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CORPORATE OVERVIEW

CORPORATE PROFILE

Milestones (Date incorporated: May 22nd, 1980)

1980	May	UMC established
1985	July	First IC company to list on Taiwan Stock Exchange
1995	July	Begins transformation into a pure-play foundry
	July - September	Three joint venture foundry companies established
	September	200mm fab begins production
1996	January	0.35-micron mass production
1997	October	0.25-micron mass production
1998	April	Acquires Holtek Semiconductor
	December	Acquires Nippon Steel Semiconductor Corp. (Renamed as UMCJ in 2001)
1999	March	0.18-micron mass production
	November	Begins construction of a 300mm fab in Taiwan's Tainan Science-Based Industrial Park
	December	UMC/Hitachi joint venture 300mm Fab-named Trecenti
2000	January	UMC completes consolidation of 5 companies: UMC, USC, UTEK, USI and UICC
	January	UMC, Infineon and IBM form alliance to develop leading chip technologies
	March	UMC ships first foundry chips using copper process
	May	UMC produces foundry industry's first 0.13-micron integrated circuit
	September	UMC makes its debut on the New York Stock Exchange
	December	UMC's joint venture, Trecenti Technologies, produces world's first 300mm foundry wafer
	December	UMC announces plan to establish advanced 300mm foundry in Singapore (UMCi)
2001	April	UMCi holds groundbreaking ceremony for 300mm fab in Singapore
	May	Board of directors elected at the annual stockholders' meeting, more than 1/3 of directors are new to the board
	June	UMC re-focuses top management
2002	February	UMC and AMD to collaborate on 300mm fab in Singapore (AU Pte. Ltd.)

CORPORATE ORGANIZATION

Corporate Organizational Chart

Mar. 26th, 2002



Directors, Supervisors and Officers

Name	Title	Date Elected (Date Assumed)	Term (Years)	Shareholding When Elected		Present Shareholding		Spouse & Minor Shareholding		Experience	Also Serves Concurrently as
				Common Stock	%	Common Stock	%	Common Stock	%		
Robert H.C. Tsao	Director Chairman	2001.5.30 (2001.6.6)	3	60,266,853	0.53	69,306,880	0.52	3,556,209	0.03	Chairman, UMC Group	Director, Chiao Tung Bank Director, TECO Electric & Machinery Co., Ltd. Director, Unimicron Technology Corp. Chairman, UMCJ Chairman, UMCi Pte. Ltd.
John Hsuan	Director Chief Executive Officer	2001.5.30 (2002.4.1)	3	56,275,121	0.49	65,816,389	0.49	4,185,422	0.03	Chairman, UMC	Director, Unimicron Technology Corp. Director, Chiao Tung Bank Director, UMCJ Director, UMCi Pte. Ltd.
Ing-Dar Liu	Director	2001.5.30	3	39,699,824	0.35	46,704,797	0.35	1,427,922	0.01	Vice Chairman, AU Optronics Corp.	Vice Chairman, AU Optronics Corp. Chairman, Harvatek Corporation Director, Optoma Corp. Supervisor, Chiao Tung Bank
Peter Chang	Director President	2001.5.30 (2000.1.3)	3	366,007,905	3.19	420,909,090	3.16	—	—	President, UMC	Director, UMCJ Director, UMCi Pte. Ltd.
Peter J. Courture	Director	2001.5.30	3	23,142,600	0.20	26,613,990	0.20	—	—	Director, UMC	Director, UMC Group (USA) Director, United Foundry Service, Inc. Director, UMC Capital (USA)
Hong-Jen Wu	Director General Manager	2001.5.30 (1997.12.1)	3	55,542,240	0.48	63,873,576	0.48	—	—	Director, UMC	Chairman, Dupont Photomasks Taiwan Limited Director, UMCJ
Ching-Chang Wen	Director General Manager	2001.5.30 (2000.1.3)	3	55,542,240	0.48	63,873,576	0.48	—	—	Director, UMC	Director, Giga Solution Technology Co., Ltd.
Chris Chi	Director Senior Vice President	2001.5.30 (1997.9.22)	3	23,142,600	0.20	26,613,990	0.20	—	—	Senior Vice President, UMC	Director, UMCi Pte. Ltd.
Fu-Tai Liou	Director Senior Vice President	2001.5.30 (1997.12.22)	3	35,838,584	0.31	41,214,371	0.31	—	—	Senior Vice President, UMC	Director, Dupont Photomasks Taiwan Limited
Stan Hung	Director Chief Financial Officer	2001.5.30 (2000.1.3)	3	35,838,584	0.31	41,214,371	0.31	—	—	Chief Financial Officer, UMC	Director, UMCJ Supervisor, TECO Electric & Machinery Co., Ltd. Supervisor, Faraday Technology Corp. Supervisor, Novatek Microelectronics Corp.
Tsing-Yuan Hwang	Director	2001.5.30	3	366,007,905	3.19	420,909,090	3.16	—	—	Executive Officer, Daiwa Securities SMBC Co., Ltd.	Executive Officer, Daiwa Securities SMBC Co., Ltd. Director, President Chain Store Corp., Director, Hon Hai Precision Industry Co., Ltd.
Tzyy-Jang Tseng	Supervisor	2001.5.30	3	366,007,905	3.19	420,909,090	3.16	—	—	Chairman, Unimicron Technology Corp.	Chairman, Unimicron Technology Corp. Director, Premier Image Tech Corp.
Mao-Chung Lin	Supervisor	2001.5.30	3	10,864,632	0.09	12,494,326	0.09	624,991	0.00	President, Sunrox International Inc.	President, Sunrox International Inc.
Jack K.C. Wang	Supervisor	2001.5.30	3	16,102,632	0.14	18,518,026	0.14	165	0.00	Chairman, Sen Dah Investment Co., Ltd.	Chairman, Sen Dah Investment Co., Ltd.

Note 1. Present shareholding is based on actual holding shares, Dec. 31st, 2001. **2.** Peter Chang represents Hsun Chieh Investment Corporation. Peter J. Courture represents Chuin Li Investment Corporation. Hong-Jen Wu represents Chuin Tsie Investment Corporation. Ching-Chang Wen represents Chuin Tsie Investment Corporation. Chris Chi represents Chuin Li Investment Corporation. Fu-Tai Liou represents Shieh Li Investment Corporation. Stan Hung represents Shieh Li Investment Corporation. Tsing-Yuan Hwang represents Hsun Chieh Investment Corporation. Tzyy-Jang Tseng represents Hsun Chieh Investment Corporation. **3.** Directors, supervisors, and officers are not spouses or siblings of other managers, directors, and supervisors. **4.** Directors' and supervisors' elected date is the same as the assumed date.

List of Major Stockholders of UMC's Major Institutional Stockholders

Major Institutional Stockholders	Major Stockholders of UMC's Major Institutional Stockholders
Hsun Chieh Investment Corporation	United Microelectronics Corporation
Chuin Tsie Investment Corporation	Robert H.C. Tsao, John Hsuan
Chuin Li Investment Corporation	Robert H.C. Tsao, John Hsuan
Shieh Li Investment Corporation	Robert H.C. Tsao, John Hsuan

Directors' and Supervisors' Information

Requirement	Robert H.C. Tsao	John Hsuan	Ing-Dar Liu	Hsun Chieh Investment Corporation	Chuin Li Investment Corporation	Chuin Tsie Investment Corporation	Shieh Li Investment Corporation	Mao-Chung Lin	Jack K. C. Wang
Five years or above experience in business, finance, law, or corporate business related fields	•	•	•	N/A	N/A	N/A	N/A	•	•
Is not the Company's employee; or is not a director, supervisor, or employee of its affiliated enterprises				N/A	N/A	N/A	N/A	•	•
Does not directly or indirectly own more than 1% of the issued shares; or is a top ten beneficial owner of the Company	•	•	•	N/A	N/A	N/A	N/A	•	•
Is not a spouse or is not a child, parent, grandchild, grandparent, or sibling to that of the previous two rows	•	•	•	N/A	N/A	N/A	N/A	•	•
Is not a director, supervisor, or employee of a legal entity which directly or indirectly owns more than 5% of the Company's issued shares; or a director, supervisor or employee of the top five legal entity owners				N/A	N/A	N/A	N/A	•	•
Is not a director, supervisor, or manager of a company which has a business relationship with the Company; or a stockholder who owns more than 5% of the Company				N/A	N/A	N/A	N/A	•	•
Is not an owner, partner, director, supervisor, or manager and their spouses of a professional or entity which provides the Company and its affiliates with financial, consulting, or legal services				N/A	N/A	N/A	N/A	•	•

Note 1. For those directors and supervisors who match the above requirements, "•" is marked on each appropriate blank.

2. Hsun Chieh Investment Corporation, Chuin Li Investment Corporation, Chuin Tsie Investment Corporation, and Shieh Li Investment Corporation are institutional stockholders.

CAPITAL AND SHARES

Source of Capital

Date	Issue Price	Authorized Shares		Issued Shares		Source of Capital	Remark	
		Shares (in thousand)	Amount (in thousand NTD)	Shares (in thousand)	Amount (in thousand NTD)		Asset Other than Cash Used for Capital	Other
June, 2001	NT\$ 10 per share	15,000,000	150,000,000	13,335,695.4	133,356,954	Note	—	—

Note On June 18th, 2001, ROC SFC approved the issuance of NT\$18,642,435,160 from the capitalization of retained earnings. The Company's paid-in capital was increased to NT\$133,356,954,160.

Share Type	Authorized Shares			Allotment for Convertible Bonds (in shares)
	Issued Shares	Un-issued Shares	Total	
Listed on TSE - Registered Common Shares	13,335,695,416	1,664,304,584	15,000,000,000	1,500,000,000

Note TSE: Taiwan Stock Exchange

Market Price, Net Worth, Earnings, and Dividends Per Share

In NTD

		2002(Note 6)	2001	2000	
Market price per share	Highest market price	54.50	61.50	128.00	
	Lowest market price	41.70	23.40	42.30	
	Average market price	47.66	44.90	85.36	
Net worth per share	Before distribution	—	17.73	20.81	
	After distribution	—	*	17.86	
Earnings per share	Weighted average shares	—	13,256,090,988	11,120,134,880	
	Earnings per share (Note 1)	—	(0.24)	4.57	
	Earnings per share (Note 2)	—	*	3.93	
Dividends per share	Cash dividends	—	*	—	
	Stock dividends	- Dividends from retained earnings	—	*	1.5
		- Dividends from capital reserve	—	*	—
	Accumulated unappropriated dividend	—	—	—	
Return on investment	Price/Earning ratio (Note 3)	—	N/A	18.68	
	Price/Dividends ratio (Note 4)	—	*	—	
	Cash dividends yield rate (Note 5)	—	*	—	

* Subject to change following 2002 stockholders' meeting resolution.

Note 1. The calculation of EPS was based on weighted average shares outstanding for the year.

Note 2. The calculation of EPS was based on retroactive adjustment for capitalization of unappropriated earnings and bonus to employees.

Note 3. Price/Earning ratio = Average market price/Earnings per share.

Note 4. Price/Dividends ratio = Average market price/Cash dividends per share.

Note 5. Cash dividends yield rate = Cash dividends per share/Average market price.

Note 6. The data represented for 2002 was gathered up until Mar. 26th, 2002.

Dividend Policy and Status

Dividend Policy in the Company's Articles of Incorporation

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

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses;
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as a legal reserve;
- (d) Set aside 0.1% of the remaining amount after deducting items (a), (b), and (c) as directors' and supervisors' remuneration; and
- (e) After distributing items (a), (b), (c) and (d) above from the current year's earning, any portion of the remaining amount is allocated as follows: 92% as stockholders' dividends; and 8% as employees' bonus.

The Company is in the growth stage. The policy for distribution for share bonuses should reflect such factors as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the benefits of stockholders, share bonus equilibrium, and long-term financial planning. The board of directors shall make the distribution proposal annually and present it at the stockholders' meeting. Our Articles of Incorporation further provide that at least 65% of the dividends to our stockholders, if any, must be paid in the form of stock dividends. Accordingly, no more than 35% of the dividends can be paid in the form of cash.

Proposed Distribution of Dividend

The Company's distribution of dividend in 2001 was passed on the 8th term, 11th board meeting, in which a proposal is to be discussed at the stockholders' meeting for the distribution of a stock dividend of 150 common shares for every 1000 shares held by stockholders.

Impacts of Dividends on Operation Results, EPS and ROE

In Thousand NTD, except for earnings per share

		2001	2000	
Paid-in capital at January 1 of the year		\$ 114,714,519	\$ 66,549,966	
Dividends	Cash dividends per share	—	—	
	Stock dividends from earnings per share	0.15	0.10	
	Stock dividends from capital reserve per share	—	0.10	
Operation results	Operating (loss) income	\$ (5,590,174)	\$ 43,573,127	
	% (Decrease) increase of operating (loss) income (Year over year)	(113)%	689%	
	Net (loss) income	\$ (3,157,302)	\$ 50,780,378	
	% (Decrease) increase of net (loss) income (Year over year)	(106)%	384%	
	(Loss) earnings per share	\$ (0.24)	\$ 4.57	
	% (Decrease) increase of (loss) earnings per share (Year over year)	(105)%	186%	
	Annual return on investment (Reciprocal of annual P/E ratio)	(0.53)%	5.35%	
Pro forma earnings per share and P/E ratio	If stock dividends from earnings distributed in full as cash dividends	Pro forma (loss) earnings per share	\$ (0.39)	\$ 4.94
		Pro forma annual return on investment	(0.87)%	5.79%
	If no stock dividends from capital reserve distributed	Pro forma (loss) earnings per share	\$ (0.24)	\$ 4.97
		Pro forma annual return on investment	(0.53)%	5.82%
	If no stock dividends from capital reserve distributed, and stock dividends from earnings distributed in full as cash dividends	Pro forma (loss) earnings per share	\$ (0.39)	\$ 5.42
		Pro forma annual return on investment	(0.87)%	6.35%

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

(1) The 1999 effective tax rate of 3% is applied for 2000.

(2) The 2000 effective tax rate of 8% is applied for tax rate estimation in 2001. The tax rate is calculated based on the formula: income tax payable / income before tax.

(3) The estimated annual primary interest rate is 7.538%.

2. The pro forma earnings per share if stock dividends from earnings was distributed in full as a cash dividends = [Net income - assumed interest accrued from cash dividends* X (1 - tax rate %)] / (The outstanding shares at year-end - shares increased due to the stock dividends from earnings**).

* The capitalized earnings X the annual primary interest rate.

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

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

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

5. Capital stock at the beginning of the year does not eliminate the effect of the treasury stock.

Chairman



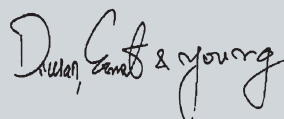
CFO



Manager



Certified Public Accountant



CORPORATE SECURITIES

Corporate Bonds

Type	Secured Corporate Bonds	Unsecured Corporate Bonds
Issue Date	2000.4.27	2001.4.16 - 2001.4.27
Face Amount	NT\$ 1,000,000	NT\$ 1,000,000
Listing Exchange	R.O.C. OTC Securities Exchange	R.O.C. OTC Securities Exchange
Issue Amount	NT\$ 1,000,000	NT\$ 1,000,000
Issue Size	NT\$ 3.99 billion	NT\$ 15 billion
Coupon Rate	5.60%	1A01 - 1A10:5.1850%; 1A11 - 1A19:5.1195%; 1B01 - 1B10:5.2850%; 1B11 - 1B19:5.2170%
Maturity	5 years 2005.4.27	1A - 5 years 2006.4.16 - 2006.4.27 1B - 7 years 2008.4.16 - 2008.4.27
Guarantor	ICBC and twenty other banks	—
Trustee	Chiao Tung Bank-Trust Department	Chiao Tung Bank-Trust Department
Underwriter	Daiwa Global Securities Co., Ltd.	—
Legal Counsel	Chen & Lin Attorneys-at-Law	Chen & Lin Attorneys-at-Law
Auditor	PricewaterhouseCoopers	Diwan, Ernst & Young
Redemption	Principle will be paid semi-annually after two years, in seven installments. Interest will be paid semi-annually.	1A is a 5-year term, and total size is NT\$7.5 billion. Principle will be paid after 3, 4, 5 years at 30%, 30%, and 40% respectively. 1B is a 7-year term, and total size is NT\$7.5 billion. Principle will be paid after 5, 6, 7 years at 30%, 30%, and 40% respectively. Interest will be paid annually.
Principle Payable	NT\$ 3.99 billion	NT\$ 15 billion
Redemption or Early Redemption	—	—
Covenant	—	—
Name of the Rating Company, Date of Rating, Result of Rating	—	Taiwan Ratings Corporation, 2001.3.8, twAA
Other Obligation		
Balance of converting (exchangeable or warrant) share, ADR, or other type of securities as of printing date	—	—
Policy of issuing or converting (exchangeable or warrant)	—	—
Effect on the Current Stockholders due to Dilution	—	—
Name of Custodian	—	—

Corporate Bonds (Continued)

Type	Unsecured Corporate Bonds	Zero Coupon Convertible Bonds Due 2004
Issue Date	2001.10.2 - 2001.10.15	2001.12.12
Face Amount	NT\$ 1,000,000	US\$ 10,000
Listing Exchange	R.O.C. OTC Securities Exchange	Luxembourg Stock Exchange
Issue Amount	NT\$ 1,000,000	US\$ 10,000
Issue Size	NT\$ 10 billion	US\$ 302,400,000
Coupon Rate	2A01 - 2A09:3.420%; 2A10 - 2A17:3.3912%; 2B01 - 2B09:3.520%; 2B10 - 2B18:3.4896%	0%
Maturity	2A - 3 years 2004.10.2 - 2004.10.15 2B - 5 years 2006.10.2 - 2006.10.15	2 years and 3 months 2004.3.1
Guarantor	—	—
Trustee	Chiao Tung Bank- Trust Department	Citibank N.A.
Underwriter	—	Morgan Stanley
Legal Counsel	Chen & Lin Attorneys-at-Law	Simpson Thacher & Bartlett
Auditor	Diwan, Ernst & Young	Diwan, Ernst & Young
Redemption	2A is a 3-year term, and total size is NT\$5 billion. Principle will be paid in full after 3 years. 2B is a 5-year term, and total size is NT\$5 billion. Principle will be paid in full after 5 years. Interest will be paid annually.	Unless previously redeemed, repurchased, cancelled or converted, the bonds will be redeemed at 101.675% of their principal in accordance with the indenture.
Principle Payable	NT\$ 10 billion	US\$ 302,400,000
Redemption or Early Redemption	—	After 1.5 years from the issue date, if the US\$ market value of the ADSs into which the bonds are convertible is at least 130% of the early redemption amount of the bonds for 20 out of 30 consecutive trading days prior to the publication of the redemption notice. The issuer may also redeem the bonds in whole but not in part at any time at the early redemption amount if less than 10% of the issue size in principal amount of the bonds remains outstanding pursuant to the provisions of the indenture.
Covenant	—	—
Name of the Rating Company, Date of Rating, Result of Rating	Taiwan Ratings Corporation, 2001.8.28, twAA	—
Other Obligation	—	—
Balance of converting (exchangeable or warrant) share, ADR, or other type of securities as of printing date	—	—

Continued on next page

Corporate Bonds (Continued)

	Unsecured Corporate Bonds	Zero Coupon Convertible Bonds Due 2004
Continued from previous page.		
Other Obligation		
Policy of issuing or converting (exchangeable or warrant)	—	Except during the closed period, the bonds are convertible at any time (1) into the common shares of the issuer, on or after 40 days after the issue date up to and including 10 days before the maturity date, or (2) into the ADSs representing the common shares of the issuer, on or after the date on which the shelf registration statement in respect of the ADSs and common shares into which the bonds are convertible undertaken to be filed by the issuer with the United States Securities and Exchange Commission (the "Commission") is first declared effective by the Commission, but in no case later than 180 days after issue date, up to and including 10 days before the maturity date. Unless otherwise provided in the indenture, the closed period refers to (1) the period during which under the laws of the ROC, the issuer is required to close its stock transfer books, or (2) the period beginning on the 3rd business day prior to the date on which the issuer holds its board meeting for approving the annual dividend up to (and including) the dividend record date.
Effect on the Current Stockholders due to Dilution	—	The dilution effect to original stockholders is no more than 0.98% after conversion. The dilution effect is insignificant.
Name of Custodian	—	—

Convertible Bonds Information	Zero Coupon Convertible Bonds Due 2004	
	2002	2001
Market Price		
High	114.75	112.00
Low	103.88	108.25
Average	108.77	109.63
Adjusted Conversion Price	NT\$ 80.76 (US\$ 11.718)	NT\$ 80.76 (US\$ 11.718)
Issue Date and Conversion Price	2001.12.12 NT\$ 80.76 (US\$ 11.718)	2001.12.12 NT\$ 80.76 (US\$ 11.718)
Underlying Conversion	Treasury stock	Treasury stock

Note The data represented for 2002 was gathered up until Mar. 26th, 2002.

Exchangeable Bonds, Warrant Bonds Information

None

Preferred Stock

None

American Depositary Receipt

Issue Date	2002.3.19	2001.8.17	2000.9.19
Listing Exchange	New York Stock Exchange	New York Stock Exchange	New York Stock Exchange
Issue Amount	US\$ 439.7 million	Stock dividend	US\$ 1,291.5 million
Listing Price/Unit	US\$ 9.25	—	US\$ 14.35
Issue Share	47,537,780	13,500,000	90,000,000
Underlying Representing Share	UMC common share	UMC common share	UMC common share
Number of Equivalent Local Shares per ADS	5 shares	5 shares	5 shares
Rights and Obligations of ADS Holder	Same as the common stockholder	Same as the common stockholder	Same as the common stockholder
Trustee Bank	Citibank N.A.	Citibank N.A.	Citibank N.A.
Depository Bank	Citibank N.A.	Citibank N.A.	Citibank N.A.
Custodian Bank	Citibank N.A. Taipei Branch	Citibank N.A. Taipei Branch	Citibank N.A. Taipei Branch
Outstanding Balance	47,537,780	13,500,000	90,000,000
Issuing Expenses and Maintenance Fees	During the term of the ADR, the issuing expenses will be borne by the issuer, and maintenance fees will be borne by the Company.	During the term of the ADR, the issuing expenses will be borne by the issuer, and maintenance fees will be borne by the Company.	During the term of the ADR, the issuing expenses will be borne by the issuer, and maintenance fees will be borne by the Company.
Important Terms and Conditions of Depository Agreement and Custodian Agreement	—	—	—

American Depositary Receipt Information	2002	2001
Closing Price Per Share (USD)		
High	10.20	9.88
Low	7.40	4.50
Average	8.85	6.87

Note The data represented for 2002 was gathered up until Mar. 26th, 2002.

Stock Warrants for Employee

None

Mergers and Acquisitions

None

OPERATIONS OVERVIEW

BUSINESS CONTENTS

Major Business

Full Service Semiconductor Wafer Foundry.

Current Products and Services

Wafer foundry services, including intellectual property, embedded IC design, design verification, mask tooling, wafer fabrication, testing, etc. Wafer fabrication accounts for 95.4% of the 2001 revenues.

Future Products and Services

Finer Geometry Process Technologies

UMC has reached world-class manufacturing levels and leads most of the major semiconductor companies in the introduction of advanced deep sub-micron processes. In 2000, customer products were successfully produced using UMC's advanced 0.13-micron Copper/low-k process technology. Significant progress is also being made for UMC's 0.09-micron process.

300mm Manufacturing Technologies

UMC is a leader in 300mm manufacturing with three 300mm fabs strategically located to serve its global customer base. UMC's 300mm facility in Taiwan's Tainan Science-Based Industrial Park, Fab 12A, began qualification in the 3rd quarter of 2001. UMC's joint venture with Infineon, UMCi Pte. Ltd., began construction of a 300mm fab in Singapore in 2001. The Company has also established another 300mm semiconductor foundry company with AMD in Singapore, named AU Pte. Ltd.

SOC Process Technologies

In response to the growing trend towards System-on-Chip (SOC) products, the Company continues to develop embedded memory macros, mixed-signal process technology, and other system integration technologies used for SOC designs.

R&D Expenditures

In Thousand NTD

	2002	2001	2000
Expenditures	1,361,681	8,580,775	5,953,962

Note The data represented for 2002 was gathered up until Mar. 26th, 2002. The figure represented was unaudited.

Research and Development Achievements and Plans

Successfully Developed Technologies and other R&D Achievements

Through the years, we at UMC have offered many examples of our continued commitment to provide customers with leading-edge technologies ahead of the competition. In 2001, over half of all wafers manufactured at UMC were for 0.25-micron and beyond (including 0.21-micron, 0.18-micron, 0.15-micron and 0.13-micron), providing solid testimony to our customers' confidence in UMC's advanced technology in helping them maintain their competitive advantage.

In recognition of UMC's outstanding achievements in semiconductor technology research, the ROC government bestowed awards on UMC several times, acknowledging contributions in innovative semiconductor research made by both individual and company's efforts. UMC was also honored by receiving the "Outstanding Technology Award" from the ROC President.

After we announced in 2000 that we had started building chips using 0.13-micron logic technology with our strategic development partners, IBM and Infineon, UMC has focused most of our efforts to driving 0.13-micron technology into the last stage of mass production. This is the 1st true 0.13-micron technology that offers customers up to 8 layers of copper interconnect and low-k dielectric material (with $k = 2.7$). In this 0.13-micron generation, we currently provide one of the most competitive embedded SRAMs (cell size equal to 2.28-micron²) with transistors made as small as 0.08-micron. UMC's 0.13-micron supports high speed/standard performance/low leakage applications, offering our

customers the most advanced foundry process for applications including PC periphery/graphics, ASIC, and MPU (Microprocessors) designs. Also, the multiple sources of supply make this unprecedented design platform truly a global process. This 0.13-micron technology has attracted worldwide attention, with a wide range of customers deciding to take advantage of this technology for production of their most advanced products.

In addition to the 0.13-micron standard logic process, mixed-signal and RF CMOS technologies remain high priorities due to the rapidly expanding markets in applications involving communications, digital consumer products, and the Internet. Efforts to develop technologies in these areas have allowed us to realize the successful delivery of 0.25-micron and 0.18-micron mixed-signal and RF CMOS technologies to our customers. Moreover, the 0.13-micron technology developed with IBM and Infineon includes high quality passive mixed-signals and RF CMOS components such as metal-metal capacitors and metal inductors. These have been put into pilot production as the best offerings for our customers to use in their product designs.

Regarding our memory technologies, the 0.18-micron of (stack-type) DRAM process has been successfully produced this year. In addition, we co-developed deep trench embedded DRAM at the 0.13-micron generation with IBM and Infineon. With our embedded Flash and embedded EEPROM technologies, UMC provides complete solutions for our customers' leading-edge System-on-Chip (SOC) designs.

Fundamental Research

Since becoming the first international member of the Semiconductor Research Corp. (SRC) in 2000, UMC has held an active presence at every SRC program, including determining future research directions, providing guidance, and sending senior staff to help manage SRC research programs as their liaisons. These are perfect opportunities for us to work with other SRC member companies such as Intel, IBM, TI, Motorola, and AMD for fundamental research in semiconductor technologies. Also through the SRC, UMC has facilitated the entry of many Taiwanese universities into international research programs, giving them the opportunity to compete with top North American universities. These types of competitions help us to cultivate our future designers and process engineers by stimulating innovation and raising their R&D standards to international levels. These activities will further enhance UMC's competitiveness, allowing us to pursue fundamental research while sponsoring university education. Additionally, the universities we sponsor provide us with the best quality students for our technology development now and in the future.

Patent Disclosure and Granted

In 2001, there were 1,059 patents filed by UMC. For the year, UMC was granted 1,093 ROC patents, 633 US patents, and 77 patents from other countries.

Upcoming R&D Plans

UMC has always been devoted to developing next generation technologies. Since 0.18-micron, we have achieved parity with the most advanced IC manufacturing companies in terms of process maturity, complexity and time-to-market. Furthermore, our 0.15-micron and 0.13-micron logic technologies were developed in a very short period of time, one to two years ahead of the International Technology Roadmap for Semiconductors (ITRS) roadmap for current and next generation technologies. We expect to continue this rapid pace for R&D. Our 90-nanometer technology will be put into production next year. Our 65-nanometer project is well underway; and studies on the key modules for 45-nanometer have been initiated with the SRC. In addition, we are developing Silicon Germanium (SiGe) and Silicon-on-Insulator (SOI) technologies to satisfy high frequency, low power and high-speed requirements. We expect to offer these technologies to our customers starting from 2002. Moreover, UMC aggressively recruits and trains our world-class R&D staff to meet the ongoing challenges of providing the best technical service along with our industry leading technologies.

UMC is committed to providing the shortest time-to-market for our customers. We offer the comprehensive design resources (such as Library and IP) along with our technology, enabling our research achievements to become the real world tools that turn profits for our customers.

MARKET AND SALES CONDITIONS

Major Sales Regions

Currently, the majority of customers is located in North America and Asia, with Europe following closely behind. To better diversify its customer base and reduce risk, the Company also continues to place strong emphasis on the development of major accounts in Japan.

Market Share

TSMC & Chartered are considered to be the major competitors. TSMC, UMC and Chartered together hold about 80% of the foundry market share. In 2001, sales revenues for TSMC, UMC, and Chartered were US\$3,597 million, US\$1,840 million, and US\$463 million respectively. TSMC, UMC and Chartered held 49%, 25% and 6% of the market share respectively in year 2001.

Future Supply/Demand Situation and Growth Potential

According to reports by World Semiconductor Trade Statistics (WSTS), the Semiconductor Industry Association (SIA), and IC Insights, the world's semiconductor market in 2001 is estimated to decline about 31% - 33%. However, they have also estimated that the market has reached the bottom and will bounce back with 1% - 6% growth in 2002.

According to Dataquest, after the global computer market dropped by 6.8% in 2001, the computer market is estimated to grow 5.5%, 21%, 12% and 8% in 2002, 2003, 2004, and 2005 respectively. Dataquest has also estimated the communication market to drop 38% to US\$40.3 billion in 2001 and to remain flat (US\$40.4 billion) in 2002 due to excess inventory.

With the trend towards vertical disintegration of IC design and manufacturing, more and more IDMs are adopting the strategy of using external foundry services, which helps the growth of the foundry service market. Therefore, the foundry market is expected to grow at a faster rate compared to the overall semiconductor industry.

Estimated Sales Quantities

With the industry shifting towards the vertical disintegration business model, UMC should be able to reach a revenue growth that is higher than the semiconductor industry through its industry leadership position, pioneering of 300mm manufacturing and SOC technologies. Based on our capacity and customers' demand forecast, the estimated sales quantity for 2002 is approximately 1.95 million 8-inch wafer equivalents.

Competitive Advantages

IC design companies in Taiwan are developing favorably, second only to companies in North America. UMC can directly enjoy the advantages brought by the rapid growth of Taiwan's IC design companies through geographic proximity as well as the ease of communication.

The IC industry in Taiwan is well structured; the industry is very competitive in terms of efficiency and cost. UMC plays an important role in the IC industry supply chain and is therefore able to realize the competitive advantages of Taiwan's IC industry.

Positive and Negative Factors Relating to Future Development

Positive factors

- UMC has distinguished itself as a top-tier player amidst the foundry industry boom. The trend towards industry disintegration will create new opportunities for the Company as the market for foundry services continues to grow.
- Major IDMs are shifting to the strategy of using external foundry services, which will help the growth of the foundry service market.
- UMC maintains stable long-term orders through its strategic alliances with global industry leaders.
- UMC has an exceptional management team, operating with a heavy emphasis on research and development for advanced process technologies.
- UMC is the leader in the implementation of 300mm wafer production with three 300mm projects underway. In Taiwan, the Company has a 300mm facility, Fab 12A, in the Tainan Science-Based Industrial Park. The Company has also established two separate 300mm semiconductor foundry companies in Singapore, UMCi Pte. Ltd. with Infineon and AU Pte. Ltd. with AMD.
- UMC has implemented advanced 0.13-micron process production. This shift towards production of more advanced technologies creates higher profits for the Company, while offering value-added benefits to the customer.
- In response to the growing trend towards SOC products, UMC continues to develop embedded memory macros, mixed-signal process technology, and other system integration technologies used for SOC designs.
- The global semiconductor industry declined by 31% - 33% in 2001, but it is estimated that the market will pick up with a 1% - 6% growth in 2002.

Negative factors

- After a 38% decline in the communications sector in 2001, the market is estimated to remain flat in 2002 due to excess inventory. This may therefore affect the growth of the semiconductor market.
- The slow-down in demand for the Personal Computer markets (from high growth to medium-low growth) may have negative influences on the industry.
- The recent prosperity of the foundry market has attracted many new competitors into the market; this may have a negative impact on the market balance.

Adaptations to Market Situations

UMC will try to avoid unnecessary expenditures in order to conserve resources to grow and benefit when the market recovers.

In response to the foundry companies entering the market, UMC will build on our competitive advantages in advanced technologies, high yields and comprehensive services, etc., to widen the gap with these new competitors, and at the same time differentiate UMC from the rest of the industry. This strategy allows UMC to always be the customers' best choice.

The Applications of Major Processes

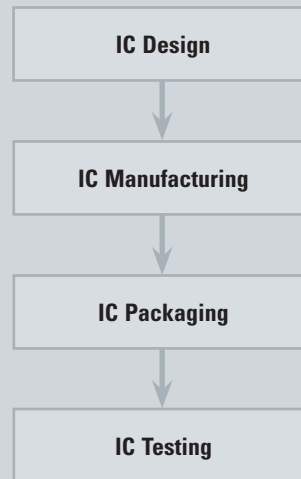
CMOS-logic processes: Chips for logic-calculation functions, e.g. graphics chips, audio chips, and microprocessors.

Mixed-signal processes: Chips for processing mixed-signals, e.g. broadband communications and MPEG chips.

RF CMOS processes: Chips for wireless communications, e.g. cellular phones, WLAN, Bluetooth chips.

Embedded memory processes: Chips combining logic and memory functions for high performance, low power consumption chips, e.g. graphics and router chips.

Product Manufacturing Process



Market Conditions of the Major Raw Materials Used at UMC

UMC obtains its raw materials from reputable vendors with whom long-term credible relationships have been established. This ensures reasonable pricing, high quality, and quick delivery from raw material suppliers.

Major Vendors

In Thousand NTD

	2001		2000	
	Amount	Percentage of net purchases	Amount	Percentage of net purchases
Shin-Etsu Handotai Taiwan Co.	1,847,945	14%	2,530,281	12%

Major Customers

In Thousand NTD

	2001		2000	
	Amount	Percentage of net sales	Amount	Percentage of net sales
UMC Group (USA)	27,055,238	42%	42,609,198	41%
UMC (Europe) BV	6,038,583	9%	11,849,367	11%

Production Figures

In Thousand NTD

	2001	2000
Wafers		
Quantity (pcs)	1,284,593	2,050,481
Amount	\$ 46,037,705	\$ 41,674,246
Chips		
Quantity (thousands)	19,832	32,959
Amount	\$ 701,396	\$ 1,282,286
Packaged ICs		
Quantity (thousands)	104,907	175,153
Amount	\$ 8,936,365	\$ 9,440,178
Total Amount	\$ 55,675,466	\$ 52,396,710
Capacity (pcs)	2,859,061	2,339,134

Note Wafer quantity and capacity are expressed in 8-inch wafer equivalents.

Sales Figures

In Thousand NTD

	2001	2000
Wafers		
Domestic Sales		
Quantity (pcs)	556,276	644,025
Amount	\$ 17,007,210	\$ 21,826,367
Export Sales		
Quantity (pcs)	661,922	1,332,299
Amount	\$ 34,632,498	\$ 65,014,466
Chips		
Domestic Sales		
Quantity (thousands)	15,897	303
Amount	\$ 176,930	\$ 38,326
Export Sales		
Quantity (thousands)	32,842	31,804
Amount	\$ 3,394,360	\$ 2,678,371
Packaged ICs		
Domestic Sales		
Quantity (thousands)	56,481	81,315
Amount	\$ 2,723,014	\$ 6,455,281
Export Sales		
Quantity (thousands)	46,951	60,436
Amount	\$ 3,575,021	\$ 5,461,416
Total		
Domestic Sales		
Amount	\$ 19,907,154	\$ 28,319,974
Export Sales		
Amount	\$ 41,601,879	\$ 73,154,253

Note Wafer quantity is expressed in 8-inch wafer equivalents.

EMPLOYEE ANALYSIS

Number of Employees

	2002	2001	2000
Engineers	3,913	3,753	3,877
Administrators	430	425	454
Clerks	106	114	101
Technicians	4,251	4,251	4,941
Total	8,700	8,543	9,373

Average Age

	2002	2001	2000
Average Age	30.7	30.5	29.4

Average Years of Employment

	2002	2001	2000
Average Years	4.3	4.0	3.9

Level of Education

	2002	2001	2000
Ph.D.	1.5%	1.5%	1.4%
Masters Degree	20.6%	19.8%	18.6%
Bachelors and Associate Degree	42.6%	42.5%	40.9%
Secondary School	34.7%	35.6%	38.4%
Others	0.6%	0.6%	0.7%

Note The data represented for 2002 was gathered up until Mar. 26th, 2002.

ENVIRONMENTAL PROTECTION

Environmental protection is always a major consideration for UMC. With a philosophy of sustainable development and responsibility towards society, UMC not only complies with, but also strives to exceed all applicable environmental and safety regulations. In our goal towards making UMC a more environmental-friendly corporation, all production facilities are required to make efforts toward clean production, waste reduction, pollution prevention, and risk management in addition to incorporating international environmental standards.

UMC's capital investment and operational expenses are clear indicators of the Company's determination towards environmental protection. In 2001, cumulative investment for pollution control equipment exceeded NT\$2 billion, with the environmental protection investment for new fab construction in the Tainan Science-Based Industrial Park reaching NT\$0.8 billion. Additionally, operation costs for relevant pollution control equipment are approximately NT\$20 million per month, plus a monthly waste treatment fee of around NT\$5 million. The annual cost for environmental-monitoring sampling and analysis is around NT\$22 million. The major expenditures for future environmental protection programs include: (a) the costs required for pollution control equipment in new fabs, (b) the costs required to upgrade or replace existing systems, and (c) approximately NT\$20 million per month on operation costs for relevant pollution control equipment and NT\$5 million per month on waste treatment.

In addition to high efficiency pollution control equipment, UMC also employs a large number of professionals who work to ensure environmental protection. These efforts have helped UMC receive numerous awards recognizing performance in energy conservation, water conservation, and industrial pollution control.

UMC has been devoted to establishing and maintaining an effective ISO-14001 Environmental Management

System (EMS) and OHSAS-18001 (Occupational Health and Safety Assessment Series). UMC follows the Plan-Do-Check-Act (PDCA) model of environmental management to continuously improve the environmental performance. In 2001, UMC received both ISO-14001 and OHSAS-18001 certifications, and integrated both environmental and safety-health management systems successfully.

UMC pays great attention to international environmental issues, taking active roles not only through environmental organizations, but also through educational conferences about environmental technology, and also participates in a PerFluorinated Compounds (PFCs) reduction program to protect the atmosphere. UMC also attends the Joint Prevention and Rescue Team, and other public activities focused on raising the quality of environmental protection efforts. In 2001, UMC started to publish the Company Environmental Report (CER) to show the achievements in environmental protection and the commitment of promoting environmental friendly technology.

Notwithstanding, total fines from environmental authorities amounted to approximately NT\$1.1 million in 2001. These fines resulted solely from the administrative control of environmental regulations, rather than from true pollution violations. UMC has filed petitions for administrative review of those penalties. In order to avoid any penalty from environmental authorities, UMC will continue to communicate with environmental authorities regarding applications and implementations of environmental regulations. UMC will also continue to promote pollution control technology and rigidly follow the environmental management system to avoid any penalty. If any future penalties are incurred as a result of administrative control of environmental regulations, penalty amount would be determined by the type of penalty and would be difficult to estimate.

LABOR RELATIONS

UMC places great importance on employee salaries and benefits, and actively engages in employee training, the enforcement of all labor laws, and the protection of employee rights in an effort to provide the best possible working environment. Employees can communicate with management through many avenues, including departmental meetings, colleague symposiums, and opinion boxes. In addition, UMC has set up employee counseling services to further ensure the mental and physical health of UMC employees and to develop a harmonious atmosphere between employees and management.

To provide our employees with a space to enjoy their leisure time, UMC started establishing an employee recreation center in 2001. It is scheduled to open in December 2002. The employee recreation center is well-equipped to support a variety of activities, such as sports, entertainments, arts, association reunions, etc.

Due to its continuous efforts in creating good labor relationships, UMC has received several awards from the Council of Labor Affairs and other related organizations. These awards include such titles as “Model Institution for the Promotion of Labor Welfare”, “Model Enterprise for the Promotion of Labor Education”, and “Model Enterprise for Industrial Relations”.

MAJOR AGREEMENTS

Major Long-term Supply and Marketing Agreements

In order to maintain a worldwide marketing presence, UMC has entered into long-term distribution, sales, service and support agreements. In addition, UMC has maintained long-term supply

business relationship with major wafer material vendors. The major contents of these agreements are described below:

Company Names	Contract Period	Major Contents	Limitations
UMC Group (USA)	1998.9.1 - 2002.12.31	Semiconductor products sales and relevant services	None material
UMC (Europe) BV	Indefinite Period	Semiconductor products sales and relevant services	None material
Shin-Etsu Handotai Taiwan Co.,Ltd.	Indefinite Period	6-inch, 8-inch and 12-inch wafer materials supply	None material

Major License Agreements

UMC is committed to the protection and enhancement of intellectual property. Based on over twenty years of investment, UMC has been awarded more US patents in the semiconductor field than any other independent foundry in the world. UMC has also

entered cross licensing with major semiconductor company patent holders to ensure that UMC customers do not face infringement claims as a result of our wafer processing. The major licenses include:

Cross License (Company Names)	License Period	Fields of Protection	Limitations
AT&T Corporation/Lucent Technologies GRL Corporation/Agere Systems Guardian Corporation	1999.1.1 - 2003.12.31	Process and topography	None material
Harris Corporation	1997.11.28 - 2003.12.31	Process and topography	None material
Hitachi, Ltd.	1999.4.8 - 2003.12.31	Process and topography	None material
International Business Machines Corporation	1998.8.1 - 2005.12.31	Process, topography and design	None material
Motorola, Inc.	1995.1.1 - 2002.12.31	Process, topography and design	None material
Texas Instruments Incorporated	1998.8.28 - 2007.12.31	Process, topography and memory content	None material

Major Joint Venture and Construction Agreements

Company Names	Contract Period	Major Contents	Limitations
UMCi Pte. Ltd. Infineon Technologies AG, EDB Investments Pte Ltd	Since 2001.3.30	UMC, UMCi, Infineon and EBD Investments entered into a joint venture in Pasir Ris Wafer Fab Park in Singapore for manufacturing of 300mm wafers with leading technology; UMC will be the controlling stockholder with rights to more than 60% of the output.	None material
Various construction or engineering companies, such as: Yih Shin Construction Co., Ltd., Asea Brown Boveri Ltd., Hueng Luei Co., Ltd., San Fu Chemical Co., Ltd.	2001.1.1 - 2002.12.31	UMC contracted with major construction and engineering companies to build or expand semiconductor facilities in the Hsin-chu and Tainan Science-Based Industrial Parks; total contract amounts exceed NT\$1.0 billion.	None material
Advanced Micro Devices, Inc.	2002.1.31 - indefinite	UMC and AMD entered into agreements for joint development of 90-nanometer and 65-nanometer processes, a joint venture fabrication facility in Singapore, and a foundry relationship covering the manufacture of a significant portion of AMD's semiconductor fabrication needs.	AMD and UMC agreed to avoid using jointly developed processes in direct competition with one another.

Major Long-term Loan Agreements

UMC is committed to building and maintaining state of the art wafer fabrication facilities that will allow UMC to maintain its status as a premier independent wafer foundry and maintain the capacity needed to

support its continued growth. In order to provide the necessary capital required to support such projects, UMC has, from time to time, obtained loans from commercial banks. Some of these loans include:

Company Names	Contract Period	Major Contents	Limitations
Chinatrust Commercial Bank and 12 other participant banks	1995.2.23 - 2002.2.23	Chinatrust Commercial Bank arranged the syndicated loan and the facility amount was approximately NT\$8.8 billion. The loan was for Fab 8A capital expenditure.	None material
Citibank and 13 other participant banks	1996.6.19 - 2002.8.2	Citibank arranged the syndicated loan and the facility amount was US\$100 million. The loan was for Fab 8A capital expenditure.	None material
Chiao Tung Bank and 9 other participant banks	1996.6.20 - 2004.4.11	Chiao Tung Bank arranged the syndicated loan, and the facility amount was approximately NT\$4.3 billion. The loan was for Fab 8E capital expenditure.	None material
Chiao Tung Bank and 17 other participant banks	1996.9.20 - 2005.5.26	Chiao Tung Bank arranged the syndicated loan and the facility amount was approximately NT\$12.3 billion. The loan was for Fab 8C capital expenditure.	None material
Citibank and 13 other participant banks	1998.8.18 - 2003.8.18	Citibank arranged the syndicated loan and the facility amount was NT\$2.7 billion. The loan was for Fab 8C capital expenditure.	None material
Chiao Tung Bank and 8 other participant banks	1998.2.18 - 2005.9.18	Chiao Tung Bank arranged the syndicated loan and the facility amount was approximately NT\$4.3 billion. The loan was for Fab 8E capital expenditure.	None material
Taiwan Cooperative Bank	1998.11.14 - 2009.5.14	UMC contracted with Taiwan Cooperative Bank for Testing Building financing. The facility amount was NT\$700 million.	None material
Taipei Bank	1999.3.25 - 2009.2.25	UMC contracted with Taipei Bank for United Tower Building financing. The facility amount was NT\$1.5 billion.	None material
Chiao Tung Bank and 13 other participant banks	1999.11.22 - 2007.9.25	Chiao Tung Bank arranged the syndicated loan and the facility amount was approximately NT\$3.9 billion. The loan was for Fab 8E capital expenditure.	None material
The Int'l Commercial Bank and 20 other participant banks	2000.1.28 - 2007.1.28	The Int'l Commercial Bank arranged the syndicated loan and the facility amount was approximately NT\$8 billion. The loan was for Fab 8F capital expenditure.	None material

LITIGATION AND NON-LITIGATED INCIDENTS

In February 1997, Micron Technology Inc. (“Micron”) filed an antidumping petition regarding Static Random Access Memory (SRAM) made in Taiwan. An antidumping order, issued in April 1998, imposed various dumping duties on SRAM made in Taiwan, if and when those SRAM are imported into the USA. This order was subsequently reversed by the United States Court of International Trade. This reversal was then upheld, on September 21, 2001, by the United States Court of Appeals for the Federal Circuit. On January 3, 2002 (USA time), the US International Trade Commission announced in the Federal Register its final negative determination, made pursuant to this reversal. Accordingly, this matter will have no material effect on the Company’s business or financial performance.

Oak Technology, Inc. (“Oak”) and UMC entered into a settlement agreement on July 31, 1997 concerning a complaint filed with the United States International Trade Commission (“ITC”) against UMC and others, alleging unfair trade practices based on alleged patent infringement regarding certain CD-ROM controllers. On October 27, 1997, Oak filed a civil action in a California federal district court, alleging that UMC had breached the settlement agreement. On May 2, 2001, the United States Court of Appeals for the Federal Circuit upheld the ITC’s findings of no patent infringement and no unfair trade practice. Accordingly, UMC believes this matter will have no material adverse effect on its business or financial performance.

Micron Technology Inc. (“Micron”) filed another antidumping petition against Taiwan in October 1998, this time complaining about Dynamic Random Access Memory (DRAM). By an order issued in November 1999, the ITC rejected Micron’s allegations and found that there was no injury or threat of injury to U.S. industry by reason of “unfairly” traded subject DRAMs from Taiwan. Micron did not file any appeal of this decision, and, accordingly, this matter will have no material effect on the Company’s business or financial performance.

UMC filed a civil action in California federal district court against Silicon Integrated Systems and its U.S. subsidiary (collectively, “SIS”) in December 2000, for patent infringement, unfair competition, breach of contract, intentional interference with contract, misappropriation of trade secrets, and unjust enrichment. This matter is in the early stages of discovery. In January 2001, UMC filed a complaint against SIS with the United States International Trade Commission, alleging patent infringement regarding certain processes for the manufacture of integrated circuits and regarding certain integrated circuit devices. The hearings in this matter took place during November and December of 2001, and the Administrative Law Judge’s Initial Determination is expected in the second quarter of 2002. Whatever the outcome of the ITC or district court cases, UMC believes these matters will have no material adverse effect on its business or financial performance.

ACQUISITION AND DISPOSAL OF MAJOR ASSETS

Acquisition of Major Assets

Assets	Acquisition Date	Purchase Price (in thousand)	Seller	Relation with the Company	Used for
United Microelectronics Corporation					
Equipment	2000.12.20 - 2001.1.11	NT\$ 860,483	Applied Materials Asia Pacific Ltd.	None	IC manufacturing
Equipment	2000.12.28 - 2001.2.6	NT\$ 373,810	Iwatani International Corporation	None	IC manufacturing
Equipment	2000.11.5 - 2001.2.19	NT\$ 547,893	Mitsubishi Chemical Engineering Corp.	None	IC manufacturing
Construction contract	2001.3.8 - 2001.12.31	NT\$ 344,571	Yih Shin Construction Co., Ltd.	None	Construction of employees' recreation center
Unipac Optoelectronics Corp. stock	2001.3.21	NT\$ 1,335,842	Unipac Optoelectronics Corp.	Investee company	Long-term investment
UMCi Pte. Ltd. stock	2001.3.23 - 2001.4.6	US\$ 87,188	UMCi Pte. Ltd.	Investee company	Long-term investment
Equipment	2001.1.15 - 2001.6.29	NT\$ 498,453	ASML Hong Kong Ltd.	None	IC manufacturing
Equipment	2000.11.10 - 2001.6.29	NT\$ 575,485	KLA-Tencor Corporation	None	IC manufacturing
Equipment	2000.12.15 - 2001.9.14	NT\$ 587,046	Tokyo Electron Limited	None	IC manufacturing
UMCi Pte. Ltd. stock	2001.9.28	US\$ 74,438	UMCi Pte. Ltd.	Investee company	Long-term investment
UMC Capital Corporation stock	2001.4.30 - 2001.10.26	US\$ 10,000	UMC Capital Corporation	Investee company	Long-term investment
Goldman Sachs US\$ Enhanced Cash Fund	2001.12.18	US\$ 150,000	Goldman Sachs (Asia) L.L.C.	None	Short-term investment
Equipment	2001.8.8 - 2002.2.7	NT\$ 320,206	Applied Materials Asia Pacific Ltd.	None	IC manufacturing
Equipment	2002.3.15 - 2002.3.22	NT\$ 731,284	Applied Materials Asia Pacific Ltd.	None	IC manufacturing
UMCi Pte. Ltd.					
Construction contract	2001.5.10 - 2001.7.16	US\$ 115,313	Kajima Overseas Asia Pte. Ltd.	None	Production

Note 1. Acquisition of assets with purchase price over 20% of paid-in capital or over NT\$300 million.

2. The data represented for 2002 was gathered up until Mar. 26th, 2002.

Disposal of Major Assets

In Thousand NTD

Asset	Acquisition Date	Disposal Date	Book Value	Selling Price	Profit (Loss)	Buyer	Relation with the Company
United Microelectronics Corporation							
Equipment	1994.11 - 2001.12	2002.1	8,887,582	8,905,875	18,293	Happy Wealth Holdings Limited	None
Novatek Microelectronics Corp. stock	1997.6	2001.4	60,292	332,233	271,941	IPO-OTC	None
MediaTek Incorporation stock	1997.6	2001.7	277,273	1,921,258	1,643,985	IPO-TSE	None
MediaTek Incorporation stock	1997.6 - 2001.12	2002.1 - 2002.3	50,968	1,297,578	1,246,610	TSE	None

Note 1. Disposal of assets with selling price over 20% of paid-in capital or over NT\$300 million.

2. Disposal of equipment will be cancelled on Apr. 3rd, 2002 and will be returned to UMC.

3. The data represented for 2002 was gathered up until Mar. 26th, 2002.

FINANCING PLANS AND EXECUTION STATUS

In April 2001, NT\$15 billion of unsecured domestic bond issuance was used to invest in UMCi Pte. Ltd. The investment project requires a total of NT\$20.475 billion. There are three funding resources for this project: (a) domestic bonds issuance (NT\$15 billion), (b) the Company's own resources, and (c) other financial instruments (b + c = NT\$5.475 billion). The actual completed expenditure was 25.65% by the end of 2001, compared to our original expectations of 25%. UMCi is currently in the fab construction stage. This investment project is expected to complete the capital injection by the third quarter of 2003, and will hold 46.25% of equity interest. When this fab reaches full production in 2005, it will have a production capacity of 40,000 12-inch wafers per month.

(Date which information was submitted to TSE website: 2001.2.27.)

In December 2001, US\$302.4 million of zero coupon convertible bond issuance was used to purchase raw materials abroad and for general corporate purposes. The investment project requires a total of US\$302.4 million (approximately NT\$10.42 billion). The funding resource for this project is through the issuance of zero coupon convertible bonds (US\$302.4 million). The actual completed expenditure was 82.67% by the end of 2001, compared to our original expectations of 0%. It is expected that stockholders' interest will be increased and interest expenses will be reduced. The fund used for general corporate purposes will make up the shortfall from purchasing treasury shares. And the fund used for purchasing raw materials abroad will save the interest expenses approximately NT\$135.88 million per year.

(Date which information was submitted to TSE website: 2001.10.26.)

