prevailing USD 12-Month LIBOR. The five-year bonds and seven-year bonds are repayable in 2008 and 2010, respectively, upon the maturity of the bonds. On June 24, 2008, the five-year bonds were fully repaid.

- D. On October 5, 2005, 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, 2005 ~ February 15, 2008 (Maturity date)
 - c. Redemption:
 - i. On or at any time after April 5, 2007, if the closing price of the ADSs listed on the NYSE has been at least 130% of either the conversion price or the last adjusted conversion price, for 20 out of 30 consecutive ADS trading days, the Company may have redeemed all, but not in part, of the bonds.
 - ii. If at least 90% in principal amount of the bonds have already been redeemed, repurchased, cancelled or converted, the Company may have redeemed all, but not in part, of the bonds.
 - iii. In the event that the Company's ADSs or shares have officially ceased to be listed or admitted for trading on the NYSE or the TSE, as the case may be, each bondholder would have had the right, at such bondholder's option, to require 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 have redeemed all, but not in 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 would not have been entitled to receive payments of such additional amounts.
 - v. If a significant change of control occurs with respect to the Company, each bondholder would have had 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 paid the principal amount of the bonds at its maturity date, February 15, 2008.
 - d. Conversion:
 - i. Conversion Period: Except for the closed period, the bonds may have been converted into 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 was US\$4.253 per ADS. The applicable conversion price was subject to adjustments upon the occurrence of certain events set out in the indenture.

e. Redemption at maturity date

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

E. Repayments of the above-mentioned bonds in the future year are as follows:

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

(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 eligible for the Labor Standards Law, a defined benefit plan, were offered the options to elect the pension calculation under the Act or continue to be subject to the pension calculation under the Labor Standards Law. Those employees that elected to be subject to the Act will have their seniority achieved under the Labor Standards Law retained upon election of the Act, and the Company will make monthly contributions of no less than 6% of these employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions based on each individual employee's salary or wage to employees' pension accounts beginning July 1, 2005 and a total of NT\$301 million and NT\$290 million were contributed by the Company for the nine-month periods ended September 30, 2008 and 2007, respectively. Pension benefits for employees of the Branch are provided in accordance with the local regulations and during the nine-month periods ended September 30, 2008 and 2007, the Company made contributions of NT\$95 million and NT\$88 million, respectively.
- b. The defined benefit plan under the Labor Standards Law is disbursed based on the units of service years and the average salary in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the fifteenth year. The total units shall not exceed 45 units. In accordance to the plan, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of an administered pension fund committee. Pension costs amounted to NT\$132 million and NT\$141 million were recognized for the nine-month periods ended September 30, 2008 and 2007, respectively. The corresponding liability balances of the pension fund were NT\$1,369 million and NT\$1,253 million as of September 30, 2008 and 2007, respectively.

(14) CAPITAL STOCK

- a. The Company had 26,000 million common shares authorized to be issued, and 13,213 million shares were issued as of September 30, 2007, each at a par value of NT\$10.
- b. As of September 30, 2007, the Company had a total of 220 million ADSs traded on the NYSE after accounting for the capital reduction transaction. The total number of common shares of the Company represented by all issued ADSs was 1,098 million shares as of September 30, 2007. One ADS represents five common shares.
- c. 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 nine-month period ended September 30, 2007. The issuance process through the authority had been completed.
- d. As resolved during the shareholders' meeting on June 11, 2007, the Company carried out a capital reduction of NT\$57,394 million, which represented approximately 5,739 million shares or approximately 30% of its outstanding shares, for the purpose of increasing shareholders' return on equity and reducing idle funds. The capital reduction is comprised of NT\$53,911 million of cash distribution, and the proportionate cancellation of 348 million shares of treasury stock. The effective date of capital reduction was August 7, 2007 and the transaction was submitted and approved by the competent authority.
- e. The Company sold 32 million and 65 million shares of treasury stock, which were repurchased during the periods from September 30 to November 29, 2005 and May 23 to July 13, 2006, respectively, to employees in December 2007. An additional 97 million shares were added to the total amount of shares outstanding.
- f. On July 17, 2007, the Company cancelled 192 million shares of treasury stock, which were repurchased during the period from May 10 to May 21, 2004 for the purpose of transferring to employees.
- g. As recommended by the board of directors, and approved by the shareholders at the meeting held on June 13, 2008, the Company issued 678 million new shares from capitalization of retained earnings and additional paid-in capital that amounted to NT\$6,776 million, of which NT\$1,001 million was stock dividend, NT\$1,146 million was employee bonus, and NT\$4,629 million was additional paid-in capital. The issuance process through the authority had been completed.
- h. On September 10, 2008, the Company cancelled 349 million shares of treasury stock, which were repurchased during the period from May 18 to July 15, 2005 for conversion of the convertible bonds into shares.

- i. The Company had 26,000 million common shares authorized to be issued, and 13,543 million shares were issued as of September 30, 2008, each at a par value of NT\$10.
- j. The Company had issued a total of 1,148 million ADSs, which were traded on the NYSE as of September 30, 2008. The total number of common shares of the Company represented by all issued ADSs was 230 million shares as of September 30, 2008. One ADS represents five common shares.

(15) EMPLOYEE STOCK OPTIONS

On September 11, 2002, October 8, 2003, September 30, 2004, December 22, 2005, and October 9, 2007, 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, 350 million, and 500 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 options granted (in thousands)	Total number of options outstanding (in thousands)	Shares available to option holders (in thousands) (Note)	Exercise price (NTD) (Note)
October 7, 2002	939,000	395,539	275,756	\$21.42
January 3, 2003	61,000	39,511	27,546	\$24.15
November 26, 2003	57,330	39,047	27,222	\$33.70
March 23, 2004	33,330	16,078	11,209	\$31.25
July 1, 2004	56,590	36,683	25,574	\$28.24
October 13, 2004	20,200	8,945	6,236	\$24.28
April 29, 2005	23,460	12,044	8,397	\$22.37
August 16, 2005	54,350	32,638	22,754	\$29.47
September 29, 2005	51,990	40,853	28,481	\$26.89
January 4, 2006	39,290	20,941	14,600	\$23.17
May 22, 2006	42,058	29,595	20,633	\$25.19
August 24, 2006	28,140	19,677	13,718	\$24.09
December 13, 2007	500,000	471,495	471,495	\$18.03
Total	1,906,738	1,163,046	953,621	

Note: The employee stock options granted prior to August 7, 2007, effective date of capital reduction, are adjusted in accordance with capital reduction rate. Each option unit entitles an optionee to subscribe for about 0.7 share of the Company's common stock.

The exercise price of the options is also adjusted according to capital reduction rate. Each stock option unit granted after August 7, 2007 remains to be subscribed for 1 share of the Company's common stock.

- a. A summary of the equity-settled share-based payment transactions, and related information for the nine-month periods ended September 30, 2008 and 2007 is as follows:

	For the nine-month period ended September 30,					
	2008			2007		
	Options (in thousands)	Shares available to option holders (in thousands)	Weighted- average Exercise Price per share (NTD)	Options (in thousands)	Shares available to option holders (in thousands)	Weighted- average Exercise Price per share (NTD)
Outstanding at beginning of period	1,287,407	1,048,832	\$21.06	913,958	637,180	\$23.73
Exercised	-	-	\$-	(11,918)	(8,309)	\$21.46
Forfeited	(124,361)	(95,211)	\$21.68	(23,139)	(16,130)	\$26.45
Outstanding at end of period	<u>1,163,046</u>	<u>953,621</u>	\$21.00	<u>878,901</u>	<u>612,741</u>	\$23.69
Exercisable at end of period	<u>628,814</u>	<u>438,388</u>	\$23.76	<u>713,522</u>	<u>497,444</u>	\$21.60
Weighted-average fair value of options granted during the period	\$-			\$-		

- b. The information on the Company's outstanding stock options as of September 30, 2008, is as follows:

Authorization Date	Range of Exercise Price	Outstanding Stock Options				Exercisable Stock Options		
		Options (in thousands)	Shares available to option holders (in thousands)	Weighted- average Expected Remaining Years	Weighted- average Exercise Price per share (NTD)	Options (in thousands)	Shares available to option holders (in thousands)	Weighted- average Exercise Price per share (NTD)
2002.09.11	\$21.42~\$24.15	435,050	303,302	0.04	\$21.67	434,870	303,176	\$21.67
2003.10.08	\$28.24~\$33.70	91,808	64,005	1.45	\$31.09	91,472	63,772	\$31.08
2004.09.30	\$22.37~\$29.47	94,480	65,868	2.81	\$26.96	68,584	47,814	\$27.03
2005.12.22	\$23.17~\$25.19	70,213	48,951	3.60	\$24.28	33,888	23,626	\$24.30
2007.10.09	\$18.03	471,495	471,495	5.20	\$18.03	-	-	\$-
		<u>1,163,046</u>	<u>953,621</u>	2.68	\$21.00	<u>628,814</u>	<u>438,388</u>	\$23.76

- c. The Company used the intrinsic value method to recognize compensation costs for its employee stock options issued between January 1, 2004 and December 31, 2007. Compensation costs for the nine-month periods ended September 30, 2008 and 2007 were NT\$0.

The Company granted options prior to adopting ROC SFAS No. 39 “Accounting for Share-Based Payment.” Pro forma information on net income and earnings share using the fair value method is as follows:

	<u>For the nine-month period ended September 30, 2008</u>	
	<u>Basic earnings per share</u>	<u>Diluted earnings per share</u>
Net Income	\$1,189,585	\$1,059,675
Earnings per share (NTD)	\$0.09	\$0.08
Pro forma net income	\$503,197	\$373,287
Pro forma earnings per share (NTD)	\$0.04	\$0.03

	<u>For the nine-month period ended September 30, 2007</u>	
	<u>Basic earnings per share</u>	<u>Diluted earnings per share</u>
Net Income	\$15,602,710	\$15,628,193
Earnings per share (NTD)	\$0.89	\$0.86
Pro forma net income	\$15,319,413	\$15,344,896
Pro forma earnings per share (NTD)	\$0.87	\$0.84

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 nine-month periods ended September 30, 2008 and 2007:

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

(16) TREASURY STOCK

a. Changes in treasury stock during the nine-month periods ended September 30, 2008 and 2007 are as follows:

For the nine-month period ended September 30, 2008

(In thousands of shares)

<u>Purpose</u>	<u>As of</u>			<u>As of</u> <u>September 30, 2008</u>
	<u>January 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	
For transfer to employees	355,716	-	-	355,716
For conversion of the convertible bonds into shares	348,583	-	348,583	-
For retainment of the Company's creditability and stockholders' interests	-	187,118	-	187,118
<u>Total shares</u>	<u>704,299</u>	<u>187,118</u>	<u>348,583</u>	<u>542,834</u>

For the nine-month period ended September 30, 2007

(In thousands of shares)

Purpose	As of			As of September 30, 2007
	January 1, 2007	Increase	Decrease	
For transfer to employees	842,067	-	388,909	453,158
For conversion of the convertible bonds into shares	500,000	-	151,417	348,583
Total shares	<u>1,342,067</u>	<u>-</u>	<u>540,326</u>	<u>801,741</u>

- 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 number of shares of treasury stock that the Company could hold as of September 30, 2008 and 2007, was 1,354 million shares and 1,321 million shares, while the ceiling amount was NT\$65,427 million and NT\$88,880 million, respectively.
- c. In compliance with Securities and Exchange Law of the R.O.C., treasury stock should not be pledged, nor should it be entitled to voting rights or receiving dividends. Stock held by subsidiaries is treated as treasury stock. These subsidiaries have the same rights as other stockholders except for subscription to new stock issuance. Starting June 22, 2005, stocks held by subsidiaries no longer have voting rights according to the revised Companies Act.
- d. As of September 30, 2008, the Company's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 16 million shares of the Company's stock, with a book value of NT\$10.25 per share. The closing price before the capital reduction transaction on September 30, 2008 was NT\$10.25.

As of September 30, 2007, the Company's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 15 million shares of the Company's stock, with a book value of NT\$19.20 per share. The closing price before the capital reduction transaction on September 30, 2007 was NT\$19.20.

(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:

- Payment of all taxes and dues;
- Offset prior years' operation losses;
- Set aside 10% of the remaining amount after deducting items (a) and (b) as a legal reserve;
- 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 resolved in the shareholders' meeting.

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

During the nine-month period ended September 30, 2008, the amounts of the employee bonuses and remunerations to directors and supervisors were both estimated at NT\$0 million. The board of directors estimated the amount by taking consideration of the Company's Articles of Incorporation, government regulations and industrial average. Estimated amount of employee bonuses and remunerations paid to directors and supervisors were charged to current income. If the board modified the estimates significantly in the subsequent periods during the year, the company will recognize the change as an adjustment to current income. Moreover, if the amounts were modified by the shareholders' meeting of the following year, the adjustment will be regarded as a change of accounting estimate and will be reflected in the statement of income in the following year.

The distributions of retained earnings for the years 2007 and 2006 were approved through the shareholders' meetings, the information of shareholders' approval can be obtained from the "Market Observation Post System" on the website of the TSE.

The distributions of retained earnings for the years 2007 and 2006 were approved through the shareholders' meetings held on June 13, 2008 and June 11, 2007, respectively. The details of distribution are as follows:

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

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

(18) OPERATING COSTS AND EXPENSES

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

	For the nine-month period ended September 30,					
	2008			2007		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel expenses						
Salaries	\$6,906,288	\$2,252,078	\$9,158,366	\$7,152,272	\$2,251,634	\$9,403,906
Labor and health insurance	336,651	104,217	440,868	335,047	97,291	432,338
Pension	399,050	129,328	528,378	397,524	121,568	519,092
Other personnel expenses	158,512	46,601	205,113	75,163	24,041	99,204
Depreciation	25,546,405	1,738,729	27,285,134	25,521,768	1,532,081	27,053,849
Amortization	30,396	876,582	906,978	47,383	972,817	1,020,200

(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 nine-month period ended September 30,	
	2008	2007
Income tax on pre-tax income at statutory tax rate	\$391,006	\$4,285,889
Permanent and temporary differences	(88,038)	(3,399,267)
Change in investment tax credit	(739,497)	1,770,172
Change in valuation allowance	907,017	(1,747,031)
Income basic tax	-	631,082
Others	(96,049)	-
Income tax expense	<u>\$374,439</u>	<u>\$1,540,845</u>

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

	As of September 30,			
	2008		2007	
	Amount	Tax effect	Amount	Tax effect
Deferred income tax assets				
Investment tax credit		\$13,572,813		\$13,094,786
Loss carry-forward	\$41,066	10,267	\$350,751	87,688
Pension	3,218,616	804,654	3,143,608	785,902
Allowance on sales returns and discounts	1,002,308	250,577	415,209	103,802
Allowance for loss on decline in market value and obsolescence of inventories	1,074,486	268,621	712,281	178,070
Unrealized exchange loss	-	-	134,906	33,726
Others	1,746,589	436,647	749,051	187,263
Total deferred income tax assets		15,343,579		14,471,237
Valuation allowance		(9,484,643)		(7,364,082)
Net deferred income tax assets		5,858,936		7,107,155
Deferred income tax liabilities				
Unrealized exchange gain	(278,923)	(69,731)	-	-
Depreciation	(3,772,877)	(943,219)	(5,806,935)	(1,451,734)
Others	(401,996)	(100,499)	(2,039,801)	(509,950)
Total deferred income tax liabilities		(1,113,449)		(1,961,684)
Total net deferred income tax assets		\$4,745,487		\$5,145,471
Deferred income tax assets - current		\$8,198,521		\$5,902,906
Deferred income tax liabilities - current		(170,230)		(204,373)
Valuation allowance		(6,941,849)		(4,560,859)
Net		1,086,442		1,137,674
Deferred income tax assets - noncurrent		7,145,058		8,568,331
Deferred income tax liabilities - noncurrent		(943,219)		(1,757,311)
Valuation allowance		(2,542,794)		(2,803,223)
Net		3,659,045		4,007,797
Total net deferred income tax assets		\$4,745,487		\$5,145,471

c. The Company's income tax returns for all the fiscal years up to 2005 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 periods attributable to the expansion in 2003 had not yet been decided. The income tax exemption for other periods will expire on December 31, 2014.

- e. The Company earns investment tax credits for the amount invested in production equipment, research and development, and employee training.

As of September 30, 2008, the Company's unused investment tax credit was as follows:

Expiration Year	Investment tax credits earned	Balance of unused investment tax credits
2008	\$6,362,394	\$5,790,736
2009	2,474,541	2,474,541
2010	2,190,211	2,190,211
2011	1,783,277	1,783,277
2012	1,334,048	1,334,048
Total	\$14,144,471	\$13,572,813

- f. Under the rules of the Income Tax Law of the R.O.C., a company with its tax return certified by a certified public accountant can carry forward its net losses as tax credits for the next 5 years. As of September 30, 2008, the Company's unutilized tax credits arising from the accumulated losses were as follows:

Expiration Year	Accumulated loss	Unutilized accumulated loss
2008 (Transferred in from merger with SiSMC)	\$2,283	\$2,283
2009 (Transferred in from merger with SiSMC)	38,783	38,783
Total	\$41,066	\$41,066

- g. The balances of the Company's imputation credit amounts as of September 30, 2008 and 2007 were NT\$291 million and NT\$168 million, respectively. The expected creditable ratio for 2007 and actual creditable ratio for 2006 were 7.95% and 8.64%, 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. There were zero coupon convertible bonds and employee stock options outstanding as of September 30, 2008. Therefore, in consideration of such complex structure, the calculated basic and diluted earnings per share for the nine-month period ended September 30, 2008 and 2007, are disclosed as follows:

	For the nine-month period ended September 30, 2008				
	Amount			Earnings per share (NTD)	
	Income before income tax	Net income	Shares expressed in thousands	Income before income tax	Net income
Earning per share-basic (NTD)					
Income available to common stock shareholders	\$1,564,024	\$1,189,585	13,157,596	<u>\$0.12</u>	<u>\$0.09</u>
Effect of dilutive equivalent shares					
Convertible bonds payable	\$(173,214)	\$(129,910)	79,354		
Earning per share-diluted:					
Income available to common stock shareholders	\$1,390,810	\$1,059,675	13,236,950	<u>\$0.11</u>	<u>\$0.08</u>

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

	For the nine-month period ended September 30, 2007(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 available to common stock shareholders	\$17,143,555	\$15,602,710	17,618,819	<u>\$0.97</u>	<u>\$0.89</u>
Effect of dilution					
Employee stock options	\$-	\$-	16,555		
Convertible bonds payable	\$33,978	\$25,483	565,005		
Earning per share-diluted:					
Income available to common stock shareholders	\$17,177,533	\$15,628,193	18,200,379	<u>\$0.94</u>	<u>\$0.86</u>

- b. The following pro forma information presents the Company's earnings if subsidiaries' investment in the Company was not treated as treasury stock:

<i>(shares expressed in thousands)</i>	For the nine-month period ended September 30, 2008	
	Basic	Diluted
Net income	<u>\$1,201,125</u>	<u>\$1,071,215</u>
Weighted-average of shares outstanding:		
Beginning balance	12,510,196	12,510,196
Increase in capital through 2007 retained earnings and capital reserve at proportion of 5.4%	677,575	677,575
Purchase of 187 million shares of treasury stock from January 1 to September 30, 2008	(13,956)	(13,956)
Dilutive shares of convertible bonds accounted for under if-converted method	-	79,354
Ending balance	<u>13,173,815</u>	<u>13,253,169</u>
Earnings per share (NTD)	<u>\$0.09</u>	<u>\$0.08</u>

<i>(shares expressed in thousands)</i>	For the nine-month period ended September 30, 2007	
	Basic	Diluted
Net income	<u>\$15,618,159</u>	<u>\$15,643,642</u>
Weighted-average of shares outstanding:		
Beginning balance	17,789,126	17,789,126
Increase in capital through 2007 retained earnings and capital reserve at proportion of 5.4%.	906,363	906,363
Capital reduction of 5,739 million shares	(1,066,372)	(1,066,372)
Exercise of employee stock options from January 1 to September 30, 2007	11,574	11,574
Dilutive shares of employee stock options accounted for under treasury stock method	-	16,555
Dilutive shares of convertible bonds accounted for under if-converted method	-	565,005
Ending balance	<u>17,640,691</u>	<u>18,222,251</u>
Earnings per share (NTD)	<u>\$0.89</u>	<u>\$0.86</u>

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. (UME BV)	Equity Investee
UMC CAPITAL CORP.	Equity Investee
UNITED MICROELECTRONICS CORP. (SAMOA)	Equity Investee
UMCI LTD.	Equity Investee
UMC JAPAN	Equity Investee
UNITECH CAPITAL INC.	Equity Investee
MEGA MISSION LIMITED PARTNERSHIP	Equity Investee
MTIC HOLDINGS PTE. LTD.	Equity Investee
UNIMICRON HOLDING LIMITED	Equity Investee
FORTUNE VENTURE CAPITAL CORP.	Equity Investee
HSUN CHIEH INVESTMENT CO., LTD.	Equity Investee
UNITED MICRODISPLAY OPTRONICS CORP.	Equity Investee
AMIC TECHNOLOGY CORP. (AMIC)	Equity Investee
PACIFIC VENTURE CAPITAL CO., LTD.	Equity Investee
XGI TECHNOLOGY INC.	Equity Investee
TLC CAPITAL CO., LTD.	Equity Investee
NEXPOWER TECHNOLOGY CORP.	Equity Investee
SILICON INTEGRATED SYSTEMS CORP.	The Company's director
UWAVE TECHNOLOGY CORP.	Subsidiary's equity investee
UCA TECHNOLOGY INC. (Liquidation finished on March 17, 2008)	Subsidiary's equity investee
SMEDIA TECHNOLOGY CORP.	Subsidiary's equity investee
CRYSTAL MEDIA INC.	Subsidiary's equity investee
MOBILE DEVICES INC.	Subsidiary's equity investee
UNITRUTH INVESTMENT CORP.	Subsidiary's equity investee

(2) Significant Related Party Transactions

a. Operating revenues

	For the nine-month period ended September 30,			
	2008		2007	
	Amount	Percentage	Amount	Percentage
UMC-USA	\$42,201,481	57	\$37,657,495	48
UME BV	7,557,011	10	6,423,124	8
Others	2,353,165	3	3,239,553	4
Total	<u>\$52,111,657</u>	<u>70</u>	<u>\$47,320,172</u>	<u>60</u>

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 September 30,			
	2008		2007	
	Amount	Percentage	Amount	Percentage
AMIC	\$14,057	12	\$-	-

c. Accounts receivable, net

	As of September 30,			
	2008		2007	
	Amount	Percentage	Amount	Percentage
UMC-USA	\$8,495,185	55	\$6,737,830	38
UME BV	1,097,358	7	1,844,457	10
Others	425,483	3	1,040,767	6
Total	10,018,026	65	9,623,054	54
Less: Allowance for sales returns and discounts	(1,299,740)		(352,837)	
Less: Allowance for doubtful accounts	(4,745)		(1,726)	
Net	\$8,713,541		\$9,268,491	

6. ASSETS PLEDGED AS COLLATERAL

As of September 30, 2008

	Amount	Party to which asset(s) was pledged	Purpose of pledge
Deposit-out (Time deposit)	\$619,619	Customs	Customs duty guarantee

As of September 30, 2007

	Amount	Party to which asset(s) was pledged	Purpose of pledge
Deposit-out (Time deposit)	\$620,996	Customs	Customs duty 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\$7.8 billion. Royalties and development fees payable in future years are NT\$2.7 billion as of September 30, 2008.
- (2) The Company signed several construction contracts for the expansion of its factory space. As of September 30, 2008, these construction contracts have amounted to approximately NT\$2.9 billion and the unpaid portion of the contracts, which was not accrued, was approximately NT\$0.7 billion.
- (3) The Company entered into several operating lease contracts for land. These renewable operating leases will expire in various years through 2032. Future minimum lease payments under those leases are as follows:

<u>For the year ended December 31,</u>	<u>Amount</u>
2008 (4 th quarter thereafter)	\$54,663
2009	217,488
2010	217,145
2011	217,563
2012	217,998
2013 and thereafter	1,868,781
Total	<u><u>\$2,793,638</u></u>

- (4) On February 15, 2005, the Hsinchu District Prosecutors 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. On December 27, 2007, the Administrative High Court revoked the decision and ruled in favor of Mr. Tsao.

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 Entity Accounting Act and breach of trust under the Criminal Law by Hsinchu District Prosecutors Office on January 9, 2006. Mr. Robert H.C. Tsao and Mr. John Hsuan had officially resigned from their positions of 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. Mr. Robert H.C. Tsao, Mr. John Hsuan and Mr. Duen-Chian Cheng were pronounced innocent of the charge by Hsinchu District Court on October 26, 2007. On November 15, 2007, Taiwan's Hsinchu District Prosecutors Office filed an appeal, which is currently under trial.

On February 15, 2006, 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. On October 19, 2006, Executive Yuan denied the administrative appeal filed by the Company. The Company had filed an administrative litigation case against MOEA on December 8, 2006. Taipei High Administrative Court announced and reversed MOEA's administrative sanction on July 19, 2007. MOEA filed an appeal against the Company on August 10, 2007.

8. SIGNIFICANT DISASTER LOSS

None.

9. SIGNIFICANT SUBSEQUENT EVENT

None.

10. OTHERS

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

(2) Financial risk management objectives and policies

The Company's principal financial instruments, other than derivatives, is comprised of cash and cash equivalents, common stock, preferred stock, convertible bonds, open-end funds, short-term loans, and bonds payable. The main purpose of these financial instruments is to manage financing for the Company's operations. The Company also holds various other financial assets and liabilities such as accounts receivable and accounts payable, 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 the counter-floating rate of its unsecured domestic bonds issued during the period from May 21 to June 24, 2003. The terms of the interest rate swap agreements are the same as those of the domestic bonds, which are five and seven years. The floating rate is reset annually.

Foreign currency risk

The Company has foreign currency risk arising from purchases or sales. The Company utilizes spot or forward contracts to avoid foreign currency risk. The notional amounts of the foreign currency contracts are the same as the amount of the hedged items. 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, it is 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, short-term loans and bonds.

(3) Information of financial instruments

a. Fair value of financial instruments

Financial Assets	As of September 30,			
	2008		2007	
	Book Value	Fair Value	Book Value	Fair Value
<u>Non-derivative</u>				
Cash and cash equivalents	\$25,194,181	\$25,194,181	\$76,787,162	\$76,787,162
Financial assets at fair value through profit or loss, current	1,939,396	1,939,396	5,770,280	5,770,280
Notes and accounts receivable	14,416,715	14,416,715	17,704,772	17,704,772
Available-for-sale financial assets, noncurrent	17,226,829	17,226,829	50,781,477	50,781,477
Financial assets measured at cost, noncurrent	2,510,431	-	2,321,538	-
Long-term investments accounted for under the equity method	32,305,933	27,367,949	40,849,073	36,604,165
Prepayment for long-term investments	-	-	81,244	-
Deposits-out	646,471	646,471	641,943	641,943
<u>Derivative</u>				
Interest rate swaps	17,708	17,708	-	-
<u>Financial Liabilities</u>				
<u>Non-derivative</u>				
Payables	14,221,101	14,221,101	69,953,044	69,953,044
Capacity deposits (current portion)	-	-	131,875	131,875
Bonds payable (current portion included)	7,496,568	7,143,323	30,418,680	30,804,530
<u>Derivative</u>				
Forward contract	142,592	142,592	-	-
Interest rate swaps	33,189	33,189	379,306	379,306

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

Non-derivative Financial Instruments	Active Market Quotation		Valuation Technique	
	2008.09.30	2007.09.30	2008.09.30	2007.09.30
Financial assets				
Financial assets at fair value through profit or loss, current	\$1,939,396	\$5,770,280	\$-	\$-
Available-for-sale financial assets, noncurrent	17,007,113	50,781,477	219,716	-
Long-term investments accounted for under the equity method	1,273,893	1,390,794	26,094,056	35,213,371
Financial liabilities				
Bonds payable (current portion included)	7,143,323	30,804,530	-	-
Derivative Financial Instruments				
Financial assets				
Interest rate swaps	-	-	17,708	-
Financial liabilities				
Forward contracts	-	-	142,592	-
Interest rate swaps	-	-	33,189	379,306

- d. For the nine-month periods ended September 30, 2008 and 2007, the total change in fair value estimated by using a valuation technique and recognized in the statement of income during the periods was NT\$49 million and NT\$386 million, respectively.
- e. The Company's financial assets with cash flow interest rate risk exposure were NT\$18 million ; the Company's financial liabilities with cash flow interest rate risk exposure were NT\$33 million and NT\$379 million as of September 30, 2008 and 2007, respectively.
- f. During the nine-month periods ended September 30, 2008 and 2007, total interest revenues for financial assets or liabilities that are not at fair value through profit or loss were NT\$435 million and NT\$975 million, while interest expenses for the nine-month periods ended September 30, 2008 and 2007 were NT\$79 million and NT\$195 million, respectively.

(5) The Company entered into interest rate swap and forward contracts for hedging the interest rate risk arising from the counter-floating rate of its domestic bonds and for hedging the exchange rate risk arising from the net assets or liabilities denominated in foreign currency. The Company entered into these derivative financial instruments in connection with its hedging strategy to reduce the market risk of the hedged items, and these financial instruments were not held for trading 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 risk on the counter-floating rate of its unsecured domestic bonds issued during the period from May 21 to June 24, 2003. The terms of the interest rate swap agreements are the same as those of the domestic bonds, which are five and seven years. The floating rate is reset annually. The details of interest rate swap agreements are summarized as follows:

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

<u>As of September 30, 2008</u>			
<u>Notional Amount</u>	<u>Contract Period</u>	<u>Interest Rate Received</u>	<u>Interest Rate Paid</u>
NT\$7,500 million	May 21, 2003 to June 24, 2010	4.3% minus USD 12-Month LIBOR	1.48%
<u>As of September 30, 2007</u>			
<u>Notional Amount</u>	<u>Contract Period</u>	<u>Interest Rate Received</u>	<u>Interest Rate Paid</u>
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. The details of forward contracts entered into by the Company are summarized as follows:

As of September 30, 2008

The Company

<u>Type</u>	<u>Notional Amount</u>	<u>Contract Period</u>
Forward contracts	Sell USD 297 million	August 12, 2008 to October 29, 2008

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

c. Transaction risk

(a) Credit risk

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

(b) Liquidity and cash flow risk

The cash flow requirements on the interest rate swap agreements are limited to the net interest payables or receivables arising from the differences in the swap rates. The cash flow requirements on forward contracts are limited to the forward contract's principal amount, which is the same as the underlying net assets or liabilities denominated in their foreign currencies at the settlement day. Therefore, no significant cash flow risk is anticipated since the working capital is sufficient to meet the cash flow requirements.

(c) Market risk

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

d. The presentation of derivative financial instruments on financial statements

As of September 30, 2008, the Company's interest rate swap agreements were classified as financial assets at fair value through profit or loss amounting to NT\$18 million; as of September 30, 2008 and 2007, the Company's interest rate swap agreements were classified as financial liabilities at fair value through profit or loss amounting to NT\$33 million and NT\$379 million, respectively. A related valuation gain of NT\$78 million and loss of NT\$22 million was recorded under non-operating revenue and loss for the nine-month periods ended September 30, 2008 and 2007, respectively.

As of September 30, 2008, the forward contracts were classified as current liabilities amounting to the NT\$143 million and the related valuation loss of NT\$29 million was recorded under non-operating expense for the nine-month period ended September 30, 2008.

11. ADDITIONAL DISCLOSURES

(1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

- a. Financing provided to others for the nine-month period ended September 30, 2008: Please refer to Attachment 1.
- b. Endorsement/Guarantee provided to others for the nine-month period ended September 30, 2008: Please refer to Attachment 2.
- c. Securities held as of September 30, 2008: 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 nine-month period ended September 30, 2008: 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 nine-month period ended September 30, 2008: 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 nine-month period ended September 30, 2008: 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 nine-month period ended September 30, 2008: 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 September 30, 2008: Please refer to Attachment 8.
- i. Names, locations and related information of investees as of September 30, 2008: Please refer to Attachment 9.
- j. Financial instruments and derivative transactions: Please refer to Note 10.

(2) Investment in Mainland China

- a. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), book value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: please refer to Attachment 10.
- b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

ATTACHMENT 1 (Financing provided to others for the nine-month period ended September 30, 2008)
 (Amount in thousand; Currency denomination in NTD unless otherwise specified)

UNITED MICROELECTRONICS CORPORATION

No.	Lender	Counter-party	Financial statement account	Maximum balance for the period	Ending balance	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
											Item	Value		

None

ATTACHMENT 2 (Endorsement/Guarantee provided to others for nine-month period ended September 30, 2008)

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

UNITED MICROELECTRONICS CORPORATION

No.	Endorsor/Guarantor	Receiving party		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 total guarantee/endorsement amount
		Company name	Releationship						

None

UNITED MICROELECTRONICS CORPORATION

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	PROMOS TECHNOLOGIES INC.	-	Financial assets at fair value through profit or loss, current	471,400	\$1,532,050	7.03	\$1,532,050	None
Stock	ACTION ELECTRONICS CO., LTD.	-	Financial assets at fair value through profit or loss, current	17,087	129,519	4.61	129,519	None
Stock	MICRONAS SEMICONDUCTOR HOLDING AG	-	Financial assets at fair value through profit or loss, current	280	54,029	0.94	54,029	None
Stock	CHINA DEVELOPMENT FINANCIAL HOLDING CORP.	-	Financial assets at fair value through profit or loss, current	19,418	184,470	0.18	184,470	None
Stock	YANG MING MARINE TRANSPORT CORP.	-	Financial assets at fair value through profit or loss, current	3,608	39,328	0.15	39,328	None
Stock	UMC GROUP (USA)	Investee company	Long-term investments accounted for under the equity method	16,438	1,519,530	100.00	1,519,530	None
Stock	UNITED MICROELECTRONICS (EUROPE) B.V.	Investee company	Long-term investments accounted for under the equity method	9	320,838	100.00	313,224	None
Stock	UMC CAPITAL CORP.	Investee company	Long-term investments accounted for under the equity method	124,000	3,744,641	100.00	3,744,641	None
Stock	UNITED MICROELECTRONICS CORP. (SAMOA)	Investee company	Long-term investments accounted for under the equity method	680	6,431	100.00	6,431	None
Stock	UMCI LTD.	Investee company	Long-term investments accounted for under the equity method	880,006	202	100.00	202	None
Stock	TLC CAPITAL CO., LTD.	Investee company	Long-term investments accounted for under the equity method	687,800	5,861,276	100.00	5,861,276	None
Stock	FORTUNE VENTURE CAPITAL CORP.	Investee company	Long-term investments accounted for under the equity method	535,794	7,230,420	99.99	7,543,087	None
Stock	UNITED MICRODISPLAY OPTRONICS CORP.	Investee company	Long-term investments accounted for under the equity method	26,755	118,051	89.99	118,051	None
Stock	UMC JAPAN	Investee company	Long-term investments accounted for under the equity method	496	6,412,053	50.81	1,273,893	None
Stock	PACIFIC VENTURE CAPITAL CO., LTD.	Investee company	Long-term investments accounted for under the equity method	30,000	7,379	49.99	13,417	None
Stock	MTIC HOLDINGS PTE LTD.	Investee company	Long-term investments accounted for under the equity method	12,000	260,713	46.49	260,713	None
Fund	MEGA MISSION LIMITED PARTNERSHIP	Investee company	Long-term investments accounted for under the equity method	-	1,463,298	45.00	1,463,298	None
Stock	UNITECH CAPITAL INC.	Investee company	Long-term investments accounted for under the equity method	21,000	579,791	42.00	579,791	None
Stock	HSUN CHIEH INVESTMENT CO., LTD.	Investee company	Long-term investments accounted for under the equity method	33,624	2,139,281	36.49	1,997,404	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	82,913	2,004,794	27.64	2,008,716	None

UNITED MICROELECTRONICS CORPORATION

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UNIMICRON HOLDING LIMITED	Investee company	Long-term investments accounted for under the equity method	20,000	\$590,774	25.25	\$593,157	None
Stock	XGI TECHNOLOGY INC.	Investee company	Long-term investments accounted for under the equity method	3,307	34,532	14.67	34,532	None
Stock	AMIC TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	5,627	11,929	11.18	36,586	None
Stock	ITE TECH. INC.	-	Available-for-sale financial assets, noncurrent	22,945	1,066,948	19.08	1,066,948	None
Stock	UNIMICRON TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	208,478	5,243,222	19.08	5,243,222	None
Stock	UNITED FU SHEN CHEN TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	18,460	82,886	16.60	82,886	None
Stock	HOLTEK SEMICONDUCTOR INC.	-	Available-for-sale financial assets, noncurrent	36,170	889,784	16.37	889,784	None
Stock	SILICON INTEGRATED SYSTEMS CORP.	The Company's director	Available-for-sale financial assets, noncurrent	228,956	1,234,072	16.24	1,234,072	None
Stock	FARADAY TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	57,280	1,878,788	15.97	1,878,788	None
Stock	NOVATEK MICROELECTRONICS CORP.	-	Available-for-sale financial assets, noncurrent	61,857	2,901,077	10.56	2,901,077	None
Stock	SPRINGSOFT, INC.	-	Available-for-sale financial assets, noncurrent	8,658	165,799	4.10	165,799	None
Stock	CHIPBOND TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	12,870	162,806	3.97	162,806	None
Stock	EPISTAR CORP.	-	Available-for-sale financial assets, noncurrent	21,215	888,304	3.35	888,304	None
Stock	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets, noncurrent	40,427	430,544	3.16	430,544	None
Stock	C-COM CORP.	-	Available-for-sale financial assets, noncurrent	567	5,440	2.37	5,440	None
Stock	BILLIONTON SYSTEMS INC.	-	Available-for-sale financial assets, noncurrent	2,048	6,246	2.34	6,246	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,040	25,173	0.97	25,173	None
Stock	MEGA FINANCIAL HOLDING COMPANY	-	Available-for-sale financial assets, noncurrent	95,577	1,371,527	0.86	1,371,527	None
Stock	MEDIATEK INC.	-	Available-for-sale financial assets, noncurrent	1,997	648,948	0.19	648,948	None
Stock	HON HAI PRECISION INDUSTRY CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,458	163,338	0.02	163,338	None

UNITED MICROELECTRONICS CORPORATION

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Fund	VIETNAM INFRASTRUCTURE LTD.	-	Available-for-sale financial assets, noncurrent	5,000	\$61,927	-	\$61,927	None
Stock	PIXTECH, INC.	-	Financial assets measured at cost, noncurrent	9,883	-	17.63	Note	None
Stock	UNITED INDUSTRIAL GASES CO., LTD.	-	Financial assets measured at cost, noncurrent	13,186	146,250	7.66	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	13,774	208,746	4.29	Note	None
Stock	TECO NANOTECH CO. LTD.	-	Financial assets measured at cost, noncurrent	9,001	-	3.73	Note	None
Stock	SINO SWEARINGEN AIRCRAFT CORP.	-	Financial assets measured at cost, noncurrent	1,124	-	1.50	Note	None
Stock	TAIWAN AEROSPACE CORP.	-	Financial assets measured at cost, noncurrent	234	-	0.17	Note	None
Fund	PACIFIC TECHNOLOGY PARTNERS, L.P.	-	Financial assets measured at cost, noncurrent	-	188,179	-	N/A	None
Fund	PACIFIC UNITED TECHNOLOGY, L.P.	-	Financial assets measured at cost, noncurrent	-	144,579	-	N/A	None
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	12,000	263,460	-	N/A	None
Stock-Preferred stock	TONBU, INC.	-	Financial assets measured at cost, noncurrent	938	-	-	N/A	None
Stock-Preferred stock	AETAS TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	1,166	119,911	-	N/A	None
Stock-Preferred stock	TA SHEE GOLF & COUNTRY CLUB LTD.	-	Financial assets measured at cost, noncurrent	0	110	-	N/A	None

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Stock	UNITRUTH INVESTMENT CORP.	Investee company	Long-term investments accounted for under the equity method	98,800	\$1,217,161	100.00	\$1,217,161	None
Stock-Preferred stock	AEVOE INTERNATIONAL LTD.	Investee company	Long-term investments accounted for under the equity method	4,155	26,956	45.31	26,956	None

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UWAVE TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	10,186	\$-	44.29	\$-	None
Stock	ANOTO TAIWAN CORP.	Investee company	Long-term investments accounted for under the equity method	3,920	17,092	39.20	17,092	None
Stock	WALTOP INTERNATIONAL CORP.	Investee company	Long-term investments accounted for under the equity method	6,000	123,838	26.09	72,827	None
Stock	CRYSTAL MEDIA INC.	Investee company	Long-term investments accounted for under the equity method	4,493	30,532	24.09	30,532	None
Stock	ALLIANCE OPTOTEK CORP.	Investee company	Long-term investments accounted for under the equity method	5,789	46,034	20.15	38,598	None
Stock	SMEDIA TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	9,045	31,358	18.69	29,793	None
Stock	HIGH POWER LIGHTING CORP.	Investee company	Long-term investments accounted for under the equity method	4,525	35,306	18.10	26,074	None
Stock	MOBILE DEVICES INC.	Investee company	Long-term investments accounted for under the equity method	6,853	40,125	16.91	36,491	None
Stock	AMIC TECHNOLOGY CORP.	Investee of UMC and Fortune	Long-term investments accounted for under the equity method	7,410	48,051	14.69	48,051	None
Stock	XGI TECHNOLOGY INC.	Investee of UMC and Fortune	Long-term investments accounted for under the equity method	2,162	19,884	9.98	22,614	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee of UMC and Fortune	Long-term investments accounted for under the equity method	2,700	80,963	0.90	65,412	None
Stock	DAVICOM SEMICONDUCTOR, INC.	-	Available-for-sale financial assets, noncurrent	12,111	241,610	14.81	241,610	None
Stock	PIXART IMAGING INC.	-	Available-for-sale financial assets, noncurrent	14,322	1,604,100	11.50	1,604,100	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,893	45,810	1.77	45,810	None
Stock	EPISTAR CORP.	-	Available-for-sale financial assets, noncurrent	4,778	201,167	0.75	201,167	None
Stock	POWERTECH INDUSTRIAL CO., LTD.	-	Available-for-sale financial assets, noncurrent	625	11,251	0.56	11,251	None
Stock	UNITED MICROELECTRONICS CORP.	Investor company	Available-for-sale financial assets, noncurrent	16,079	164,807	0.12	164,807	None
Stock	C SUN MFG LTD.	-	Available-for-sale financial assets, noncurrent	3	29	0.00	29	None
Stock	CLIENTRON CORP. (formerly BCOM ELECTRONICS INC.)	-	Financial assets measured at cost, noncurrent	17,675	176,797	19.64	Note	None
Stock	STAR SEMICONDUCTOR CORP.	-	Financial assets measured at cost, noncurrent	3,837	35,174	16.63	Note	None

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Stock	KUN YUAN TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	9,409	\$94,095	15.68	Note	None
Stock	USBEST TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	7,509	95,303	14.67	Note	None
Stock	AWISE FIBER TECH.CO.,LTD.	-	Financial assets measured at cost, noncurrent	1,200	15,192	11.42	Note	None
Stock	CION TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	2,268	10,583	11.08	Note	None
Stock	VASTVIEW TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	3,864	11,458	11.04	Note	None
Stock	UWIZ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	4,530	50,553	10.79	Note	None
Stock	GOLDEN TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP.	-	Financial assets measured at cost, noncurrent	3,599	34,866	10.67	Note	None
Stock	EXOJET TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	2,300	23,000	10.57	Note	None
Stock	EVERGLORY RESOURCE TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,500	21,875	10.23	Note	None
Stock	CHIP ADVANCED TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	3,140	22,886	10.06	Note	None
Stock	NCTU SPRING I TECHNOLOGY VENTURE CAPITAL INVESTMENT	-	Financial assets measured at cost, noncurrent	3,856	22,876	10.06	Note	None
Stock	ADVANCE MATERIALS CORP.	-	Financial assets measured at cost, noncurrent	11,910	109,898	9.79	Note	None
Stock	YAYATECH CO., LTD.	-	Financial assets measured at cost, noncurrent	1,396	42,180	9.77	Note	None
Stock	EE SOLUTIONS, INC.	-	Financial assets measured at cost, noncurrent	2,782	33,335	9.60	Note	None
Stock	OCULON OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,100	17,600	9.49	Note	None
Stock	CHANG-YU TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,153	54,325	9.43	Note	None
Stock	COTECH, INC.	-	Financial assets measured at cost, noncurrent	750	30,289	9.38	Note	None
Stock	EXCELLENCE OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	8,529	85,291	9.09	Note	None
Stock	BCOM ELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	3,600	43,200	9.00	Note	None
Stock	AMOD TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,060	10,421	8.15	Note	None

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	HITOP COMMUNICATIONS CORP.	-	Financial assets measured at cost, noncurrent	752	\$15,673	8.08	Note	None
Stock	ANDES TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	5,000	62,500	7.94	Note	None
Stock	CHINGIS TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	4,198	37,156	7.80	Note	None
Stock	PRINCEDOM PRECISION CORP. (formerly ALLEN PRECISION INDUSTRIES CO., LTD.)	-	Financial assets measured at cost, noncurrent	1,571	20,102	7.19	Note	None
Stock	SHIN-ETSU HANDOTAI TAIWAN CO., LTD.	-	Financial assets measured at cost, noncurrent	10,500	105,000	7.00	Note	None
Stock	ACTI CORP.	-	Financial assets measured at cost, noncurrent	1,700	17,306	6.85	Note	None
Stock	RISELINK VENTURE CAPITAL CORP.	-	Financial assets measured at cost, noncurrent	8,000	76,640	6.67	Note	None
Stock	NCTU SPRING VENTURE CAPITAL CO., LTD.	-	Financial assets measured at cost, noncurrent	2,000	7,000	6.28	Note	None
Stock	COSMOS TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP.	-	Financial assets measured at cost, noncurrent	1,371	5,413	5.03	Note	None
Stock	PARAWIN VENTURE CAPITAL CORP.	-	Financial assets measured at cost, noncurrent	5,000	41,900	5.00	Note	None
Stock	PRIMESENSOR TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	750	7,500	5.00	Note	None
Stock	EUTECH MICROELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,700	59,500	4.95	Note	None
Stock	LUMITEK CORP.	-	Financial assets measured at cost, noncurrent	1,750	32,000	4.86	Note	None
Stock	GIGA SOLUTION TECH. CO., LTD.	-	Financial assets measured at cost, noncurrent	4,329	26,742	4.47	Note	None
Stock	TRENDCHIP TECHNOLOGIES CORP.	-	Financial assets measured at cost, noncurrent	1,244	14,736	3.98	Note	None
Stock	IBT VENTURE CORP.	-	Financial assets measured at cost, noncurrent	3,426	34,264	3.81	Note	None
Stock	SIMPAL ELECTRONICS CO., LTD.	-	Financial assets measured at cost, noncurrent	6,009	70,179	3.62	Note	None
Stock	BEYOND INNOVATION TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,183	14,165	3.50	Note	None
Stock	SUBTRON TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	11,143	131,806	3.47	Note	None
Stock	ANIMATION TECHNOLOGIES INC.	-	Financial assets measured at cost, noncurrent	1,480	-	3.16	Note	None

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Stock	JMICRON TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	1,604	\$21,878	3.13	Note	None
Stock	SUPERALLOY INDUSTRIAL CO., LTD.	-	Financial assets measured at cost, noncurrent	5,497	225,000	3.06	Note	None
Stock	MEMOCOM CORP.	-	Financial assets measured at cost, noncurrent	1,225	8,195	3.02	Note	None
Stock	SHENG-HUA VENTURE CAPITAL CORP.	-	Financial assets measured at cost, noncurrent	750	4,950	2.50	Note	None
Stock	UNIDISPLAY INC.	-	Financial assets measured at cost, noncurrent	3,000	30,000	2.31	Note	None
Stock	EGIS TECHNOLOGY INC. (Merged LIGHTUNING TECH. INC.)	-	Financial assets measured at cost, noncurrent	1,134	16,663	2.28	Note	None
Stock	HIGH POWER OPTOELECTRONICS, INC.	-	Financial assets measured at cost, noncurrent	1,500	15,000	1.81	Note	None
Stock	TAIMIDE TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	1,500	16,095	1.66	Note	None
Stock	INPAQ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,577	72,975	1.54	Note	None
Fund	CRYSTAL INTERNET VENTURE FUND II(BVI), L.P.	-	Financial assets measured at cost, noncurrent	-	9,124	1.09	N/A	None
Stock	FIRST INTERNATIONAL TELECOM CORP.	-	Financial assets measured at cost, noncurrent	4,610	41,490	1.02	Note	None
Stock	ADVANCED CHIP ENGINEERING TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	2,290	24,419	1.02	Note	None
Stock	PRINTECH INTERNATIONAL INC.	-	Financial assets measured at cost, noncurrent	24	110	0.91	Note	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	1,162	9,739	0.66	Note	None
Stock	WAVEPLUS TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	12	-	0.38	Note	None
Fund	IGLOBE PARTNERS FUND, L.P.	-	Financial assets measured at cost, noncurrent	-	37,351	-	N/A	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

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

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

TLC CAPITAL CO., LTD.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Convertible bonds	CAREER TECHNOLOGY (MFG.) CO., LTD.	-	Financial assets at fair value through profit or loss, noncurrent	70	\$6,842	-	\$6,842	None
Stock	SOARING CAPITAL CORP.	Investee company	Long-term investments accounted for under the equity method	900	28,205	100.00	28,205	None
Stock	YUNG LI INVESTMENTS, INC.	Investee company	Long-term investments accounted for under the equity method	0.28	268,369	45.16	268,369	None
Fund	CTC CAPITAL PARTNERS I, L.P.	Investee company	Long-term investments accounted for under the equity method	-	145,438	31.40	145,438	None
Stock	SMEDIA TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	7,084	94,389	14.64	23,335	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee of UMC and TLC	Long-term investments accounted for under the equity method	5,400	161,927	1.80	130,825	None
Stock	RECHI PRECISION CO., LTD.	-	Available-for-sale financial assets, noncurrent	21,807	137,165	5.69	137,165	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	5,185	125,483	4.85	125,483	None
Stock	SERCOMM CORP.	-	Available-for-sale financial assets, noncurrent	6,679	98,187	3.91	98,187	None
Stock	SIMPLO TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	6,050	594,715	2.90	594,715	None
Stock	POWERTECH INDUSTRIAL CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,935	34,834	1.73	34,834	None
Stock	EPISTAR CORP.	-	Available-for-sale financial assets, noncurrent	10,358	436,056	1.64	436,056	None
Stock	MITAC TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	6,000	78,000	1.12	78,000	None
Stock	AVERMEDIA TECHNOLOGIES, INC.	-	Available-for-sale financial assets, noncurrent	2,106	53,387	0.95	53,387	None
Stock	DARFON ELECTRONICS CORP.	-	Available-for-sale financial assets, noncurrent	2,658	86,771	0.89	86,771	None
Stock	CORETRONIC CORP.	-	Available-for-sale financial assets, noncurrent	6,250	167,183	0.86	167,183	None
Stock	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets, noncurrent	9,449	100,633	0.74	100,633	None
Stock	INPAQ TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	556	11,852	0.54	11,852	None
Stock	ITE TECH. INC.	-	Available-for-sale financial assets, noncurrent	515	23,945	0.43	23,945	None
Stock	CYNTEC CO., LTD.	-	Available-for-sale financial assets, noncurrent	803	30,496	0.42	30,496	None

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

TLC CAPITAL CO., LTD.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	CHUNGHWA TELECOM CO., LTD.	-	Available-for-sale financial assets, noncurrent	3,410	\$254,727	0.04	\$254,727	None
Stock	TATUNG CO.	-	Available-for-sale financial assets, noncurrent	256	1,754	0.01	1,754	None
Stock	CATHAY FINANCIAL HOLDING CO., LTD.	-	Available-for-sale financial assets, noncurrent	787	33,981	0.01	33,981	None
Stock	UNIDISPLAY INC.	-	Financial assets measured at cost, noncurrent	10,000	100,000	7.69	Note	None
Stock	SUPERALLOY INDUSTRIAL CO., LTD.	-	Financial assets measured at cost, noncurrent	11,709	479,250	6.51	Note	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	10,000	100,000	5.67	Note	None
Stock	INPAQ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,628	121,625	2.56	Note	None
Stock	CANDO CORP.	-	Financial assets measured at cost, noncurrent	3,000	30,000	0.43	Note	None
Stock	RALINK TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	77	7,980	0.06	Note	None
Stock-Preferred stock	TOUCH MEDIA INTERNATIONAL HOLDINGS	-	Financial assets measured at cost, noncurrent	4,126	160,355	-	Note	None
Stock-Preferred stock	KU6 HOLDING LTD.	-	Financial assets measured at cost, noncurrent	26,248	151,696	-	Note	None

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

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	SMEDIA TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	5,241	\$24,131	10.83	\$17,262	None
Stock	XGI TECHNOLOGY INC.	Investee of UMC and Unitruth	Long-term investments accounted for under the equity method	2,116	22,139	9.77	22,139	None

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Stock	WALTOP INTERNATIONAL CORP.	Investee company	Long-term investments accounted for under the equity method	2,000	\$41,279	8.70	\$24,275	None
Stock	CRYSTAL MEDIA INC.	Investee company	Long-term investments accounted for under the equity method	1,587	10,784	8.51	10,784	None
Stock	ALLIANCE OPTOTEK CORP.	Investee company	Long-term investments accounted for under the equity method	2,150	17,098	7.48	14,336	None
Stock	HIGH POWER LIGHTING CORP.	Investee company	Long-term investments accounted for under the equity method	1,225	9,558	4.90	7,059	None
Stock	UWAVE TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	1,000	-	4.35	-	None
Stock	MOBILE DEVICES INC.	Investee company	Long-term investments accounted for under the equity method	1,700	9,053	4.20	9,053	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee of UMC and Unitruth	Long-term investments accounted for under the equity method	900	26,988	0.30	21,804	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,040	25,172	0.97	25,172	None
Stock	POWERTECH INDUSTRIAL CO., LTD.	-	Available-for-sale financial assets, noncurrent	729	13,127	0.65	13,127	None
Stock	EE SOLUTIONS, INC.	-	Financial assets measured at cost, noncurrent	2,782	25,935	9.60	Note	None
Stock	COTECH, INC.	-	Financial assets measured at cost, noncurrent	738	29,804	9.23	Note	None
Stock	AWISE FIBER TECH.CO.,LTD.	-	Financial assets measured at cost, noncurrent	860	10,888	8.18	Note	None
Stock	UWIZ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	3,410	39,593	8.12	Note	None
Stock	OCULON OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	900	14,400	7.77	Note	None
Stock	AMOD TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	930	7,920	7.15	Note	None
Stock	YAYATECH CO., LTD.	-	Financial assets measured at cost, noncurrent	988	40,415	6.92	Note	None
Stock	EXCELLENCE OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	6,374	63,739	6.80	Note	None
Stock	VASTVIEW TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	2,010	25,850	5.74	Note	None
Stock	ADVANCE MATERIALS CORP.	-	Financial assets measured at cost, noncurrent	6,039	62,427	4.97	Note	None
Stock	EVERGLORY RESOURCE TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,200	10,500	4.91	Note	None

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	CHINGIS TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	2,518	\$31,218	4.68	Note	None
Stock	CHIP ADVANCED TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	1,386	3,059	4.44	Note	None
Stock	EXOJET TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	850	8,500	3.91	Note	None
Stock	BCOM ELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,495	17,941	3.74	Note	None
Stock	TRENDCHIP TECHNOLOGIES CORP.	-	Financial assets measured at cost, noncurrent	1,160	13,747	3.72	Note	None
Stock	ACTI CORP.	-	Financial assets measured at cost, noncurrent	740	11,100	2.98	Note	None
Stock	LUMITEK CORP.	-	Financial assets measured at cost, noncurrent	750	13,714	2.08	Note	None
Stock	EGIS TECHNOLOGY INC. (Merged LIGHTUNING TECH. INC.)	-	Financial assets measured at cost, noncurrent	1,016	27,355	2.05	Note	None
Stock	MEMOCOM CORP.	-	Financial assets measured at cost, noncurrent	695	4,650	1.72	Note	None
Stock	UNIDISPLAY INC.	-	Financial assets measured at cost, noncurrent	2,000	20,000	1.54	Note	None
Stock	CHANG-YU TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	315	7,950	1.38	Note	None
Stock	USBEST TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	675	7,145	1.32	Note	None
Stock	GIGA SOLUTION TECH. CO., LTD.	-	Financial assets measured at cost, noncurrent	1,246	7,698	1.29	Note	None
Stock	STAR SEMICONDUCTOR CORP.	-	Financial assets measured at cost, noncurrent	260	2,193	1.13	Note	None
Stock	SUPERALLOY INDUSTRIAL CO., LTD.	-	Financial assets measured at cost, noncurrent	1,759	72,000	0.98	Note	None
Stock	PRINTECH INTERNATIONAL INC.	-	Financial assets measured at cost, noncurrent	24	111	0.91	Note	None
Stock	JMICRON TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	462	2,310	0.90	Note	None
Stock	HIGH POWER OPTOELECTRONICS, INC.	-	Financial assets measured at cost, noncurrent	500	5,000	0.60	Note	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	604	5,064	0.34	Note	None
Stock-Preferred stock	PRINCEDOM PRECISION CORP. (formerly ALLEN PRECISION INDUSTRIES CO., LTD.)	-	Financial assets measured at cost, noncurrent	1,047	10,470	-	N/A	None

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	HIGH POWER LIGHTING CORP.	-	Prepayment for long-term investments	200	\$3,000	-	\$-	None

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

UNITED MICRODISPLAY OPTRONICS CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UMO (HK) LIMITED	Investee company	Long-term investments accounted for under the equity method	15,600	\$3,273	100.00	\$3,273	None

SOARING CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Capital	UNITRUTH ADVISOR (SHANGHAI) CO., LTD.	Investee company	Long-term investments accounted for under the equity method	-	USD 780	100.00	USD 780	None

UMC CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	September 30, 2008				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UMC CAPITAL (USA)	Investee company	Long-term investments accounted for under the equity method	200	USD 382	100.00	USD 382	None
Stock	ECP VITA LTD.	Investee company	Long-term investments accounted for under the equity method	1,000	USD 2,686	100.00	USD 2,686	None
Stock-Preferred stock	ACHIEVE MADE INTERNATIONAL LTD.	Investee company	Long-term investments accounted for under the equity method	808	USD 985	48.03	USD 452	None

UMC CAPITAL CORP.

				September 30, 2008				
Type of securities	Name of securities	Relationship	Financial statement account	Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Fund	UC FUND II	Investee company	Long-term investments accounted for under the equity method	5,000	USD 4,036	35.45	USD 4,036	None
Fund	TRANSLINK CAPITAL PARTNERS I L.P.	Investee company	Long-term investments accounted for under the equity method	-	USD 2,366	11.82	USD 2,366	None
Stock	INTELLON CORP.	-	Available-for-sale financial assets, noncurrent	675	USD 2,470	2.25	USD 2,470	None
American Depository Shares	CHUNGHWA TELECOM CO., LTD.	-	Available-for-sale financial assets, noncurrent	344	USD 8,136	0.04	USD 8,136	None
Stock	PATENTOP, LTD.	-	Financial assets measured at cost, noncurrent	720	-	18.00	Note	None
Stock	CIPHERMAX, INC.	-	Financial assets measured at cost, noncurrent	95	USD 1,281	-	Note	None
Stock-Preferred stock	AICENT, INC.	-	Financial assets measured at cost, noncurrent	2,000	USD 1,000	-	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	FORTEMEDIA, INC.	-	Financial assets measured at cost, noncurrent	10,233	USD 4,322	-	N/A	None
Stock	MAGNACHIP SEMICONDUCTOR LLC	-	Financial assets measured at cost, noncurrent	31	USD 1,094	-	Note	None
Stock-Preferred 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
Convertible bonds	DIBCOM, INC.	-	Financial assets measured at cost, noncurrent	3	USD 506	-	N/A	None
Stock-Preferred stock	EAST VISION TECHNOLOGY LTD.	-	Financial assets measured at cost, noncurrent	2,770	USD 4,820	-	N/A	None
Stock-Preferred stock	ALPHA & OMEGA SEMICONDUCTOR LTD.	-	Financial assets measured at cost, noncurrent	650	USD 1,462	-	N/A	None
Stock-Preferred stock	AURORA SYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	550	USD 242	-	N/A	None
Stock-Preferred stock	VERIPRECISE TECHNOLOGY, INC.	-	Financial assets measured at cost, noncurrent	4,000	USD 4,000	-	N/A	None

ATTACHMENT 3 (Securities held as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

UMC CAPITAL CORP.

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

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

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 nine-month period ended September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

UNITED MICROELECTRONICS CORPORATION

Type of securities	Name of the securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			Ending balance		
					Units (thousand)/ bonds/ shares (thousand)	Amount (Note1)	Units (thousand)/ bonds/ shares (thousand)	Amount	Units (thousand)/ bonds/ shares (thousand)	Amount	Cost (Note 2)	Gain (Loss) from disposal	Units (thousand)/ bonds/ shares (thousand)	Amount (Note1)
Stock	MEDIATEK INC.	Available-for-sale financial assets, noncurrent	Open market	-	6,552	\$2,758,402	38	\$-	4,593	\$1,672,648	\$45,068	\$1,624,664 (Note 3)	1,997	\$648,948
Stock	HOLTEK SEMICONDUCTOR INC.	Available-for-sale financial assets, noncurrent	Open market	-	42,326	2,093,033	144	-	6,300	252,642	154,819	148,843 (Note 4)	36,170	889,784
Stock	NEXPOWER TECHNOLOGY CORP.	Long-term investments accounted for under the equity method	Proceeds from new issues	-	44,912	784,668	38,001	1,140,040	-	-	-	-	82,913	2,004,794
Stock	MTIC HOLDINGS PTE LTD.	Long-term investments accounted for under the equity method	Proceeds from new issues	-	4,000	82,230	8,000	178,380	-	-	-	-	12,000	260,713
Stock-Preferred stock	MTIC HOLDINGS PTE LTD.	Financial assets measured at cost, noncurrent	MTIC HOLDINGS PTE LTD.	-	4,000	85,080	8,000	178,380	-	-	-	-	12,000	263,460

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;

The amounts of beginning and ending balances of long-term investments accounted for under the equity method include adjustment under the equity method.

Note 2: The disposal cost represents historical cost.

Note 3: The gain on disposal includes additional paid-in capital adjustments of NT\$(2,916) thousand dollars.

Note 4: The gain on disposal includes liquidation dividends of NT\$59,718 thousand, additional paid-in capital adjustments of NT\$(9,069) thousand and cumulative translation adjustments of NT\$371 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 nine-month period ended September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of the securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			Ending balance		
					Units (thousand)/bonds/shares (thousand)	Amount (Note1)	Units (thousand)/bonds/shares (thousand)	Amount	Units (thousand)/bonds/shares (thousand)	Amount	Cost (Note 2)	Gain (Loss) from disposal	Units (thousand)/bonds/shares (thousand)	Amount (Note1)
Stock	RALINK TECHNOLOGY CORP.	Available-for-sale financial assets, noncurrent	Open market	-	1,389	\$14,828	-	\$-	1,389	\$328,404	\$14,828	\$313,576	-	\$-

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

Note 2: The disposal cost represents historical cost.

TLC CAPITAL CO., LTD.

Type of securities	Name of the securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			Ending balance		
					Units (thousand)/bonds/shares (thousand)	Amount (Note1)	Units (thousand)/bonds/shares (thousand)	Amount	Units (thousand)/bonds/shares (thousand)	Amount	Cost (Note 2)	Gain (Loss) from disposal	Units (thousand)/bonds/shares (thousand)	Amount (Note1)
Stock	TATUNG CO.	Available-for-sale financial assets, noncurrent	Open market	-	26,152	\$411,894	-	\$-	25,896	\$444,494	\$318,723	\$125,771	256	\$1,754
Stock	HORIZON SECURITIES CO., LTD.	Available-for-sale financial assets, noncurrent	Open market	-	8,858	113,383	-	-	8,858	139,659	55,481	84,178	-	-
Stock	HUNG SHENG CONSTRUCTION LTD.	Available-for-sale financial assets, noncurrent	Open market	-	3,300	79,695	-	-	3,300	105,296	88,460	16,836	-	-
Stock	AVERMEDIA TECHNOLOGIES, INC.	Available-for-sale financial assets, noncurrent	Open market	-	-	-	1,950	108,152	-	-	-	-	2,106	53,387
Stock	CHUNGHWA TELECOM CO., LTD.	Available-for-sale financial assets, noncurrent	Open market	-	-	-	3,410	262,493	-	-	-	-	3,410	254,727
Stock-Preferred stock	TOUCH MEDIA INTERNATIONAL HOLDINGS	Financial assets measured at cost, noncurrent	TOUCH MEDIA INTERNATIONAL HOLDINGS	-	-	-	4,126	160,355	-	-	-	-	4,126	160,355
Stock	NEXPOWER TECHNOLOGY CORP.	Long-term investments accounted for under the equity method	Proceeds from new issues	-	-	-	5,400	162,000	-	-	-	-	5,400	161,927

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

Note 2: The disposal cost represents historical cost.

Note 3: The ending balance includes stock dividend of 156 thousand shares.

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 nine-month period ended September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

UNITRUTH INVESTMENT CORP.

Type of securities	Name of the securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			Ending balance		
					Units (thousand)/ bonds/ shares (thousand)	Amount (Note1)	Units (thousand)/ bonds/ shares (thousand)	Amount	Units (thousand)/ bonds/ shares (thousand)	Amount	Cost (Note 2)	Gain (Loss) from disposal	Units (thousand)/ bonds/ shares (thousand)	Amount (Note1)
Stock	RALINK TECHNOLOGY CORP.	Available-for-sale financial assets, noncurrent	Open market	-	1,365	\$14,570	-	\$-	1,365	\$307,155	\$14,570	\$292,585	-	\$-

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

Note 2: The disposal cost represents historical cost.

UMC CAPITAL CORP.

Type of securities	Name of the securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			Ending balance		
					Units (thousand)/ bonds/ shares (thousand)	Amount (Note1)	Units (thousand)/ bonds/ shares (thousand)	Amount	Units (thousand)/ bonds/ shares (thousand)	Amount	Cost (Note 2)	Gain (Loss) from disposal	Units (thousand)/ bonds/ shares (thousand)	Amount (Note1)
Stock	RUBICON TECHNOLOGY, INC.	Available-for-sale financial assets, noncurrent	Open market	-	275	USD 6,531	-	\$-	275	USD 5,841	USD 3,850	USD 1,991	-	\$-
American Depositary Shares	SPREADTRUM COMMUNICATIONS, INC.	Available-for-sale financial assets, noncurrent	Open market	-	550	USD 6,737	-	-	550	USD 4,340	USD 1,435	USD 2,905	-	-
American Depositary Shares	CHUNGHWA TELECOM CO., LTD.	Available-for-sale financial assets, noncurrent	Open market	-	-	-	344	USD 8,752	-	-	-	-	344	USD 8,136

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

Note 2: The disposal cost represents historical cost.

ATTACHMENT 5 (Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20 percent of the capital stock for the nine-month period ended September 30, 2008)

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

UNITED MICROELECTRONICS CORPORATION

Name of properties	Transaction date	Transaction amount	Payment status	Counter-party	Relationship	Where counter-party is a related party, details of prior transactions					Date of acquisition and status of utilization	Other commitments
						Former holder of property	Relationship between former holder and acquirer of property	Date of transaction	Transaction amount	Price reference		
None												

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 nine-month period ended September 30, 2008)

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

UNITED MICROELECTRONICS CORPORATION

<u>Names of properties</u>	<u>Transaction date</u>	<u>Date of original acquisition</u>	<u>Book value</u>	<u>Transaction amount</u>	<u>Status of proceeds collection</u>	<u>Gain (Loss) from disposal</u>	<u>Counter-party</u>	<u>Relationship</u>	<u>Reason of disposal</u>	<u>Price reference</u>	<u>Other commitments</u>
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None

ATTACHMENT 7 (Related party transactions for purchases and sales amounts exceeding the lower of NTS\$100 million or 20 percent of capital stock for the nine-month period ended September 30, 2008)

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

UNITED MICROELECTRONICS CORPORATION

Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (%)	Note
UMC GROUP (USA)	Investee company	Sales	\$42,201,481	57 %	Net 60 Days	N/A	N/A	\$8,495,185	55 %	
UNITED MICROELECTRONICS (EUROPE) B.V.	Investee company	Sales	7,557,011	10 %	Net 60 Days	N/A	N/A	1,097,358	7 %	
UMC JAPAN	Investee company	Sales	1,326,552	2 %	Net 60 Days	N/A	N/A	303,626	2 %	
SILICON INTEGRATED SYSTEMS CORP.	The Company's director	Sales	890,747	1 %	Month-end 45 Days	N/A	N/A	110,678	1 %	

UNITED MICROELECTRONICS (EUROPE) B.V.

Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (%)	Note
UNITED MICROELECTRONICS CORPORATION	Investor company	Purchases	USD 243,822	100 %	Net 60 Days	N/A	N/A	USD 34,111	100 %	

ATTACHMENT 7 (Related party transactions for purchases and sales amounts exceeding the lower of NTS\$100 million or 20 percent of capital stock for the nine-month period ended September 30, 2008)

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

UMC GROUP (USA)

Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (%)	
UNITED MICROELECTRONICS CORPORATION	Investor company	Purchases	USD 1,360,780	100 %	Net 60 Days	N/A	N/A	USD 264,072	100 %	

UMC JAPAN

Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (%)	
UNITED MICROELECTRONICS CORPORATION	Investor company	Purchases	JPY4,461,194	65 %	Net 60 Days	N/A	N/A	JPY 982,751	36 %	
AMIC TECHNOLOGY CORP.	Investee of UMC	Sales	JPY1,188,928	9 %	Net 90 Days	N/A	N/A	JPY 384,814	10 %	

ATTACHMENT 8 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of September 30, 2008)
(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	\$-	\$8,495,185	\$16	\$8,495,201	7.92	\$-	-	\$4,227,112	\$-
UNITED MICROELECTRONICS (EUROPE) B.V.	Investee company	-	1,097,358	-	1,097,358	6.96	117,265	Credit Collecting	361,545	3,619
UMC JAPAN	Investee company	-	303,626	596	304,222	5.37	-	-	18,421	1,126
SILICON INTEGRATED SYSTEMS CORP.	The Company's director	-	110,678	413	111,091	4.72	25,252	Credit Collecting	323	-

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 384,814	\$-	JPY 384,814	5.11	JPY 83,550	Credit Collecting	JPY 83,550	\$-

ATTACHMENT 9 (Names, locations and related information of investee companies as of September 30, 2008)
(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 September 30, 2008				Net income (loss) of investee company	Investment income (loss) recognized	Note	
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value					
UMC GROUP (USA)	Sunnyvale, California, USA	IC Sales	USD	16,438	USD	16,438	16,438	100.00	\$1,519,530	\$331,544	\$331,544	
UNITED MICROELECTRONICS (EUROPE) B.V.	The Netherlands	IC Sales	USD	5,421	USD	5,421	9	100.00	320,838	19,062	19,062	
UMC CAPITAL CORP.	Grand Cayman, Cayman Islands	Investment holding	USD	124,000	USD	124,000	124,000	100.00	3,744,641	146,953	146,953	
UNITED MICROELECTRONICS CORP. (SAMOA)	Apia, Samoa	Investment holding	USD	1,400	USD	1,000	680	100.00	6,431	(7,784)	(7,784)	
UMCI LTD.	Singapore	Sales and manufacturing of integrated circuits	USD	839,880	USD	839,880	880,006	100.00	202	(884)	(884)	
TLC CAPITAL CO., LTD.	Taipei, Taiwan	Consulting and planning for investment in new business		6,000,000		6,000,000	687,800	100.00	5,861,276	14,723	14,124	
FORTUNE VENTURE CAPITAL CORP.	Taipei, Taiwan	Consulting and planning for investment in new business		4,999,940		4,999,940	535,794	99.99	7,230,420	721,277	709,727	
UNITED MICRODISPLAY OPTRONICS CORP.	Hsinchu Science Park, Taiwan	Sales and manufacturing of LCOS		1,305,236		1,205,876	26,755	89.99	118,051	(145,595)	(132,165)	
UMC JAPAN	Chiba, Japan	Sales and manufacturing of integrated circuits	JPY	20,994,400	JPY	20,994,400	496	50.81	6,412,053	(717,164)	(359,874)	
PACIFIC VENTURE CAPITAL CO., LTD.	Taipei, Taiwan	Consulting and planning for investment in new business		30,000		150,000	30,000	49.99	7,379	2,221	-	Note 2
MTIC HOLDINGS PTE LTD.	Singapore	Investment holding	SGD	12,000	SGD	4,000	12,000	46.49	260,713	(1,855)	(944)	
MEGA MISSION LIMITED PARTNERSHIP	Grand Cayman, Cayman Islands	Investment holding	USD	67,500	USD	67,500	-	45.00	1,463,298	(1,772,977)	(797,839)	Note 4
UNITECH CAPITAL INC.	British Virgin Islands	Investment holding	USD	21,000	USD	21,000	21,000	42.00	579,791	121,876	51,188	
HSUN CHIEH INVESTMENT CO., LTD.	Taipei, Taiwan	Investment holding		336,241		336,241	33,624	36.49	2,139,281	399,632	146,086	
NEXPOWER TECHNOLOGY CORP.	Taichung, Taiwan	Sales and manufacturing of solar power batteries		1,900,785		760,745	82,913	27.64	2,004,794	(122,336)	(41,307)	
UNIMICRON HOLDING LIMITED	Apia, Samoa	Investment holding	USD	20,000	USD	20,000	20,000	25.25	590,774	(326,903)	(101,713)	Note 3
XGI TECHNOLOGY INC.	Hsinchu, Taiwan	Cartography chip design and production		262,736		248,795	3,307	14.67	34,532	(21,139)	(3,577)	
AMIC TECHNOLOGY CORP.	Hsinchu Science Park, Taiwan	IC design, production and sales		133,009		133,104	5,627	11.18	11,929	(222,360)	(23,020)	

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

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

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

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

ATTACHMENT 9 (Names, locations and related information of investee companys as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

FORTUNE VENTURE CAPITAL CORP.

Investee company	Address	Main businesses and products	Initial Investment (Note 1)		Investment as of September 30, 2008			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
UNITRUTH INVESTMENT CORP.	Taipei, Taiwan	Investment holding	\$800,000	\$800,000	98,800	100.00	\$1,217,161	\$217,095	\$217,093	
AEVOE INTERNATIONAL LTD.	Samoa	Design of VOIP Telephone	USD 2,213	USD 1,213	4,155	45.31	26,956	(7,495)	(2,697)	
UWAVE TECHNOLOGY CORP.	Hsinchu, Taiwan	RF IC Design	85,471	85,471	10,186	44.29	-	-	-	Note 2
ANOTO TAIWAN CORP.	Taoyuan County, Taiwan	Tablet transmission systems and chip-set	39,200	39,200	3,920	39.20	17,092	(19,244)	(7,544)	
WALTOP INTERNATIONAL CORP.	Hsinchu, Taiwan	Tablet PC module, Pen LCD Monitor/module	90,000	90,000	6,000	26.09	123,838	21,606	5,648	
CRYSTAL MEDIA INC.	Hsinchu, Taiwan	Design of VOIP network phones	50,629	50,629	4,493	24.09	30,532	(16,078)	(3,903)	
ALLIANCE OPTOTEK CORP.	Hsinchu County, Taiwan	Design and manufacturing of LED	74,235	74,235	5,789	20.15	46,034	(48,628)	(9,844)	
SMEDIA TECHNOLOGY CORP.	Hsinchu, Taiwan	Multimedia co-processor	93,478	93,478	9,045	18.69	31,358	(61,091)	(11,560)	
HIGH POWER LIGHTING CORP.	Taipei County, Taiwan	High brightness LED package and Lighting module R&D and manufacture	54,300	54,300	4,525	18.10	35,306	(5,243)	(949)	
MOBILE DEVICES INC.	Hsinchu County, Taiwan	PHS & GSM/PHS dual mode B/B Chip	89,414	89,414	6,853	16.91	40,125	6,433	1,101	
AMIC TECHNOLOGY CORP.	Hsinchu Science Park, Taiwan	IC design, production and sales	214,745	215,542	7,410	14.69	48,051	(222,360)	(32,680)	
XGI TECHNOLOGY INC.	Hsinchu, Taiwan	Cartography chip design and production	278,383	270,483	2,162	9.98	19,884	(21,139)	(1,007)	
NEXPOWER TECHNOLOGY CORP.	Taichung, Taiwan	Sales and manufacturing of solar power batteries	81,000	-	2,700	0.90	80,963	(122,336)	(48)	

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

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

ATTACHMENT 9 (Names, locations and related information of investee companys as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

TLC CAPITAL CO., LTD.

Investee company	Address	Main businesses and products	Initial Investment (Note 1)		Investment as of September 30, 2008			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
SOARING CAPITAL CORP.	Samoa	Investment holding	USD 900	USD -	900	100.00	\$28,205	\$(744)	\$(744)	
YUNG LI INVESTMENTS, INC.	Taipei, Taiwan	Investment holding	280,000	280,000	0.28	45.16	268,369	(14,250)	(7,506)	
CTC CAPITAL PARTNERS I, L.P.	Cayman Islands	Investment holding	USD 4,500	USD 4,500	0	31.40	145,438	4,388	1,409	Note 2
SMEDIA TECHNOLOGY CORP.	Hsinchu, Taiwan	Multimedia co-processor	106,266	106,266	7,084	14.64	94,389	(61,091)	(9,054)	
NEXPOWER TECHNOLOGY CORP.	Taichung, Taiwan	Sales and manufacturing of solar power batteries	162,000	-	5,400	1.80	161,927	(122,336)	(95)	

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

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

UNITRUTH INVESTMENT CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of September 30, 2008			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
SMEDIA TECHNOLOGY CORP.	Hsinchu, Taiwan	Multimedia co-processor	\$77,477	\$77,477	5,241	10.83	\$24,131	\$(61,091)	\$(6,698)	
XGI TECHNOLOGY INC.	Hsinchu, Taiwan	Cartography chip design and production	43,767	26,400	2,116	9.77	22,139	(21,139)	(167)	
WALTOP INTERNATIONAL CORP.	Hsinchu, Taiwan	Tablet PC module, Pen LCD Monitor/module	30,000	30,000	2,000	8.70	41,279	21,606	1,883	
CRYSTAL MEDIA INC.	Hsinchu, Taiwan	Design of VOIP network phones	16,493	16,493	1,587	8.51	10,784	(16,078)	(1,379)	
ALLIANCE OPTOTEK CORP.	Hsinchu County, Taiwan	Design and manufacturing of LED	27,573	27,573	2,150	7.48	17,098	(48,628)	(3,656)	
HIGH POWER LIGHTING CORP.	Taipei County, Taiwan	High brightness LED package and Lighting module R&D and manufacture	14,700	14,700	1,225	4.90	9,558	(5,243)	(257)	
UWAVE TECHNOLOGY CORP.	Hsinchu, Taiwan	RF IC Design	6,950	6,950	1,000	4.35	-	-	-	Note 1
MOBILE DEVICES INC.	Hsinchu County, Taiwan	PHS & GSM/PHS dual mode B/B Chip	20,463	20,463	1,700	4.20	9,053	6,433	273	
NEXPOWER TECHNOLOGY CORP.	Taichung, Taiwan	Sales and manufacturing of solar power batteries	27,000	-	900	0.30	26,988	(122,336)	(16)	

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

ATTACHMENT 9 (Names, locations and related information of investee companies as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

UNITED MICRODISPLAY OPTRONICS CORP.

Investee company	Address	Main businesses and products	Initial Investment (Note 1)		Investment as of September 30, 2008			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
UMO (HK) LIMITED	Hongkong	Investment holding	USD 100	USD 100	15,600	100.00	\$3,273	\$27	\$27	

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

SOARING CAPITAL CORP.

Investee company	Address	Main businesses and products	Initial Investment (Note 1)		Investment as of September 30, 2008			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
UNITRUTH ADVISOR (SHANGHAI) CO., LTD.	China	Investment holding introduce and consult	USD 800	-	-	100.00	USD 780	USD (20)	USD (20)	Note 2

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

Note 2: No shares since it belongs to limited company.

UMC CAPITAL CORP.

Investee company	Address	Main businesses and products	Initial Investment (Note 1)		Investment as of September 30, 2008			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
UMC CAPITAL (USA)	Sunnyvale, California, USA	Investment holding	USD 200	USD 200	200	100.00	USD 382	USD 22	USD 22	
ECP VITA LTD.	British Virgin Islands	Insurance	USD 1,000	USD 1,000	1,000	100.00	USD 2,686	USD 574	USD 574	
ACHIEVE MADE INTERNATIONAL LTD.	British Virgin Islands	Internet Content Provider	USD 1,750	USD 1,000	808	48.03	USD 985	USD (374)	USD (167)	
UC FUND II	British Virgin Islands	Investment holding	USD 2,850	USD 3,850	5,000	35.45	USD 4,036	USD (54)	USD (19)	
TRANSLINK CAPITAL PARTNERS I L.P.	California, USA	Investment holding	USD 2,600	USD 1,560	-	11.82	USD 2,366	USD (1,222)	USD (198)	Note 2

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

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

ATTACHMENT 10 (Investment in Mainland China as of September 30, 2008)
(Amount in thousand; Currency denomination in NTD unless otherwise specified)

UNITED MICROELECTRONICS CORPORATION

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2008	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2008	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of September 30, 2008	Accumulated Inward Remittance of Earnings as of September 30, 2008
					Outflow	Inflow					
UNIMICRON TECHNOLOGY (SUZHOU) CORP.	PCB production	RMB 450,636	(Note 2)	USD 20,000 (Note 3)	\$-	\$-	USD 20,000	25.25%	\$(83,693) (Note 4)	USD 18,748	\$-
CHU DONG MULTIMEDIA TECHNOLOGY (SHANGHAI) CO., LTD.	Development & technical design of multimedia	USD 6,000	(Note 5)	-	(Note 5)	-	(Note 5)	-	-	USD 612	-
JIAOYUE SOFTWARE (SHANGHAI) CO., LTD.	Development & design of computer software	USD 1,000	(Note 5)	-	(Note 5)	-	(Note 5)	-	-	USD 102	-
TOUCH EQUIPMENT LEASING (SHANGHAI) CO., LTD.	Development & technical design of multimedia	USD 4,000	(Note 5)	-	(Note 5)	-	(Note 5)	-	-	USD 408	-
RE BO CULTURE BROADCASTING LTD.(BEIJING)	TV program producing, Advertisement, Added value service	(Note 6)	(Note 6)	-	(Note 6)	-	(Note 6)	-	-	-	-
U-YOU INFORMATION TECHNOLOGY (SHANGHAI) CO., LTD.	Commercial consult of TV shopping, Business market plans, and business management consult, etc.	(Note 7)	(Note 7)	-	(Note 7)	-	(Note 7)	-	-	-	-
KU6 (BEIJING) TECHNOLOGY CO., LTD.	Computer software and Computer system integrate, and data processing, etc.	(Note 8)	(Note 8)	-	(Note 8)	-	(Note 8)	-	-	-	-
UNITRUTH ADVISOR (SHANGHAI) CO., LTD.	Investment Holding Introduce and consult	USD 800	(Note 9)	-	USD 800	-	USD 800	100.00%	USD (20)	USD 780	-
Accumulated Investment in Mainland China as of September 30, 2008		Investment Amounts Authorized by Investment Commission, MOEA		Upper Limit on Investment							
USD 25,800 (Note 5,6,7,8,9)		USD	30,950	\$119,202,017							

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

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

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

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

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

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

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

TOUCH TECHNOLOGY DEVELOPMENT (SHANGHAI) CO., LTD. Changed it named to TOUCH EQUIPMENT LEASING (SHANGHAI) CO., LTD. was approved by the competent authority.

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

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

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

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

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

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

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

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

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

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

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

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