

**UNITED MICROELECTRONICS CORPORATION
FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

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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.

REPORT OF INDEPENDENT AUDITORS

English Translation of a Report Originally Issued in Chinese

To United Microelectronics Corporation

We have audited the accompanying balance sheets of United Microelectronics Corporation (the "Company") as of December 31, 2010 and 2009, and the related statements of income, statements of changes in stockholders' equity and cash flows for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As described in Note 4(7) to the financial statements, certain long-term investments were accounted for under the equity method based on financial statements as of December 31, 2010 and 2009 of the investees, which were audited by the other independent auditors. Our opinion, insofar as it related to the investment income amounted to NT\$312 million and NT\$3 million for the years ended December 31, 2010 and 2009, respectively, and the related long-term investment balances of NT\$5,186 million and NT\$5,306 million as of December 31, 2010 and 2009, respectively, are based solely on the reports of the other independent auditors.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China and "Guidelines for Certified Public Accountants' Examination and Reports on Financial Statements", which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditors, the financial statements referred to above present fairly, in all material respects, the financial position of United Microelectronics Corporation as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years ended December 31, 2010 and 2009, 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, 2009, the Company has adopted the amendment of R.O.C. Statement of Financial Accounting Standards No. 10, "Accounting for Inventories".

We have also audited the consolidated financial statements of United Microelectronics Corporation and subsidiaries as of and for the years ended December 31, 2010 and 2009, and have expressed an unqualified opinion with explanatory paragraph on such financial statements.

ERNST & YOUNG
CERTIFIED PUBLIC ACCOUNTANTS

Taipei, Taiwan
Republic of China

January 31, 2011

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such 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
 BALANCE SHEETS
 December 31, 2010 and 2009
 (Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,		Liabilities and Stockholders' Equity	Notes	As of December 31,	
		2010	2009			2010	2009
Current assets				Current liabilities			
Cash and cash equivalents	2, 4(1)	\$ 32,934,638	\$ 52,792,105	Short-term loans	4(11)	\$ 2,621,700	\$ -
Financial assets at fair value through profit or loss, current	2, 4(2)	1,139,943	2,096,091	Financial liabilities at fair value through profit or loss, current	2, 4(12)	2,254,937	1,914,879
Available-for-sale financial assets, current	2, 4(5)	7,044,673	6,250,694	Accounts payable		5,763,273	5,045,934
Notes receivable		78,929	429,762	Income tax payable	2	1,461,932	150,967
Accounts receivable, net	2, 4(3)	8,836,212	8,669,576	Accrued expenses	2, 4(19)	10,427,554	8,298,249
Accounts receivable - related parties, net	2, 5	7,585,106	7,956,309	Payable on equipment		11,256,513	5,487,761
Other receivables	2	336,723	269,179	Current portion of long-term liabilities	2, 4(13), 4(14), 6	5,361,189	12,800,587
Inventories, net	2, 3, 4(4)	11,198,439	8,776,328	Other current liabilities		492,448	330,379
Prepaid expenses		616,247	541,876	Total current liabilities		39,639,546	34,028,756
Deferred income tax assets, current	2, 4(21)	764,310	511,163				
Total current assets		70,535,220	88,293,083	Long-term liabilities			
				Long-term loans	4(14), 6	901,117	766,550
Funds and investments				Total long-term liabilities		901,117	766,550
Available-for-sale financial assets, noncurrent	2, 4(5)	21,960,169	25,387,046				
Financial assets measured at cost, noncurrent	2, 4(6), 4(10)	2,221,263	2,234,160	Other liabilities			
Long-term investments accounted for under the equity method	2, 4(7), 5	44,233,716	42,256,469	Accrued pension liabilities	2, 4(15)	3,327,761	3,275,226
Total funds and investments		68,415,148	69,877,675	Deposits-in		25,070	14,406
				Other liabilities - others	2, 4(7)	130,114	206,931
Property, plant and equipment	2, 4(8), 5, 6, 7			Total other liabilities		3,482,945	3,496,563
Land		977,761	433,378	Total liabilities		44,023,608	38,291,869
Buildings		20,304,767	17,346,906				
Machinery and equipment		476,773,878	440,952,322	Capital	2, 4(16), 4(17)		
Transportation equipment		56,771	57,302	Common stock		129,879,123	129,877,713
Furniture and fixtures		2,979,138	2,948,333	Additional paid-in capital	2, 4(7), 4(17), 4(19)		
Total cost		501,092,315	461,738,241	Premiums		44,203,728	44,202,596
Less : Accumulated depreciation		(414,359,278)	(392,432,559)	Treasury stock transactions		140,939	296
Add : Construction in progress and prepayments		31,619,074	18,166,404	Employee stock options		704,308	162,157
Property, plant and equipment, net		118,352,111	87,472,086	Retained earnings	2, 4(7), 4(19)		
				Legal reserve		1,064,881	-
Other assets				Unappropriated earnings		27,130,678	10,648,813
Deferred charges	2	1,226,466	1,355,282	Adjusting items in stockholders' equity	2, 4(5), 4(7), 4(16), 4(18)		
Deferred income tax assets, noncurrent	2, 4(21)	2,865,691	3,122,636	Cumulative translation adjustment		(5,279,000)	(318,188)
Other assets - others	2, 4(9), 4(10), 6	1,966,255	1,769,428	Unrealized gain or loss on financial instruments		27,715,983	30,915,079
Total other assets		6,058,412	6,247,346	Treasury stock		(6,223,357)	(1,890,145)
				Total stockholders' equity		219,337,283	213,598,321
Total assets		\$ 263,360,891	\$ 251,890,190	Total liabilities and stockholders' equity		\$ 263,360,891	\$ 251,890,190

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

English Translation of Financial Statements Originally Issued in Chinese
UNITED MICROELECTRONICS CORPORATION
STATEMENTS OF INCOME
For the years ended December 31, 2010 and 2009
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended December 31,				
		2010		2009		
Operating revenues	2, 5					
Sales revenues		\$	116,863,152	\$	85,921,114	
Less : Sales returns and discounts			(10,440)		(262,564)	
Net sales			116,852,712		85,658,550	
Other operating revenues			3,578,024		2,959,022	
Net operating revenues			120,430,736		88,617,572	
Operating costs	2, 3, 4(4), 4(15), 4(17), 4(20)					
Cost of goods sold			(82,963,619)		(71,160,651)	
Other operating costs			(1,453,820)		(1,587,209)	
Operating costs			(84,417,439)		(72,747,860)	
Gross profit			36,013,297		15,869,712	
Unrealized intercompany profit	2		-		(51,009)	
Realized intercompany profit	2		51,009		61,178	
Gross profit-net			36,064,306		15,879,881	
Operating expenses	2, 4(15), 4(17), 4(20)					
Sales and marketing expenses			(2,151,765)		(2,290,666)	
General and administrative expenses			(2,705,593)		(2,220,546)	
Research and development expenses			(8,578,977)		(8,036,567)	
Subtotal			(13,436,335)		(12,547,779)	
Operating income			22,627,971		3,332,102	
Non-operating income						
Interest revenue			107,815		129,172	
Investment gain accounted for under the equity method, net	2, 4(7)		582,462		-	
Dividend income			1,079,711		691,857	
Gain on disposal of property, plant and equipment	2, 5		47,067		12,721	
Gain on disposal of investments	2, 5		1,125,790		1,257,049	
Gain on valuation of financial assets	2, 4(2)		-		495,773	
Other income			806,082		978,756	
Subtotal			3,748,927		3,565,328	
Non-operating expenses						
Interest expense	2, 4(8)		(1,280)		(56,438)	
Investment loss accounted for under the equity method, net	2, 4(7)		-		(893,311)	
Loss on disposal of property, plant and equipment	2		(2,933)		(153)	
Exchange loss, net	2		(57,274)		(122,195)	
Financial expenses			(63,754)		(90,090)	
Impairment loss	2, 4(10)		-		(388,463)	
Loss on valuation of financial assets	2, 4(2)		(225,815)		-	
Loss on valuation of financial liabilities	2, 4(12)		(665,116)		(822,321)	
Other losses			(42,578)		(56,216)	
Subtotal			(1,058,750)		(2,429,187)	
Income from continuing operations before income tax			25,318,148		4,468,243	
Income tax expense	2, 4(21)		(1,487,692)		(594,215)	
Income from continuing operations			23,830,456		3,874,028	
Extraordinary gain	4(7)		68,449		-	
(the net amount after deducted tax expense 14,020 thousand)						
Net income			\$ 23,898,905		\$ 3,874,028	
			Pre-tax	Post-tax	Pre-tax	Post-tax
Earnings per share-basic (NTD)	2, 4(22)					
Income from continuing operations			\$ 2.02	\$ 1.90	\$ 0.35	\$ 0.31
Extraordinary gain			0.01	0.01	-	-
Net income			\$ 2.03	\$ 1.91	\$ 0.35	\$ 0.31
Earnings per share-diluted (NTD)	2, 4(22)					
Income from continuing operations			\$ 1.98	\$ 1.86	\$ 0.35	\$ 0.30
Extraordinary gain			0.01	0.01	-	-
Net income			\$ 1.99	\$ 1.87	\$ 0.35	\$ 0.30
Pro forma information on earnings as if subsidiaries' investment in the Company is not treated as treasury stock	2, 4(22)					
Net income			\$ 23,906,945		\$ 3,874,028	
Earnings per share-basic (NTD)			\$ 1.91		\$ 0.30	
Earnings per share-diluted (NTD)			\$ 1.87		\$ 0.30	

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

English Translation of Financial Statements Originally Issued in Chinese
 UNITED MICROELECTRONICS CORPORATION
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 For the years ended December 31, 2010 and 2009
 (Expressed in Thousands of New Taiwan Dollars)

	Notes	Capital		Retained Earnings			Cumulative Translation Adjustment	Unrealized Gain/Loss on Financial Instruments	Treasury Stock	Total
		Common Stock	Additional Paid-in Capital	Legal Reserve	Unappropriated Earnings (Accumulated Deficit)					
Balance as of January 1, 2009	4(16)	\$ 129,877,713	\$ 58,149,513	\$ 19,711,865	\$ (26,748,416)	\$ 1,347,373	\$ 2,457,922	\$ (119,801)	\$ 184,676,169	
Treasury stock acquired	2, 4(18)	-	-	-	-	-	-	(2,393,337)	(2,393,337)	
Legal reserve and additional paid-in capital used to cover accumulated deficits	4(19)	-	(7,036,551)	(19,711,865)	26,748,416	-	-	-	-	
Net income in 2009		-	-	-	3,874,028	-	-	-	3,874,028	
Compensation cost of employee stock options	2, 4(17)	-	136,306	-	-	-	-	-	136,306	
Treasury stock sold to employees	2, 4(16), 4(18)	-	26,147	-	-	-	-	622,993	649,140	
Adjustment of additional paid-in capital accounted for under the equity method	2, 4(7)	-	(6,911,617)	-	-	-	-	-	(6,911,617)	
Adjustment of funds and investments disposal	2	-	1,251	-	-	(991)	(10,592)	-	(10,332)	
Adjustment of retained earnings accounted for under the equity method	2, 4(7)	-	-	-	6,774,785	-	-	-	6,774,785	
Changes in unrealized gain on available-for-sale financial assets	2, 4(5)	-	-	-	-	-	20,143,875	-	20,143,875	
Changes in unrealized gain on financial instruments of investees	2	-	-	-	-	-	8,323,874	-	8,323,874	
Changes in cumulative translation adjustment	2	-	-	-	-	(1,664,570)	-	-	(1,664,570)	
Balance as of Decemer 31, 2009	4(16)	129,877,713	44,365,049	-	10,648,813	(318,188)	30,915,079	(1,890,145)	213,598,321	
Appropriation and distribution of 2009 retained earnings	4(19)									
Legal reserve		-	-	1,064,881	(1,064,881)	-	-	-	-	
Cash dividends		-	-	-	(6,233,002)	-	-	-	(6,233,002)	
Net income in 2010		-	-	-	23,898,905	-	-	-	23,898,905	
Treasury stock acquired	2, 4(18)	-	-	-	-	-	-	(4,843,588)	(4,843,588)	
Compensation cost of employee stock options	2, 4(17)	-	254,106	-	-	-	-	-	254,106	
Treasury stock sold to employees	2, 4(16), 4(18)	-	420,648	-	-	-	-	510,376	931,024	
Adjustment of funds and investments disposal	2	-	-	-	-	(30)	-	-	(30)	
Adjustment of retained earnings accounted for under the equity method	2, 4(7)	-	-	-	(119,157)	-	-	-	(119,157)	
Cash dividends allocated to subsidiaries	2	-	8,040	-	-	-	-	-	8,040	
Changes in unrealized loss on available-for-sale financial assets	2, 4(5)	-	-	-	-	-	(1,268,275)	-	(1,268,275)	
Changes in unrealized loss on financial instruments of investees	2	-	-	-	-	-	(1,930,821)	-	(1,930,821)	
Exercise employee stock options	2, 4(16), 4(17)	1,410	1,132	-	-	-	-	-	2,542	
Changes in cumulative translation adjustment	2	-	-	-	-	(4,960,782)	-	-	(4,960,782)	
Balance as of Decemer 31, 2010	4(16)	\$ 129,879,123	\$ 45,048,975	\$ 1,064,881	\$ 27,130,678	\$ (5,279,000)	\$ 27,715,983	\$ (6,223,357)	\$ 219,337,283	

Note: Directors' remuneration and employee bonus amounted to NT\$10 million and NT\$965 million, respectively, were expensed in 2009.

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

English Translation of Financial Statements Originally Issued in Chinese
UNITED MICROELECTRONICS CORPORATION
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2010 and 2009
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 23,898,905	\$ 3,874,028
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary gain	(82,469)	-
Depreciation	29,649,317	32,826,485
Amortization	537,342	691,819
Bad debt expenses	6,560	2,702
Loss (gain) on decline (recovery) in market value, scrap and obsolescence of inventories	28,710	(2,268,070)
Cash dividends received under the equity method	298,752	390,388
Investment loss (gain) accounted for under the equity method	(582,462)	893,311
Loss on valuation of financial assets and liabilities	890,931	326,548
Impairment loss	-	388,463
Gain on disposal of investments	(1,125,790)	(1,257,049)
Gain on disposal of property, plant and equipment	(44,134)	(12,568)
Gain on disposal of non-current assets held for sale	-	(91,413)
Exchange gain on financial assets and liabilities	(314,027)	(5,519)
Exchange gain on long-term liabilities	(498,520)	(27,466)
Amortization of bond discounts	227,139	20,018
Amortization of deferred income	(145,681)	(202,460)
Stock-based payment	644,554	161,006
Changes in assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	612,802	182,985
Notes and accounts receivable	(434,284)	(8,966,876)
Other receivables	1,548,938	318,178
Inventories	(2,818,467)	1,182,682
Prepaid expenses	17,279	(274,936)
Deferred income tax assets	92,942	473,840
Accounts payable	678,493	3,045,466
Accrued expenses	5,102,090	1,093,444
Other current liabilities	(2,911,880)	(319,722)
Accrued pension liabilities	52,535	28,192
Other liabilities - others	32,909	27,496
Net cash provided by operating activities	<u>55,362,484</u>	<u>32,500,972</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(91,620)	(190,000)
Acquisition of available-for-sale financial assets	-	(1,530)
Proceeds from disposal of available-for-sale financial assets	2,468,554	1,553,624
Acquisition of financial assets measured at cost	(18,366)	-
Proceeds from disposal of financial assets measured at cost	84,395	38,826
Acquisition of long-term investments accounted for under the equity method	(4,481,843)	(3,823,982)
Proceeds from disposal of long-term investments accounted for under the equity method	38,030	78,939
Proceeds from liquidation of long-term investments	14,057	15,140
Acquisition of property, plant and equipment	(58,275,232)	(17,609,178)
Proceeds from disposal of property, plant and equipment	68,188	38,458
Proceeds from disposal of non-current assets held for sale	401,139	462,376
Increase in deferred charges	(364,577)	(1,145,921)
Increase in other assets - others	(109,285)	(23,095)
Net cash used in investing activities	<u>(60,266,560)</u>	<u>(20,606,343)</u>

English Translation of Financial Statements Originally Issued in Chinese
UNITED MICROELECTRONICS CORPORATION
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2010 and 2009
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2010	2009
(continued)		
Cash flows from financing activities:		
Increase in short-term loans	\$ 2,819,820	\$ -
Proceeds from long-term loans	500,000	400,000
Repayments of long-term loans	(33,450)	(300,000)
Increase in financial liabilities at fair value through profit or loss	-	1,340,741
Redemption of bonds	(7,500,000)	-
Proceeds from bonds issued	-	5,330,477
Bond issuance costs	-	(51,202)
Cash dividends	(6,233,002)	-
Exercise employee stock options	2,542	-
Treasury stock acquired	(4,843,588)	(2,393,337)
Treasury stock sold to employees	510,517	623,166
Proceeds from disposal of treasury stock	27,211	-
Increase in deposits-in	11,222	6,422
Net cash provided by (used in) financing activities	(14,738,728)	4,956,267
Effect of exchange rate changes on cash and cash equivalents	(214,663)	(182,529)
Net increase (decrease) in cash and cash equivalents	(19,857,467)	16,668,367
Cash and cash equivalents at beginning of period	52,792,105	36,123,738
Cash and cash equivalents at end of period	\$ 32,934,638	\$ 52,792,105
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 217,893	\$ 122,067
Less: Cash paid for capitalized interest	(217,888)	(39,106)
Cash paid for interest excluding capitalized interest	\$ 5	\$ 82,961
Cash paid for income tax	\$ 78,449	\$ 650,415
Investing activities partially paid by cash:		
Acquisition of property, plant and equipment	\$ 64,045,576	\$ 21,382,419
Discount on property, plant and equipment	(1,592)	-
Add: Payable at beginning of period	5,487,761	1,714,520
Less: Payable at end of period	(11,256,513)	(5,487,761)
Cash paid for acquiring property, plant and equipment	\$ 58,275,232	\$ 17,609,178

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

UNITED MICROELECTRONICS CORPORATION
NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

(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 December 31, 2010 and 2009 were 13,671 and 12,334, 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 periods. 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 adjustment items to 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 rate for profit and loss accounts. The cumulative translation effects from the Branch using a functional currency 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 R.O.C. Statement of Financial Accounting Standard (R.O.C. SFAS) No. 34, "Financial Instruments: Recognition and Measurement" (R.O.C. SFAS 34) 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, 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, 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. 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.

c. 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 statements 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 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 collectability 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 costs using the weighted-average method at the end of each month. Allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Prior to January 1, 2009, 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. Effective January 1, 2009, inventories are valued at the lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current Assets Held for Sale

Non-current assets that are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and that are highly probable to be sold within one year are classified as non-current assets held for sale. A held for sale non-current asset is measured at the lower of its carrying amount or fair value less costs to sell and is recorded separately on the balance sheet. No further amortization or depreciation will be recorded once an asset is classified as held for sale.

Impairment losses of non-current assets held for sale are recognized for the excess of the carrying amounts over fair values less costs to sell and reported as losses in the current period. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the total amount of the accumulated impairment loss and the amount allowed to be reversed in accordance with the R.O.C. SFAS No. 35, "Impairment of Assets".

Long-term Investments Accounted for Under the Equity Method

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. The difference of the acquisition cost and the underlying equity in the investee's net assets as of acquisition date was amortized and goodwill arising from new acquisitions is analyzed and accounted for under the R.O.C. SFAS No. 25, "Business Combination – Accounting Treatment under Purchase Method" (R.O.C. SFAS 25), in which goodwill is not subject to amortization.

When an equity investee offsets its accumulated deficit with its additional paid-in capital, the Company would debit additional paid-in capital and credit retained earnings in proportionate to its existing equity ownership to the extent that credit is available on the additional paid-in capital.

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.

If the balance of the additional paid-in capital is less than the amount needed, the excess would be charged to retained earnings.

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

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

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

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

The total value of an investment and advances after recognition of the investment losses cannot be negative. If the Company has the positive intention to continue to support the investees, or the losses of investees are only temporary, the Company will continue to recognize investment losses with its proportionate share. If, after the investment loss is recognized, the net book value of the investment is less than zero, the investment is reclassified to 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 R.O.C. SFAS 34, 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 recorded in the stockholders' equity of the Company are eliminated in proportion to the amount of the investment sold and recorded as a gain or loss on disposal of investments. Cash dividends received during the year of change are applied as a reduction of the carrying amount of the investment. Dividends received in subsequent years are recorded in accordance with R.O.C. 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 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.

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.

Bonds

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

In accordance with R.O.C. SFAS 34, 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 are bifurcated and accounted as financial liabilities at fair value through profit or loss.

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.

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 R.O.C. SFAS No. 18, "Accounting for Pension". 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.

Share-Based Payment

The Company used the 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 (ARDF) 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 R.O.C. SFAS No. 39 "Accounting for Share-Based Payment."(R.O.C. SFAS 39)

Employee Bonus and Remunerations Paid to Directors and Supervisors

Employee bonus and remunerations paid to directors and supervisors are charged to expense at fair value and are no longer accounted for as an appropriation of retained earnings.

Treasury Stock

In accordance with R.O.C. 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. 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.

For treasury stock sold to employees, the Company recognizes compensation cost in accordance with R.O.C. SFAS 39 and ARDF Interpretation No. 96-266 "Accounting for Treasury Stock Purchased by Employees" and ARDF Interpretation No. 98-111 "Determining the Grant Date of Share-Based Payment".

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 are 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 R.O.C. 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 R.O.C. SFAS No. 12, "Accounting for Income Tax Credits", the Company recognizes the tax benefit from the purchase of equipment and technology, research and development expenditures, 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 stockholders 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 R.O.C. 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 R.O.C. SFAS No. 24, "Earnings Per Share". Basic earnings per share is computed by dividing net income 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 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 that are approved in the stockholders' meetings prior to 2008.

Asset Impairment

Pursuant to the R.O.C. SFAS No. 35, the Company assesses indicators of impairment for all its assets 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.

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

3. ACCOUNTING CHANGES

Inventories

Effective January 1, 2009, the Company adopted newly revised R.O.C. SFAS No. 10, "Accounting for Inventories" (R.O.C. SFAS 10). The main revisions are a. inventories are valued at the lower of cost and net realizable value item by item; b. unallocated overheads resulted from low production or idle capacity are recognized as costs of goods sold in the period in which they are incurred; and c. abnormal amounts of production costs, and loss on decline in the market value of inventories (or gains on recovery in market value of inventories) are recognized as cost of goods sold. As a result of adopting the revised R.O.C. SFAS 10, the net income and earnings per share for the year ended December 31, 2009, are NT\$365 million and NT\$0.03 lower, respectively.

4. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

	As of December 31,	
	2010	2009
Cash		
Cash on hand	\$2,365	\$2,374
Checking and savings accounts	6,425,879	5,266,889
Time deposits	24,454,982	40,282,103
Subtotal	30,883,226	45,551,366
Cash equivalents	2,051,412	7,240,739
Total	\$32,934,638	\$52,792,105

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

	As of December 31,	
	2010	2009
Listed stocks	\$636,446	\$1,547,335
Corporate bonds	494,086	384,980
Forward contracts	9,411	75,366
Interest rate swap agreements	-	88,410
Total	\$1,139,943	\$2,096,091

During the years ended December 31, 2010 and 2009, net gains (losses) arising from the changes in fair value of financial assets at fair value through profit or loss were a loss of NT\$229 million and a gain of NT\$496 million, respectively.

(3) ACCOUNTS RECEIVABLE, NET

	As of December 31,	
	2010	2009
Accounts receivable	\$8,917,596	\$8,862,143
Less: Allowance for sales returns and discounts	(70,433)	(188,318)
Less: Allowance for doubtful accounts	(10,951)	(4,249)
Net	\$8,836,212	\$8,669,576

(4) INVENTORIES, NET

	As of December 31,	
	2010	2009
Raw materials	\$1,790,483	\$726,322
Supplies and spare parts	1,873,800	1,823,676
Work in process	7,856,564	6,672,054
Finished goods	901,733	928,240
Total	12,422,580	10,150,292
Less: Allowance for loss on decline in market value and obsolescence	(1,224,141)	(1,373,964)
Net	<u>\$11,198,439</u>	<u>\$8,776,328</u>

a. The circumstances that caused the net realizable value of inventory to be lower than its cost no longer exist. As a result, the Company recognized gains of NT\$ 137 million and NT\$2,450 million on recovery of market value of inventories during the years ended December 31, 2010 and 2009, respectively.

b. Inventories were not pledged.

(5) AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As of December 31,	
	2010	2009
Current		
Common stocks	<u>\$7,044,673</u>	<u>\$6,250,694</u>
Noncurrent		
Common stocks	21,906,101	25,334,952
Funds	<u>54,068</u>	<u>52,094</u>
Subtotal	<u>21,960,169</u>	<u>25,387,046</u>
Total	<u>\$29,004,842</u>	<u>\$31,637,740</u>

During the years ended December 31, 2010 and 2009, the net unrealized gains (losses) adjustments to stockholders' equity due to changes in fair value of available-for-sale assets were a loss of NT\$ 164 million and a gain of NT\$21,359 million, respectively. Additionally, the Company recognized gains of NT\$ 1,104 million and NT\$1,215 million due to the disposal of available-for-sale assets during the years ended December 31, 2010 and 2009, 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 HIGHLINK and 3.08 shares of EPITECH were exchanged for 1 share of EPISTAR CORP. 5 million shares of EPISTAR CORP. were exchanged from HIGHLINK that originally were acquired through private placement of HIGHLINK in February 2006 and its subsequent stock dividends since February 2006. The exchanges of these shares were restricted by Article 43 paragraph 8 of the Securities and Exchange Law until May 10, 2009.

The Company issued bonds that are exchangeable at any time on or after January 1, 2010 and prior to November 22, 2014, into common stocks originally classified as available-for-sale financial assets, noncurrent. Therefore, the Company reclassified the exchangeable shares to current assets.

(6) FINANCIAL ASSETS MEASURED AT COST, NONCURRENT

	As of December 31,	
	2010	2009
Common stocks	\$1,712,558	\$1,694,192
Preferred stocks	263,540	263,540
Funds	245,165	276,428
Total	<u>\$2,221,263</u>	<u>\$2,234,160</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 December 31,			
	2010	2009	2010	2009
	Amount	Percentage of Ownership or Voting Rights	Amount	Percentage of Ownership or Voting Rights
<u>Unlisted companies</u>				
UMC GROUP (USA)	\$1,306,471	100.00	\$1,356,597	100.00
UNITED MICROELECTRONICS (EUROPE) B.V.	296,918	100.00	321,812	100.00
UMC CAPITAL CORP.	3,829,225	100.00	3,560,917	100.00
UMCI LTD. (UMCI) (Note A)	-	100.00	207	100.00

Investee Companies	As of December 31,			
	2010		2009	
	Amount	Percentage of Ownership or Voting Rights	Amount	Percentage of Ownership or Voting Rights
GREEN EARTH LIMITED	\$281,623	100.00	\$316,653	100.00
TLC CAPITAL CO., LTD.	7,314,296	100.00	7,281,359	100.00
UMC NEW BUSINESS INVESTMENT CORP.	2,941,360	100.00	1,455,958	100.00
ALPHA WISDOM LIMITED (AWL) (Note B)	2,526,607	100.00	2,447,496	100.00
FORTUNE VENTURE CAPITAL CORP. (Note C)	8,692,844	100.00	10,648,407	99.99
UNITED MICRODISPLAY OPTRONICS CORP. (UMO) (Note D)	35,237	89.99	35,237	89.99
UMC JAPAN (Note B、E)	4,980,574	55.56	4,986,203	52.26
MTIC HOLDINGS PTE. LTD.	234,732	46.49	248,901	46.49
MEGA MISSION LIMITED PARTNERSHIP	2,115,285	45.00	2,093,900	45.00
NEXPOWER TECHNOLOGY CORP.	4,727,511	44.42	2,407,022	35.37
UNITECH CAPITAL INC.	801,039	42.00	900,893	42.00
HSUN CHIEH INVESTMENT CO., LTD.	3,613,285	36.49	3,617,026	36.49
UNIMICRON HOLDING LIMITED	536,709	21.93	538,880	25.25
UNITED MICROELECTRONICS CORP. (SAMOA) (Note F)	-	-	4,092	100.00
PACIFIC VENTURE CAPITAL CO., LTD. (PACIFIC) (Note G)	-	-	7,379	49.99
XGI TECHNOLOGY INC.	-	-	27,530	13.92
AMIC TECHNOLOGY CORP. (AMIC) (Note H)	-	-	-	11.18
Total	<u>\$44,233,716</u>		<u>\$42,256,469</u>	

Note A: On July 30, 2010, UMCI has filed for liquidation through a decision at its stockholders' meeting. The liquidation has not been completed as of December 31, 2010. As of December 31, 2010, the ending balance of the Company's long term investment towards UMCI was a credit balance of NT\$0.3 million and it was recorded as other liabilities-others.

Note B: On June 7, 2010, the Company acquired 63 thousand shares of UMC JAPAN from AWL and other minority stockholders for approximately JPY 782 million. In accordance with R.O.C. SFAS 25, the excess fair value of UMC JAPAN's identifiable net assets over the purchase price was allocated proportionately to UMC JAPAN's noncurrent assets. When the book value of those noncurrent assets acquired is reduced to zero, the remaining excess was recognized as an extraordinary gain. Accordingly, the Company recognized an extraordinary gain of NT\$82 million from the transaction. The acquisition of UMC JAPAN from AWL was accounted for as an organization restructuring in accordance with ARDF Interpretation No. 95-081.

Note C: As of December 31, 2010 and 2009, the costs of investment were NT\$8,813 million and NT\$10,768 million, respectively. After deducting the Company's stock held by the subsidiary (treated as treasury stock by the Company) of NT\$120 million and NT\$120 million, respectively, the residual book values totaled NT\$8,693 million and NT\$10,648 million as of December 31, 2010 and 2009, respectively.

Note D: On June 26, 2009, UMO has filed for liquidation through a decision at its stockholders' meeting. The liquidation has not been completed as of December 31, 2010.

Note E: On March 19, 2010, UMC JAPAN was approved to delist from JASDAQ Securities Exchange.

Note F: On November 4, 2010, SAMOA has filed for liquidation through a decision at its stockholders' meeting. The liquidation has been completed on November 30, 2010.

Note G: PACIFIC has filed for liquidation through a decision at its stockholders' meeting on June 27, 2006. PACIFIC obtained the approval of liquidation completion from the Taipei District Court on May 14, 2010.

Note H: The Company's investment in AMIC was reclassified to "Financial assets measured at cost, noncurrent" in June 2010 because the Company's ownership in AMIC decreased, and it ceased to have significant influence.

- b. The change of investees' equity was charged to the Company's equity. For the years ended December 31, 2010 and 2009, the changes charged to additional paid-in capital were decreases of NT\$0 and NT\$6,912 million, respectively, and the changes charged to retained earnings were a decrease of NT\$119 million and an increase of NT\$6,775 million, respectively.

- c. Total gain (loss) arising from investments accounted for under the equity method were a gain of NT\$582 million and a loss of NT\$893 million for the years ended December 31, 2010 and 2009, respectively. Investment income amounted to NT\$312 million and NT\$3 million for the years ended December 31, 2010 and 2009, respectively, and the related long-term investment balances of NT\$5,186 million and NT\$5,306 million as of December 31, 2010 and 2009, respectively, were determined based on the investees' financial statements audited by the other independent auditors.
- d. The long-term equity investments were not pledged.

(8) PROPERTY, PLANT AND EQUIPMENT

	As of December 31, 2010		
	Cost	Accumulated Depreciation	Book Value
Land	\$977,761	\$-	\$977,761
Buildings	20,304,767	(8,488,349)	11,816,418
Machinery and equipment	476,773,878	(403,187,671)	73,586,207
Transportation equipment	56,771	(54,055)	2,716
Furniture and fixtures	2,979,138	(2,629,203)	349,935
Construction in progress and prepayments	31,619,074	-	31,619,074
Total	<u>\$532,711,389</u>	<u>\$(414,359,278)</u>	<u>\$118,352,111</u>

	As of December 31, 2009		
	Cost	Accumulated Depreciation	Book Value
Land	\$433,378	\$-	\$433,378
Buildings	17,346,906	(7,726,827)	9,620,079
Machinery and equipment	440,952,322	(382,146,837)	58,805,485
Transportation equipment	57,302	(53,969)	3,333
Furniture and fixtures	2,948,333	(2,504,926)	443,407
Construction in progress and prepayments	18,166,404	-	18,166,404
Total	<u>\$479,904,645</u>	<u>\$(392,432,559)</u>	<u>\$87,472,086</u>

- a. Total interest expense before capitalization amounted to NT\$330 million and NT\$178 million for the years ended December 31, 2010 and 2009, respectively.

Details of capitalized interest are as follows:

	For the years ended December 31,	
	2010	2009
Land	\$383	\$-
Buildings	48,454	43,241
Machinery and equipment	278,441	78,092
Furniture and fixtures	1,557	55
Others	29	85
Total interest capitalized	<u>\$328,864</u>	<u>\$121,473</u>
Interest rates applied	<u>2.62%~3.51%</u>	<u>1.07%~3.90%</u>

b. Please refer to Note 6 for property, plant and equipment pledged as collateral.

(9) OTHER ASSETS-OTHERS

	As of December 31,	
	2010	2009
Leased assets	\$1,089,990	\$1,041,586
Long-term prepayment	41,320	-
Deposits-out	775,650	668,529
Others	59,295	59,313
Total	<u>\$1,966,255</u>	<u>\$1,769,428</u>

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

(10) IMPAIRMENT LOSS

	For the years ended December 31,	
	2010	2009
Financial assets measured at cost, noncurrent	\$-	\$300,000
Other assets-others	-	88,463
Total	<u>\$-</u>	<u>\$388,463</u>

For the year ended December 31, 2009, after considering objective evidence and as a result of impairment loss testing, the Company recognized an impairment loss amounted to NT\$300 million for its financial assets measured at cost, noncurrent. In addition, there were no indications that the Company's idle assets would generate future cash flows. The Company determined the recoverable amounts of these assets based on the fair values less costs to sell. The impairment test revealed that the total carrying amount of these assets was greater than their total recoverable amount, and the Company recognized an impairment loss amounted to NT\$88 million for the year ended December 31, 2009.

(11) SHORT-TERM LOANS

	As of December 31,	
	2010	2009
Unsecured bank loans	\$2,621,700	\$-

	For the years ended December 31,	
	2010	2009
Interest rates	0.54%~0.81%	-

The Company's unused short-term lines of credits amounted to NT\$7,100 million and NT\$8,587 million as of December 31, 2010 and 2009, respectively.

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

	As of December 31,	
	2010	2009
Derivatives embedded in exchangeable bonds	\$2,248,384	\$1,914,879
Forward contracts	6,553	-
Total	\$2,254,937	\$1,914,879

During the years ended December 31, 2010 and 2009, net losses arising from financial liabilities at fair value through profit or loss were NT\$546 million and NT\$815 million, respectively.

(13) BONDS PAYABLE

	As of December 31,	
	2010	2009
Unsecured domestic bonds payable	\$-	\$7,500,000
Unsecured exchangeable bonds payable	5,886,654	6,472,692
Less: Discounts on bonds payable	(890,898)	(1,205,555)
Total	4,995,756	12,767,137
Less: Current or exchangeable portion	(4,995,756)	(12,767,137)
Net	\$-	\$-

A. During the period from May 21 to June 24, 2003, the Company issued five-year and seven-year unsecured bonds totaled to 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 were fully repaid on June 24, 2008 and 2010, respectively.

B. On December 2, 2009, the Company issued SGX-ST listed zero coupon exchangeable bonds. The terms and conditions of the bonds are as follows:

a. Issue Amount: US\$127.2 million

b. Period: December 2, 2009 ~ December 2, 2014 (Maturity date)

c. Redemption:

i. The Company may redeem the bonds, in whole or in part, after 12 months of the issuance and prior to the maturity date, at the principal amount of the bonds with an interest calculated at the rate of -0.5% per annum (the Early Redemption Price) if the closing price of the common shares of Unimicron Technology Corporation (Unimicron) 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 130% of the exchange price then in effect translated into US dollars at the rate of NTD 32.197=USD 1.00.

ii. The Company may redeem the bonds, in whole, but not in part, at the Early Redemption Price if at least 90% in principal amount of the bonds has already been exchanged, redeemed or purchased and cancelled.

iii. The Company may redeem all, but not part, of the bonds, at the Early Redemption Price at any time, in the event of certain changes in the R.O.C.'s tax rules which would require the Company to gross up for payments of principal, or to gross up for payments of interest or premium.

iv. All, or any portion, of the bonds will be redeemable in US dollars at the option of bondholders on December 2, 2011 at 99% of the principal amount.

v. Bondholders have the right to require the Company to redeem all or any portion of the bonds at the Early Redemption Price if the common shares of the exchanged securities are officially delisted on the TSE for a period of five consecutive trading days.

vi. In the event that a change of control as defined in the indenture of the bonds occurs to the Company or Unimicron, the bondholders shall have the right to require the Company to redeem the bonds, in whole or in part, at the Early Redemption Price.

- d. Terms of Exchange
 - i. Underlying Securities: Common shares of Unimicron
 - ii. Exchange Period: The bonds are exchangeable at any time on or after January 1, 2010 and prior to November 22, 2014, into Unimicron common shares; provided, however, that if the exercise date falls within 5 business days from the beginning of, and during, any closed period, the right of the exchanging holder of the bonds to vote with respect to the shares it receives will be subject to certain restrictions.
 - iii. Exchange Price and Adjustment: The exchange price was originally NTD51.1875 per share, determined on the basis of a fixed exchange rate of NTD 32.197=USD 1.00. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The exchange price is NTD49.6829 per share on December 31, 2010.
 - e. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds at 97.53% of the principal amount unless, prior to such date:
 - i. The Company shall have redeemed the bonds at the option of the Company, or the bonds shall have been redeemed at option of the bondholder;
 - ii. The bondholders shall have exercised the exchange right before maturity; or
 - iii. The bonds shall have been redeemed or purchased by the Company and cancelled.
- C. On December 2, 2009, the Company issued SGX-ST listed zero coupon exchangeable bonds. The terms and conditions of the bonds are as follows:
- a. Issue Amount: US\$80 million
 - b. Period: December 2, 2009 ~ December 2, 2014 (Maturity date)
 - c. Redemption:
 - i. The Company may redeem the bonds, in whole or in part, after 12 months of the issuance and prior to the maturity date, at the principal amount of the bonds with an interest calculated at the rate of -0.5% per annum (the Early Redemption Price) if the closing price of the common shares of Novatek Microelectronics Corp., Ltd. (Novatek) 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 130% of the exchange price then in effect translated into US dollars at the rate of NTD 32.197=USD 1.00.

- ii. The Company may redeem the bonds, in whole, but not in part, at the Early Redemption Price if at least 90% in principal amount of the bonds has already been exchanged, redeemed or purchased and cancelled.
 - iii. The Company may redeem all, but not part, of the bonds, at the Early Redemption Price at any time, in the event of certain changes in the R.O.C.'s tax rules which would require the Company to gross up for payments of principal, or to gross up for payments of interest or premium.
 - iv. All, or any portion, of the bonds will be redeemable in US dollars at the option of bondholders on December 2, 2011 at 99% of the principal amount.
 - v. Bondholders have the right to require the Company to redeem all or any portion of the bonds at the Early Redemption Price if the common shares of the exchanged securities are officially delisted on the TSE for a period of five consecutive trading days.
 - vi. In the event that a change of control as defined in the indenture of the bonds occurs to the Company or Novatek, the bondholders shall have the right to require the Company to redeem the bonds, in whole or in part, at the Early Redemption Price.
- d. Terms of Exchange
- i. Underlying Securities: Common shares of Novatek
 - ii. Exchange Period: The bonds are exchangeable at any time on or after January 1, 2010 and prior to November 22, 2014, into Novatek common shares; provided, however, that if the exercise date falls within 5 business days from the beginning of, and during, any closed period, the right of the exchanging holder of the bonds to vote with respect to the shares it receives will be subject to certain restrictions.
 - iii. Exchange Price and Adjustment: The exchange price was originally NTD108.58 per share, determined on the basis of a fixed exchange rate of NTD 32.197=USD 1.00. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The exchange price is NTD102.4836 per share on December 31, 2010.
- e. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds at 97.53% of the principal amount unless, prior to such date:
- i. The Company shall have redeemed the bonds at the option of the Company, or the bonds shall have been redeemed at option of the bondholder;

ii. The bondholders shall have exercised the exchange right before maturity; or

iii. The bonds shall have been redeemed or purchased by the Company and cancelled.

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

<u>Bonds repayable (Year)</u>	<u>Amount</u>
2014	<u><u>\$5,886,654</u></u>

(14) LONG-TERM LOANS

a. Details of long-term loans are as follows:

<u>Lender</u>	<u>As of December 31, 2010</u>	<u>Redemption</u>
Secured Long-Term Loan from Bank of Taiwan	\$700,000	Repayable quarterly from March 30, 2011 to December 30, 2013 and interest is paid monthly.
Unsecured Long-Term Loan from Mega International Commercial Bank (1)	66,550	Repayable quarterly from May 25, 2010 to May 25, 2012 and interest is paid monthly.
Unsecured Long-Term Loan from Mega International Commercial Bank (2)	200,000	Repayable quarterly from December 28, 2012 to December 28, 2015 and interest is paid monthly.
Unsecured Long-Term Loan from First Commercial Bank (1)	100,000	Repayable quarterly from May 22, 2011 to February 22, 2013 and interest is paid monthly.
Unsecured Long-Term Loan from First Commercial Bank (2)	200,000	Repayable quarterly from September 30, 2011 to June 30, 2013 and interest is paid monthly.
Subtotal	<u>1,266,550</u>	
Less: Current portion	<u>(365,433)</u>	
Total	<u><u>\$901,117</u></u>	
	<u>For the year ended December 31, 2010</u>	
Interest Rates	<u><u>1.14%~1.73%</u></u>	

Lender	As of December 31, 2009	Redemption
Secured Long-Term Loan from Bank of Taiwan	\$700,000	Repayable quarterly from March 30, 2011 to December 30, 2013 and interest is paid monthly.
Unsecured Long-Term Loan from Mega International Commercial Bank	100,000	Repayable quarterly from May 25, 2010 to May 25, 2012 and interest is paid monthly.
Subtotal	800,000	
Less: Current portion	(33,450)	
Total	<u>\$766,550</u>	
	For the year ended December 31, 2009	
Interest Rates	<u>1.28%~1.82%</u>	

- b. The long-term loans on December 31, 2010 will be repaid by installments with the last payment on December 28, 2015. Repayments in the coming years respectively are as follows:

Long-Term Loans repayable (Year)	Amount
2011	\$365,433
2012	420,668
2013	357,372
2014	61,538
2015	61,539
Total	<u>\$1,266,550</u>

- c. Please refer to Note 6 for property, plant and equipment pledged as collateral for long-term loans.

(15) 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\$410 million and NT\$352 million were contributed by the Company for the years ended December 31, 2010 and 2009, respectively. Pension benefits for employees of the Branch are provided in accordance with the local regulations, and during the years ended December 31, 2010 and 2009, the Branch made contributions of NT\$162 million and NT\$153 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. The unrecognized net asset or obligation at transition based on actuarial valuation is amortized on a straight-line basis over 15 years.

c. Change in benefit obligation during the year:

	For the years ended December 31,	
	2010	2009
Projected benefit obligation at beginning of year	\$(4,280,877)	\$(3,615,945)
Service cost	(44,977)	(48,274)
Interest cost	(96,320)	(99,439)
Benefits paid	34,130	124,626
Loss on projected benefit obligation	(653,641)	(641,845)
Projected benefit obligation at end of year	<u>\$(5,041,685)</u>	<u>\$(4,280,877)</u>

d. Change in pension assets during the year:

	For the years ended December 31,	
	2010	2009
Fair value of plan assets at beginning of year	\$1,294,758	\$1,302,504
Actual return on plan assets	20,670	30,619
Contributions from employer	87,799	86,261
Benefits paid	(34,130)	(124,626)
Fair value of plan assets at end of year	<u>\$1,369,097</u>	<u>\$1,294,758</u>

e. The funding status of the pension plan is as follows:

	As of December 31,	
	2010	2009
Benefit obligation		
Vested benefit obligation	\$(133,998)	\$(123,718)
Non-vested benefit obligation	(2,390,756)	(1,971,487)
Accumulated benefit obligation	(2,524,754)	(2,095,205)
Effect from projected salary increase	(2,516,931)	(2,185,672)
Projected benefit obligation	(5,041,685)	(4,280,877)
Fair value of plan assets	1,369,097	1,294,758
Funded status	(3,672,588)	(2,986,119)
Unrecognized net transitional benefit obligation	-	28,169
Unrecognized loss (gain)	344,827	(317,276)
Accrued pension liabilities recognized on the balance sheet	<u>\$(3,327,761)</u>	<u>\$(3,275,226)</u>

f. The components of the net periodic pension cost are as follows:

	For the years ended December 31,	
	2010	2009
Service cost	\$44,977	\$48,274
Interest cost	96,320	99,439
Expected return on plan assets	(29,132)	(19,538)
Amortization of unrecognized transitional net benefit obligation	28,169	28,167
Amortization of unrecognized pension gain	-	(41,889)
Net periodic pension cost	<u>\$140,334</u>	<u>\$114,453</u>

The actuarial assumptions underlying are as follows:

	For the years ended December 31,	
	2010	2009
Discount rate	1.75%	2.25%
Rate of salary increase	4.00%	4.00%
Expected return on plan assets	1.75%	2.25%

(16) CAPITAL STOCK

- a. The Company had 26,000 million common shares authorized to be issued, and 12,988 million shares were issued as of December 31, 2009, each at a par value of NT\$10.
- b. The Company had issued a total of 230 million ADSs, which were traded on the NYSE as of December 31, 2009. The total number of common shares of the Company represented by all issued ADSs was 1,148 million shares as of December 31, 2009. One ADS represents five common shares.
- c. On December 14, 2009, the Company sold 78 million shares of treasury stock to employees, which were repurchased during the periods from January 7 to February 16, 2009, for the purpose of transferring to employees.
- d. Among the employee stock options issued by the Company on December 13, 2007, 141 thousand shares were exercised during the year ended December 31, 2010. The issuance process through the authority had been completed.
- e. The Company had 26,000 million common shares authorized to be issued, and 12,988 million shares were issued as of December 31, 2010, each at a par value of NT\$10.

- f. The Company had issued a total of 230 million ADSs, which were traded on the NYSE as of December 31, 2010. The total number of common shares of the Company represented by all issued ADSs was 1,148 million shares as of December 31, 2010. One ADS represents five common shares.
- g. On December 31, 2010, the Company sold 64 million shares of treasury stock to employees, which were repurchased during the periods from January 7 to February 16, 2009, for the purpose of transferring to employees.

(17) EMPLOYEE STOCK OPTIONS

On September 11, 2002, October 8, 2003, September 30, 2004, December 22, 2005, October 9, 2007 and May 12, 2009, 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, 500 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 after 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	-	-	\$21.42
January 3, 2003	61,000	-	-	\$24.15
November 26, 2003	57,330	-	-	\$33.70
March 23, 2004	33,330	-	-	\$31.25
July 1, 2004	56,590	-	-	\$28.24
October 13, 2004	20,200	-	-	\$24.28
April 29, 2005	23,460	8,135	5,671	\$22.37
August 16, 2005	54,350	24,187	16,863	\$29.47
September 29, 2005	51,990	33,335	23,240	\$26.89
January 4, 2006	39,290	13,770	9,600	\$23.17
May 22, 2006	42,058	20,560	14,334	\$25.19
August 24, 2006	28,140	11,705	8,160	\$24.09
December 13, 2007	500,000	372,648	372,648	\$18.03
June 19, 2009	300,000	268,360	268,360	\$10.40
Total	2,206,738	752,700	718,876	

Note: The employee stock options granted prior to August 7, 2007, the effective date of capital reduction, were adjusted in accordance with the 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 Company's stock option plan, and related information for the years ended December 31, 2010 and 2009 is as follows:

	For the years ended December 31,					
	2010			2009		
	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	861,771	809,566	\$16.59	709,484	627,086	\$20.79
Granted	-	-	\$-	300,000	300,000	\$10.40
Exercised	(141)	(141)	\$18.03	-	-	\$-
Forfeited	(61,477)	(57,466)	\$16.42	(76,492)	(67,867)	\$19.43
Expired	(47,453)	(33,083)	\$28.56	(71,221)	(49,653)	\$28.41
Outstanding at end of period	<u>752,700</u>	<u>718,876</u>	\$16.05	<u>861,771</u>	<u>809,566</u>	\$16.59
Exercisable at end of period	<u>385,101</u>	<u>351,785</u>	\$19.78	<u>355,715</u>	<u>308,157</u>	\$21.19
Weighted-average fair value of options granted during the period (NTD)		\$-		\$2.84		

- b. The information on the Company's outstanding stock options as of December 31, 2010, is as follows:

Authorization Date	Range of Exercise Price (NTD)	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)
2004.09.30	\$22.37~\$29.47	65,657	45,774	0.65	\$27.28	65,009	45,322	\$27.26
2005.12.22	\$23.17~\$25.19	46,035	32,094	1.34	\$24.31	45,005	31,376	\$24.30
2007.10.09	\$18.03	372,648	372,648	2.95	\$18.03	275,087	275,087	\$18.03
2009.05.12	\$10.40	268,360	268,360	4.46	\$10.40	-	-	\$-
		<u>752,700</u>	<u>718,876</u>	3.30	\$16.05	<u>385,101</u>	<u>351,785</u>	\$19.78

- 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 these options were NT\$0 for the years ended December 31, 2010 and 2009. For options granted on or after January 1, 2008, the Company recognized compensation cost of NT\$252 million and NT\$135 million using the fair value method in accordance with R.O.C. SFAS 39 for the years ended December 31, 2010 and 2009, respectively.

The Company granted options prior to adopting R.O.C. SFAS 39. Pro forma information on net income and earnings per share using the fair value method is as follows:

	For the year ended December 31, 2010	
	Basic earnings per share	Diluted earnings per share
Net income	\$23,898,905	\$23,898,905
Earnings per share (NTD)	\$1.91	\$1.87
Pro forma net income	\$23,538,509	\$23,538,509
Pro forma earnings per share (NTD)	\$1.88	\$1.84

	For the year ended December 31, 2009	
	Basic earnings per share	Diluted earnings per share
Net income	\$3,874,028	\$3,874,028
Earnings per share (NTD)	\$0.31	\$0.30
Pro forma net income	\$3,066,547	\$3,066,547
Pro forma earnings per share (NTD)	\$0.24	\$0.24

The fair value of the options outstanding as of December 31, 2010 and 2009 were estimated at the date of grant using the Black-Scholes options pricing model with the following weighted-average assumptions. The factors before and after the adoption of R.O.C. SFAS 39 to account for share-based payments were as follows:

Factors	Before	After
Expected dividend yields	1.37%~1.71%	1.98%
Volatility factors of the expected market price of the Company's common stock	36.29%~49.10%	40.63%
Risk-free interest rate	1.85%~2.85%	1.01%
Weighted-average expected life	4~5 years	3.16~5.03 years

(18) TREASURY STOCK

- a. Changes in treasury stock during the years ended December 31, 2010 and 2009 are as follows:

For the year ended December 31, 2010

(In thousands of shares)

<u>Purpose</u>	<u>As of</u>			<u>As of</u>
	<u>January 1, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2010</u>
For transfer to employees	<u>221,909</u>	<u>300,000</u>	<u>63,975</u>	<u>457,934</u>

For the year ended December 31, 2009

(In thousands of shares)

<u>Purpose</u>	<u>As of</u>			<u>As of</u>
	<u>January 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2009</u>
For transfer to employees	<u>-</u>	<u>300,000</u>	<u>78,091</u>	<u>221,909</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 December 31, 2010 and 2009 were 1,299 million shares and 1,299 million shares, while the ceiling amounts were NT\$ 72,540 million and NT\$54,852 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 and voting rights.
- d. As of December 31, 2010, the Company's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 16 million shares of the Company's stock, with a book value of NT\$16.30 per share. The closing price on December 31, 2010 was NT\$16.30.

As of December 31, 2009, the Company's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 16 million shares of the Company's stock, with a book value of NT\$17.20 per share. The closing price on December 31, 2009 was NT\$17.20.

(19) RETAINED EARNINGS AND DIVIDEND POLICIES

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

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as a legal reserve;
- d. Set aside 0.1% of the remaining amount after deducting items (a), (b), and (c) as directors' and supervisors' remuneration; and
- e. After deducting items (a), (b), and (c) above from the current year's earnings, no less than 5% of the remaining amount together with the prior years' unappropriated earnings is to be allocated as employee 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 employee bonus.
- f. The distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the stockholders' 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 stockholders, stock dividend equilibrium, and long-term financial planning. The board of directors shall make the distribution proposal annually and present it at the stockholders' meeting. The Company's Articles of Incorporation further provide that no more than 80% of the dividends to stockholders, 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.

According to the regulation of Taiwan SFC, the Company is required to appropriate a special reserve in the amount equal to the sum of debit elements under stockholders' equity, such as unrealized loss on financial instruments and negative cumulative translation adjustment, at every year-end. Such special reserve is prohibited from distribution. However, if any of the debit elements is reversed, the special reserve in the amount equal to the reversal may be released for earnings distribution or offsetting accumulated deficit.

During the years ended December 31, 2010 and 2009, the amounts of the employee bonus and remunerations to directors and supervisors were estimated. The board of directors estimated the amount by taking into consideration of the Company's Articles of Incorporation, government regulations and industry average. Estimated amount of employee bonus and remunerations paid to directors and supervisors are charged to current income. If the board modified the estimates significantly in the subsequent periods, the Company will recognize the change as an adjustment to current income. Moreover, if the amounts were modified by the stockholders' meeting in the following year, the adjustment will be regarded as a change in accounting estimate and will be reflected in the statement of income in the following year. Upon stockholders' approval of the employee stock bonus, the distribution amount is determined by dividing the total approved bonus amount with the closing market price of the Company's stock one day prior to the approved date. Information about appropriations of the bonus to employees and directors can be obtained from the "Market Observation Post System" on the website of the TSE.

The appropriation and compensation of 2010 unappropriated retained earnings has not yet been recommended by the board of directors as of the date of the Report of Independent Auditors. Information on the board of directors' recommendations and stockholders' approval can be obtained from the "Market Observation Post System" on the website of the TSE.

The distributions of cash dividend, employee bonus and directors' remuneration for 2009 were approved through the stockholders' meeting held on June 15, 2010. The details of distribution are as follows:

	2009
Cash Dividend	NT\$0.50 per share
Employee bonus – Cash	965,003
Directors' remuneration	9,584

Employee bonus and directors' remuneration which were approved through the stockholders' meeting, were consistent with the resolutions of meeting of Board of Directors held on March 17, 2010 and were expensed in 2009.

On June 10, 2009, the stockholders' meeting approved to offset the Company's 2008 deficit of NT\$26,748 million: by transferring NT\$19,712 million from the legal reserve and NT\$7,036 million from the additional paid-in capital to unappropriated earnings.

(20) OPERATING COSTS AND EXPENSES

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

	For the years ended December 31,					
	2010			2009		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel expenses						
Salaries	\$12,342,664	\$4,183,979	\$16,526,643	\$9,123,727	\$3,193,664	\$12,317,391
Labor and health insurance	521,899	142,455	664,354	423,833	129,947	553,780
Pension	552,669	159,470	712,139	469,906	153,724	623,630
Other personnel expenses	130,544	49,633	180,177	82,827	22,715	105,542
Depreciation	27,675,590	1,936,420	29,612,010	30,527,778	2,252,644	32,780,422
Amortization	142,768	394,574	537,342	42,037	649,782	691,819

(21) 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 years ended December 31,	
	2010	2009
Income tax on pre-tax income from continuing operations at statutory tax rate	\$4,304,085	\$1,117,061
Permanent differences	(2,348,328)	(1,549,152)
Change in investment tax credit	2,456,619	3,603,688
Change in valuation allowance	(3,187,842)	(2,984,057)
Income Basic Tax	-	111,491
Change in deferred tax assets and liabilities resulting from the change of statutory tax rate	207,262	322,832
Others	55,896	(27,648)
Income tax expense	<u>\$1,487,692</u>	<u>\$594,215</u>

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

	As of December 31,			
	2010		2009	
	Amount	Tax effect	Amount	Tax effect
Deferred income tax assets				
Investment tax credit		\$6,557,749		\$9,961,380
Pension	\$3,312,940	563,200	\$3,263,582	652,716
Depreciation	2,544,515	432,568	-	-
Allowance on sales returns and discounts	139,091	23,645	395,536	79,107
Allowance for loss on decline in market value and obsolescence of inventories	1,098,007	186,661	1,060,463	212,093
Others	751,516	127,758	776,243	155,249
Total deferred income tax assets		7,891,581		11,060,545
Valuation allowance		(4,133,362)		(7,321,204)
Net deferred income tax assets		<u>3,758,219</u>		<u>3,739,341</u>
Deferred income tax liabilities				
Unrealized exchange gain	(636,145)	(108,145)	(247,276)	(49,455)
Depreciation	-	-	(166,621)	(33,324)
Others	(118,077)	(20,073)	(113,814)	(22,763)
Total deferred income tax liabilities		<u>(128,218)</u>		<u>(105,542)</u>
Total net deferred income tax assets		<u>\$3,630,001</u>		<u>\$3,633,799</u>

	As of December 31,			
	2010		2009	
	Amount	Tax effect	Amount	Tax effect
Deferred income tax assets - current	\$2,344,519		\$4,921,039	
Deferred income tax liabilities - current	(114,198)		(72,218)	
Valuation allowance	(1,466,011)		(4,337,658)	
Net	764,310		511,163	
Deferred income tax assets - noncurrent	5,547,062		6,139,506	
Deferred income tax liabilities - noncurrent	(14,020)		(33,324)	
Valuation allowance	(2,667,351)		(2,983,546)	
Net	2,865,691		3,122,636	
Total net deferred income tax assets	\$3,630,001		\$3,633,799	

- c. The Company's income tax returns for all the fiscal years up to 2007 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 income tax exemption periods will expire on December 31, 2015.
- e. The Company earns investment tax credits for the amount invested in production equipment, research and development, and employee training.

As of December 31, 2010, the Company's unused investment tax credits were as follows:

Expiration Year	Investment tax credits earned	Balance of unused investment tax credits
2011	\$2,073,385	\$2,073,385
2012	1,878,938	1,878,938
2013	1,638,695	1,638,695
2014	966,731	966,731
Total	\$6,557,749	\$6,557,749

- f. The balances of the Company's imputation credit amounts as of December 31, 2010 and 2009 were NT\$497 million and NT\$1,100 million, respectively. The expected creditable ratio for 2010 and actual creditable ratio for 2009 were 1.83 % and 11.45%, respectively.
- g. The Company's earnings generated in the year ended December 31, 1997 and prior years have been fully appropriated.

h. According to R.O.C. Income Tax Act amended on May 27, 2009, effective January 1, 2010, the statutory tax rate of the Company was decreased from 25% to 20%, which was further reduced to 17% in accordance with the amendment dated June 15, 2010.

(22) EARNINGS PER SHARE

a. For the years ended December 31, 2010 and 2009, there were employee stock options outstanding and the Company calculated the effect of employee bonus in accordance with the ARDF Interpretation No. 97-169. The Company is considered as a complex capital structure. Therefore, in consideration of such complex structure, the calculated basic and diluted earnings per share for the years ended December 31, 2010 and 2009, are disclosed as follows:

	For the year ended December 31, 2010				
	Amount		Shares expressed in thousands	Earnings per share (NTD)	
	Income before income tax	Net income		Income before income tax	Net income
Earnings per share-basic (NTD)					
Income from continuing operations	\$25,318,148	\$23,830,456	12,496,485	\$2.02	\$1.90
Extraordinary gain	82,469	68,449		0.01	0.01
Income attributable to common stock stockholders	<u>\$25,400,617</u>	<u>\$23,898,905</u>		<u>\$2.03</u>	<u>\$1.91</u>
Effect of dilution					
Employee bonus	\$-	\$-	182,988		
Employee stock options	-	-	88,117		
Earnings per share-diluted:					
Income from continuing operations	25,318,148	23,830,456	12,767,590	\$1.98	\$1.86
Extraordinary gain	82,469	68,449		0.01	0.01
Income attributable to common stock stockholders	<u>\$25,400,617</u>	<u>\$23,898,905</u>		<u>\$1.99</u>	<u>\$1.87</u>

	For the year ended December 31, 2009				
	Amount			Earnings per share (NTD)	
	Income before income tax	Net income	Shares expressed in thousands	Income before income tax	Net income
Earnings per share-basic (NTD)					
Income attributable to common stock stockholders	\$4,468,243	\$3,874,028	12,699,072	\$0.35	\$0.31
Effect of dilution					
Employee bonus	-	-	56,105		
Employee stock options	-	-	31,271		
Earnings per share-diluted:					
Income attributable to common stock stockholders	\$4,468,243	\$3,874,028	12,786,448	\$0.35	\$0.30

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

(shares expressed in thousands)

	For the year ended December 31, 2010	
	Basic	Diluted
Net income	\$23,906,945	\$23,906,945
Weighted-average of shares outstanding:		
Beginning balance	12,765,862	12,765,862
Purchase of 300 million shares of treasury stock from January 1 to December 31, 2010	(253,603)	(253,603)
Exercise of employee stock options	129	129
Treasury stock sold to employees totaling 64 million shares	175	175
Dilutive shares of employee bonus accounted for under issuance of new shares	-	182,988
Dilutive shares of employee stock options accounted for under treasury stock method	-	88,117
Total	12,512,563	12,783,668
Earnings per share (NTD)	\$1.91	\$1.87

<i>(shares expressed in thousands)</i>	For the year ended December 31, 2009	
	Basic	Diluted
Net income	\$3,874,028	\$3,874,028
Weighted-average of shares outstanding:		
Beginning balance	12,987,771	12,987,771
Purchase of 300 million shares of treasury stock from January 1 to December 31, 2009	(276,471)	(276,471)
Treasury stock sold to employees totaling 78 million shares	3,851	3,851
Dilutive shares of employees' bonus accounted for under issuance of new shares	-	56,105
Dilutive shares of employee stock options accounted for under treasury stock method	-	31,271
Total	12,715,151	12,802,527
Earnings per share (NTD)	\$0.30	\$0.30

5. RELATED PARTY TRANSACTIONS

(1) Name and Relationship of Related Parties

Name of related parties	Relationship with the Company
UMC GROUP (USA) (UMC-USA)	Equity Investee
UNITED MICROELECTRONICS (EUROPE) B.V.	Equity Investee
UMC CAPITAL CORP.	Equity Investee
UNITED MICROELECTRONICS CORP. (SAMOA)	Equity Investee (Liquidation completed on November 30, 2010)
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
GREEN EARTH LIMITED	Equity Investee (since November, 2009)
FORTUNE VENTURE CAPITAL CORP.	Equity Investee
HSUN CHIEH INVESTMENT CO., LTD.	Equity Investee
UNITED MICRODISPLAY OPTRONICS CORP.	Equity Investee

Name of related parties	Relationship with the Company
AMIC TECHNOLOGY CORP.	Equity Investee (ceased to be an equity investee since June 2010)
PACIFIC VENTURE CAPITAL CO., LTD.	Equity Investee (Liquidation completed on May 14, 2010)
XGI TECHNOLOGY INC. (XGI)	Equity Investee (ceased to be an equity investee since June 2010)
TLC CAPITAL CO., LTD.	Equity Investee
NEXPOWER TECHNOLOGY CORP.	Equity Investee
UMC NEW BUSINESS INVESTMENT CORP. (NBI)	Equity Investee (since September, 2009)
ALPHA WISDOM LTD. (AWL)	Equity Investee (since September, 2009)
SILICON INTEGRATED SYSTEMS CORP. (SIS)	The Company's director
CRYSTAL MEDIA INC.	Subsidiary's equity investee
MOBILE DEVICES INC.	Subsidiary's equity investee (ceased to be an subsidiary's equity investee since July 2010)
EVERRICH ENERGY CORPORATION	Subsidiary's equity investee
POWER LIGHT TECH CO., LTD. (PLT)	Subsidiary's equity investee
UNITED LIGHTING OPTO-ELECTRONIC INC.	Subsidiary's equity investee
MOS ART PACK CORP. (MAP)	Subsidiary's equity investee
UNITED LED CORPORATION HONG KONG LIMITED	Subsidiary's equity investee (since February, 2010)
ALLIANCE OPTOTEK CORP.	Subsidiary's equity investee
TOPCELL SOLAR INTERNATIONAL CO. LTD.	Subsidiary's equity investee (since March, 2010)
UNISTARS CORPORATION	Subsidiary's equity investee (since October, 2010)
WAVETEK MICROELECTRONICS CORPORATION	Subsidiary's equity investee (since October, 2010)
WALTOP INTERNATIONAL CORP.	Subsidiary's equity investee
UNIMICRON CORPORATION	Subsidiary's director (since October, 2010)
CRYSTALWISE TECHNOLOGY INC.	Same chairman with UMC (since September, 2010)
All members of director, supervisors and key managers	The Company's key management personnel

(2) Significant Related Party Transactions

a. Operating revenues

	For the years ended December 31,			
	2010		2009	
	Amount	Percentage	Amount	Percentage
UMC-USA	\$58,898,537	49	\$44,860,503	51
Others	1,992,977	2	2,925,193	3
Total	\$60,891,514	51	\$47,785,696	54

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

b. Accounts receivable, net

	As of December 31,			
	2010		2009	
	Amount	Percentage	Amount	Percentage
UMC-USA	\$7,406,924	45	\$7,938,334	46
Others	303,702	1	416,036	3
Total	7,710,626	46	8,354,370	49
Less: Allowance for sales returns and discounts	(118,262)		(390,079)	
Less: Allowance for doubtful accounts	(7,258)		(7,982)	
Net	\$7,585,106		\$7,956,309	

c. Significant asset transactions

For the year ended December 31, 2010				
	Item	Purchase price	Disposal amount	Disposal gain
AWL	Purchase of UMC JAPAN stock	\$17,160	\$-	\$-
SIS	Disposal of XGI stock	-	38,030	14,690
MAP	Disposal of fixed assets	-	16,450	16,241
UMC JAPAN	Purchase of fixed assets	7,259	-	-
Total		\$24,419	\$54,480	\$30,931

For the year ended December 31, 2009

Item	Purchase price	Disposal amount	Disposal gain
NBI Disposal of PLT stock	\$-	\$78,939	\$33,387

On June 7, 2010, the Company acquired 63 thousand shares of UMC JAPAN from AWL and other minority stockholders for approximately JPY 782 million. The purchase price of JPY 12,500 per share was determined based on AWL's purchase price of UMC JAPAN's shares during the period from October 29 to December 14, 2009, at which time AWL considered the shares' current trading value and future industry competition and operating strategies and obtained a fairness opinion from a security expert and a Certified Public Accountant to evaluate the reasonableness of the purchase price. The Company acquired 4 thousand shares of UMC JAPAN from AWL, an equity investee of the Company, for approximately JPY 48 million.

d. Key management personnel compensation disclosure

Item	For the years ended December 31,	
	2010	2009
Salary, compensation, allowance, income from professional practice and bonus	\$260,412	\$190,306

6. ASSETS PLEDGED AS COLLATERAL

As of December 31, 2010

	Amount	Party to which asset(s) was pledged	Purpose of pledge
Deposit-out (Time deposit)	\$609,841	Customs	Customs duty guarantee
Deposit-out (Time deposit)	86,335	Science Park Administration	Collateral for land lease
Deposit-out (Time deposit)	43,800	Liquefied Natural Gas Business Division, CPC Corporation, Taiwan	Energy resources guarantee
Deposit-out (Time deposit)	960	Bureau of Energy, Ministry of Economic Affairs	Energy resources guarantee
Machinery and equipment	2,478,176	Bank of Taiwan	Collateral for long-term loans
Total	\$3,219,112		

As of December 31, 2009

	<u>Amount</u>	<u>Party to which asset(s) was pledged</u>	<u>Purpose of pledge</u>
Deposit-out (Time deposit)	\$640,623	Customs	Customs duty guarantee
Machinery and equipment	4,339,852	Bank of Taiwan	Collateral for long-term loans
Total	<u><u>\$4,980,475</u></u>		

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\$5.6 billion. Royalties and development fees payable in future years are NT\$1.5 billion as of December 31, 2010.
- (2) The Company signed several construction contracts for the expansion of its factory premise. As of December 31, 2010, these construction contracts amounted to approximately NT\$6.3 billion and the unpaid portion of the contracts, which was not accrued, was approximately NT\$1 billion.
- (3) The Company entered into several operating lease contracts for land. These renewable operating leases will expire in various years through 2031. Future minimum lease payments under those leases are as follows:

<u>For the years ended December 31,</u>	<u>Amount</u>
2011	\$230,182
2012	230,618
2013	231,072
2014	197,201
2015	188,654
2016 and thereafter	1,386,281
Total	<u><u>\$2,464,008</u></u>

- (4) On February 15, 2005, the Hsinchu District Prosecutor's Office conducted a search of the Company's facilities. On February 18, 2005, the Company's former Chairman Mr. Robert H.C. Tsao, released a public statement, explaining that its assistance to HeJian Technology (Suzhou) Co., Ltd. ("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 stockholders' 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 R.O.C. 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.

For the Company's assistance to HeJian, 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 100% 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. On December 31, 2008, Taiwan High Court rejected the prosecutor's appeal and sustained Hsinchu District Court's decision. On January 20, 2009, Taiwan High Prosecutors Office filed an appeal against Mr. Robert H.C. Tsao and Mr. John Hsuan with the Supreme Court. On December 3, 2009, the Supreme Court reversed the Taiwan High Court's decision and remanded the case for new trial. On September 14, 2010, the Taiwan High Court found Mr. Robert H.C. Tsao and Mr. John Hsuan not guilty. The Prosecution Office of the Taiwan High Court did not appeal the ruling and the matter is considered closed.

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. On December 10, 2009, the Supreme Administrative Court reversed the Taipei High Administrative Court's decision and remanded the case for new trial. On July 21, 2010, Taipei High Administrative Court ruled against the Company, and the Company appealed the ruling on August 23, 2010. The case is currently under the review of the Supreme Administrative Court.

- (5) The Company convened its 19th session, 10th term of its Board of Directors meeting on April 29, 2009. During the meeting, its board approved to propose the acquisition (the "Acquisition") by UMC of the holding company of HeJian. The stockholders' meeting of the Company on June 10, 2009 approved the Acquisition. However, an investment regulation governing foreigners' holdings of Taiwanese securities, along with restrictions from the amended Operating Rules of the Taiwan Stock Exchange Corporation for issuing new shares to acquire foreign unlisted companies, precluded the issuance of common shares or ADR as payment options. Furthermore, HeJian's stockholders did not agree to accept cash-only payments. As such, considering contractual timeliness and changes of the overall environment after signing the contract, the Board resolved at its Board of Directors meeting held on November 18, 2010 to terminate the Merger Agreement and sent out a termination notice in accordance with the Merger Agreement subsequent to the resolution. Going forward, UMC will continue seeking possible alternatives with HeJian's stockholders, and proceed with the acquisition in compliance with related rules and regulations.

8. SIGNIFICANT DISASTER LOSS

None.

9. SIGNIFICANT SUBSEQUENT EVENT

None.

10. OTHERS

(1) Financial risk management objectives and policies

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

The Company also enters into derivative transactions, including interest rate swap agreements 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.

The Company's bank loans bear floating interest rates. The fluctuation of market interest will result in changes in the Company's future cash flows.

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

Liquidity risk

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

(2) Information of financial instruments

a. Fair value of financial instruments

Financial Assets	As of December 31,			
	2010		2009	
	Book Value	Fair Value	Book Value	Fair Value
<u>Non-derivative</u>				
Cash and cash equivalents	\$32,934,638	\$32,934,638	\$52,792,105	\$52,792,105
Financial assets at fair value through profit or loss	1,130,532	1,130,532	1,932,315	1,932,315
Receivables	16,836,970	16,836,970	17,324,826	17,324,826
Available-for-sale financial assets	29,004,842	29,004,842	31,637,740	31,637,740
Financial assets measured at cost	2,221,263	-	2,234,160	-
Long-term investments accounted for under the equity method	44,233,716	44,654,977	42,256,469	39,731,250
Deposits-out	775,650	775,650	668,529	668,529

Financial Assets	As of December 31,			
	2010		2009	
	Book Value	Fair Value	Book Value	Fair Value
<u>Derivative</u>				
Interest rate swap agreements	\$-	\$-	\$88,410	\$88,410
Forward contracts	9,411	9,411	75,366	75,366
<u>Financial Liabilities</u>				
<u>Non-derivative</u>				
Short-term loans	2,621,700	2,621,700	-	-
Payables	27,447,340	27,447,340	18,831,944	18,831,944
Bonds payable (current portion included)	4,995,756	5,157,977	12,767,137	12,352,056
Long-term loans (current portion included)	1,266,550	1,266,550	800,000	800,000
<u>Derivative</u>				
Derivatives embedded in exchangeable bonds	2,248,384	2,248,384	1,914,879	1,914,879
Forward contracts	6,553	6,553	-	-

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, receivables, short-term loans and payables.
- ii. The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets are based on the quoted market prices. 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 long-term investments accounted for under equity method are based on the quoted market prices. If market prices are unavailable, the Company estimates the fair value based on the book values.

- iv. The fair value of financial assets measured at cost is unable to be estimated since there is no active market in trading those unlisted investments.
- v. Deposits-out is certificates of deposit collateralized at Customs or other institutions. The fair value of deposits-out is based on their carrying amount since the deposit periods are primarily within one year and renewed upon maturity.
- vi. The fair value of bonds payable is determined by the market price or other information.
- vii. The fair value of long-term loans is determined using discounted cash flow analysis, based on the Company's current incremental borrowing rates for borrowings with similar types.
- viii. 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 or is determined by the market price or other information.
- 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	
	2010.12.31	2009.12.31	2010.12.31	2009.12.31
Financial assets				
Financial assets at fair value through profit or loss	\$1,130,532	\$1,932,315	\$-	\$-
Available-for-sale financial assets	29,004,842	31,637,740	-	-
Long-term investments accounted for under the equity method	-	2,083,978	44,654,977	37,647,272
Financial liabilities				
Bonds payable (current portion included)	-	7,187,123	5,157,977	5,164,933
Long-term loans (current portion included)	-	-	1,266,550	800,000

<u>Derivative Financial Instruments</u>	<u>Active Market Quotation</u>		<u>Valuation Technique</u>	
	<u>2010.12.31</u>	<u>2009.12.31</u>	<u>2010.12.31</u>	<u>2009.12.31</u>
Financial assets				
Interest rate swap agreements	\$-	\$-	\$-	\$88,410
Forward contracts	-	-	9,411	75,366
Financial liabilities				
Derivatives embedded in exchangeable bonds	-	-	2,248,384	1,914,879
Forward contracts	-	-	6,553	-

- d. For the years ended December 31, 2010 and 2009, the total change in fair value estimated by using valuation techniques and recognized in the statement of income were losses of NT\$139 million and NT\$449 million, respectively.
- e. The Company's derivative financial assets with cash flow interest rate risk exposure were NT\$0 and NT\$88 million as of December 31, 2010 and 2009, respectively.
- f. During the years ended December 31, 2010 and 2009, total interest revenues for financial assets or liabilities that are not at fair value through profit or loss were NT\$108 million and NT\$129 million, respectively, while interest expenses for the years ended December 31, 2010 and 2009 were NT\$330 million and NT\$178 million, respectively.
- (3) The Company entered into interest rate swap agreements 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 were the same as those of the domestic bonds, which were five and seven years. The floating rate was reset annually. The above-mentioned five-year and seven-year interest rate swap agreements matured on June 2008 and 2010, respectively.

As of December 31, 2009

<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%

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

As of December 31, 2010

<u>Type</u>	<u>Notional Amount</u>	<u>Contract Period</u>
Forward contracts	Sell USD 26 million	December 20, 2010 to January 27, 2011

As of December 31, 2009

<u>Type</u>	<u>Notional Amount</u>	<u>Contract Period</u>
Forward contracts	Sell USD 267 million	November 16, 2009 to January 26, 2010

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 in the financial statements is summarized as follows:

As of December 31, 2010 and 2009, the Company's interest rate swap agreements were classified as financial assets at fair value through profit or loss amounted to NT\$0 and NT\$88 million, respectively. A related valuation gain of NT\$0.2 million and loss of NT\$25 million were recorded under non-operating income and expenses for the years ended December 31, 2010 and 2009, respectively.

As of December 31, 2010 and 2009, the forward contracts were classified as financial assets at fair value through profit or loss amounted to NT\$9 million and NT\$75 million, respectively, while the forward contracts were classified as financial liabilities at fair value through profit or loss amounted to NT\$7 million and NT\$0, respectively. And for the changes in valuation, gains of NT\$194 million and NT\$163 million were recorded under non-operating income for the years ended December 31, 2010 and 2009, respectively.

- (4) The Company's transactions denominated in currencies other than the functional currency are subject to currency exchange rate fluctuations. The exchange rates used to translate assets and liabilities denominated in foreign currencies are disclosed as follows:

	2010.12.31			2009.12.31		
	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD	\$852,158	29.03	\$24,738,145	\$819,327	31.93	\$26,161,105
JPY	5,264,305	0.36	1,871,987	3,111,082	0.35	1,073,945
EUR	9,572	38.66	370,043	1,123	45.93	51,576
SGD	48,602	22.59	1,097,930	30,648	22.79	698,475
<u>Non-monetary items</u>						
USD	4,863	29.03	141,158	1,631	31.93	52,094
CHF	3,080	31.01	95,511	1,106	30.95	34,231
<u>Long-term investments accounted for under the equity method</u>						
USD	394,265	28.95	11,412,254	362,353	31.85	11,541,447
JPY	13,997,172	0.36	4,980,574	14,433,320	0.35	4,986,203
SGD	10,409	22.55	234,732	11,010	22.61	248,901
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD	705,684	29.13	20,556,574	538,364	32.03	17,243,795
JPY	5,277,157	0.36	1,898,193	2,450,924	0.35	856,108
EUR	17,430	39.06	680,823	2,208	46.33	102,316
SGD	25,127	22.77	572,136	22,530	22.97	517,505

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:
- Financing provided to others for the year ended December 31, 2010: Please refer to Attachment 1.

- b. Endorsement/Guarantee provided to others for the year ended December 31, 2010: Please refer to Attachment 2.
- c. Securities held as of December 31, 2010: 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 year ended December 31, 2010: 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 year ended December 31, 2010: 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 year ended December 31, 2010: 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 year ended December 31, 2010: 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 December 31, 2010: Please refer to Attachment 8.
- i. Names, locations and related information of investees as of December 31, 2010: 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.

12. SEGMENT INFORMATION

(1) Operations in different industries

The Company operates principally in one industry, and the major business is operating as a full service semiconductor foundry.

(2) Operations in different geographic areas:

	For the year ended December 31, 2010			
	Taiwan	Asia, excluding Taiwan	Write-off	Total
	Revenue other than head office and branch	\$84,130,738	\$36,299,998	\$-
Revenue from head office and branch	288,117	-	(288,117)	-
Total revenue	<u>\$84,418,855</u>	<u>\$36,299,998</u>	<u>\$(288,117)</u>	<u>\$120,430,736</u>
Segment income (loss)	<u>\$29,617,663</u>	<u>\$6,734,293</u>	<u>\$(287,650)</u>	<u>\$36,064,306</u>
Operating expense				(13,436,335)
Non-operating income				3,748,927
Non-operating expense				(1,058,750)
Income from continuing operations before income tax				<u>\$25,318,148</u>
Recognized assets	<u>\$189,753,050</u>	<u>\$48,999,557</u>	<u>\$(43,806,864)</u>	\$194,945,743
Funds and investments				68,415,148
Total assets				<u>\$263,360,891</u>

	For the year ended December 31, 2009			
	Taiwan	Asia, excluding Taiwan	Write-off	Total
	Revenue other than head office and branch	\$65,478,990	\$23,138,582	\$-
Revenue from head office and branch	254,169	-	(254,169)	-
Total revenue	<u>\$65,733,159</u>	<u>\$23,138,582</u>	<u>\$(254,169)</u>	<u>\$88,617,572</u>
Segment income (loss)	<u>\$17,052,853</u>	<u>\$(927,536)</u>	<u>\$(245,436)</u>	<u>\$15,879,881</u>
Operating expense				(12,547,779)
Non-operating income				3,565,328
Non-operating expense				(2,429,187)
Income from continuing operations before income tax				<u>\$4,468,243</u>
Recognized assets	<u>\$178,462,334</u>	<u>\$50,160,987</u>	<u>\$(46,610,806)</u>	\$182,012,515
Funds and investments				69,877,675
Total assets				<u>\$251,890,190</u>

(3) Export sales

Area	For the years ended December 31,	
	2010	2009
North America	\$59,114,449	\$45,113,532
Europe	13,752,580	7,396,918
Others	8,379,842	6,301,405
Total export sales	<u>\$81,246,871</u>	<u>\$58,811,855</u>

(4) Major customers

Individual customers accounting for at least 10% of net sales for the years ended December 31, 2010 and 2009 are as follows:

Customers	For the years ended December 31,			
	2010		2009	
	Sales amount	Percentage	Sales amount	Percentage
Customer A	\$58,898,537	49	\$44,860,503	51
Customer B	11,407,128	9	8,658,240	10
Total	<u>\$70,305,665</u>	<u>58</u>	<u>\$53,518,743</u>	<u>61</u>

ATTACHMENT 1 (Financing provided to others for the year ended December 31, 2010)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

NEXPOWER TECHNOLOGY CORPORATION

No. (Note 1)	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		
1	NEXPOWER TECHNOLOGY CORPORATION	SOLAR PARK BLANKENBERG GMBH & CO.KG	Other receivables	\$46,896 (EUR 960)	\$-	5%	Need for short- term financing	\$-	Need for operating	\$-	None	\$-	\$484,625	\$1,453,874

Note 1: The Company and its subsidiaries are coded as follows:

- (i) The Company is coded "0".
- (ii) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

ATTACHMENT 2 (Endorsement/Guarantee provided to others for the year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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	Relationship						

None

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED MICROELECTRONICS CORPORATION

				December 31, 2010				
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)
Bonds	KING YUAN ELECTRONICS CO., LTD.	-	Financial assets at fair value through profit or loss, current	3,000	\$87,090	-	\$87,090	None
Bonds	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at fair value through profit or loss, current	380	406,996	-	406,996	None
Stock	PROMOS TECHNOLOGIES INC.	-	Financial assets at fair value through profit or loss, current	164,990	349,779	6.49	349,779	None
Stock	ACTION ELECTRONICS CO., LTD.	-	Financial assets at fair value through profit or loss, current	17,618	191,156	5.47	191,156	None
Stock	MICRONAS SEMICONDUCTOR HOLDING AG	-	Financial assets at fair value through profit or loss, current	280	95,511	0.94	95,511	None
Stock	UMC GROUP (USA)	Investee company	Long-term investments accounted for under the equity method	16,438	1,306,471	100.00	1,306,471	None
Stock	UNITED MICROELECTRONICS (EUROPE) B.V.	Investee company	Long-term investments accounted for under the equity method	9	296,918	100.00	289,304	None
Stock	UMC CAPITAL CORP.	Investee company	Long-term investments accounted for under the equity method	114,163	3,829,225	100.00	3,829,225	None
Stock	GREEN EARTH LIMITED	Investee company	Long-term investments accounted for under the equity method	10,000	281,623	100.00	281,623	None
Stock	TLC CAPITAL CO., LTD.	Investee company	Long-term investments accounted for under the equity method	486,150	7,314,296	100.00	7,314,296	None
Stock	UMC NEW BUSINESS INVESTMENT CORP.	Investee company	Long-term investments accounted for under the equity method	300,000	2,941,360	100.00	2,907,972	None
Stock	ALPHA WISDOM LIMITED	Investee company	Long-term investments accounted for under the equity method	60,000	2,526,607	100.00	2,557,104	None
Stock	FORTUNE VENTURE CAPITAL CORP.	Investee company	Long-term investments accounted for under the equity method	550,800	8,692,844	100.00	9,064,353	None
Stock	UNITED MICRODISPLAY OPTRONICS CORP.	Investee company	Long-term investments accounted for under the equity method	26,755	35,237	89.99	58,830	None
Stock	UMC JAPAN	Investee company	Long-term investments accounted for under the equity method	5	4,980,574	55.56	5,119,364	None
Stock	MTIC HOLDINGS PTE. LTD.	Investee company	Long-term investments accounted for under the equity method	12,000	234,732	46.49	234,732	None
Fund	MEGA MISSION LIMITED PARTNERSHIP	Investee company	Long-term investments accounted for under the equity method	-	2,115,285	45.00	2,118,682	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	215,283	4,727,511	44.42	4,641,261	None
Stock	UNITECH CAPITAL INC.	Investee company	Long-term investments accounted for under the equity method	21,000	801,039	42.00	801,039	None
Stock	HSUN CHIEH INVESTMENT CO., LTD.	Investee company	Long-term investments accounted for under the equity method	78,394	3,613,285	36.49	3,591,628	None

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED MICROELECTRONICS CORPORATION

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				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	\$536,709	21.93	\$539,093	None
Stock	UMCI LTD.	Investee company	Other liability	880,006	(267)	100.00	(267)	None
Stock	UNIMICRON TECHNOLOGY CORP.	-	Available-for-sale financial assets, current	82,432	4,682,135	5.33	4,682,135	None
Stock	NOVATEK MICROELECTRONICS CORP.	-	Available-for-sale financial assets, current	25,133	2,362,538	4.20	2,362,538	None
Stock	SILICON INTEGRATED SYSTEMS CORP.	The Company's director	Available-for-sale financial assets, noncurrent	120,892	2,417,841	16.94	2,417,841	None
Stock	HOLTEK SEMICONDUCTOR INC.	-	Available-for-sale financial assets, noncurrent	36,118	1,632,545	16.19	1,632,545	None
Stock	UNITED FU SHEN CHEN TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	17,643	97,919	15.87	97,919	None
Stock	FARADAY TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	54,357	3,098,370	14.56	3,098,370	None
Stock	ITE TECH. INC.	-	Available-for-sale financial assets, noncurrent	18,633	1,153,390	9.20	1,153,390	None
Stock	UNIMICRON TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	113,704	6,458,390	7.35	6,458,390	None
Stock	NOVATEK MICROELECTRONICS CORP.	-	Available-for-sale financial assets, noncurrent	36,418	3,423,249	6.08	3,423,249	None
Stock	SPRINGSOFT, INC.	-	Available-for-sale financial assets, noncurrent	8,658	321,208	4.15	321,208	None
Stock	KING YUAN ELECTRONICS CO., LTD.	-	Available-for-sale financial assets, noncurrent	40,528	603,863	3.20	603,863	None
Stock	EPISTAR CORP.	-	Available-for-sale financial assets, noncurrent	21,215	2,259,397	2.50	2,259,397	None
Stock	CHIPBOND TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	7,856	399,877	1.34	399,877	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,240	40,052	0.92	40,052	None
Fund	VIETNAM INFRASTRUCTURE LTD.	-	Available-for-sale financial assets, noncurrent	5,000	54,068	-	54,068	None
Stock	PIXTECH, INC.	-	Financial assets measured at cost, noncurrent	9,883	-	17.63	Note 2	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	21,224	218,366	13.52	Note 2	None
Stock	AMIC TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	5,627	-	8.10	Note 2	None

ATTACHMENT 3 (Securities held as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED MICROELECTRONICS CORPORATION

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UNITED INDUSTRIAL GASES CO., LTD.	-	Financial assets measured at cost, noncurrent	13,185	\$146,250	7.66	Note 2	None
Stock	INDUSTRIAL BANK OF TAIWAN CORP.	-	Financial assets measured at cost, noncurrent	118,303	1,139,196	4.95	Note 2	None
Stock	SUBTRON TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	13,912	208,746	4.25	Note 2	None
Stock	TECO NANOTECH CO., LTD.	-	Financial assets measured at cost, noncurrent	9,001	-	3.73	Note 2	None
Stock	EMIVEST AEROSPACE CORP.	-	Financial assets measured at cost, noncurrent	1,124	-	1.50	Note 2	None
Stock	TAIWAN AEROSPACE CORP.	-	Financial assets measured at cost, noncurrent	234	-	0.17	Note 2	None
Fund	PACIFIC TECHNOLOGY PARTNERS, L.P.	-	Financial assets measured at cost, noncurrent	-	150,508	-	N/A	None
Fund	PACIFIC UNITED TECHNOLOGY, L.P.	-	Financial assets measured at cost, noncurrent	-	94,657	-	N/A	None
Stock-Preferred stock	TAIWAN HIGH SPEED RAIL CORP.	-	Financial assets measured at cost, noncurrent	30,000	-	-	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	-	-	N/A	None
Stock-Preferred stock	TASHEE GOLF & COUNTRY CLUB	-	Financial assets measured at cost, noncurrent	0	80	-	N/A	None

Note 1 : The common shares of UMC JAPAN is transferred to Class A shares and the number of shares presented in the table is one unit of Class A share.

Note 2 : The net assets values for unlisted investees classified as "Financial assets measured at cost, noncurrent" were not available as of December 31, 2010.

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Convertible bonds	TXC CORP.	-	Financial assets at fair value through profit or loss, noncurrent	220	\$24,420	-	\$24,420	None
Stock	UNITRUTH INVESTMENT CORP.	Investee company	Long-term investments accounted for under the equity method	119,060	1,382,998	100.00	1,382,998	None
Stock	MOS ART PACK CORP.	Investee company	Long-term investments accounted for under the equity method	29,000	218,408	54.72	215,002	None
Stock-Preferred stock	AEVOE INTERNATIONAL LTD.	Investee company	Long-term investments accounted for under the equity method	4,170	88,029	43.77	88,029	None
Stock	EXOJET TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	5,833	48,965	26.80	39,303	None
Stock	ANOTO TAIWAN CORP.	Investee company	Long-term investments accounted for under the equity method	1,568	3,878	24.12	3,878	None
Stock	CRYSTAL MEDIA INC.	Investee company	Long-term investments accounted for under the equity method	4,493	23,471	23.50	23,471	None
Stock	WALTOP INTERNATIONAL CORP.	Investee company	Long-term investments accounted for under the equity method	7,048	128,835	23.23	77,823	None
Stock	ALLIANCE OPTOTEK CORP.	Investee company	Long-term investments accounted for under the equity method	8,158	50,949	23.16	28,478	None
Stock	HIGH POWER LIGHTING CORP.	Investee company	Long-term investments accounted for under the equity method	4,525	28,458	16.95	19,226	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee of UMC and Fortune	Long-term investments accounted for under the equity method	24,600	606,370	5.08	530,349	None
Stock	PIXART IMAGING, INC.	-	Available-for-sale financial assets, noncurrent	12,402	1,798,325	9.48	1,798,325	None
Stock	DAVICOM SEMICONDUCTOR, INC.	-	Available-for-sale financial assets, noncurrent	7,274	306,260	8.65	306,260	None
Stock	ITE TECH. INC.	-	Available-for-sale financial assets, noncurrent	9,024	558,563	4.46	558,563	None
Stock	ALPHA & OMEGA SEMICONDUCTOR LTD.	-	Available-for-sale financial assets, noncurrent	713	265,374	2.93	265,374	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	2,257	72,888	1.69	72,888	None
Stock	EPISTAR CORP.	-	Available-for-sale financial assets, noncurrent	4,778	508,889	0.56	508,889	None
Stock	UNITED MICROELECTRONICS CORP.	Investor company	Available-for-sale financial assets, noncurrent	16,079	262,083	0.12	262,083	None
Stock	TXC CORP.	-	Available-for-sale financial assets, noncurrent	204	11,362	0.07	11,362	None
Stock	DARCHUN VENTURE CORP.	-	Financial assets measured at cost, noncurrent	4,500	45,000	19.65	Note	None

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	CLIENTRON CORP.	-	Financial assets measured at cost, noncurrent	17,675	\$176,797	19.64	Note	None
Stock	PRIMESENSOR TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	2,790	31,980	15.00	Note	None
Stock	OCULON OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,947	26,068	11.73	Note	None
Stock	BCOM ELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	3,050	21,912	11.73	Note	None
Stock	AMIC TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	7,410	-	10.67	Note	None
Stock	GOLDEN TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP.	-	Financial assets measured at cost, noncurrent	2,591	24,790	10.67	Note	None
Stock	KUN YUAN TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	9,005	90,049	10.64	Note	None
Stock	AWISE FIBER TECH.CO., LTD.	-	Financial assets measured at cost, noncurrent	1,200	15,192	10.63	Note	None
Stock	EVERGLORY RESOURCE TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,500	21,875	10.23	Note	None
Stock	NCTU SPRING I TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP.	-	Financial assets measured at cost, noncurrent	2,827	12,595	10.06	Note	None
Stock	UWIZ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	4,530	50,553	10.05	Note	None
Stock	EE SOLUTIONS, INC.	-	Financial assets measured at cost, noncurrent	2,782	13,495	9.60	Note	None
Stock	CHANG-YU TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,153	54,325	9.40	Note	None
Stock	COTECH, INC.	-	Financial assets measured at cost, noncurrent	964	-	9.18	Note	None
Stock	HT MMOBILE INC.	-	Financial assets measured at cost, noncurrent	11,500	115,000	8.88	Note	None
Stock	YAYATECH CO., LTD.	-	Financial assets measured at cost, noncurrent	1,466	42,180	8.79	Note	None
Stock	ADVANCE MATERIALS CORP.	-	Financial assets measured at cost, noncurrent	11,910	109,898	8.67	Note	None
Stock	CION TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	1,134	-	8.57	Note	None
Stock	CANDMARK ENTERPRISE CO., LTD.	-	Financial assets measured at cost, noncurrent	3,000	43,500	7.66	Note	None
Stock	ANDES TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	3,463	51,953	7.43	Note	None

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Stock	MEMOCOM CORP.	-	Financial assets measured at cost, noncurrent	4,075	\$50,945	7.31	Note	None
Stock	PRINCEDOM PRECISION CORP.	-	Financial assets measured at cost, noncurrent	1,571	20,102	7.19	Note	None
Stock	CHINGIS TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	4,030	35,669	7.01	Note	None
Stock	SHIN-ETSU HANDOTAI TAIWAN CO., LTD.	-	Financial assets measured at cost, noncurrent	10,500	105,000	7.00	Note	None
Stock	RISELINK VENTURE CAPITAL CORP.	-	Financial assets measured at cost, noncurrent	8,000	76,640	6.67	Note	None
Stock	EXCELLENCE OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	8,529	85,291	6.62	Note	None
Stock	NCTU SPRING VENTURE CAPITAL CO., LTD.	-	Financial assets measured at cost, noncurrent	2,000	7,000	6.28	Note	None
Stock	ACTI CORP.	-	Financial assets measured at cost, noncurrent	1,785	17,306	5.92	Note	None
Stock	BEYOND INNOVATION TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,859	33,377	5.51	Note	None
Stock	COSMOS TECHNOLOGY VENTURE CAPITAL INVESTMENT CORP.	-	Financial assets measured at cost, noncurrent	377	3,493	5.03	Note	None
Stock	PARAWIN VENTURE CAPITAL CORP.	-	Financial assets measured at cost, noncurrent	5,000	41,900	5.00	Note	None
Stock	LUMITEK CORP.	-	Financial assets measured at cost, noncurrent	1,750	32,000	4.86	Note	None
Stock	CRYSTALWISE TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	3,590	87,500	4.86	Note	None
Stock	EUTECH MICROELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,700	59,500	4.72	Note	None
Stock	MOBILE DEVICES INC.	-	Financial assets measured at cost, noncurrent	2,309	8,185	4.43	Note	None
Stock	AMOD TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	277	2,774	4.33	Note	None
Stock	VASTVIEW TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	429	-	4.08	Note	None
Stock	IBT VENTURE CORP.	-	Financial assets measured at cost, noncurrent	799	6,510	3.81	Note	None
Stock	HITOP COMMUNICATIONS CORP.	-	Financial assets measured at cost, noncurrent	481	4,810	3.72	Note	None
Stock	SUBTRON TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	11,254	131,806	3.44	Note	None

FORTUNE VENTURE CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
Stock	ANIMATION TECHNOLOGIES INC.	-	Financial assets measured at cost, noncurrent	525	\$-	3.16	Note	None
Stock	DRAMEXCHANGE TECH. INC.	-	Financial assets measured at cost, noncurrent	336	5,400	2.87	Note	None
Stock	LICO TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	3,000	66,000	2.85	Note	None
Stock	JMICRON TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	2,030	21,878	2.81	Note	None
Stock	SUPERALLOY INDUSTRIAL CO., LTD.	-	Financial assets measured at cost, noncurrent	4,603	92,352	2.52	Note	None
Stock	EGIS TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	1,134	16,663	2.28	Note	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,370	57,253	1.77	Note	None
Stock	INPAQ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,656	19,554	1.61	Note	None
Stock	TAIMIDE TECH., INC.	-	Financial assets measured at cost, noncurrent	1,500	16,095	1.55	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	-	1.02	Note	None
Stock	HIGH POWER OPTOELECTRONICS, INC.	-	Financial assets measured at cost, noncurrent	1,530	15,000	0.91	Note	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	678	5,943	0.43	Note	None
Stock	APTOS DESIGN LAB INC.	-	Financial assets measured at cost, noncurrent	229	9,368	0.38	Note	None
Stock	WAVEPLUS TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	12	-	0.38	Note	None
Stock	PRINTECH INTERNATIONAL INC.	-	Financial assets measured at cost, noncurrent	5	-	0.10	Note	None
Fund	IGLOBE PARTNERS FUND, L.P.	-	Financial assets measured at cost, noncurrent	-	37,351	-	N/A	None

Note : The net assets values for unlisted investees classified as "Financial assets measured at cost, noncurrent" were not available as of December 31, 2010.

TLC CAPITAL CO., LTD.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Convertible bonds	TXC CORP.	-	Financial assets at fair value through profit or loss, noncurrent	500	\$55,500	-	\$55,500	None
Stock	SOARING CAPITAL CORP.	Investee company	Long-term investments accounted for under the equity method	900	25,903	100.00	25,903	None
Stock	LIST EARN ENTERPRISE INC.	Investee company	Long-term investments accounted for under the equity method	309	9,177	49.00	9,177	None
Stock	YUNG LI INVESTMENTS, INC.	Investee company	Long-term investments accounted for under the equity method	0.28	221,710	45.16	221,710	None
Fund	CTC CAPITAL PARTNERS I, L.P.	Investee company	Long-term investments accounted for under the equity method	-	122,277	31.40	122,277	None
Capital	SHANDONG HUAHONG ENERGY INVEST CO., INC.	Investee company	Long-term investments accounted for under the equity method	-	314,338	24.30	314,338	None
Stock	ALLIANCE OPTOTEK CORP.	Investee company	Long-term investments accounted for under the equity method	6,330	103,071	17.97	22,098	None
Stock	WALTOP INTERNATIONAL CORP.	Investee company	Long-term investments accounted for under the equity method	3,172	42,883	10.45	35,021	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee of UMC and TLC	Long-term investments accounted for under the equity method	28,601	694,898	5.90	616,598	None
Stock	EXOJET TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	1,250	8,768	5.74	8,423	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	6,181	199,656	4.62	199,656	None
Stock	SERCOMM CORP.	-	Available-for-sale financial assets, noncurrent	6,679	189,695	3.82	189,695	None
Stock	SIMPLO TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	7,320	1,551,946	2.87	1,551,946	None
American Depository Shares	KU6 MEDIA CO., LTD. (Note 2)	-	Available-for-sale financial assets, noncurrent	805	115,738	2.31	115,738	None
Stock	EPISTAR CORP.	-	Available-for-sale financial assets, noncurrent	10,358	1,103,087	1.22	1,103,087	None
Stock	ITE TECH. INC.	-	Available-for-sale financial assets, noncurrent	2,357	145,892	1.17	145,892	None
Stock	CORETRONIC CORP.	-	Available-for-sale financial assets, noncurrent	6,250	298,117	0.86	298,117	None
Taiwan Depository Receipts	GLOBAL SWEETENERS HOLDINGS LTD.	-	Available-for-sale financial assets, noncurrent	2,620	33,274	0.46	33,274	None
Stock	TXC CORP.	-	Available-for-sale financial assets, noncurrent	918	51,131	0.31	51,131	None
Stock	RALINK TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	80	8,229	0.05	8,229	None

ATTACHMENT 3 (Securities held as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

TLC CAPITAL CO., LTD.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				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	3,447	\$255,397	0.04	\$255,397	None
Stock	KU6 MEDIA CO., LTD. (Note 2)	-	Available-for-sale financial assets, noncurrent	78	-	0.00	-	None
Stock	BEAUTY ESSENTIALS INTERNATIONAL LTD.	-	Financial assets measured at cost, noncurrent	100,000	32,290	13.99	Note 1	None
Stock	SUPERALLOY INDUSTRIAL CO., LTD.	-	Financial assets measured at cost, noncurrent	9,804	196,710	5.36	Note 1	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	5,837	60,050	3.72	Note 1	None
Stock	INPAQ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,760	32,591	2.68	Note 1	None
Stock	E-ONE MOLI ENERGY CORP.	-	Financial assets measured at cost, noncurrent	4,000	99,075	1.59	Note 1	None
Stock	ADATA TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	2,000	100,000	0.88	Note 1	None
Stock	CANDO CORP.	-	Financial assets measured at cost, noncurrent	1,649	16,524	0.23	Note 1	None
Stock-Preferred stock	TOUCH MEDIA INTERNATIONAL HOLDINGS	-	Financial assets measured at cost, noncurrent	6,278	229,919	-	N/A	None
Fund	H&QAP GREATER CHINA GROWTH FUND, L.P.	-	Financial assets measured at cost, noncurrent	-	19,369	-	N/A	None

Note 1 : The net assets values for unlisted investees classified as "Financial assets measured at cost, noncurrent" were not available as of December 31, 2010.

Note 2 : On January 18, 2010, KU6 HOLDING LTD. was merged into HURRAY! HOLDING CO., LTD., and on August 17, 2010 HURRAY! HOLDING CO., LTD. has changed its name to KU6 MEDIA CO., LTD

Note 3 : The number of shares presented in the table is one unit of Common share.

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	MOS ART PACK CORP.	Investee company	Long-term investments accounted for under the equity method	9,869	\$79,264	18.62	\$73,167	None
Stock	WALTOP INTERNATIONAL CORP.	Investee company	Long-term investments accounted for under the equity method	2,702	47,710	8.91	29,832	None
Stock	CRYSTAL MEDIA INC.	Investee company	Long-term investments accounted for under the equity method	1,587	8,290	8.30	8,290	None
Stock	ALLIANCE OPTOTEK CORP.	Investee company	Long-term investments accounted for under the equity method	2,572	11,739	7.30	8,977	None

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	HIGH POWER LIGHTING CORP.	Investee company	Long-term investments accounted for under the equity method	1,425	\$8,554	5.34	\$6,054	None
Stock	EXOJET TECHNOLOGY CORP.	Investee company	Long-term investments accounted for under the equity method	1,084	10,578	4.98	7,304	None
Stock	NEXPOWER TECHNOLOGY CORP.	Investee of UMC and Unitruth	Long-term investments accounted for under the equity method	10,990	280,683	2.27	236,932	None
Stock	TOPOINT TECHNOLOGY CO., LTD.	-	Available-for-sale financial assets, noncurrent	1,240	40,052	0.93	40,052	None
Stock	RALINK TECHNOLOGY CORP.	-	Available-for-sale financial assets, noncurrent	1,481	151,817	0.85	151,817	None
Stock	ITE TECH. INC.	-	Available-for-sale financial assets, noncurrent	590	36,512	0.29	36,512	None
Stock	EE SOLUTIONS, INC.	-	Financial assets measured at cost, noncurrent	2,782	13,494	9.60	Note	None
Stock	COTECH, INC.	-	Financial assets measured at cost, noncurrent	952	-	9.06	Note	None
Stock	OCULON OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,288	18,282	7.77	Note	None
Stock	BCOM ELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	1,998	16,409	7.68	Note	None
Stock	AWISE FIBER TECH.CO., LTD.	-	Financial assets measured at cost, noncurrent	860	10,888	7.62	Note	None
Stock	UWIZ TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	3,410	39,593	7.57	Note	None
Stock	HT MMOBILE INC.	-	Financial assets measured at cost, noncurrent	8,500	85,000	6.57	Note	None
Stock	YAYATECH CO., LTD.	-	Financial assets measured at cost, noncurrent	1,037	40,415	6.22	Note	None
Stock	EXCELLENCE OPTOELECTRONICS INC.	-	Financial assets measured at cost, noncurrent	6,374	63,739	4.95	Note	None
Stock	EVERGLORY RESOURCE TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	1,200	10,500	4.91	Note	None
Stock	ADVANCE MATERIALS CORP.	-	Financial assets measured at cost, noncurrent	6,039	62,427	4.39	Note	None
Stock	CHINGIS TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	2,418	29,978	4.21	Note	None
Stock	MEMOCOM CORP.	-	Financial assets measured at cost, noncurrent	2,195	27,150	3.94	Note	None
Stock	CANDMARK ENTERPRISE CO., LTD.	-	Financial assets measured at cost, noncurrent	1,500	21,750	3.83	Note	None
Stock	AMOD TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	243	2,434	3.80	Note	None

ATTACHMENT 3 (Securities held as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITRUTH INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	DRAMEXCHANGE TECH. INC.	-	Financial assets measured at cost, noncurrent	336	\$5,400	2.87	Note	None
Stock	ACTI CORP.	-	Financial assets measured at cost, noncurrent	777	11,100	2.58	Note	None
Stock	VASTVIEW TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	223	2,231	2.12	Note	None
Stock	EGIS TECHNOLOGY INC.	-	Financial assets measured at cost, noncurrent	1,016	27,355	2.05	Note	None
Stock	LUMITEK CORP.	-	Financial assets measured at cost, noncurrent	670	12,252	1.86	Note	None
Stock	CHANG-YU TECHNOLOGY CO., LTD.	-	Financial assets measured at cost, noncurrent	315	7,950	1.38	Note	None
Stock	SUPERALLOY INDUSTRIAL CO., LTD.	-	Financial assets measured at cost, noncurrent	1,473	29,553	0.81	Note	None
Stock	MOBILE DEVICES INC.	-	Financial assets measured at cost, noncurrent	300	858	0.58	Note	None
Stock	JMICRON TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	328	1,295	0.45	Note	None
Stock	HIGH POWER OPTOELECTRONICS, INC.	-	Financial assets measured at cost, noncurrent	510	5,000	0.30	Note	None
Stock	ASIA PACIFIC MICROSYSTEMS, INC.	-	Financial assets measured at cost, noncurrent	353	3,090	0.22	Note	None
Stock	PRINTECH INTERNATIONAL INC.	-	Financial assets measured at cost, noncurrent	5	-	0.10	Note	None
Stock-Preferred stock	PRINCEDOM PRECISION CORP.	-	Financial assets measured at cost, noncurrent	1,047	10,470	-	N/A	None

Note : The net assets values for unlisted investees classified as "Financial assets measured at cost, noncurrent" were not available as of December 31, 2010.

SOARING CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				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	-	\$23,145	100.00	\$23,145	None

UMC CAPITAL CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010					
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)	
Stock	UMC CAPITAL (USA)	Investee company	Long-term investments accounted for under the equity method	200	USD 432	100.00	USD 432	None	
Stock	ECP VITA LTD.	Investee company	Long-term investments accounted for under the equity method	1,000	USD 5,796	100.00	USD 5,796	None	
Stock-Preferred stock	ACHIEVE MADE INTERNATIONAL LTD.	Investee company	Long-term investments accounted for under the equity method	1,308	USD 1,490	48.54	USD 957	None	
Fund	UC FUND II	Investee company	Long-term investments accounted for under the equity method	5,000	USD 2,651	35.45	USD 2,651	None	
Fund	TRANSLINK CAPITAL PARTNERS I L.P.	Investee company	Long-term investments accounted for under the equity method	-	USD 2,661	10.55	USD 2,661	None	
Fund	TRANSLINK CAPITAL PARTNERS II L.P.	Investee company	Long-term investments accounted for under the equity method	-	USD 263	9.76	USD 263	None	
Stock	MAXLINEAR, INC.	-	Available-for-sale financial assets, noncurrent	1,335	USD 14,363	4.19	USD 14,363	None	
Stock	GIGOPTIX, INC.	-	Available-for-sale financial assets, noncurrent	62	USD 172	0.51	USD 172	None	
Stock	ALPHA & OMEGA SEMICONDUCTOR LTD.	-	Available-for-sale financial assets, noncurrent	72	USD 921	0.29	USD 921	None	
American Depository Shares	CHUNGHWA TELECOM CO., LTD.	-	Available-for-sale financial assets, noncurrent	347	USD 8,777	0.04	USD 8,777	None	
Stock	PATENTOP, LTD.	-	Financial assets measured at cost, noncurrent	720	-	18.00	Note	None	
Stock	PARADE TECHNOLOGIES, LTD.	-	Financial assets measured at cost, noncurrent	225	USD 2	-	Note	None	
Stock-Preferred stock	PARADE TECHNOLOGIES, LTD.	-	Financial assets measured at cost, noncurrent	3,651	USD 2,459	-	N/A	None	
Stock-Preferred stock	AICENT, INC.	-	Financial assets measured at cost, noncurrent	2,000	USD 1,000	-	N/A	None	
Stock-Preferred stock	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-Preferred stock	WISAIR, INC.	-	Financial assets measured at cost, noncurrent	164	USD 1,721	-	N/A	None	
Stock-Preferred stock	AMALFI SEMICONDUCTOR, INC.	-	Financial assets measured at cost, noncurrent	492	USD 1,557	-	N/A	None	
Stock-Preferred stock	DIBCOM, INC.	-	Financial assets measured at cost, noncurrent	7	USD 839	-	N/A	None	
Convertible bonds	DIBCOM, INC.	-	Financial assets measured at cost, noncurrent	6	USD 853	-	N/A	None	

ATTACHMENT 3 (Securities held as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UMC CAPITAL CORP.

				December 31, 2010				
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)
Stock-Preferred stock	EAST VISION TECHNOLOGY LTD.	-	Financial assets measured at cost, noncurrent	2,770	USD 4,820	-	N/A	None
Fund	VENGLOBAL CAPITAL FUND III, L.P.	-	Financial assets measured at cost, noncurrent	-	USD 651	-	N/A	None
Stock-Preferred stock	PACTRUST COMMUNICATION, INC.	-	Financial assets measured at cost, noncurrent	4,850	USD 4,850	-	N/A	None
Stock-Preferred stock	REALLUSION (CAYMAN) HOLDING INC.	-	Financial assets measured at cost, noncurrent	1,872	USD 555	-	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	FORCE10 NETWORKS, INC.	-	Financial assets measured at cost, noncurrent	236	USD 4,760	-	N/A	None
Stock-Preferred stock	QSECURE, INC.	-	Financial assets measured at cost, noncurrent	2,032	USD 4,058	-	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	SIFOTONICS TECHNOLOGIES CO., LTD.	-	Financial assets measured at cost, noncurrent	2,500	USD 2,000	-	N/A	None
Stock-Preferred stock	SOLARGEN ENERGY INC.	-	Financial assets measured at cost, noncurrent	4,980	USD 4,980	-	N/A	None
Stock-Preferred stock	SANDFORCE, INC.	-	Financial assets measured at cost, noncurrent	1,884	USD 4,711	-	N/A	None
Stock	SANDFORCE, INC.	-	Financial assets measured at cost, noncurrent	82	USD 82	-	Note	None
Stock-Preferred stock	LENSVECTOR, INC.	-	Financial assets measured at cost, noncurrent	851	USD 1,000	-	N/A	None
Stock-Preferred stock	UBIQUISYS LTD.	-	Financial assets measured at cost, noncurrent	437	USD 1,000	-	N/A	None
Stock-Preferred stock	TRILLIANT HOLDINGS, INC.	-	Financial assets measured at cost, noncurrent	4,000	USD 5,000	-	N/A	None
Stock-Preferred stock	VERIPRECISE TECHNOLOGY, INC.	-	Financial assets measured at cost, noncurrent	4,000	-	-	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
Stock	CIPHERMAX, INC.	-	Financial assets measured at cost, noncurrent	95	-	-	Note	None

Note : The net assets values for unlisted investees classified as "Financial assets measured at cost, noncurrent" were not available as of December 31, 2010.

UMC NEW BUSINESS INVESTMENT CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	WAVETEK MICROELECTRONICS CORPORATION	Investee company	Long-term investments accounted for under the equity method	48,000	\$469,831	99.79	\$469,831	None
Stock	UNITED LIGHTING OPTO-ELECTRONIC INC.	Investee company	Long-term investments accounted for under the equity method	7,500	44,540	94.65	42,854	None
Stock	EVERRICH ENERGY CORPORATION	Investee company	Long-term investments accounted for under the equity method	15,129	247,872	91.12	247,872	None
Stock	UNISTARS CORPORATION	Investee company	Long-term investments accounted for under the equity method	10,500	97,186	65.63	97,010	None
Stock	TOPCELL SOLAR INTERNATIONAL CO., LTD.	Investee company	Long-term investments accounted for under the equity method	82,383	1,244,238	51.49	1,242,811	None
Stock	UNITED LED CORPORATION HONG KONG LIMITED	Investee company	Long-term investments accounted for under the equity method	8,000	208,260	50.00	208,260	None
Stock	POWER LIGHT TECH CO., LTD.	Investee company	Long-term investments accounted for under the equity method	10,126	41,581	42.33	41,581	None
Stock	SOLAR GATE TECHNOLOGY CO., LTD.	Investee company	Long-term investments accounted for under the equity method	5,000	59,653	25.00	41,387	None
Stock	LICO TECHNOLOGY CORP.	-	Financial assets measured at cost, noncurrent	4,089	89,947	3.89	Note	None

Note : The net assets values for unlisted investees classified as "Financial assets measured at cost, noncurrent" were not available as of December 31, 2010.

EVERRICH ENERGY CORP.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	EVERRICH ENERGY INVESTMENT (HK) LIMITED	Investee company	Long-term investments accounted for under the equity method	2,200	\$176,287	100.00	\$176,287	None

EVERRICH ENERGY INVESTMENT (HK) LIMITED

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand) (Note)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Capital	EVERRICH (SHANDONG) ENERGY CO., LTD. (formerly YONGSHENG (SHANDONG) ENERGY CO.)	Investee company	Long-term investments accounted for under the equity method	-	\$173,627	100.00	\$173,627	None

Note : No shares since it belongs to limited company.

ATTACHMENT 3 (Securities held as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED LIGHTING OPTO-ELECTRONIC INC.

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UNITED LIGHTING OPTO-ELECTRONIC INVESTMENT (HK) LIMITED	Investee company	Long-term investments accounted for under the equity method	120	\$3,033	100.00	\$3,033	None

UNITED LIGHTING OPTO-ELECTRONIC INVESTMENT (HK) LIMITED

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand) (Note)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Capital	SHENYANG PIONEER U-LIGHTING OPTO-ELECTRONIC CO., LTD.	Investee company	Long-term investments accounted for under the equity method	-	\$3,022	49.00	\$3,022	None

Note : No shares since it belongs to limited company.

ALPHA WISDOM LIMITED

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units / bonds/ shares	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	UMC JAPAN	Investee Company	Long-term investments accounted for under the equity method	4	USD 86,101	44.44	USD 141,134	None

GREEN EARTH LIMITED

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand) (Note)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Fund	DAIWA QUANTUM CAPITAL PARTNERS I, L.P.	Investee company	Long-term investments accounted for under the equity method	-	\$57,644	12.50	\$57,644	None

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

NEXPOWER TECHNOLOGY CORPORATION

Type of securities	Name of securities	Relationship	Financial statement account	December 31, 2010				Shares as collateral (thousand)
				Units (thousand)/ bonds/ shares (thousand)	Book value	Percentage of ownership (%)	Market value/ Net assets value	
Stock	JENENERGY SYSTEM CORPORATION	Equity Investee	Long-term investments accounted for under the equity method	2,200	\$34,028	66.67	\$51,042	None

ATTACHMENT 3 (Securities held as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

JENENERGY SYSTEM CORPORATION

				December 31, 2010				
<u>Type of securities</u>	<u>Name of securities</u>	<u>Relationship</u>	<u>Financial statement account</u>	<u>Units (thousand)/ bonds/ shares (thousand)</u>	<u>Book value</u>	<u>Percentage of ownership (%)</u>	<u>Market value/ Net assets value</u>	<u>Shares as collateral (thousand)</u>
Stock	SMART ENERGY ENTERPRISES LIMITED	Equity Investee	Long-term investments accounted for under the equity method	2,800	\$25,727	100.00	\$25,727	None

SMART ENERGY ENTERPRISES LIMITED

				December 31, 2010				
<u>Type of securities</u>	<u>Name of securities</u>	<u>Relationship</u>	<u>Financial statement account</u>	<u>Units (thousand)/ bonds/ shares (thousand) (Note)</u>	<u>Book value</u>	<u>Percentage of ownership (%)</u>	<u>Market value/ Net assets value</u>	<u>Shares as collateral (thousand)</u>
Capital	SMART ENERGY SHANDONG CORPORATION	Equity Investee	Long-term investments accounted for under the equity method	-	\$24,934	100.00	\$24,934	None

Note : No shares since it belongs to limited company.

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 year ended December 31, 2010)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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 (Note 1)	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 (Note 1)
Stock	CHINA DEVELOPMENT FINANCIAL HOLDING CORP.	Financial assets at fair value through profit or loss, current	Open market	-	19,418	\$190,295	-	\$-	19,542 (Note 3)	\$178,233	\$233,135	\$(54,902)	-	\$-
Stock	HON HAI PRECISION INDUSTRY CO., LTD.	Available-for-sale financial assets, noncurrent	Open market	-	1,677	254,086	-	-	1,677	230,112	163,338	66,774	-	-
Stock	MEGA FINANCIAL HOLDING COMPANY	Available-for-sale financial assets, noncurrent	Open market	-	95,577	1,768,171	-	-	95,577	1,902,926	1,094,354	808,572	-	-
Stock	CHIPBOND TECHNOLOGY CORP.	Available-for-sale financial assets, noncurrent	Open market	-	12,870	383,527	-	-	5,014	269,765	91,899	177,866	7,856	399,877
Stock	UMC NEW BUSINESS INVESTMENT CORP.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	150,000	1,455,958	150,000	1,500,000	-	-	-	-	300,000	2,941,360 (Note 4)
Stock	NEXPOWER TECHNOLOGY CORP.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	107,283	2,407,022	108,000	2,701,195	-	-	-	-	215,283	4,727,511 (Note 5)
Stock	UMC JAPAN	Long-term investments accounted for under the equity method	Tender offer	Investee company and other	496	4,986,203	63	282,010	-	-	-	-	5	4,980,574 (Note 6)

Note 1: The amounts of beginning and ending balances of available for sale financial assets 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 disposal included stock dividends of 124 thousand shares.

Note 4: The ending balance includes long-term investment loss of NT\$(83,919) thousand, long-term investment cumulative translation adjustment of NT\$(40,787) thousand, and retained earnings adjustment of NT\$110,108 thousand.

Note 5: The ending balance includes long-term investment loss of NT\$(228,726) thousand, long-term investment cumulative translation adjustment of NT\$75 thousand, and retained earnings adjustment of NT\$(152,055) thousand.

Note 6: The ending balance includes extraordinary gain of NT\$82,469 thousand from acquisition of shares, long-term investment loss of NT\$(346,526) thousand, long-term investment cumulative translation adjustment of NT\$138,750 thousand, and retained earnings adjustment of NT\$(162,332) thousand.

The common shares of UMC JAPAN is transferred to Class A shares and the number of shares presented in the table is one unit of Class A share.

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 year ended December 31, 2010)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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 (Note 1)	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 (Note 1)
Stock	ITE TECH. INC.	Available-for-sale financial assets, noncurrent	Open market	-	11,524	\$835,463	-	\$-	2,500	\$150,737	\$102,500	\$48,237	9,024	\$558,563
Stock	PIXART IMAGING, INC.	Available-for-sale financial assets, noncurrent	Open market	-	13,402	3,618,604	-	-	1,000	177,794	12,674	165,120	12,402	1,798,325
Stock	DAVICOM SEMICONDUCTOR, INC.	Available-for-sale financial assets, noncurrent	Open market	-	9,711	482,627	-	-	2,600	117,143	25,171	91,972	7,274 (Note 3)	306,260
Stock	NEXPOWER THCHNOLOGY CORP.	Long-term investments accounted for under the equity	Purchase of newly issued shares	-	12,600	348,588	12,000	300,000	-	-	-	-	24,600	606,370 (Note 4)

Note 1: The amounts of beginning and ending balances of available for sale financial assets 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 ending balance includes stock dividends of 163 thousand shares.

Note 4: The ending balance includes long-term investment loss of NT\$(27,103) thousand, long-term investment additional paid-in capital adjustment of NT\$351 thousand, retained earnings adjustment of NT\$(15,462) thousand and long-term investment cumulative translation adjustment of NT\$(4) 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 year ended December 31, 2010)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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	Amount (Note 1)	Units (thousand)/ bonds/ shares	Amount	Units (thousand)/ bonds/ shares	Cost (Note 2)	Gain (Loss) from disposal	Units (thousand)/ bonds/ shares	Amount (Note 1)	
American Depository Shares	KU6 MEDIA CO., LTD.(Note 3)	Available-for-sale financial assets, noncurrent	Note 3	-	-	\$-	852	\$108,120	47	\$7,901	\$5,962	\$1,939	805	\$115,738
							(Note 4)	(Note 4)						
Stock	KU6 MEDIA CO., LTD.(Note 3)	Available-for-sale financial assets, noncurrent	Note 3	-	-	-	78	-	-	-	-	-	78	-
							(Note 4, 7)	(Note 4)					(Note 7)	
Capital	SHANDONG HUAHONG ENERGY INVEST CO., INC.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	-	-	339,822	-	-	-	-	-	314,338 (Note 5)
Stock	NEXPOWER TECHNOLOGY CORP.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	12,601	350,880	16,000	400,000	-	-	-	-	28,601	694,898 (Note 6)

Note 1: The amounts of beginning and ending balances of available for sale financial assets 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: On January 18, 2010, KU6 HOLDING LTD. was merged into HURRAY! HOLDING CO., LTD., and on August 17, 2010 HURRAY! HOLDING CO., LTD. has changed its name to KU6 MEDIA CO., LTD..

Note 4: The addition includes shares exchanged of 852 thousand KU6 MEDIA American Depository Shares, and 78 KU6 MEDIA common shares (amounted to NT\$108,120 thousand).

Note 5: The ending balance includes long-term investment gain of NT\$2,338 thousand, long-term investment retained earnings adjustment of NT\$(653) thousand, and cumulative translation adjustment of NT\$(27,169) thousand.

Note 6: The ending balance includes long-term investment loss of NT\$(27,723) thousand, long-term investment cumulative translation adjustment of NT\$(5) thousand, additional paid-in capital adjustment of NT\$358 thousand, and retained earnings adjustment of NT\$(28,612) thousand.

Note 7: The number of shares presented in the table is one unit of Common share.

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 year ended December 31, 2010)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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 (Note 1)	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 (Note 1)
Stock	NEXPOWER THCHNOLOGY CORP.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	6,990	\$194,961	4,000	\$100,000	-	\$-	\$-	\$-	10,990	\$280,683 (Note 3)
Stock	TRENDCHIP TECHNOLOGIES CORP.	Available-for-sale financial assets, noncurrent	Note 4	-	1,176	162,271	-	-	1,176	186,376	13,747	172,629	-	-
Stock	RALINK TECHNOLOGY CORP.	Available-for-sale financial assets, noncurrent	Note 4	-	-	-	1,481	186,376	-	-	-	-	1,481	151,817

Note 1: The amounts of beginning and ending balances of available for sale financial assets 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 ending balance includes long-term investment loss of NT\$(14,624) thousand, long-term investment additional paid-in capital adjustment of NT\$618 thousand, retained earnings adjustment of NT\$(270) thousand and long-term investment cumulative translation adjustment of NT\$(2) thousand.

Note 4: On October 1, 2010, TRENDCHIP TECHNOLOGIES CORP. was merged into RALINK TECHNOLOGY CORP.

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 (Note 1)	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 (Note 1)
Stock-Preferred stock	TRILLIANT HOLDINGS, INC.	Financial assets measured at cost, noncurrent	Purchase of newly issued shares	-	-	\$-	4,000	USD 5,000	-	\$-	\$-	\$-	4,000	USD 5,000
Stock	MAXLINEAR, INC.	Available-for-sale financial assets, noncurrent	Open market	-	2,070	USD 4,052 (Note 3)	-	-	448	USD 5,340	USD 1,018	USD 4,322	1,335 (Note 4)	USD 14,363
Stock	ALPHA & OMEGA SEMICONDUCTOR LTD.	Available-for-sale financial assets, noncurrent	Open market	-	650	USD 1,462 (Note 3)	-	-	253	USD 3,344	USD 1,140	USD 2,204	72 (Note 5)	USD 921

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

Note 2: The disposal cost represents historical cost.

Note 3: The investee was reclassified as Available-for-sale financial assets due to it went initial public offering in 2010. The beginning balance was stated at cost.

Note 4: The ending balance is the preferred shares converted to 1,783 thousand common shares of MAXLINEAR, INC. and then deducted the disposal shares.

Note 5: The ending balance is the preferred shares converted to 325 thousand common shares of ALPHA & OMEGA SEMICONDUCTOR LTD. and then deducted the disposal 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 year ended December 31, 2010)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UMC NEW BUSINESS 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	Units (thousand)/bonds/shares (thousand)	Amount	Units (thousand)/bonds/shares (thousand)	Amount	Cost	Gain (Loss) from disposal	Units (thousand)/bonds/shares (thousand)	Amount (Note 1)
Stock	UNITED LED CORPORATION HONG KONG LIMITED	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	\$-	8,000	\$256,024	-	\$-	\$-	\$-	8,000	\$208,260 (Note 2)
Stock	TOPCELL SOLAR INTERNATIONAL CO., LTD.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	-	82,383	1,135,570	-	-	-	-	82,383	1,244,238 (Note 3)
Stock	UNISTARS CORPORATION	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	-	10,500	105,000	-	-	-	-	10,500	97,186 (Note 4)
Stock	WAVETEK MICROELECTRONICS CORPORATION	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	-	48,000	480,000	-	-	-	-	48,000	469,831 (Note 5)
Stock	LICO TECHNOLOGY CORPORATION	Financial assets measured at cost, noncurrent	Purchase of newly issued shares/Sold to a broker and nature person	-	-	-	7,589	166,947	3,500	87,500	77,000	10,500	4,089	89,947

Note 1: The amounts of ending balances of long-term investments accounted for under the equity method include adjustment under the equity method.

Note 2: The ending balance includes long-term investment loss of NT\$(23,590) thousand, long-term investment cumulative translation adjustment of NT\$(25,043) thousand, additional paid-in capital adjustment of NT\$5,601 thousand and retained earnings adjustment of NT\$(4,732) thousand.

Note 3: The ending balance includes long-term investment income of NT\$862 thousand, and long-term investment additional paid-in capital adjustment of NT\$107,806 thousand.

Note 4: The ending balance includes long-term investment loss of NT\$(7,814) thousand.

Note 5: The ending balance includes long-term investment loss of NT\$(10,169) thousand.

EVERRICH ENERGY 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	Units (thousand)/bonds/shares (thousand)	Amount	Units (thousand)/bonds/shares (thousand)	Amount	Cost	Gain (Loss) from disposal	Units (thousand)/bonds/shares (thousand)	Amount (Note 1)
Stock	EVERRICH ENERGY INVESTMENT (HK) LIMITED	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	1,100	\$34,835	1,100	\$35,380	-	\$-	\$-	\$-	2,200	\$176,287 (Note 2)

Note 1: The amounts of ending balances of long-term investments accounted for under the equity method include adjustment under the equity method.

Note 2: The ending balance includes long-term investment income of NT\$120,443 thousand, long-term investment cumulative translation adjustment of NT\$(14,371) 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 year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

EVERRICH ENERGY INVESTMENT (HK) LIMITED

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	Units (thousand)/ bonds/ shares (thousand)	Amount	Units (thousand)/ bonds/ shares (thousand)	Amount	Cost	Gain (Loss) from disposal	Units (thousand)/ bonds/ shares (thousand)	Amount (Note 1)
Capital	EVERRICH (SHANDONG) ENERGY CO., LTD. (formerly YONGSHENG (SHANDONG) ENERGY CO.)	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	\$31,828	-	\$35,380	-	\$-	\$-	\$-	-	\$173,627
					(Note 2)		(Note 2)						(Note 2)	(Note 3)

Note 1: The amounts of ending balances of long-term investments accounted for under the equity method include adjustment under the equity method.

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

Note 3: The ending balance includes long-term investment income of NT\$120,834 thousand, long-term investment cumulative translation adjustment of NT\$(14,415) thousand.

GREEN EARTH LIMITED

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 (Note 1)	Units (thousand)/ bonds/ shares (thousand)	Amount	Units (thousand)/ bonds/ shares (thousand)	Amount	Cost	Gain (Loss) from disposal	Units (thousand)/ bonds/ shares (thousand)	Amount (Note 1)
Fund	DAIWA QUANTUM CAPITAL PARTNERS I, L.P.	Long-term investments accounted for under the equity method	Purchase of newly issued shares	-	-	\$-	-	\$70,758	-	\$-	\$-	\$-	-	\$57,644
							(Note 2)						(Note 2)	(Note 3)

Note 1: The amounts of ending balances of long-term investments accounted for under the equity method include adjustment under the equity method.

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

Note 3: The ending balance includes long-term investment loss of NT\$(6,716) thousand and long-term investment cumulative translation adjustment of NT\$(6,398) thousand.

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 year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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 transaction:				Price reference	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			
Office (Neihu)	2010.04.15	\$680,000	100% fulfilled	CHONG HONG CONSTRUCTION	Third party	N/A	N/A	N/A	N/A	Negotiated price	Office purpose	None
Fab 12A PIII/IV	2010.12.28	2,897,648	100% fulfilled	YIH-SHIN CONSTRUCTION CO., LTD. TAIWAN KUMAGAI CO., LTD.	Third party	N/A	N/A	N/A	N/A	Cost	Fab purpose	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 year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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 NT\$100 million or 20 percent of capital stock for the year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED MICROELECTRONICS CORPORATION

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 (payable) (%)	
UMC GROUP (USA)	Investee company	Sales	\$58,898,537	49 %	Net 60 Days	N/A	N/A	\$7,406,924	44 %	
UMC JAPAN	Investee company	Sales	1,186,500	1 %	Net 60 Days	N/A	N/A	182,889	1 %	
SILICON INTEGRATED SYSTEMS CORP.	The Company's director	Sales	777,318	1 %	Month-end 45 Days	N/A	N/A	112,201	1 %	

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 (payable) (%)	
UNITED MICROELECTRONICS CORPORATION	Investor company	Purchases	USD 1,860,244	100 %	Net 60 Days	N/A	N/A	USD 255,147	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 (payable) (%)	
UNITED MICROELECTRONICS CORPORATION	Investor company	Purchases	JPY 3,181,712	56 %	Net 60 Days	N/A	N/A	JPY 512,599	27 %	

ATTACHMENT 7 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

EVERRICH ENERGY CORPORATION

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 (payable) (%)	
EVERRICH (SHANDONG) ENERGY CO., LTD. (formerly YONGSHENG (SHANDONG) ENERGY CO.)	Investee Company	Sales	\$116,284	66 %	Month-end 90 Days	N/A	N/A	\$36,193	41 %	

EVERRICH (SHANDONG) ENERGY CO., LTD.

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 (payable) (%)	
EVERRICH ENERGY CORPORATION	Investor Company	Purchases	RMB 26,876	56 %	Month-end 90 Days	N/A	N/A	RMB 8,257	65 %	
JINING SUNRICH SOLARENERGY CORPORATION	Same general manager with subsidiaries	Sales	RMB 41,179	50 %	Month-end 90 Days	N/A	N/A	RMB 28,040	73 %	

NEXPOWER TECHNOLOGY CORPORATION

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 (payable) (%)	
JINING SUNRICH SOLARENERGY CORPORATION	Same general manager with subsidiaries	Sales	\$1,147,790	32 %	T/T 60 days	N/A	N/A	\$490,419	44 %	

ATTACHMENT 8 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of for the year ended December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

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	\$-	\$7,406,924	\$5	\$7,406,929	7.68	\$-	-	\$4,759,673	\$-
UMC JAPAN	Investee company	-	182,889	76	182,965	6.55	305	Credit Collecting	14,546	-
SILICON INTEGRATED SYSTEMS CORP.	The Company's director	-	112,201	242	112,443	4.73	6,589	Credit Collecting	31,956	-

EVERRICH ENERGY 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		
EVERRICH (SHANDONG) ENERGY CO., LTD. (formerly YONGSHENG (SHANDONG) ENERGY CO.)	Investee company	\$-	\$36,193	\$-	\$36,193	9.73	\$-	-	\$-	\$-

EVERRICH (SHANDONG) ENERGY CO., LTD.

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		
JINING SUNRICH SOLARENERGY CORPORATION	Same general manager with subsidiaries	\$-	RMB 28,040	RMB 15	RMB 28,055	2.94	\$-	-	\$-	\$-

NEXPOWER TECHNOLOGY 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		
JINING SUNRICH SOLARENERGY CORPORATION	Same general manager with subsidiaries	\$-	\$490,419	\$-	\$490,419	4.68	\$-	-	\$-	\$-

ATTACHMENT 9 (Names, locations and related information of investee companies as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED MICROELECTRONICS CORPORATION

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			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	\$1,306,471	\$85,522	\$85,522	
UNITED MICROELECTRONICS (EUROPE) B.V.	The Netherlands	Market development	USD	5,421	USD	5,421	9	100.00	296,918	3,974	3,974	
UMC CAPITAL CORP.	Grand Cayman, Cayman Islands	Investment holding	USD	124,000	USD	124,000	114,163	100.00	3,829,225	210,510	210,510	
UMCI LTD. (UMCI)	Singapore	Sales and manufacturing of integrated circuits	USD	839,880	USD	839,880	880,006	100.00	(267)	(8,970)	(6,660)	Note 1
GREEN EARTH LIMITED	Apia, Samoa	Investment holding	USD	10,000	USD	10,000	10,000	100.00	281,623	(31,328)	(31,328)	
TLC CAPITAL CO., LTD.	Taipei City, Taiwan	New business investment		6,000,000		6,000,000	486,150	100.00	7,314,296	(22,265)	(22,265)	
UMC NEW BUSINESS INVESTMENT CORP.	Taipei City, Taiwan	Investment holding		3,000,000		1,500,000	300,000	100.00	2,941,360	(117,306)	(83,919)	
ALPHA WISDOM LIMITED	Grand Cayman, Cayman Islands	Investment holding	USD	60,000	USD	60,000	60,000	100.00	2,526,607	(127,483)	(127,483)	
FORTUNE VENTURE CAPITAL CORP.	Taipei City, Taiwan	Consulting and planning for investment in new business		5,000,053		4,999,940	550,800	100.00	8,692,844	517,329	538,052	
UNITED MICRODISPLAY OPTRONICS CORP. (UMO)	Hsinchu Science Park, Taiwan	Sales and manufacturing of LCOS		1,305,236		1,305,236	26,755	89.99	35,237	7,618	-	Note 2
UMC JAPAN	Chiba, Japan	Sales and manufacturing of integrated circuits	JPY	21,776,700	JPY	20,994,400	5	55.56	4,980,574	(658,387)	(346,526)	Note 3
MTIC HOLDINGS PTE. LTD.	Singapore	Investment holding	SGD	12,000	SGD	12,000	12,000	46.49	234,732	(29,987)	(13,942)	
MEGA MISSION LIMITED PARTNERSHIP	Grand Cayman, Cayman Islands	Investment holding	USD	67,500	USD	67,500	-	45.00	2,115,285	683,736	279,218	Note 4
NEXPOWER TECHNOLOGY CORP.	Taichung County, Taiwan	Sales and manufacturing of solar power batteries		5,333,080		2,631,885	215,283	44.42	4,727,511	(636,758)	(228,726)	
UNITECH CAPITAL INC.	British Virgin Islands	Investment holding	USD	21,000	USD	21,000	21,000	42.00	801,039	386,822	162,465	
HSUN CHIEH INVESTMENT CO., LTD.	Taipei City, Taiwan	Investment holding		336,241		336,241	78,394	36.49	3,613,285	356,972	137,765	
UNIMICRON HOLDING LIMITED	Apia, Samoa	Investment holding	USD	20,000	USD	20,000	20,000	21.93	536,709	101,603	25,680	

Note 1: On July 30, 2010, UMCI has filed for liquidation through a decision at its stockholders' meeting. The Company had ceased to recognize investment income of UMCI thereafter.

Note 2: On June 26, 2009, UMO has filed for liquidation through a decision at its stockholders' meeting. The Company had ceased to recognize investment income of UMO thereafter.

Note 3: The common shares of UMC JAPAN is transferred to Class A shares and the number of shares presented in the table is one unit of Class A share.

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

ATTACHMENT 9 (Names, locations and related information of investee companies as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

FORTUNE VENTURE CAPITAL CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			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 City, Taiwan	Investment holding	\$800,000	\$800,000	119,060	100.00	\$1,382,998	\$156,987	\$156,987	
MOS ART PACK CORP.	Hsinchu City, Taiwan	IC Packaging	290,000	-	29,000	54.72	218,408	(132,935)	(71,592)	
AEVOE INTERNATIONAL LTD.	Samoa	Design of VOIP Telephone	USD 2,228	USD 2,228	4,170	43.77	88,029	111,183	48,665	
EXOJET TECHNOLOGY CORP. (EXOJET)	Hsinchu County, Taiwan	Sales and manufacturing of Electronic Materials	45,965	23,000	5,833	26.80	48,965	17,184	3,503	Note 1
ANOTO TAIWAN CORP.	Taoyuan County, Taiwan	Tablet transmission systems and chip-set	39,200	39,200	1,568	24.12	3,878	(8,047)	(1,941)	
CRYSTAL MEDIA INC.	Hsinchu City, Taiwan	Design of VOIP network phones	50,629	50,629	4,493	23.50	23,471	(22,952)	(5,426)	
WALTOP INTERNATIONAL CORP.	Hsinchu City, Taiwan	Tablet PC module, Pen LCD Monitor/module	90,000	90,000	7,048	23.23	128,835	(8,528)	(1,664)	
ALLIANCE OPTOTEK CORP.	Hsinchu County, Taiwan	Design and manufacturing of LED	115,204	111,523	8,158	23.16	50,949	(89,185)	(20,493)	
HIGH POWER LIGHTING CORP.	Taipei County, Taiwan	High brightness LED package and Lighting module R&D and manufacture	54,300	54,300	4,525	16.95	28,458	(28,749)	(4,872)	
NEXPOWER TECHNOLOGY CORP.	Taichung County, Taiwan	Sales and manufacturing of solar power batteries	678,000	378,000	24,600	5.08	606,370	(636,758)	(27,103)	

Note 1: As FORTUNE VENTURE CAPITAL CORP. increased percentage of ownership of EXOJET in April 2010, the investee was reclassified from financial assets measured at cost, noncurrent to long-term investments accounted for under the equity method.

TLC CAPITAL CO., LTD.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			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	900	100.00	\$25,903	\$(1,041)	\$297	
LIST EARN ENTERPRISE INC.	Samoa	Investment holding	USD 309	USD 309	309	49.00	9,177	(42)	(21)	
YUNG LI INVESTMENTS, INC.	Taipei City, Taiwan	Investment holding	280,000	280,000	0.28	45.16	221,710	(52,314)	(23,625)	
CTC CAPITAL PARTNERS I, L.P.	Cayman Islands	Investment holding	USD 4,500	USD 4,500	-	31.40	122,277	(28,758)	(9,029)	Note 1
SHANDONG HUAHONG ENERGY INVEST CO., INC.	China	Invest new energy business	USD 10,800	USD -	-	24.30	314,338	6,916	2,338	Note 2
ALLIANCE OPTOTEK CORP.	Hsinchu County, Taiwan	Design and manufacturing of LED	122,459	122,459	6,330	17.97	103,071	(89,185)	(16,072)	
WALTOP INTERNATIONAL CORP.	Hsinchu City, Taiwan	Tablet PC module, Pen LCD Monitor/module	44,280	44,280	3,172	10.45	42,883	(8,528)	(749)	
NEXPOWER TECHNOLOGY CORP.	Taichung County, Taiwan	Sales and manufacturing of solar power batteries	778,019	378,019	28,601	5.90	694,898	(636,758)	(27,724)	
EXOJET TECHNOLOGY CORP.	Hsinchu County, Taiwan	Sales and manufacturing of Electronic Materials	8,125	-	1,250	5.74	8,768	17,184	1,254	

Note 1: No shares since it belongs to partnership fund organization.

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

ATTACHMENT 9 (Names, locations and related information of investee companies as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITRUTH INVESTMENT CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
MOS ART PACK CORP.	Hsinchu City, Taiwan	IC Packaging	\$98,690	\$-	9,869	18.62	\$79,264	\$(132,935)	\$(19,426)	
WALTOP INTERNATIONAL CORP.	Hsinchu City, Taiwan	Tablet PC module, Pen LCD Monitor/module	34,920	34,920	2,702	8.91	47,710	(8,528)	(638)	
CRYSTAL MEDIA INC.	Hsinchu City, Taiwan	Design of VOIP network phones	16,493	16,493	1,587	8.30	8,290	(22,952)	(1,916)	
ALLIANCE OPTOTEK CORP.	Hsinchu County, Taiwan	Design and manufacturing of LED	34,316	34,316	2,572	7.30	11,739	(89,185)	(6,529)	
HIGH POWER LIGHTING CORP.	Taipei County, Taiwan	High brightness LED package and Lighting module R&D and manufacture	17,700	17,700	1,425	5.34	8,554	(28,749)	(1,534)	
EXOJET TECHNOLOGY CORP. (EXOJET)	Hsinchu County, Taiwan	Sales and manufacturing of Electronic Materials	10,021	8,500	1,084	4.98	10,578	17,184	651	Note 1
NEXPOWER TECHNOLOGY CORP.	Taichung County, Taiwan	Sales and manufacturing of solar power batteries	309,700	209,700	10,990	2.27	280,683	(636,758)	(14,624)	

Note 1: As UNITRUTH INVESTMENT CORP. increased percentage of ownership of EXOJET in April 2010, the investee was reclassified from financial assets measured at cost, noncurrent to long-term investments accounted for under the equity method.

SOARING CAPITAL CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			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 and advisory	USD 800	USD 800	-	100.00	\$23,145	\$(710)	\$(710)	Note 1

Note 1: No shares since it belongs to limited company.

UMC CAPITAL CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			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 432	USD 20	USD 20	
ECP VITA LTD.	British Virgin Islands	Insurance	USD 1,000	USD 1,000	1,000	100.00	USD 5,796	USD 1,933	USD 1,933	
ACHIEVE MADE INTERNATIONAL LTD.	British Virgin Islands	Internet Content Provider	USD 3,750	USD 3,750	1,308	48.54	USD 1,490	USD (702)	USD (390)	
UC FUND II	Cayman Islands	Investment holding	USD 1,850	USD 2,350	5,000	35.45	USD 2,651	USD 208	USD 74	
TRANSLINK CAPITAL PARTNERS I L.P.	Cayman Islands	Investment holding	USD 3,850	USD 3,250	-	10.55	USD 2,661	USD (2,355)	USD (284)	Note 1
TRANSLINK CAPITAL PARTNERS II L.P.	Cayman Islands	Investment holding	USD 300	USD -	-	9.76	USD 263	USD (247)	USD (45)	Note 1

Note 1: No shares since it belongs to partnership fund organization.

ATTACHMENT 9 (Names, locations and related information of investee companies as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UMC NEW BUSINESS INVESTMENT CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
WAVETEK MICROELECTRONICS CORPORATION	Hsinchu City, Taiwan	GaAs Foundry service	\$480,000	\$-	48,000	99.79	\$469,831	\$(10,190)	\$(10,169)	
UNITED LIGHTING OPTO-ELECTRONIC INC.	Hsinchu City, Taiwan	LED lighting manufacturing and sale	75,000	75,000	7,500	94.65	44,540	(29,740)	(28,383)	
EVERRICH ENERGY CORPORATION	Hsinchu City, Taiwan	Solar engineering integrated design services	151,288	60,000	15,129	91.12	247,872	124,331	114,189	
UNISTARS CORPORATION	Hsinchu County, Taiwan	High brightness LED packages	105,000	-	10,500	65.63	97,186	(12,176)	(7,814)	
TOPCELL SOLAR INTERNATIONAL CO., LTD.	Taoyuan County, Taiwan	Solar power cell manufacturing and sale	1,135,570	-	82,383	51.49	1,244,238	4,546	862	
UNITED LED CORPORATION HONG KONG LIMITED	Hongkong	Investment holding	USD 8,000	USD -	8,000	50.00	208,260	(60,296)	(23,590)	
POWER LIGHT TECH. CO., LTD.	Hsinchu City, Taiwan	LED lighting manufacturing and sale	191,772	191,772	10,126	42.33	41,581	(135,330)	(57,660)	
SOLAR GATE TECHNOLOGY CO., LTD.	Kinmen County, Taiwan	Solar power module manufacturing and sale	95,000	-	5,000	25.00	59,653	(151,233)	(35,372)	

EVERRICH ENERGY CORP.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
EVERRICH ENERGY INVESTMENT (HK) LIMITED	Hongkong	Investment holding	USD 2,200	USD 1,100	2,200	100.00	\$176,287	\$120,443	\$120,443	

EVERRICH ENERGY INVESTMENT (HK) LIMITED

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
EVERRICH (SHANDONG) ENERGY CO., LTD. (formerly YONGSHENG (SHANDONG) ENERGY CO.)	China	Solar engineering integrated design services	USD 2,100	USD 1,000	-	100.00	\$173,627	USD 120,834	USD 120,834	Note 1

Note 1: No shares since it belongs to limited company.

UNITED LIGHTING OPTO-ELECTRONIC INC.

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
UNITED LIGHTING OPTO-ELECTRONIC INVESTMENT (HK) LIMITED	Hongkong	Investment holding	USD 120	USD -	120	100.00	\$3,033	\$(578)	\$(578)	

ATTACHMENT 9 (Names, locations and related information of investee companies as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED LIGHTING OPTO-ELECTRONIC INVESTMENT (HK) LIMITED

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
SHENYANG PIONEER U-LIGHTING OPTO-ELECTRONIC CO., LTD.	China	LED lighting manufacturing and sale	USD 109	USD -	-	49.00	\$3,022	\$(447)	\$(219)	Note 1

Note 1: No shares since it belongs to limited company.

ALPHA WISDOM LIMITED

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
UMC JAPAN	Chiba, Japan	Sales and manufacturing of integrated circuits	JPY 5,164,653	JPY 5,213,875	4	44.44	USD 86,101	USD (20,810)	USD (4,117)	

GREEN EARTH LIMITED

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
DAIWA QUANTUM CAPITAL PARTNERS I, L.P.	Tokyo, Japan	Investment holding	USD 2,281	USD -	-	12.50	\$57,644	\$(50,204)	\$(6,716)	Note 1

Note 1: No shares since it belongs to partnership fund organization.

NEXPOWER TECHNOLOGY CORPORATION

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
JENENERGY SYSTEM CORPORATION	Taichung City, Taiwan	Energy Technology Service	\$20,000	\$20,000	2,200	66.67	\$34,028	\$17,027	\$11,363	

JENENERGY SYSTEM CORPORATION

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
SMART ENERGY ENTERPRISES LIMITED	Hong Kong	Investment	USD 235	USD 235	2,800	100.00	\$25,727	\$18,464	\$18,464	

SMART ENERGY ENTERPRISES LIMITED

Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2010			Net income (loss) of investee company	Investment income (loss) recognized	Note
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
SMART ENERGY SHANDONG CORPORATION	China	Design of photovoltaic system and consulting services related to photovoltaic technology, etc.	USD 200	USD -	-	100.00	\$24,934	\$18,871	\$18,871	Note 1

Note 1: No shares since it belongs to limited company.

ATTACHMENT 10 (Investment in Mainland China as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

UNITED MICROELECTRONICS CORPORATION

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 2)	Accumulated Outflow of Investment from Taiwan as of January 1, 2010	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2010	Percentage of Ownership	Investment income (loss) recognized (Note 3)	Carrying Value as of December 31, 2010	Accumulated Inward Remittance of Earnings as of December 31, 2010
					Outflow	Inflow					
UNIMICRON TECHNOLOGY (SUZHOU) CORP.	PCB production	\$2,889,301 (RMB 667,892)	(ii)	\$580,600 (USD 20,000)	\$-	\$-	\$580,600 (USD 20,000)	21.93%	\$37,687 (i)	\$573,981 (USD 19,772)	\$-
JIAOYUE SOFTWARE (SHANGHAI) CO., LTD.	Computer software development	43,545 (USD 1,500)	(ii)	29,030 (USD 1,000)	-	-	29,030 (USD 1,000)	(Note 5)	(ii)	(Note 3 ∙ ii)	-
TOUCH EQUIPMENT LEASING (SHANGHAI) CO., LTD. (Note 4)	Computer and peripheral equipment leasing	145,150 (USD 5,000)	(ii)	117,659 (USD 4,053)	-	-	117,659 (USD 4,053)	(Note 5)	(ii)	(Note 3 ∙ ii)	-
CHU DONG MULTIMEDIA SOFTWARE (SHANGHAI) CO., LTD.	Multimedia technology development	2,903 (USD 100)	(ii)	290 (USD 10)	-	-	290 (USD 10)	(Note 5)	(ii)	(Note 3 ∙ ii)	-
CHU DONG MULTIMEDIA TECHNOLOGY (SHANGHAI) CO., LTD.	Multimedia technology development	174,180 (USD 6,000)	(ii)	-	-	-	(Note 5)	(Note 5)	(ii)	(Note 3 ∙ ii)	-
RE BO CULTURE BROADCASTING LTD. (BEIJING)	TV program producing ∙ Advertisement ∙ Added value service	290,300 (USD 10,000)	(ii)	1,771 (USD 61)	-	-	1,771 (USD 61)	(Note 6)	(iii)	(Note 3 ∙ iii)	-
U-YOU INFORMATION TECHNOLOGY (SHANGHAI) CO., LTD.	Commercial consult of TV shopping ∙ Business market plans and business management consult, etc.	145,150 (USD 5,000)	(ii)	1,219 (USD 42)	-	-	1,219 (USD 42)	(Note 7)	(iii)	(Note 3 ∙ iii)	-
KU6 (BEIJING) TECHNOLOGY CO., LTD.	Computer software and Computer system integrate, and data processing, etc.	281,591 (USD 9,700)	(ii)	10,364 (USD 357)	-	-	10,364 (USD 357)	(Note 8)	-	-	-
UNITRUTH ADVISOR (SHANGHAI) CO., LTD.	Investment Holding and advisory	23,224 (USD 800)	(i)	23,224 (USD 800)	-	-	23,224 (USD 800)	100.00%	(710) (v)	23,145	-
MYMYTI NETWORK TECHNOLOGY CO., LTD.	Computer system services ∙ Commercial consult, etc.	107,557 (RMB 24,863)	(ii)	13,673 (USD 471)	-	-	13,673 (USD 471)	(Note 9)	(iii)	(Note 3 ∙ iii)	-
SHANGHAI NEW KNOWLEDGE TRADING LTD.	Online Education Advisory services, etc.	4,326 (RMB 1,000)	(ii)	-	(Note 10)	-	-	-	-	-	-
YANGZHOU SOLID STATE LIGHTING CO., LTD.	Design and sale of LED	20,902 (USD 720)	(ii)	-	8,535 (USD 294) (Note 11)	-	8,535 (USD 294)	-	(iii)	(Note 3 ∙ iii)	-
BEIJING TONGFANG E-COMMERCE CO., LTD.	E-Commerce Investment Advisory, etc.	584,010 (RMB 135,000)	(ii)	-	(Note 12)	-	-	-	-	-	-

ATTACHMENT 10 (Investment in Mainland China as of December 31, 2010)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 2)	Accumulated Outflow of Investment from Taiwan as of January 1, 2010	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2010	Percentage of Ownership	Investment income (loss) recognized (Note 3)	Carrying Value as of December 31, 2010	Accumulated Inward Remittance of Earnings as of December 31, 2010
					Outflow	Inflow					
SHANDONG HUAHONG ENERGY INVEST CO., INC.	Invest new energy business	\$1,286,959 (RMB 297,494)	(iii)	\$-	\$313,524 (USD 10,800)	\$-	\$313,524 (USD 10,800)	24.30%	\$2,338 (iv)	\$314,338	\$-
JINING SUNRICH SOLAR ENERGY CORP.	To construct, operate, and maintain Solar power plant	1,168,020 (RMB 270,000)	(iii)	-	(Note 13)	-	-	-	-	-	-
BEAUTY ESSENTIALS INTERNATIONAL LTD.	Cosmetics import and export, wholesale, and retail.	29,030 (USD 1,000)	(ii)	-	(Note 14)	-	-	-	-	-	-
EVERRICH (SHANDONG) ENERGY CO., LTD. (formerly YONGSHENG (SHANDONG) ENERGY CO.)	Solar engineering integrated design services	60,963 (USD 2,100)	(i)	29,030 (USD 1,000)	31,933 (USD 1,100)	-	60,963 (USD 2,100)	91.12%	101,924 (USD 3,511) (iv)	158,214 (USD 5,450)	-
UNITED LED CORPORATION	Research, manufacturing and sales in LED epitaxial wafers and chips	418,032 (USD 14,400)	(i)	-	209,016 (USD 7,200)	-	209,016 (USD 7,200)	50.00%	10,915 (USD 376) (iv)	208,610 (USD 7,186)	-
SHENYANG PIONEER U-LIGHTING OPTO-ELECTRONIC CO., LTD.	LED lighting manufacturing and sale	6,503 (USD 224)	(i)	-	3,164 (USD 109)	-	3,164 (USD 109)	46.38%	(116) (USD (4)) (v)	1,393 (USD 48)	-
PARADE TECHNOLOGIES (SHANGHAI) CO., LTD.	Integrated circuit design	37,739 (USD 1,300)	(ii)	-	5,574 (USD 192)	-	5,574 (USD 192)	(Note 15)	(ii)	(Note 3 · ii)	-
SMART ENERGY SHANDONG CORPORATION	Design of photovoltaic system and consulting services related to photovoltaic technology, etc.	5,806 (USD 200)	(i)	-	5,806 (USD 200)	-	5,806 (USD 200)	38.45%	5,897 (v)	9,587	-

Accumulated Investment in Mainland China as of December 31, 2010	Investment Amounts Authorized by Investment Commission, MOEA		Upper Limit on Investment
\$1,384,412 (USD 47,689)	\$1,696,862 (USD 58,452)		\$131,602,370

Note 1: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date.

Note 2: The methods for engaging in investment in Mainland China include the following:

- (i) Investment in Mainland China companies through a company invested and established in a third region.
- (ii) Investment in Mainland China companies through an existing company established in a third region.
- (iii) Direct investment in Mainland China companies.

Note 3: The investment income (loss) were determined based on the following basis:

- (i) The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
- (ii) The equity in the earnings and carrying value are not available because the company's subsidiary's investment in the Mainland China was made indirectly through a cost method investee established in the third region.
- (iii) The equity in the earnings and carrying value are not available because the investment in the Mainland China via investing in established in the third region by its investment of the company's subsidiary's investee under equity method.
- (iv) The financial statements certificated by the CPA of the parent company in Taiwan.
- (v) Others.

Note 4: TOUCH TECHNOLOGY DEVELOPMENT (SHANGHAI) CO., LTD. changed its name to TOUCH EQUIPMENT LEASING (SHANGHAI) CO., LTD., and it was approved by the competent authority.

Note 5: TLC Capital Co., Ltd. (TLC) indirectly invests in Mainland China via investing in CAPTIVATED ADVERTISING TV COMPANY LIMITED (CAPTIVATED) by its investee company, TOUCH MEDIA INTERNATIONAL HOLDINGS (TOUCH MEDIA).

Due to TLC only holds preferred shares on TOUCH MEDIA, TLC does not have significant influence for the investments that CAPTIVATED made in Mainland China.

JIAOYUE SOFTWARE (SHANGHAI) CO., LTD., TOUCH EQUIPMENT LEASING (SHANGHAI) CO., LTD., CHU DONG MULTIMEDIA SOFTWARE (SHANGHAI) CO., LTD., and CHU DONG MULTIMEDIA TECHNOLOGY (SHANGHAI) CO., LTD. have been made in the Investment Commission, MOEA and approved US\$5,675 thousand. As of December 31, 2010, it has been made only a business license, but the amount of investment US\$612 thousand has not yet been remitted.

Note 6: 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 TLC indirectly invests in RE BO CULTURE BROADCASTING LTD. (BEIJING) (RE BO), TLC does not have significant influence on RE BO.

Note 7: TLC indirectly invests in U-YOU INFORMATION TECHNOLOGY (SHANGHAI) CO., LTD. (U-YOU) via investing in CTC.

Due to TLC indirectly invests in U-YOU, TLC does not have significant influence on U-YOU.

Note 8: KU6 Holding Ltd. (KU6), an cost method investee of the company's subsidiary TLC, was merged into HURRAY! Holding Co., Ltd. (HURRAY!) on Jan 18, 2010. After the merge, TLC's investment in KU6 was exchanged to HURRAY! ADSs.

And On August 17, 2010 HURRAY! HOLDING CO., LTD. has changed its name to KU6 MEDIA CO., LTD.(KU6 MEDIA).

For the investment in Mainland China made indirectly by TLC through KU6 MEDIA before the merge, TLC does not have the evidence whether KU6 MEDIA still has such investment in Mainland China after the merge.

Note 9: TLC indirectly invests in MYMYTI NETWORK TECHNOLOGY CO., LTD. (MYMYTI) via investing in CTC.

Due to TLC indirectly invests in MYMYTI, TLC does not have significant influence on MYMYTI.

Note 10: SHANGHAI NEW KNOWLEDGE TRADING LTD. has been made in the Investment Commission, MOEA and approved US\$9 thousand. As of December 31, 2010, it has been made only a business license, but the amount of investment has not yet been remitted.

Note 11: TLC indirectly invests in YANGZHOU SOLID STATE LIGHTING CO., LTD (YANGZHOU SOLID STATE) via investing in LIST EARN ENTERPRISE INC.. Due to TLC indirectly invests in YANGZHOU SOLID STATE, TLC does not have significant influence on YANGZHOU SOLID STATE. YANGZHOU SOLID STATE has been made in the Investment Commission, MOEA and approved US\$980 thousand. As of December 31, 2010, the amount of investment US\$686 thousand has not yet been remitted.

Note 12: BEIJING TONGFANG E-COMMERCE CO., LTD. has been made in the Investment Commission, MOEA and approved US\$1,516 thousand. As of December 31, 2010, it has been made only a business license, but the amount of investment has not yet been remitted.

Note 13: TLC indirectly invest Mainland China company JINING SUNRICH SOLAR ENERGY CORP. (JINING SUNRICH) amounted US\$9,848 thousand through injecting capital to SHANDONG HUAHONG ENERGY INVEST CO., INC.

Due to TLC indirectly invests in JINING SUNRICH, TLC does not have significant influence on JINING SUNRICH.

Note 14: BEAUTY ESSENTIALS INTERNATIONAL LTD. (SHANGHAI) has been made in the Investment Commission, MOEA and approved US\$140 thousand. As of December 31, 2010, it has been made only a business license, but the amount of investment has not yet been remitted.

Note 15: UMC indirectly invests in Mainland China via investing in UMC CAPITAL CORP. by its investee company, PARADE TECHNOLOGIES, LTD. (Cayman).

Due to UMC CAPITAL CORP. only holds preferred shares on PARADE TECHNOLOGIES, LTD. (Cayman), UMC does not have significant influence for the investments that PARADE TECHNOLOGIES, LTD. made in Mainland China.