

**UNITED MICROELECTRONICS CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED 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 consolidated balance sheets of United Microelectronics Corporation and subsidiaries (the "Company") as of December 31, 2010 and 2009, the related consolidated statements of income, changes in stockholders' equity and cash flows for the years ended December 31, 2010 and 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. As described in Note 4(7) to the consolidated financial statements, certain long-term investments were accounted for under the equity method based on the 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 (loss) amounted to NT\$310 million and NT\$(11) million for the years ended December 31, 2010 and 2009, respectively, and the related long-term investment balances of NT\$5,282 million and NT\$5,355 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Microelectronics Corporation and subsidiaries as of December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years ended December 31, 2010 and 2009, in conformity with requirements of the 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 consolidated 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".

ERNST & YOUNG  
CERTIFIED PUBLIC ACCOUNTANTS

Taipei, Taiwan  
Republic of China

January 31, 2011

#### Notice to Readers

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED 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
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	2, 4(1)	\$ 51,271,105	\$ 66,152,960	Short-term loans	4(11)	\$ 4,124,115	\$ 128,682
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	Notes and accounts payable		7,024,359	5,505,895
Notes receivable		115,833	429,762	Income tax payable	2	1,563,391	181,173
Accounts receivable, net	2, 4(3)	18,110,521	16,417,801	Accrued expenses	2, 4(19)	11,263,161	8,611,231
Accounts receivable-related parties, net	2, 5	759,644	240,708	Payable on equipment		12,619,400	5,487,908
Other receivables	2	569,559	401,783	Current portion of long-term liabilities	2, 4(13), 4(14), 6	5,706,189	12,800,587
Inventories, net	2, 3, 4(4)	13,032,623	9,141,385	Deferred income tax liabilities, current	2, 4(21)	11,586	5,700
Prepaid expenses		848,349	692,509	Other current liabilities		877,487	609,821
Non-current assets held for sale	2	16,233	-	<b>Total current liabilities</b>		<u>45,444,625</u>	<u>35,245,876</u>
Deferred income tax assets, current	2, 4(21)	834,737	538,923				
Restricted assets		26,077	-	<b>Long-term liabilities</b>			
<b>Total current assets</b>		<u>93,769,297</u>	<u>102,362,616</u>	Long-term loans	4(14), 6	6,799,390	766,550
				<b>Total long-term liabilities</b>		<u>6,799,390</u>	<u>766,550</u>
<b>Funds and investments</b>							
Financial assets at fair value through profit or loss, noncurrent	2, 4(2)	79,920	-	<b>Other liabilities</b>			
Available-for-sale financial assets, noncurrent	2, 4(5)	30,254,065	35,106,942	Accrued pension liabilities	2, 4(15)	3,299,416	3,261,457
Financial assets measured at cost, noncurrent	2, 4(6), 4(10)	7,651,864	7,628,523	Deposits-in		24,205	15,217
Long-term investments accounted for under the equity method	2, 4(7), 4(10), 5, 10(7)	9,193,239	12,168,942	Deferred income tax liabilities, noncurrent	2, 4(21)	20,807	9,751
Prepayment for long-term investments		-	322,290	Other liabilities-others	2, 4(7)	162,524	243,344
<b>Total funds and investments</b>		<u>47,179,088</u>	<u>55,226,697</u>	<b>Total other liabilities</b>		<u>3,506,952</u>	<u>3,529,769</u>
				<b>Total liabilities</b>		<u>55,750,967</u>	<u>39,542,195</u>
<b>Property, plant and equipment</b>	2, 4(8), 4(10), 6, 7						
Land		1,555,904	1,056,823	<b>Capital</b>	2, 4(16), 4(17)		
Buildings		26,156,284	21,097,255	Common stock		129,879,123	129,877,713
Machinery and equipment		498,122,888	453,597,613	<b>Additional paid-in capital</b>	2, 4(7), 4(17), 4(19)		
Transportation equipment		72,938	68,580	Premiums		44,203,728	44,202,596
Furniture and fixtures		3,594,261	3,324,352	Treasury stock transactions		140,939	296
Leasehold improvements		728,030	53,411	Employee stock options		704,308	162,157
Total cost		530,230,305	479,198,034	<b>Retained earnings</b>	2, 4(7), 4(19)		
Less : Accumulated depreciation		(428,492,265)	(405,899,110)	Legal reserve		1,064,881	-
Less : Accumulated impairment		(1,725,272)	(1,868,968)	Unappropriated earnings		27,130,678	10,648,813
Add : Construction in progress and prepayments		32,749,232	18,166,404	<b>Adjusting items in stockholders' equity</b>	2, 4(5), 4(7), 4(16), 4(18)		
<b>Property, plant and equipment, net</b>		<u>132,762,000</u>	<u>89,596,360</u>	Cumulative translation adjustment		(5,279,000)	(318,188)
				Unrealized gain or loss on financial instruments		27,715,983	30,915,079
<b>Intangible assets</b>				Treasury stock		(6,223,357)	(1,890,145)
Goodwill	2	304,728	7,615	<b>Total stockholders' equity of parent company</b>		<u>219,337,283</u>	<u>213,598,321</u>
<b>Total intangible assets</b>		<u>304,728</u>	<u>7,615</u>				
				<b>Minority interests</b>		5,798,746	497,935
<b>Other assets</b>				<b>Total stockholders' equity</b>		<u>225,136,029</u>	<u>214,096,256</u>
Deferred charges	2	1,287,212	1,368,418				
Deferred income tax assets, noncurrent	2, 4(21)	2,889,902	3,152,277	<b>Total liabilities and stockholders' equity</b>		<u>\$ 280,886,996</u>	<u>\$ 253,638,451</u>
Other assets-others	2, 4(9), 4(10), 6	2,694,769	1,924,468				
<b>Total other assets</b>		<u>6,871,883</u>	<u>6,445,163</u>				
<b>Total assets</b>		<u>\$ 280,886,996</u>	<u>\$ 253,638,451</u>				

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
 UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED 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		
<b>Operating revenues</b>	2, 5					
Sales revenues		\$	122,857,088	\$	88,639,296	
Less : Sales returns and discounts			(28,216)		(178,042)	
Net Sales			122,828,872		88,461,254	
Other operating revenues			3,612,672		2,928,511	
<b>Net operating revenues</b>			126,441,544		91,389,765	
<b>Operating costs</b>	2, 3, 4(4), 4(15), 4(17), 4(20)					
Cost of goods sold			(88,189,278)		(74,401,027)	
Other operating costs			(1,378,722)		(1,583,749)	
<b>Operating costs</b>			(89,568,000)		(75,984,776)	
<b>Gross profit</b>			36,873,544		15,404,989	
Unrealized intercompany profit	2		(214)		(51,009)	
Realized intercompany profit	2		51,009		61,178	
<b>Gross profit-net</b>			36,924,339		15,415,158	
<b>Operating expenses</b>	2, 4(15), 4(17), 4(20)					
Sales and marketing expenses			(2,565,821)		(2,800,226)	
General and administrative expenses			(3,598,361)		(2,723,288)	
Research and development expenses			(8,740,479)		(8,044,155)	
Subtotal			(14,904,661)		(13,567,669)	
<b>Operating income</b>			22,019,678		1,847,489	
<b>Non-operating income</b>						
Interest revenue			143,480		170,495	
Investment gain accounted for under the equity method, net	2, 4(7)		114,608		180,263	
Dividend income			1,344,017		941,170	
Gain on disposal of property, plant and equipment	2		50,383		12,721	
Gain on disposal of investments	2, 5		2,020,797		1,965,468	
Gain on valuation of financial assets	2, 4(2)		-		512,586	
Other income			1,019,469		1,258,535	
Subtotal			4,692,754		5,041,238	
<b>Non-operating expenses</b>						
Interest expense	2, 4(8)		(16,800)		(58,255)	
Loss on disposal of property, plant and equipment	2		(9,259)		(2,529)	
Exchange loss, net	2		(150,905)		(135,202)	
Financial expenses			(64,595)		(90,957)	
Impairment loss	2, 4(10)		(113,879)		(4,007,078)	
Loss on valuation of financial assets	2, 4(2)		(217,895)		-	
Loss on valuation of financial liabilities	2, 4(12)		(665,116)		(822,321)	
Other losses			(90,362)		(99,385)	
Subtotal			(1,328,811)		(5,215,727)	
<b>Income from continuing operations before income tax</b>			25,383,621		1,673,000	
<b>Income tax expense</b>	2, 4(21)		(1,606,114)		(651,068)	
<b>Income from continuing operations</b>			23,777,507		1,021,932	
<b>Extraordinary gain</b>	10(6)		68,449		648,958	
(the net amount after deducted tax expense 14,020 thousand and 0 for the years ended December 31, 2010 and 2009, respectively)						
<b>Net income</b>		\$	23,845,956	\$	1,670,890	
<b>Attributable to:</b>						
<b>Stockholders of the parent</b>		\$	23,898,905	\$	3,874,028	
<b>Minority interests</b>			(52,949)		(2,203,138)	
<b>Net income</b>		\$	23,845,956	\$	1,670,890	
			Pre-tax	Post-tax	Pre-tax	Post-tax
<b>Earnings per share-basic (NTD)</b>	2, 4(22)					
Income from continuing operations		\$	2.03	\$ 1.90	\$ 0.31	\$ 0.26
Extraordinary gain			0.01	0.01	0.05	0.05
Net income attributable to stockholders of the parent		\$	2.04	\$ 1.91	\$ 0.36	\$ 0.31
<b>Earnings per share-diluted (NTD)</b>	2, 4(22)					
Income from continuing operations		\$	1.99	\$ 1.86	\$ 0.30	\$ 0.25
Extraordinary gain			0.01	0.01	0.05	0.05
Net income attributable to stockholders of the parent		\$	2.00	\$ 1.87	\$ 0.35	\$ 0.30

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED 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			Unrealized Gain/Loss on Financial Instruments	Treasury Stock	Minority Interests	Total
		Common Stock	Additional Paid-in Capital	Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Cumulative Translation Adjustment				
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)	\$ 6,982,125	\$ 191,658,294
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	-	-	-	(2,203,138)	1,670,890
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, 4(5)	-	-	-	-	-	8,323,874	-	-	8,323,874
Changes in cumulative translation adjustment	2	-	-	-	-	(1,664,570)	-	-	-	(1,664,570)
Changes in minority interests		-	-	-	-	-	-	-	(4,281,052)	(4,281,052)
Balance as of December 31, 2009	4(16)	129,877,713	44,365,049	-	10,648,813	(318,188)	30,915,079	(1,890,145)	497,935	214,096,256
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	-	-	-	(52,949)	23,845,956
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		-	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, 4(5)	-	-	-	-	-	(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)
Changes in minority interests		-	-	-	-	-	-	-	5,353,760	5,353,760
Balance as of December 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)	\$ 5,798,746	\$ 225,136,029

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 consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
 UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED 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 attributable to stockholders of the parent	\$ 23,898,905	\$ 3,874,028
Net loss attributable to minority interests	(52,949)	(2,203,138)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Extraordinary gain	(82,469)	(648,958)
Depreciation	29,951,312	33,530,254
Amortization	544,321	699,541
Bad debt expenses (reversal)	20,748	(22,225)
Loss (Gain) on decline (recovery) in market value, scrap and obsolescence of inventories	82,453	(2,414,592)
Cash dividends received under the equity method	48,753	901
Investment gain accounted for under the equity method	(114,608)	(180,263)
Loss on valuation of financial assets and liabilities	883,011	309,735
Impairment loss	113,879	4,007,078
Gain on disposal of investments	(2,020,797)	(1,965,468)
Gain on disposal of property, plant and equipment	(41,124)	(10,192)
Gain on disposal of non-current assets held for sale	(449)	(91,413)
Amortization of financial assets discounts	(7,253)	-
Amortization of bond discounts	227,139	20,018
Amortization of administrative expenses from syndicated loans	273	-
Exchange loss (gain) on financial assets and liabilities	(327,341)	4,754
Exchange gain on long-term liabilities	(498,520)	(27,466)
Exchange loss on disposal of non-current assets held for sale	266	-
Amortization of deferred income	(145,764)	(202,460)
Stock-based payment	646,968	162,157
Effect from subsidiaries over which significant control is no longer held	7,063	4,014
Changes in assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	612,802	182,985
Notes and accounts receivable	(2,315,832)	(8,370,011)
Other receivables	1,388,687	397,038
Inventories	(3,334,002)	1,292,621
Prepaid expenses	(530,125)	(295,626)
Deferred income tax assets and liabilities	69,112	462,075
Notes and accounts payable	1,776,366	3,103,407
Accrued expenses	5,449,005	1,116,047
Other current liabilities	(2,833,837)	(359,497)
Accrued pension liabilities	38,378	41,432
Other liabilities-others	105,629	10,670
Net cash provided by operating activities	<u>53,560,000</u>	<u>32,427,446</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(163,620)	(388,701)
Proceeds from disposal of financial assets at fair value through profit or loss	-	275,400
Acquisition of available-for-sale financial assets	(232,092)	(108,222)
Proceeds from disposal of available-for-sale financial assets	3,485,293	2,790,430
Acquisition of financial assets measured at cost	(835,525)	(984,369)
Proceeds from disposal of financial assets measured at cost	333,977	316,295
Acquisition of long-term investments accounted for under the equity method	(863,841)	(3,063,705)
Proceeds from disposal of long-term investments accounted for under the equity method	157,734	-
Acquisition of held-to-maturity financial assets	-	(64,233)
Proceeds from disposal of held-to-maturity financial assets	-	408,364
Prepayment for long-term investments	-	(322,290)
Proceeds from capital reduction and liquidation of investments	52,914	239,284
Net cash received from acquisition of subsidiaries	1,859,186	7,500
Net cash paid for disposal of subsidiaries	(269,865)	(23,890)
Other receivables	27,108	-
Acquisition of property, plant and equipment	(61,290,347)	(17,617,854)
Proceeds from disposal of property, plant and equipment	76,044	38,458
Proceeds from disposal of non-current assets held for sale	405,098	462,376
Increase in deferred charges	(382,050)	(1,146,421)
Increase in restricted assets	(26,077)	-
Increase in other assets-others	(177,321)	(52,637)
Net cash used in investing activities	<u>(57,843,384)</u>	<u>(19,234,215)</u>

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

(continued)	For the years ended December 31,	
	2010	2009
Cash flows from financing activities:		
Increase (decrease) in short-term loans	\$ 4,202,660	\$ (8,240)
Proceeds from long-term loans	1,345,000	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
Proceeds from bonds issued	-	5,330,477
Bond issuance costs	-	(51,202)
Redemption of bonds	(7,500,000)	-
Cash dividends	(6,224,963)	-
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	9,620	6,422
Increase (decrease) in minority stockholders	2,330,577	(4,239)
Net cash provided by (used in) financing activities	(10,173,874)	4,943,788
Effect of exchange rate changes on cash and cash equivalents	(424,597)	(550,708)
Net increase (decrease) in cash and cash equivalents	(14,881,855)	17,586,311
Cash and cash equivalents at beginning of period	66,152,960	48,566,649
Cash and cash equivalents at end of period	\$ 51,271,105	\$ 66,152,960
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 239,265	\$ 124,244
Less: Cash paid for capitalized interest	(224,029)	(39,106)
Cash paid for interest excluding capitalized interest	\$ 15,236	\$ 85,138
Cash paid for income tax	\$ 117,584	\$ 709,186
Investing activities partially paid by cash:		
Acquisition of property, plant and equipment	\$ 67,591,402	\$ 21,387,628
Discount on property, plant and equipment	(1,592)	-
Add: Payable at beginning of period	5,487,908	1,718,134
Add: Effect of acquisition of subsidiaries	833,110	-
Less: Payable at end of period	(12,620,481)	(5,487,908)
Cash paid for acquiring property, plant and equipment	\$ 61,290,347	\$ 17,617,854

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

UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2010 and 2009  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

United Microelectronics Corporation (UMC) was incorporated in May 1980 and commenced operations in April 1982. UMC is a full service semiconductor wafer foundry, and provides a variety of services to satisfy customer needs. UMC'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 15,656 and 13,051, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared in conformity with requirements of the 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:

General Descriptions of Reporting Entities

(1) Principles of Consolidation

Investees in which UMC, directly or indirectly, holds more than 50% of voting rights or de facto control with less than 50% of voting rights, are consolidated into UMC's financial statements. (UMC and the consolidated entities are hereinafter referred to as "the Company".)

Transactions between consolidated entities are eliminated in the consolidated financial statements. The difference between the acquisition cost and the net equity of a subsidiary as of the acquisition date was amortized, and goodwill arising from new acquisitions is analyzed and accounted for under the R.O.C. Statement of Financial Accounting Standard (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.

(2) The consolidated entities are as follows:  
As of December 31, 2010

Investor	Subsidiary	Business nature	Percentage of ownership (%)
UMC	UMC GROUP (USA) (UMC-USA)	IC Sales	100.00
UMC	UNITED MICROELECTRONICS (EUROPE) B.V. (UME BV)	Market development	100.00
UMC	UMC CAPITAL CORP.	Investment holding	100.00
UMC	GREEN EARTH LIMITED	Investment holding	100.00
UMC	TLC CAPITAL CO., LTD. (TLC)	New business investment	100.00
UMC	UMC NEW BUSINESS INVESTMENT CORP. (NBI)	Investment holding	100.00
UMC	ALPHA WISDOM LIMITED (AWL)	Investment holding	100.00
UMC	FORTUNE VENTURE CAPITAL CORP. (FORTUNE)	Consulting and planning for investment in new business	100.00
UMC	UMC JAPAN (UMCJ)	Sales and manufacturing of integrated circuits	55.56
UMC	NEXPOWER TECHNOLOGY CORP (NEXPOWER)	Sales and manufacturing of solar power batteries	44.42
FORTUNE	UNITRUTH INVESTMENT CORP. (UNITRUTH)	Investment holding	100.00
FORTUNE	MOS ART PACK CORP. (MOS)	IC Packaging	54.72
FORTUNE	NEXPOWER	Sales and manufacturing of solar power batteries	5.08
UNITRUTH	MOS	IC Packaging	18.62
UNITRUTH	NEXPOWER	Sales and manufacturing of solar power batteries	2.27
UMC CAPITAL CORP.	UMC CAPITAL (USA)	Investment holding	100.00
UMC CAPITAL CORP.	ECP VITA LTD.	Insurance	100.00
TLC	SOARING CAPITAL CORP.	Investment holding	100.00
TLC	NEXPOWER	Sales and manufacturing of solar power batteries	5.90
SOARING CAPITAL CORP.	UNITRUTH ADVISOR (SHANGHAI) CO., LTD.	Investment holding and advisory	100.00
NBI	WAVETEK MICROELECTRONICS CORPORATION	GaAs Foundry service	99.79

Investor	Subsidiary	Business nature	Percentage of ownership (%)
NBI	UNITED LIGHTING OPTO-ELECTRONIC INC. (UNITED LIGHTING)	Sales and manufacturing of LED lighting	94.65
NBI	EVERRICH ENERGY CORP. (EVERRICH)	Solar engineering integrated design services	91.12
NBI	UNISTARS CORP.	High brightness LED packages	65.63
NBI	TOPCELL SOLAR INTERNATIONAL CO., LTD. (TOPCELL)	Solar power cell manufacturing and sale	51.49
UNITED LIGHTING	UNITED LIGHTING OPTO-ELECTRONIC INVESTMENT (HK) LIMITED	Investment holding	100.00
EVERRICH	EVERRICH ENERGY INVESTMENT (HK) LIMITED (EVERRICH-HK)	Investment holding	100.00
EVERRICH-HK	EVERRICH (SHANDONG) ENERGY CO., LTD (formerly YONGSHENG (SHANDONG) ENERGY CO.)	Solar engineering integrated design services	100.00
AWL	UMCJ	Sales and manufacturing of integrated circuits	44.44
NEXPOWER	JENENERGY SYSTEM CORPORATION (JENENERGY)	Energy Technology Service	66.67
JENENERGY	SMART ENERGY ENTERPRISES LIMITED (SMART ENERGY)	Investment holding	100.00
SMART ENERGY	SMART ENERGY SHANDONG CORPORATION	Design of photovoltaic system and consulting services related to photovoltaic technology, etc.	100.00

As of December 31, 2009

Investor	Subsidiary	Business nature	Percentage of ownership (%)
UMC	UMC-USA	IC Sales	100.00
UMC	UME BV	Market development	100.00
UMC	UMC CAPITAL CORP.	Investment holding	100.00
UMC	UNITED MICROELECTRONICS CORP. (SAMOA) (Note A)	Investment holding	100.00
UMC	TLC	New business investment	100.00

Investor	Subsidiary	Business nature	Percentage of ownership (%)
UMC	UMCI LTD. (UMCI) (Note B)	Sales and manufacturing of integrated circuits	100.00
UMC	NBI	Investment holding	100.00
UMC	AWL	Investment holding	100.00
UMC	GREEN EARTH LIMITED	Investment holding	100.00
UMC	FORTUNE	Consulting and planning for investment in new business	99.99
UMC	UMCJ	Sales and manufacturing of integrated circuits	52.26
FORTUNE	UNITRUTH	Investment holding	100.00
UMC CAPITAL CORP.	UMC CAPITAL (USA)	Investment holding	100.00
UMC CAPITAL CORP.	ECP VITA LTD.	Insurance	100.00
TLC	SOARING CAPITAL CORP.	Investment holding	100.00
SOARING CAPITAL CORP.	UNITRUTH ADVISOR (SHANGHAI) CO., LTD.	Investment holding and advisory	100.00
NBI	UNITED LIGHTING	LED lighting manufacturing and sale	95.54
NBI	EVERRICH	Solar engineering integrated design services	93.75
EVERRICH	EVERRICH-HK	Investment holding	100.00
EVERRICH-HK	YONGSHENG (SHANDONG) ENERGY CO.	Solar engineering integrated design services	100.00
AWL	UMCJ	Sales and manufacturing of integrated circuits	42.53

Note A: On November 4, 2010, UNITED MICROELECTRONICS CORP. (SAMOA) has filed for liquidation through a decision at its stockholders' meeting. The Company ceased using the equity method from that day, and SAMOA is not included as a consolidated subsidiary as of December 31, 2010.

Note B: On July 30, 2010, UMCI has filed for liquidation through a decision at its stockholders' meeting. The Company ceased using the equity method from that day, and UMCI is not included as a consolidated subsidiary as of December 31, 2010.

### Use of Estimates

The preparation of the Company's consolidated 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 consolidated statements of income. Translation gains or losses from investments in foreign entities are recognized as a cumulative translation adjustment in consolidated 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 consolidated statements of income, are remeasured at the exchange rate at the balance sheet date, with related exchange gains or losses recorded in the consolidated 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 a cumulative translation adjustment in consolidated 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 foreign subsidiaries and UMC'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 weighted average exchange rates for profit and loss accounts. The cumulative translation effects from the subsidiaries and the Branch using functional currencies other than New Taiwan Dollars are included in the cumulative translation adjustment in consolidated 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 consolidated 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 consolidated stockholder’ equity until such investment is reclassified or disposed of, upon which the cumulative gain or loss previously charged to consolidated stockholders’ equity will be recorded in the consolidated 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 consolidated stockholders' equity. The impairment loss of a debt security may be reversed and recognized in the consolidated 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 (including interests in Joint Ventures)

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.

Investment in jointly controlled entity is accounted for under the equity method.

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 the 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 consolidated 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 consolidated 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 consolidated 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:

Buildings	3~55 years
Machinery and equipment	5~8 years
Transportation equipment	4~5 years
Furniture and fixtures	2~20 years
Leased assets and leasehold improvements	The lease period or estimated economic life, whichever is shorter

#### Intangible Assets

Goodwill generated from business combinations is no longer subject to amortization. After initial recognition, goodwill shall be carried at cost less any accumulated impairment losses.

#### 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
Software	2~5 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 and overseas subsidiaries 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 UMC'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. UMC 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 consolidated 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 UMC 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 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 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.

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

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

### 3. ACCOUNTING CHANGES

#### Inventories

Effective January 1, 2009, the Company adopted the 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 consolidated net income and consolidated 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	\$4,080	\$3,463
Checking and savings accounts	13,149,234	10,907,465
Time deposits	34,360,417	46,464,891
Subtotal	47,513,731	57,375,819
Cash equivalents	3,757,374	8,777,141
Total	\$51,271,105	\$66,152,960

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

	As of December 31,	
	2010	2009
Current		
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
Subtotal	1,139,943	2,096,091
Noncurrent		
Convertible bonds	79,920	-
Total	\$1,219,863	\$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\$222 million and a gain of NT\$513 million, respectively.

(3) ACCOUNTS RECEIVABLE, NET

	As of December 31,	
	2010	2009
Accounts receivable	\$18,363,983	\$17,010,650
Less: Allowance for sales returns and discounts	(185,612)	(580,618)
Less: Allowance for doubtful accounts	(67,850)	(12,231)
Net	<u>\$18,110,521</u>	<u>\$16,417,801</u>

(4) INVENTORIES, NET

	As of December 31,	
	2010	2009
Raw materials	\$2,156,204	\$732,130
Supplies and spare parts	2,205,471	2,041,004
Work in process	8,240,687	6,755,426
Finished goods	1,946,170	1,038,400
Total	14,548,532	10,566,960
Less: Allowance for loss on decline in market value and obsolescence	(1,515,909)	(1,425,575)
Net	<u>\$13,032,623</u>	<u>\$9,141,385</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\$90 million and NT\$2,597 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	\$7,044,673	\$6,250,694
Noncurrent		
Common stocks	29,796,192	34,797,889
Depository receipts	403,805	256,959
Funds	54,068	52,094
Subtotal	30,254,065	35,106,942
Total	\$37,298,738	\$41,357,636

During the years ended December 31, 2010 and 2009, the net unrealized gains (losses) adjustments to consolidated stockholders' equity due to changes in fair value of available-for-sale assets were a loss of NT\$1,003 million and a gain of NT\$27,726 million, respectively. Additionally, the Company recognized gains of NT\$1,960 million and NT\$1,858 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. Additionally, the Company acquired 6.7 million shares of SIMPLO TECHNOLOGY CO., LTD. (SIMPLO) through private placement in July 2006 and its subsequent stock dividends. The exchanges of these shares listed above were restricted by Article 43 paragraph 8 of the Securities and Exchange Law. The above-mentioned restriction of EPISTAR and SIMPLO was removed on May 10 and August 23, 2009, respectively.

UMC 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, UMC reclassified the exchangeable shares to current assets.

(6) FINANCIAL ASSETS MEASURED AT COST, NONCURRENT

	As of December 31,	
	2010	2009
Common stocks	\$4,972,813	\$4,634,168
Preferred stocks	2,063,117	2,273,083
Funds	591,181	644,047
Convertible bonds	24,753	77,225
Total	\$7,651,864	\$7,628,523

The Company acquired 80 thousand shares of RALINK TECHNOLOGY CORP. (RALINK) through private placement in July 2007 and its subsequent stock dividends, 4.4 million shares of INPAQ TECHNOLOGY CO., LTD. (INPAQ) through private placement in November 2007 and its subsequent stock dividends, 4.6 million shares of FIRST INTERNATIONAL TELECOM CORP. (FIRST INTERNATIONAL TELECOM) through private placement in March 2008, 4 million shares of E-ONE MOLI ENERGY CORP. (E-ONE) through private placement in June 2009, 2 million shares of A-DATA TECHNOLOGY CO., LTD. (A-DATA) through private placement in September 2009 and 2.5 million shares of CRYSTALWISE THCHNOLOGY INC. (CRYSTALWISE) through private placement in August 2010. In addition, 500 units of convertible bonds acquired through private placement in September 2009 were converted to 2 million common shares of TOPOINT TECHNOLOGY CO., LTD. (TOPOINT) in September 2010. The exchange of these securities listed above is restricted by Article 43 paragraph 8 of the Securities and Exchange Law. The above-mentioned restriction of RALINK, INPAQ, FIRST INTERNATIONAL TELECOM, E-ONE, A-DATA, TOPOINT and CRYSTALWISE will be removed on September 29, 2010, January 31, 2011, April 25, 2011, August 31, 2012, September 30, 2012, September 23, 2012 and September 23, 2013, respectively.

(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>				
UMCI LTD. (UMCI) (Note A)	\$-	100.00	\$-	-
UNITED MICRODISPLAY OPTRONICS CORP. (UMO) (Note B)	35,237	89.99	35,237	89.99
UNITED LED CORPORATION HONG KONG LIMITED (UNITED HK) (Note C)	208,260	50.00	-	-
LIST EARN ENTERPRISE INC.	9,177	49.00	9,804	49.00

Investee Companies	As of December 31,			
	2010		2009	
	Amount	Percentage of Ownership or Voting Rights	Amount	Percentage of Ownership or Voting Rights
SHENYANG PIONEER U-LIGHTING OPTO-ELECTRONIC CO., LTD. (SHENYANG U-LIGHTING) (Note C)	\$3,022	49.00	\$-	-
ACHIEVE MADE INTERNATIONAL LTD.	43,267	48.54	60,790	48.54
ALLIANCE OPTOTEK CORP.	165,759	48.43	207,762	48.05
MTIC HOLDINGS PTE. LTD.	234,732	46.49	248,901	46.49
YUNG LI INVESTMENTS, INC.	221,710	45.16	248,873	45.16
MEGA MISSION LIMITED PARTNERSHIP	2,115,285	45.00	2,093,900	45.00
AEOVE INTERNATIONAL LTD.	88,029	43.77	46,358	43.77
WALTOP INTERNATIONAL CORP.	219,428	42.59	223,090	46.58
POWER LIGHT TECH CO., LTD.	41,581	42.33	121,625	42.62
UNITECH CAPITAL INC.	801,039	42.00	900,893	42.00
EXOJET TECHNOLOGY CORP.	68,311	37.52	-	-
HSUN CHIEH INVESTMENT CO., LTD.	3,613,285	36.49	3,617,026	36.49
UC FUND II	76,967	35.45	98,655	35.45
CRYSTAL MEDIA INC.	31,761	31.80	38,735	32.27
CTC CAPITAL PARTNERS I, L. P.	122,277	31.40	143,863	31.40
SOLAR GATE TECHNOLOGY CO., LTD.	59,653	25.00	-	-
SHANDONG HUAHONG ENERGY INVEST CO., INC.	314,338	24.30	-	-
ANOTO TAIWAN CORP.	3,878	24.12	5,819	24.12
HIGH POWER LIGHTING CORP.	37,012	22.29	43,418	22.29
UNIMICRON HOLDING LIMITED	536,709	21.93	538,880	25.25
DAIWA QUANTUM CAPITAL PARTNERS I, L. P. (DAIWA) (Note D)	57,644	12.50	-	-
TRANSLINK CAPITAL PARTNERS I L. P. (TRANSLINK) (Note D)	77,255	10.55	74,875	10.55
TRANSLINK CAPITAL PARTNERS II L. P. (TRANSLINK) (Note D)	7,623	9.76	-	-
PACIFIC VENTURE CAPITAL CO., LTD. (PACIFIC) (Note E)	-	-	7,379	49.99
NEXPOWER TECHNOLOGY CORP.	-	-	3,301,451	45.97
XGI TECHNOLOGY INC.	-	-	62,977	31.93
AMIC TECHNOLOGY CORP. (AMIC) (Note F)	-	-	-	25.87
MOBILE DEVICES INC.	-	-	38,631	20.18
Total	<u>\$9,193,239</u>		<u>\$12,168,942</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 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 C: The Company uses the equity method to account for its investment in UNITED HK and SHENYANG U-LIGHTING, which are jointly controlled entities.

Note D: According to the partnership contract, the Company has significant influence over DAIWA and TRANSLINK, and they are accounted for under the equity method.

Note E: 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 F: 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 gains arising from investments accounted for under the equity method were NT\$115 million and NT\$180 million for the years ended December 31, 2010 and 2009, respectively. Net investment income (loss) amounted to NT\$310 million and NT\$(11) million for the years ended December 31, 2010 and 2009, respectively, and the related long-term investment balances of NT\$5,282 million and NT\$5,355 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	Accumulated Impairment	Book Value
Land	\$1,555,904	\$-	\$(266,981)	\$1,288,923
Buildings	26,156,284	(10,364,578)	(978,742)	14,812,964
Machinery and equipment	498,122,888	(415,015,124)	(469,930)	82,637,834
Transportation equipment	72,938	(60,302)	-	12,636
Furniture and fixtures	3,594,261	(2,979,520)	(9,619)	605,122
Leasehold improvement	728,030	(72,741)	-	655,289
Construction in progress and prepayments	32,749,232	-	-	32,749,232
Total	<u>\$562,979,537</u>	<u>\$(428,492,265)</u>	<u>\$(1,725,272)</u>	<u>\$132,762,000</u>

	As of December 31, 2009			
	Cost	Accumulated Depreciation	Accumulated Impairment	Book Value
Land	\$1,056,823	\$-	\$(287,901)	\$768,922
Buildings	21,097,255	(9,388,142)	(1,057,850)	10,651,263
Machinery and equipment	453,597,613	(393,557,900)	(512,540)	59,527,173
Transportation equipment	68,580	(61,430)	-	7,150
Furniture and fixtures	3,324,352	(2,845,876)	(10,677)	467,799
Leasehold improvement	53,411	(45,762)	-	7,649
Construction in progress and prepayments	18,166,404	-	-	18,166,404
Total	<u>\$497,364,438</u>	<u>\$(405,899,110)</u>	<u>\$(1,868,968)</u>	<u>\$89,596,360</u>

- a. Total interest expense before capitalization amounted to NT\$352 million and NT\$180 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	284,605	78,092
Furniture and fixtures	1,557	55
Others	29	85
Total interest capitalized	<u>\$335,028</u>	<u>\$121,473</u>
Interest rates applied	<u>1.04%~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
Deposits-out	946,414	753,990
Long-term prepayment	545,140	-
Others	113,225	128,892
Total	<u>\$2,694,769</u>	<u>\$1,924,468</u>

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

(10) IMPAIRMENT LOSS

	For the years ended December 31,	
	2010	2009
Long-term investments accounted for under the equity method	\$20,802	\$-
Financial assets measured at cost, noncurrent	93,077	494,091
Property, plant and equipment	-	3,331,557
Other assets	-	181,430
Total	<u>\$113,879</u>	<u>\$4,007,078</u>

After considering objective evidence and the result of the impairment loss testing, the Company recognized impairment losses amounted to NT\$114 million and NT\$494 million for its long-term investments accounted for under the equity method and financial assets measured at cost, noncurrent, respectively, for the years ended December 31, 2010 and 2009. As of December 31, 2009, the Company determined that certain fixed assets and other assets would not 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\$122 million. According to the assessment report and as a result of the impairment loss testing, the Company recognized an impairment loss amounted to NT\$3,391 million for its property, plant, equipment and other assets for the year ended December 31, 2009.

(11) SHORT-TERM LOANS

	As of December 31,	
	2010	2009
Unsecured bank loans	<u>\$4,124,115</u>	<u>\$128,682</u>
	For the years ended December 31,	
	2010	2009
Interest rates	<u>0.54%~2.37%</u>	<u>0.58%~3.72%</u>

The Company's unused short-term lines of credits amounted to NT\$17,271 million and NT\$12,088 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	<u>\$2,254,937</u>	<u>\$1,914,879</u>

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	<u>(890,898)</u>	<u>(1,205,555)</u>
Total	4,995,756	12,767,137
Less: Current or exchangeable portion	<u>(4,995,756)</u>	<u>(12,767,137)</u>
Net	<u>\$-</u>	<u>\$-</u>

- a. During the period from May 21 to June 24, 2003, UMC 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 June 24, 2010, respectively.

b. On December 2, 2009, UMC 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. UMC 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 NTD32.197=USD1.00.
- ii. UMC 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. UMC 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 UMC 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 UMC 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 UMC or Unimicron, the bondholders shall have the right to require UMC 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 NTD32.197=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, UMC will redeem the bonds at 97.53% of the principal amount unless, prior to such date:

i. UMC shall have redeemed the bonds at the option of UMC, 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 UMC and cancelled.

c. On December 2, 2009, UMC 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. UMC 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 NTD32.197=USD1.00.

- ii. UMC 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. UMC 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 UMC 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 UMC 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 UMC or Novatek, the bondholders shall have the right to require UMC 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 NTD32.197=USD1.00. 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, UMC will redeem the bonds at 97.53% of the principal amount unless, prior to such date:

- i. UMC shall have redeemed the bonds at the option of UMC, 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 UMC 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 as of December 31, 2010 and 2009 are as follows:

<u>Lender</u>	<u>As of December 31, 2010</u>	<u>Redemption</u>
Secured Long-Term Loan from Bank of Taiwan (1)	\$700,000	Repayable quarterly from March 30, 2011 to December 30, 2013 and interest is paid monthly.
Secured Long-Term Loan from First Commercial Bank (1)	153,240	Repayable semiannually from December 6, 2010 to November 14, 2015 and interest is paid monthly.
Secured Long-Term Loan from First Commercial Bank (2)	71,760	Repayable semiannually from November 15, 2010 to November 14, 2015 and interest is paid monthly.
Secured Long-Term Loan from First Commercial Bank (3)	620,000	Repayable semiannually from June 30, 2012 to December 31, 2015 and interest is paid monthly.
Secured Syndicated Loans from Bank of Taiwan and 7 others	4,060,000	Repayable semiannually from February 10, 2012 to August 10, 2015 and interest is paid monthly.
Secured Syndicated Loans from Taiwan Cooperative Bank and 5 others	1,350,000	Repayable semiannually from October 25, 2010 to April 25, 2015 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.

Lender	As of December 31, 2010	Redemption
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	7,521,550	
Less: Administrative expenses from syndicated loans	(11,727)	
Less: Current portion	(710,433)	
Total	\$6,799,390	
	For the year ended December 31, 2010	
Interest Rates	1.14%~2.49%	

According to the syndicated loan agreement, NEXPOWER was subject to maintain certain annual and semi-annual current ratio, debit ratio and interest coverage ratio. As of December 31, 2010, NEXPOWER met the conditions mentioned above.

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	\$766,550	
	For the year ended December 31, 2009	
Interest Rates	1.28%~1.82%	

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

<u>Long-Term Loans repayable (Year)</u>	<u>Amount</u>
2011	\$710,433
2012	1,935,668
2013	1,872,372
2014	1,576,538
2015	1,426,539
Total	<u><u>\$7,521,550</u></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\$422 million and NT\$354 million were contributed by the Company for the years ended December 31, 2010 and 2009, respectively. Pension benefits for employees of the Branch and subsidiaries overseas are provided in accordance with the local regulations, and during the years ended December 31, 2010 and 2009, the Company made contributions of NT\$170 million and NT\$162 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	\$(5,189,112)	\$(4,563,300)
Service cost	(103,864)	(109,946)
Interest cost	(113,884)	(117,538)
Benefits paid	72,777	166,056
Loss on projected benefit obligation	(577,564)	(607,063)
Exchange gain (loss)	(27,021)	42,679
Projected benefit obligation at end of year	<u>\$(5,938,668)</u>	<u>\$(5,189,112)</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	\$1,995,970	\$1,973,407
Actual return on plan assets	15,075	78,775
Contributions from employer	159,049	148,389
Benefits paid	(72,777)	(166,057)
Exchange gain (loss) and others	20,876	(38,544)
Fair value of plan assets at end of year	<u>\$2,118,193</u>	<u>\$1,995,970</u>

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

	As of December 31,	
	2010	2009
Benefit obligation		
Vested benefit obligation	\$(874,090)	\$(866,292)
Non-vested benefit obligation	(2,392,090)	(1,973,956)
Accumulated benefit obligation	(3,266,180)	(2,840,248)
Effect from projected salary increase	(2,672,488)	(2,348,864)
Projected benefit obligation	(5,938,668)	(5,189,112)
Fair value of plan assets	2,118,193	1,995,970
Funded status	(3,820,475)	(3,193,142)
Unrecognized net transitional benefit obligation	1,368	29,662
Unrecognized loss (gain)	571,661	(97,977)
Prior service cost	(51,970)	-
Accrued pension liabilities recognized on the consolidated balance sheet	<u>\$(3,299,416)</u>	<u>\$(3,261,457)</u>

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

	<u>For the years ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Service cost	\$103,864	\$109,950
Interest cost	113,884	117,538
Expected return on plan assets	(55,487)	(44,831)
Amortization of unrecognized transitional net benefit obligation	28,293	28,291
Amortization of unrecognized pension loss (gain)	12,069	(21,123)
Amortization of prior service cost	(5,197)	-
Others	(48)	906
Net periodic pension cost	<u>\$197,378</u>	<u>\$190,731</u>

The actuarial assumptions underlying are as follows:

	<u>For the year ended December 31, 2010</u>		
	<u>UMC</u>	<u>FORTUNE</u>	<u>UMC JAPAN</u>
Discount rate	1.75%	2.00%	2.00%
Rate of salary increase	4.00%	3.00%	2.55%
Expected return on plan assets	1.75%	2.00%	3.65%

  

	<u>For the year ended December 31, 2009</u>		
	<u>UMC</u>	<u>FORTUNE</u>	<u>UMC JAPAN</u>
Discount rate	2.25%	2.25%	2.00%
Rate of salary increase	4.00%	3.00%	2.55%
Expected return on plan assets	2.25%	2.25%	4.00%

#### (16) CAPITAL STOCK

- a. UMC 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. UMC 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 UMC 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, UMC 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 UMC 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. UMC 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. UMC 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 UMC 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, UMC 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

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)
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\$254 million and NT\$136 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	\$3,064,107	\$3,064,107
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 payment 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)*

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

For the year ended December 31, 2009

*(In thousands of shares)*

Purpose	As of January 1, 2009	Increase	Decrease	As of December 31, 2009
For transfer to employees	-	300,000	78,091	221,909

- b. According to the Securities and Exchange Law of the R.O.C., the total shares of treasury stock shall not exceed 10% of UMC'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 UMC could hold as of December 31, 2010 and 2009, were 1,299 million shares and 1,299 million shares, while the ceiling amount 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, UMC's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 16 million shares of UMC'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, UMC's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 16 million shares of UMC'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 UMC'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 UMC, or cash. Employees of UMC'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. UMC'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, UMC 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 industrial 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 consolidated 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 was approved through 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 UMC'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	\$13,201,139	\$5,135,151	\$18,336,290	\$9,838,712	\$3,844,526	\$13,683,238
Labor and health insurance	624,384	205,606	829,990	518,137	187,090	705,227
Pension	605,086	184,373	789,459	534,531	176,309	710,840
Other personnel expenses	145,400	59,881	205,281	93,581	37,150	130,731
Depreciation	27,941,023	1,972,982	29,914,005	31,199,053	2,273,178	33,472,231
Amortization	146,452	397,869	544,321	49,217	650,324	699,541

(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	\$4,315,216	\$418,250
Permanent and temporary differences	(1,989,270)	(1,459,602)
Change in investment tax credit	2,363,985	3,626,357
Change in loss carry-forward	2,136,325	(511,099)
Change in valuation allowance	(5,526,742)	(1,860,671)
Income Basic Tax	2,289	126,775
Estimated 10% income tax on unappropriated earnings	20	-
Adjustment of prior year's tax expense	1,778	(79)
Change in deferred tax assets and liabilities resulting from the change of statutory tax rate	202,628	322,857
Effect of different tax rates between UMC and subsidiaries	41,549	15,476
Others	58,336	(27,196)
Income tax expense	\$1,606,114	\$651,068

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
<b>Deferred income tax assets</b>				
Investment tax credit		\$7,022,761		\$9,987,957
Depreciation	\$3,751,233	920,046	\$2,546,961	1,029,536
Loss carry-forward	12,366,019	4,507,561	9,827,251	3,907,416
Pension	3,312,940	492,887	3,272,722	656,412
Allowance on sales returns and discounts	192,292	45,130	490,449	117,371
Allowance for loss on decline in market value and obsolescence of inventories	1,311,423	233,151	1,089,057	223,656
Unrealized exchange loss	178,056	29,945	615	123
Others	1,460,516	339,835	1,593,943	378,900
Total deferred income tax assets		13,591,316		16,301,371
Valuation allowance		(9,738,404)		(12,504,629)
Net deferred income tax assets		3,852,912		3,796,742
<b>Deferred income tax liabilities</b>				
Unrealized exchange gain	(636,467)	(108,200)	(247,406)	(49,481)
Depreciation	-	-	(166,621)	(33,324)
Others	(309,268)	(52,466)	(225,348)	(38,188)
Total deferred income tax liabilities		(160,666)		(120,993)
Total net deferred income tax assets		\$3,692,246		\$3,675,749
<b>Deferred income tax assets-current</b>				
Deferred income tax assets-current		\$2,581,472		\$5,014,780
Deferred income tax liabilities-current		(125,839)		(77,918)
Valuation allowance		(1,632,482)		(4,403,639)
Net		823,151		533,223
<b>Deferred income tax assets-noncurrent</b>				
Deferred income tax assets-noncurrent		11,009,844		11,286,591
Deferred income tax liabilities-noncurrent		(34,827)		(43,075)
Valuation allowance		(8,105,922)		(8,100,990)
Net		2,869,095		3,142,526
Total net deferred income tax assets		\$3,692,246		\$3,675,749

c. UMC'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. UMC 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	\$2,126,675	\$2,126,675
2012	2,006,005	2,006,005
2013	1,897,059	1,897,059
2014	993,022	993,022
Total	\$7,022,761	\$7,022,761

- f. As of December 31, 2010, the unutilized accumulated losses for the Company were as follows:

Expiration Year	Accumulated loss	Unutilized accumulated loss
2012	\$4,445,310	\$4,445,310
2013	1,259,973	1,259,973
2014	189,182	189,182
2015	1,583,999	1,583,999
2016	2,280,097	2,280,097
2017	760,363	760,363
2018	144,028	144,028
2019	678,165	678,165
2020	557,822	557,822
2021	467,080	467,080
Total	\$12,366,019	\$12,366,019

- g. The balance of UMC'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 the actual creditable ratio for 2009 were 1.83% and 11.45%, respectively.
- h. UMC's earnings generated in the year ended December 31, 1997 and prior years have been fully appropriated.



For the year ended December 31, 2009

	Amount		Shares expressed in thousands	Earnings per share (NTD)	
	Income before income tax	Net income		Income before income tax	Net income
Effect of dilution					
Employee bonus	\$-	\$-	56,105		
Employee stock options	-	-	31,271		
Earnings per share-diluted					
Income from continuing operations	3,877,908	3,225,070	12,786,448	\$0.30	\$0.25
Extraordinary gain	648,958	648,958		0.05	0.05
Income attributable to UMC's common stock stockholders	<u>\$4,526,866</u>	<u>\$3,874,028</u>		<u>\$0.35</u>	<u>\$0.30</u>

## 5. RELATED PARTY TRANSACTIONS

### (1) Name and Relationship of Related Parties

Name of related parties	Relationship with the Company
UNITED MICROELECTRONICS CORP. (SAMOA)	Equity Investee (Liquidation completed on November 30, 2010)
UMCI LTD.	Equity Investee (has filed for liquidation on July 30, 2010)
UNITECH CAPITAL INC.	Equity Investee
MEGA MISSION LIMITED PARTNERSHIP	Equity Investee
MTIC HOLDINGS PTE. LTD.	Equity Investee
UNIMICRON HOLDING LIMITED	Equity Investee
HSUN CHIEH INVESTMENT CO., LTD.	Equity Investee
UNITED MICRODISPLAY OPTRONICS CORP.	Equity Investee (has filed for liquidation on June 26, 2009)
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)
SILICON INTEGRATED SYSTEMS CORP. (SIS)	The Company's director
AEVOE INTERNATIONAL LTD.	Subsidiary's equity investee
CRYSTAL MEDIA INC.	Subsidiary's equity investee

Name of related parties	Relationship with the Company
MOBILE DEVICES INC.	Subsidiary's equity investee (ceased to be an equity investee since July 2010)
POWER LIGHT TECH CO., LTD. (PLT)	Subsidiary's equity investee
SHENYANG PIONEER U-LIGHTING OPTO-ELECTRONIC CO., LTD.	Subsidiary's equity investee (since July, 2010)
UNITED LED CORPORATION HONG KONG LIMITED	Subsidiary's equity investee (since February, 2010)
ALLIANCE OPTOTEK CORP.	Subsidiary's equity investee
WALTOP INTERNATIONAL CORP.	Subsidiary's equity investee
SOLAR GATE TECHNOLOGY CO., LTD.	Subsidiary's equity investee (since March, 2010)
UNITED LED CORPORATION	Subsidiary's equity investee (ceased to be an equity investee since June 2010)
UNIMICRON CORPORATION	Subsidiary's director (since October, 2010)
CRYSTALWISE TECHNOLOGY INC.	Same chairman with UMC (since September, 2010)
JINING SUNRICH SOLARENERGY CORPORATION (JINING SUNRICH)	Same general manager with subsidiaries
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
SIS	\$777,318	1	\$1,057,278	1
Others	303,829	0	128,375	0
Total	<u>\$1,081,147</u>	<u>1</u>	<u>\$1,185,653</u>	<u>1</u>

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

b. Accounts receivable, net

	As of December 31,			
	2010		2009	
	Amount	Percentage	Amount	Percentage
JINING SUNRICH	\$613,330	3	\$-	-
SIS	112,201	1	216,237	1
Others	34,682	0	101,626	1
Total	760,213	4	317,863	2
Less: Allowance for sales returns and discounts	(569)		(2,273)	
Less: Allowance for doubtful accounts	-		(74,882)	
Net	<u>\$759,644</u>		<u>\$240,708</u>	

c. Significant asset transactions

	For the year ended December 31, 2010		
	Item	Disposal amount	Disposal Gain
SIS	Disposal of XGI stock	<u>\$38,030</u>	<u>\$14,690</u>

d. During the period from October 29 to December 14, 2009, UMC's subsidiary, AWL acquired 42.53 percent ownership in UMCJ amounting to 403 thousand shares by an open purchase from the Japan Jasdaq Securities Exchange for approximately US\$58 million. The purchase price of JPY12,500 per share was made by a tender offer which considered the shares' current trading value and future industry competition and operating strategies. AWL complied with "Regulations Governing the Acquisition or Disposition of Assets by Public Companies" of R.O.C. and obtained a fairness opinion from a security expert and a Certified Public Accountant to evaluate the reasonableness of the purchase price. Gains arising from the sidestream transaction amounting to NT\$330 million were recognized by UMC's equity investees, including HSUN CHIEH INVESTMENT CO., LTD. and MEGA MISSION LIMITED PARTNERSHIP. UMC eliminated NT\$121 million in proportion to its ownership percentage while recognizing the investment gain or loss of these investees.

e. Key management personnel compensation disclosure

Item	For the years ended December 31,	
	2010	2009
Salary, compensation, allowance, income from professional practice and bonus	<u>\$343,682</u>	<u>\$507,136</u>

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)	\$645,841	Customs		Customs duty guarantee

	Amount	Party to which asset(s) was pledged	Purpose of pledge
Deposit-out (Time deposit)	\$99,859	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)	26,624	Securities and Futures Investors Protection Center	Negotiation guarantee
Deposit-out (Time deposit)	990	Bureau of Energy, Ministry of Economic Affairs	Energy resources guarantee and construction guarantee
Machinery and equipment	8,826,232	Bank of Taiwan, First Commercial Bank, Syndicated Loans from Bank of Taiwan and 7 others and Syndicated Loans from Taiwan Cooperative Bank and 5 others	Collateral for long-term loans
Construction in progress and prepayments	46,036	First Commercial Bank	Collateral for long-term loans
Total	<u>\$9,689,382</u>		

As of December 31, 2009

	Amount	Party to which asset(s) was pledged	Purpose of pledge
Deposit-out (Time deposit)	\$640,623	Customs	Customs duty guarantee
Deposit-out (Time deposit)	26,624	Securities and Futures Investors Protection Center	Negotiation guarantee
Machinery and equipment	4,339,852	Bank of Taiwan	Collateral for long-term loans
Total	<u>\$5,007,099</u>		

7. COMMITMENT 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\$5.7 billion. Royalties and development fees payable in future years are NT\$1.6 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\$7.2 billion and the unpaid portion of the contracts, which was not accrued, was approximately NT\$1.2 billion.

- (3) The Company entered into several operating lease contracts for land and office. These renewable operating leases will expire in various years through 2049. Future minimum lease payments under those leases are as follows:

For the years ended December 31,	Amount
2011	\$405,596
2012	352,584
2013	306,010
2014	267,482
2015	215,799
2016 and thereafter	1,462,150
Total	<u>\$3,009,621</u>

- (4) On February 15, 2005, the Hsinchu District Prosecutors Office conducted a search of UMC's facilities. On February 18, 2005, UMC'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, UMC 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 UMC and no written agreement was made and executed. Upon UMC'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 UMC's past assistance and for continued assistance in the future.

Immediately after UMC 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 UMC. The stockholders meeting dated June 13, 2005 resolved that to the extent permitted by law, UMC shall try to get the 15% of the outstanding shares offered by the holding company of HeJian as an asset of UMC. The holding company of HeJian offered 106 million shares of its outstanding common shares in return for UMC's assistance. The holding company of HeJian has put all such shares in escrow. UMC 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, UMC 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 UMC to acquire and exercise. In the event that any stock dividend or cash dividend is distributed, UMC'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; UMC 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, UMC 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 UMC believes it was illegally and improperly fined, UMC 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 UMC. UMC 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 UMC 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 UMC, and UMC 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

On January 27, 2011, the board of directors of UNITED LIGHTING OPTO-ELECTRONIC INC., a subsidiary of UMC, resolved to merge with PLT, an equity investee of the Company, effective April 1, 2011 to integrate group resources and improve operating performance. PLT is the surviving company and will be renamed to UNITED LIGHTING OPTO-ELECTRONIC INC.

#### 10. OTHERS

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

(2) Financial risk management objectives and policies

The Company's principal financial instruments, other than derivatives, 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, notes payable and accounts payable, which arise directly from its operations.

UMC 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 UMC'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

UMC 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.

(3) 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	\$51,271,105	\$51,271,105	\$66,152,960	\$66,152,960
Financial assets at fair value through profit or loss	1,210,452	1,210,452	1,932,315	1,932,315
Receivables	19,555,557	19,555,557	17,490,054	17,490,054
Restricted assets	26,077	26,077	-	-
Available-for-sale financial assets	37,298,738	37,298,738	41,357,636	41,357,636
Financial assets measured at cost	7,651,864	-	7,628,523	-
Long-term investments accounted for under the equity method	9,193,239	8,959,237	12,168,942	11,643,258
Prepayment for long-term investments	-	-	322,290	-
Deposits-out	946,414	946,414	753,990	753,990
<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	4,124,115	4,124,115	128,682	128,682
Payables	30,906,920	30,906,920	19,605,034	19,605,034
Bonds payable (current portion included)	4,995,756	5,157,977	12,767,137	12,352,056
Long-term loans (current portion included)	7,509,823	7,509,823	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, restricted assets, 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 and prepayment for long-term investments are 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 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
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	\$1,210,452	\$1,932,315	\$-	\$-
Available-for-sale financial assets	37,298,738	40,156,409	-	1,201,227
Long-term investments accounted for under the equity method	-	-	8,959,237	11,643,258
<b>Financial liabilities</b>				
Short-term loans	-	-	4,124,115	128,682
Bonds payable (current portion included)	-	7,187,123	5,157,977	5,164,933
Long-term loans (current portion included)	-	-	7,509,823	800,000
<b>Derivative</b>				
<b>Financial Instruments</b>				
<b>Financial assets</b>				
Interest rate swap agreements	-	-	-	88,410
Forward contracts	-	-	9,411	75,366
<b>Financial liabilities</b>				
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 consolidated statement of income were net losses of NT\$139 million and NT\$449 million, respectively.
- e. UMC'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\$143 million and NT\$170 million, respectively, while interest expenses for the years ended December 31, 2010 and 2009 were NT\$352 million and NT\$180 million, respectively.

(4) UMC 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. UMC 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 UMC is as follows:

- a. UMC 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 2009, UMC had the following interest rate swap agreements outstanding:

As of December 31, 2009

<u>Notional Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	
		<u>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 UMC 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, UMC'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 the 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.

(5) Significant intercompany transactions among consolidated entities for the years ended December 31, 2010 and 2009 are disclosed in Attachment 1.

(6) On June 7, 2010, UMC acquired 59 thousand shares of UMC JAPAN from minority stockholders for approximately JPY 735 million. In accordance with R.O.C. SFAS 25, the fair value of the acquired identifiable net assets in excess of the purchase price was allocated proportionately to UMC JAPAN's noncurrent assets. After those noncurrent assets acquired were reduced to zero, UMC recognized the remaining excess as an extraordinary gain of NT\$82 million.

- (7) The Company uses the equity method to account for its investments in UNITED LED CORPORATION HONG KONG LIMITED and SHENYANG PIONEER U-LIGHTING OPTO-ELECTRONIC CO., LTD., jointly controlled entities, since June 1, 2010 and July 6, 2010, respectively. The summarized financial information which the Company recognized is as follows:

Items	As of December 31, 2010
Current assets	\$207,895
Noncurrent assets	473,221
Current liabilities	216,250
Long-term liabilities	253,585

Items	For the year ended December 31, 2010
Revenues	\$23,038
Expenses	44,361

- (8) The Company acquired controlling interests in MOS, TOPCELL and NEXPOWER through acquiring newly issued shares in February 2010, March 2010 and November 2010, respectively, and consolidated the income/earnings and expenses/losses of these three subsidiaries from the respective acquisition dates. Cash paid for acquisition and cash balance of subsidiaries acquired were as follows:

Items	For the year ended December 31, 2010
Cash paid for acquisition of subsidiaries	\$4,348,690
Add: Cash received from minority stockholders for acquiring newly issued shares	1,396,310
Less: Prepayment for long-term investments	(371,310)
Less: Cash balance of subsidiaries	(7,232,876)
Net cash received from acquisition of subsidiaries	<u>\$ (1,859,186)</u>

- (9) The functional currency of UMC and some of its subsidiaries is New Taiwan Dollar, while other subsidiaries have functional currencies in US Dollar, Japanese Yen or Chinese RMB. The exchange rates used to translate assets and liabilities denominated in foreign currencies are disclosed as follows:

	As of December 31, 2010			As of December 31, 2009		
	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD	\$1,019,599	29.04	\$29,610,971	\$926,453	31.93	\$29,581,612
JPY	23,849,754	0.36	8,484,568	21,091,404	0.35	7,280,754
EUR	32,220	38.66	1,245,710	1,123	45.93	51,576
SGD	48,602	22.59	1,097,930	30,648	22.79	698,475
CNY	64,473	4.38	282,291	-	-	-
<u>Non-Monetary items</u>						
USD	42,223	29.03	1,225,740	8,857	31.93	282,789
CHF	3,080	31.01	95,511	1,106	30.95	34,231
<u>Long-term investments</u>						
<u>accounted for under</u>						
<u>the equity method</u>						
USD	135,689	29.00	3,935,272	124,370	31.90	3,968,018
SGD	10,409	22.55	234,732	11,010	22.61	248,901
CNY	72,663	4.33	314,338	-	-	-
<u>Joint controlled entities</u>						
USD	7,229	28.81	208,260	-	-	-
CNY	689	4.39	3,022	-	-	-
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD	738,856	29.13	21,523,131	542,147	32.03	17,364,955
JPY	9,976,591	0.36	3,584,958	4,563,544	0.35	1,594,046
EUR	22,471	39.02	876,797	2,209	46.32	102,316
SGD	25,127	22.77	572,136	22,530	22.97	517,505
CNY	5,534	4.39	24,302	-	-	-

## 11. ADDITIONAL DISCLOSURES

- (1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:
- a. Financing provided to others for the year ended December 31, 2010: Please refer to Attachment 2.
  - b. Endorsement/Guarantee provided to others for the year ended December 31, 2010: Please refer to Attachment 3.
  - c. Securities held as of December 31, 2010: Please refer to Attachment 4.
  - 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 5.

- 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 6.
- 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 7.
- 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 8.
- h. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2010: Please refer to Attachment 9.
- i. Names, locations and related information of investees as of December 31, 2010: Please refer to Attachment 10.
- 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 11.
- 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's 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	North America	Europe and others	Eliminations	Consolidated
Sales to unaffiliated customers	\$47,418,808	\$19,167,739	\$59,854,997	\$-	\$-	\$126,441,544
Sales between geographic areas	39,417,120	20,789,357	-	47,200	(60,253,677)	-
Net operating revenues	<u>\$86,835,928</u>	<u>\$39,957,096</u>	<u>\$59,854,997</u>	<u>\$47,200</u>	<u>\$(60,253,677)</u>	<u>\$126,441,544</u>
Gross profit	<u>\$29,747,016</u>	<u>\$6,440,961</u>	<u>\$740,977</u>	<u>\$47,200</u>	<u>\$(51,815)</u>	<u>\$36,924,339</u>
Operating expenses						(14,904,661)
Non-operating income						4,692,754

For the year ended December 31, 2010

	Taiwan	Asia, excluding Taiwan	North America	Europe and others	Eliminations	Consolidated
Non-operating expenses						\$(1,328,811)
Income from continuing operations before income tax						\$25,383,621
Minority interests loss						\$(52,949)
Identifiable assets	\$172,535,301	\$57,573,202	\$9,134,306	\$1,696,395	\$(7,219,569)	\$233,719,635
Funds and long-term investments						47,179,088
Total assets						\$280,898,723

For the year ended December 31, 2009

	Taiwan	Asia, excluding Taiwan	North America	Europe and others	Eliminations	Consolidated
Sales to unaffiliated customers	\$34,893,626	\$9,690,051	\$45,894,083	\$912,005	\$-	\$91,389,765
Sales between geographic areas	30,585,364	16,098,173	-	44,017	(46,727,554)	-
Net operating revenues	\$65,478,990	\$25,788,224	\$45,894,083	\$956,022	\$(46,727,554)	\$91,389,765
Gross profit	\$16,807,417	\$(2,077,115)	\$666,983	\$62,213	\$(44,340)	\$15,415,158
Operating expenses						(13,567,669)
Non-operating income						5,041,238
Non-operating expenses						(5,215,727)
Income from continuing operations before income tax						\$1,673,000
Minority interests loss						\$(2,203,138)
Identifiable assets	\$135,883,712	\$77,583,805	\$9,294,855	\$1,967,890	\$(26,318,508)	\$198,411,754
Funds and long-term investments						55,226,697
Total assets						\$253,638,451

(3) Export sales

Export sales to unaffiliated customers is less than 10% of the total sales amount on the consolidated statements of income, therefore disclosure is not required.

(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:

	For the years ended December 31,			
	2010		2009	
	Sales amount	Percentage	Sales amount	Percentage
Customer A	\$14,138,131	11	\$8,098,145	9
Customer B	13,491,551	11	10,945,513	12
	\$27,629,682	22	\$19,043,658	21

ATTACHMENT 1 (Significant intercompany transactions between consolidated entities)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

For the year ended December 31, 2010

No. (Note1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transactions			Percentage of consolidated operating revenues or consolidated total assets (Note 4)
				Account	Amount	Terms (Note 3)	
0	UNITED MICROELECTRONICS CORPORATION	UMC GROUP (USA)	1	Sales	\$58,898,537	Net 60 Days	47%
0	UNITED MICROELECTRONICS CORPORATION	UMC GROUP (USA)	1	Accounts receivable	7,406,924	-	3%
0	UNITED MICROELECTRONICS CORPORATION	UMC JAPAN	1	Sales	1,186,500	Net 60 Days	1%
0	UNITED MICROELECTRONICS CORPORATION	UMC JAPAN	1	Accounts receivable	182,889	-	0%
1	EVERRICH ENERGY CORPORATION	EVERRICH (SHANDONG) ENERGY CO., LTD.	3	Sales	116,284	Month-end 90 Days	0%
1	EVERRICH ENERGY CORPORATION	EVERRICH (SHANDONG) ENERGY CO., LTD.	3	Accounts receivable	36,193	-	0%

For the year ended December 31, 2009

No. (Note1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transactions			Percentage of consolidated operating revenues or consolidated total assets (Note 4)
				Account	Amount	Terms (Note 3)	
0	UNITED MICROELECTRONICS CORPORATION	UMC GROUP (USA)	1	Sales	\$44,860,503	Net 60 days	49%
0	UNITED MICROELECTRONICS CORPORATION	UMC GROUP (USA)	1	Accounts receivable	7,938,334	-	3%
0	UNITED MICROELECTRONICS CORPORATION	UNITED MICROELECTRONICS (EUROPE) B.V.	1	Sales	918,367	Net 60 days	1%
0	UNITED MICROELECTRONICS CORPORATION	UNITED MICROELECTRONICS (EUROPE) B.V.	1	Accounts receivable	8,711	-	0%
0	UNITED MICROELECTRONICS CORPORATION	UMC JAPAN	1	Sales	902,033	Net 60 days	1%
0	UNITED MICROELECTRONICS CORPORATION	UMC JAPAN	1	Accounts receivable	179,658	-	0%

ATTACHMENT 1 (Significant intercompany transactions between consolidated entities)

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

Note 1: UMC and its subsidiaries are coded as follows:

1. UMC is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Note 4: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, cumulative balances are used as basis.

ATTACHMENT 2 (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 3 (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	Releationship						
None									

## ATTACHMENT 4 (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	
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

## ATTACHMENT 4 (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	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 4 (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.

## ATTACHMENT 4 (Securities held as of December 31, 2010)

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

**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

## ATTACHMENT 4 (Securities held as of December 31, 2010)

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

**FORTUNE VENTURE 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	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

## ATTACHMENT 4 (Securities held as of December 31, 2010)

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

**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	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

## ATTACHMENT 4 (Securities held as of December 31, 2010)

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

**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	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.

## ATTACHMENT 4 (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	
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 4 (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 (Note 3)	-	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
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

## ATTACHMENT 4 (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	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
Stock	DRAMEXCHANGE TECH. INC.	-	Financial assets measured at cost, noncurrent	336	5,400	2.87	Note	None

## ATTACHMENT 4 (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	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

## ATTACHMENT 4 (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)/	Book value		Percentage of	Market value/		Shares as collateral (thousand)
				bonds/ shares (thousand)	USD	NTD	ownership (%)	Net assets value	USD	
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 4 (Securities held as of December 31, 2010)

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

**UMC 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-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.

## ATTACHMENT 4 (Securities held as of December 31, 2010)

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

**UMC NEW BUSINESS INVESTMENT 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	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.**

				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	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**

				December 31, 2010				
Type of securities	Name of securities	Relationship	Financial statement account	Units (thousand)/ bonds/ shares (thousand) (Note)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
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 4 (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 4 (Securities held as of December 31, 2010)

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

**JENERGY SYSTEM 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)
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				
Type of securities	Name of securities	Relationship	Financial statement account	Units (thousand)/ bonds/ shares (thousand) (Note)	Book value	Percentage of ownership (%)	Market value/ Net assets value	Shares as collateral (thousand)
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 5 (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 5 (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 method	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 5 (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 (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)
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 5 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$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 5 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$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 5 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$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 NTS\$120,834 thousand, long-term investment cumulative translation adjustment of NTS\$(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 NTS\$(6,716) thousand and long-term investment cumulative translation adjustment of NTS\$(6,398) thousand.

ATTACHMENT 6 (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 transactions				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 7 (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>
None											

ATTACHMENT 8 (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)		
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (payable) (%)	Note
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)		
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (payable) (%)	Note
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)		
		Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit price	Term	Balance	Percentage of total receivables (payable) (%)	Note
UNITED MICROELECTRONICS CORPORATION	Investor company	Purchases	JPY 3,181,712	56 %	Net 60 Days	N/A	N/A	JPY 512,599	27 %	

ATTACHMENT 8 (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 9 (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 10 (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 10 (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 10 (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 10 (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 10 (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 11 (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)	-	-	-	(Note5)	(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 11 (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. (SHANGHAI)	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		\$1,384,412 (USD 47,689)	Investment Amounts Authorized by Investment Commission, MOEA	\$1,696,862 (USD 58,452)		Upper Limit on Investment		\$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.