

CORPORATE OVERVIEW

Corporate Profile

UMC is a world-leading semiconductor foundry that manufactures advanced process ICs for applications spanning every major sector of the semiconductor industry. The Company's cutting-edge foundry technologies enable the creation of faster and more powerful System-on-Chip ICs for today's demanding applications. UMC's technology includes a wide range of advanced processes, such as 90-nanometer, 65-nanometer, embedded memories, and Mixed-Signal/RF CMOS. As an industry pioneer, UMC was the first foundry to manufacture wafers using copper materials, produce chips using 90-nanometer process technology, produce chips on 300mm wafers, and deliver functional 65-nanometer ICs to its customers.

UMC led the development of the commercial semiconductor industry in Taiwan. It was the first local company to offer foundry services, as well as the first semiconductor company

to list on the Taiwan Stock Exchange (1985). UMC is responsible for many local industry innovations, including the introduction of the employee share bonus system, often credited as a primary factor in the development of a prominent electronics industry in Taiwan. UMC employs approximately 13,000 people worldwide. With sales and customer service offices in Taiwan, Japan, Singapore, Europe, and the United States, UMC has an extensive service network to meet the needs of its global clientele. In the future, UMC will continue to offer world leading production processes and the most comprehensive support structure for our customers to strengthen its competitive advantages in a rapidly changing industry.

DATE OF INCORPORATION MAY 22, 1980

MILESTONES

1980 MAY UMC established.

1985 JUL. Becomes the first IC company to list on the Taiwan Stock Exchange.

1995 JUL. Begins transformation into a pure-play foundry.

JUL. Establishes joint venture foundry USC.

AUG. Establishes joint venture foundry UICC.

SEP. Establishes joint venture foundryUSIC.

SEP. 200mm fab begins production.

1996 JAN. 0.35-micron volume production.

1997 OCT. 0.25-micron volume production.

1998 APR. Acquires Holtek Semiconductor fab.

DEC. Acquires Nippon Steel Semiconductor Corp. fab; renamed Fab UMCJ in 2001.

1999 MAR. 0.18-micron volume production.

NOV. Begins construction of 300mm fab in Taiwan's Tainan Science Park, Fab 12A.

2000 JAN. Completes consolidation of five companies: UMC, USC, UTEK, USIC and UICC.

MAR. Ships first foundry chips using copper process.

MAY Produces foundry industry's first 0.13-micron integrated circuits.

SEP. Makes its debut on the New York Stock Exchange.

DEC. Announces plan to establish advanced 300mm foundry in Singapore (UMCi).

2003 JAN. Announces equipment move-in at UMCi.

MAR. Delivers foundry's first customer ICs built on 90-nanometer.

2004 MAR. UMCi moves to full-scale 300mm production.

MAY 90-nanometer full qualification and volume production.

JUL. Completes acquisition of SiS Microelectronics Corp. fab.

DEC. Fully acquires its subsidiary UMCi; renamed UMC Fab 12i.

2005 JUN. Delivered the foundry industry's first 65-nanometer customer products.

AUG. Achieves record milestone of over 100,000 90-nanometer wafer shipments.

2006 JUN. Becomes first IC company to achieve QC 080000 IECQ HSPM qualification for all fabs.

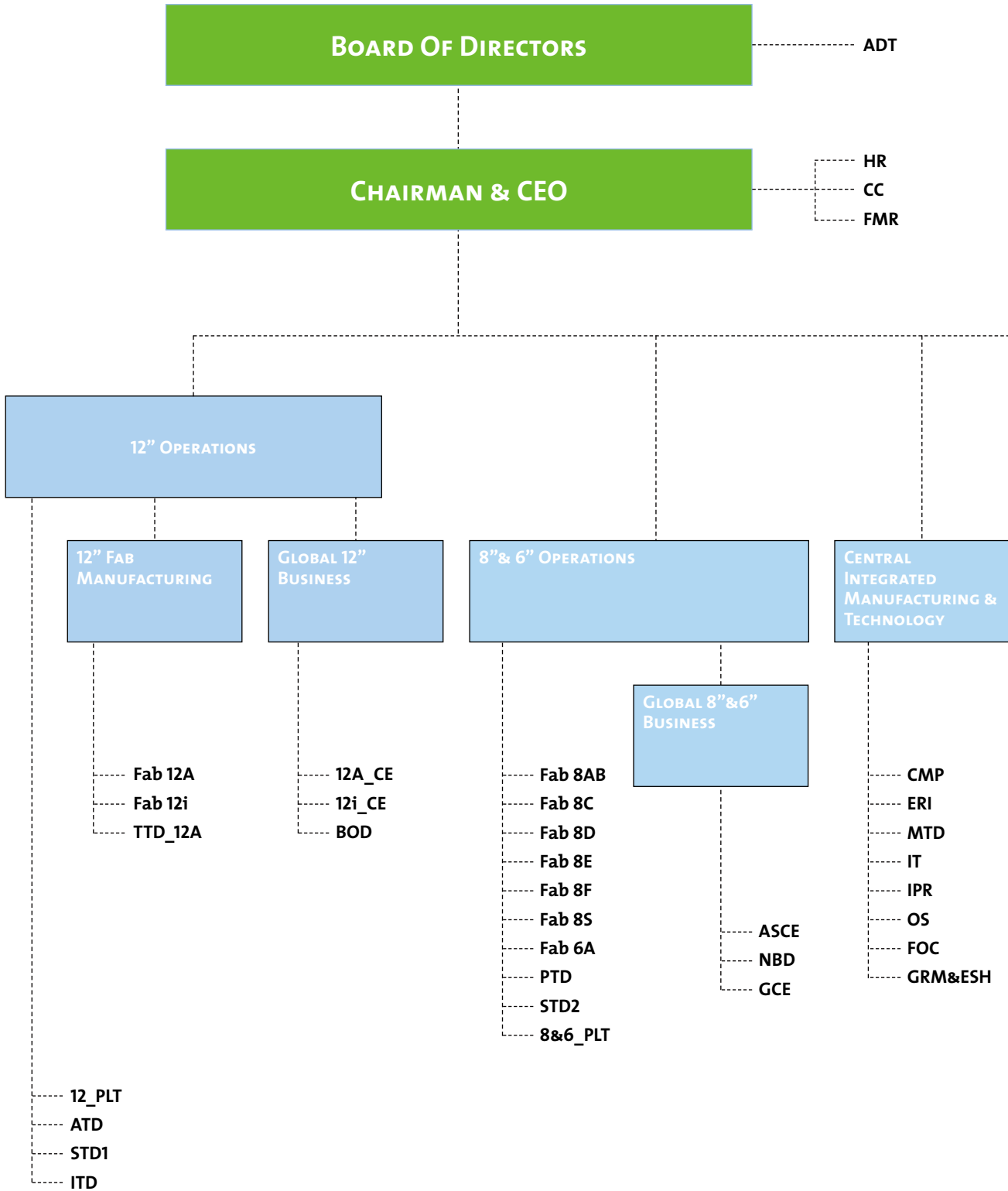
NOV. Produces working 45-nanometer ICs.

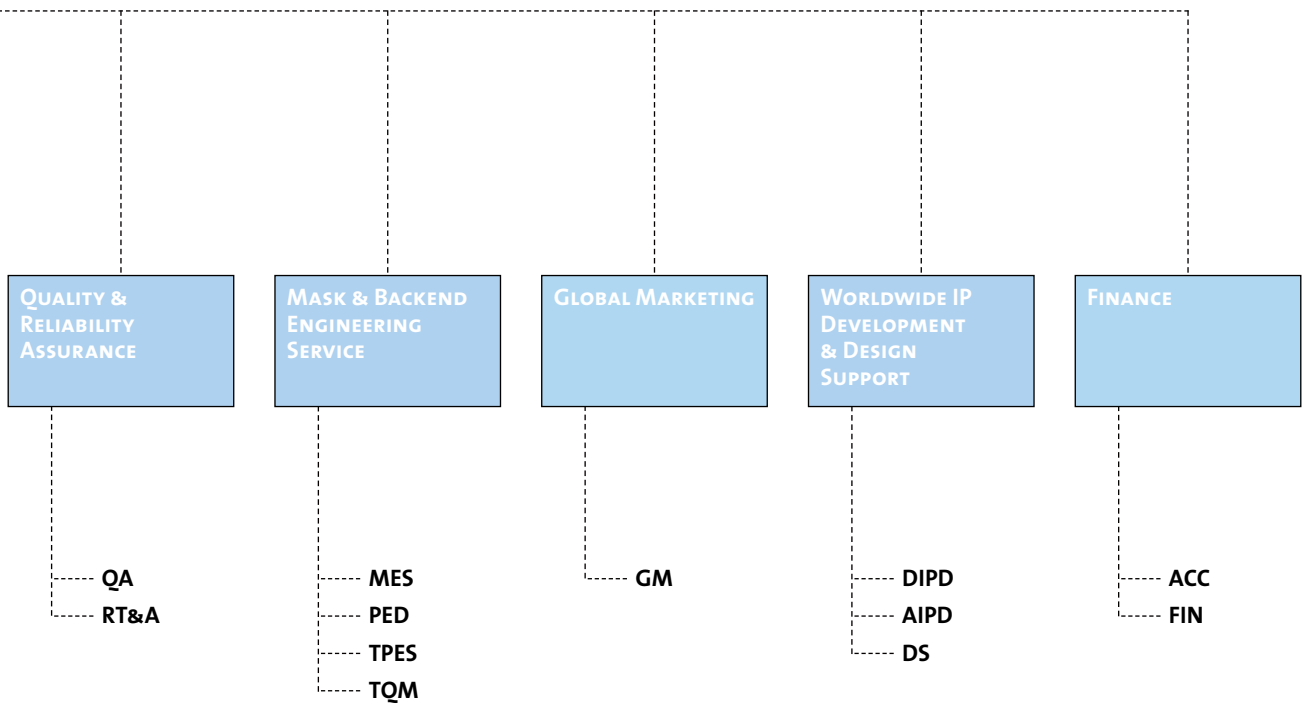
2007 JAN. Expands advanced technology complex in Tainan Science Park.

CORPORATE GOVERNANCE REPORT



CORPORATE ORGANIZATION





Directors' and Supervisors' Information

NAME TITLE	DATE ELECTED [DATE ASSUMED] (DATE FIRST ELECTED)	TERM (YRS.)	SHAREHOLDING WHEN ELECTED		PRESENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING	
			COMMON SHARES	%	COMMON SHARES	%	COMMON SHARES	%
Hsun Chieh Investment Co., Ltd.	2006.6.12 (1995.6.21)	3	599,696,356	3.02	422,364,594	3.20	-	-
Representatives								
Jackson Hu Chairman and CEO	2006.6.12 (2004.2.4)	3	1,875,943	0.01	1,425,796	0.01	-	-
Ching-Chang Wen Director	2006.6.12 (2001.5.30)	3	5,614,913	0.03	9,239,308	0.07	7,251	0.00
Fu-Tai Liou Director	2006.6.12 (2001.5.30)	3	5,527,407	0.03	4,123,221	0.03	-	-
Wen-Yang Chen Director	2007.10.1 (2007.10.1)	3	2,124,683	0.02	2,432,683	0.02	37,831	0.00
Silicon Integrated Systems Corp.	2006.6.12 (2005.6.13)	3	428,511,368	2.16	301,799,449	2.28	-	-
Representatives								
Shih-Wei Sun Director	2006.6.12 (2006.6.12)	3	15,192,341	0.08	10,110,756	0.08	720,500	0.01
Chitung Liu Director	2007.12.21 (2007.12.21)	3	947,577	0.01	947,577	0.01	155,357	0.00
Chun-Yen Chang Independent Director	2006.6.12 (2006.6.12)	3	-	-	-	-	-	-
Chung Laung Liu Independent Director	2006.6.12 (2006.6.12)	3	-	-	-	-	-	-
Paul S.C. Hsu Independent Director	2006.6.12 (2004.6.1)	3	-	-	-	-	-	-
Hsun Chieh Investment Co., Ltd.	2006.6.12 (1995.6.21)	3	599,696,356	3.02	422,364,594	3.20	-	-
Representatives								
Tzyy-Jang Tseng Supervisor	2006.6.12 (2002.3.14)	3	19,650,715	0.10	9,636,948	0.07	145,817	0.00
Silicon Integrated Systems Corp.	2006.6.12 (2005.6.13)	3	428,511,368	2.16	301,799,449	2.28	-	-
Representatives								
Ta-Hsing Wang Supervisor	2006.6.12 (2006.6.12)	3	-	-	-	-	-	-
Ting-Yu Lin Supervisor	2006.6.12 (2006.6.12)	3	16,182,403	0.08	11,815,524	0.09	-	-

Notes (1) Present shareholding figures are actual number of shares held on February 29, 2008. (2) Directors' and Supervisors' election date is the same date they assumed their positions. (3) Directors and Supervisors are not spouses or siblings of other managers, directors, and supervisors. (4) Directors and Supervisors did not hold shares through other parties. (5) Wen-Yang Chen was assigned as representative and director by Hsun Chieh Investment Co., Ltd. on October 1, 2007; Chitung Liu was assigned as representative and director by Silicon Integrated Systems Corp. on December 21, 2007.

EXPERIENCE EDUCATION	ALSO SERVES CONCURRENTLY AS
-	-
Chairman and CEO, UMC Ph.D. of Computer Science, University of Illinois at Urbana-Champaign	Independent Director, Compal Communications, Inc.
Director, UMC Ph.D. of Electrical Engineering, University of Pennsylvania	-
Director, UMC Ph.D. of Material Science & Engineering, State University of New York at Stony Brook	-
Director, UMC Master of Electronics Engineering, National Chiao Tung University	-
-	-
Director, UMC Ph.D. of Electronic Materials, Northwestern University	-
Director, UMC EMBA candidate, National Taiwan University	Director, Novatek Microelectronics Corp., Ltd.; Director, Fortune Venture Capital Corporation; Supervisor, UMC Japan; Supervisor, TLC Capital Co., Ltd.; Supervisor, Nexpower Technology Corp.
Academician, Academia Sinica Ph.D. of Electronics Engineering, National Chiao Tung University	Independent Director, Himax Technologies, Inc.
Honorary Chair Professor, National Tsing Hua University Sc. D. of Massachusetts Institute of Technology	Chairman, DRAMeXchange Corporation; Supervisor, MediaTek Incorporation; Independent Director, Anpec Electronics Corporation; Independent Director, Mototech Inc.
Chair Professor of Management, Yuan-Ze University Ph.D. of Business Administration, University of Michigan	Chairman, Taiwan Assessment and Evaluation Association; Independent Director, Faraday Technology Corp.; Independent Director, Taiwan Chi Cheng Enterprise Co., Ltd.; Supervisor, Far Eastern International Bank
-	-
Chairman, Unimicron Technology Corp. Master of Physics, National Tsing Hua University	Chairman, Unimicron Technology Corp.; Director, Harvatek Corp.; Chairman, Subtron Technology Co., Ltd.
-	-
Director, Pacific Online Limited MBA, Columbia University	-
Chairman, Sunrox International Inc. Master of International Finance, Meiji University	-

List of Major Shareholders of UMC's Institutional Shareholders

UMC'S INSTITUTIONAL SHAREHOLDERS	MAJOR SHAREHOLDERS OF UMC'S INSTITUTIONAL SHAREHOLDERS (HOLDING PERCENTAGE)
Hsun Chieh Investment Co., Ltd.	Hsieh Yong Capital Co., Ltd. (63.48%); United Microelectronics Corporation (36.49%)
Silicon Integrated Systems Corp.	United Microelectronics Corporation (16.24%); Buddhist Compassion Relief Tzu Chi Foundation Taiwan (1.61%); Crédit Agricole (Suisse) SA (1.36%); Chuin Li Investment Corporation (1.21%); Chuin Tsie Investment Corporation (1.16%); Shin-Sen Liu (1.13%); HSBC, as the representative of HKIT-Pacific Glory Finance One Ltd. (1.12%); Taiwan Post Co., Ltd. (0.63%); DFA Emerging Markets Value Portfolio (0.59%); R.O.C. Public Service Pension Fund (0.54%)

List of Institutional Shareholders of the Major Shareholders

INSTITUTIONAL SHAREHOLDERS	MAJOR SHAREHOLDERS OF THE INSTITUTIONAL SHAREHOLDERS (HOLDING PERCENTAGE)
Hsieh Yong Capital Co., Ltd.	Unimicron Technology Corp. (16.67%); Silicon Integrated Systems Corp. (16.67%); Novatek Microelectronics Corp., Ltd. (15.15%); Faraday Technology Corporation (12.12%); King Yuan Electronics Co., Ltd. (7.58%)
Buddhist Compassion Relief Tzu Chi Foundation Taiwan	Not Applicable.
Chuin Li Investment Corporation	Robert H.C. Tsao (27.69%); John Hsuan (15.89%)
Chuin Tsie Investment Corporation	Robert H.C. Tsao (36.00%); John Hsuan (13.33%)
Taiwan Post Co., Ltd.	Ministry of Transportation and Communications (100.00%)
R.O.C. Public Service Pension Fund	Not Applicable.

Directors' and Supervisors' Professional Knowledge and Independence Information

NAME	FIVE OR MORE YEARS EXPERIENCE OR PROFESSIONAL QUALIFICATION			INDEPENDENCE STATUS (NOTE)										NUMBER OF COMPANIES ALSO SERVES AS INDEPENDENT DIRECTOR FOR
	LECTURER OR ABOVE IN BUSINESS, LAW, FINANCE, ACCOUNTING OR CORPORATE BUSINESS RELATED FIELDS	QUALIFICATION OF JUSTICE, PROCURATOR, ATTORNEY, CPA, SPECIALIST OR TECHNICIAN OF NATIONAL EXAMINATION IN CORPORATE BUSINESS RELATED FIELDS	EXPERIENCE IN BUSINESS, LAW, FINANCE, ACCOUNTING OR CORPORATE BUSINESS RELATED FIELDS	1	2	3	4	5	6	7	8	9	10	
Jackson Hu			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	1
Ching-Chang Wen			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	-
Fu-Tai Liou			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	-
Wen-Yang Chen			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	-
Shih-Wei Sun			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	-
Chitung Liu			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	-
Chun-Yen Chang	Yes		Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Chung Laung Liu	Yes		Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Paul S.C. Hsu	Yes		Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Tzyy-Jang Tseng			Yes	-	✓	✓	✓	-	✓	✓	✓	✓	-	-
Ta-Hsing Wang			Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Ting-Yu Lin			Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Notes For those directors and supervisors who match the condition listed below during and two years before assuming period, "✓" is marked in the appropriate space. (1) Is not an employee of the Company or its affiliates. (2) Is not a director or supervisor of the Company or its affiliates. Does not include the independent directors or supervisors in the parent companies and subsidiaries. (3) Does not directly or indirectly own more than 1% of the Company's outstanding shares, nor is one of the top ten non-institutional shareholders of the Company. (4) Is not a spouse or of immediate relation (child, parent, grandchild, grandparent, or sibling) to any person specified in the preceding two columns. (5) Is not a director, supervisor, or employee of a legal entity which directly owns more than 5% of the Company's issued shares, nor a director, supervisor or employee of the top five legal entities which are owners of the Company's issued shares. (6) Is not a director, supervisor, or manager of a company which has a business relationship with the Company, nor a shareholder who owns more than 5% of such a company. (7) Is not an owner, partner, director, supervisor, manager or spouse of any sole proprietor business, partnership, company or institution which has provided the Company and its affiliates with financial, business consulting, or legal services. (8) Is not a spouse or of immediate relation (child, parent, grandchild, grandparent, or sibling) to any of the directors. (9) Is not under any condition pursuant to Article 30 of the R.O.C. Company Law. (10) Is not a legal entity owner or its representative pursuant to Article 27 of the R.O.C. Company Law.

Managers' Information

TITLE	NAME	DATE ELECTED (DATE ASSUMED)	PRESENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING	
			COMMON SHARES	%	COMMON SHARES	%
Chairman and CEO	Jackson Hu	2006.1.9	1,425,796	0.01	-	-
President of Central Integrated Manufacturing & Technology	Ching-Chang Wen	1997.12.16	9,239,308	0.07	7,251	0.00
President of Quality & Reliability Assurance	Fu-Tai Liou	2003.2.13	4,123,221	0.03	-	-
Chief Operating Officer	Shih-Wei Sun	2007.8.17	10,110,756	0.08	720,500	0.01
Senior Vice President	Henry Liu	2003.9.16	8,047,104	0.06	13,846	0.00
Senior Vice President	Tai-Sheng Feng	2006.5.22	1,142,314	0.01	-	-
Senior Vice President	Wen-Yang Chen	1998.1.1	2,432,683	0.02	37,831	0.00
Vice President	Nick Nee	2000.9.1	2,028,918	0.02	-	-
Vice President	Ying-Chih Wu	1999.2.1	6,906,828	0.05	1,627,199	0.01
Vice President	Chia-Pin Lee	2004.9.14	56,133	0.00	9,615	0.00
Vice President	Lee Chung	2003.12.1	1,044,915	0.01	-	-
Vice President	Shan-Chieh Chien	2004.11.23	2,882,917	0.02	-	-
Vice President	Po-Wen Yen	2005.10.21	1,022,888	0.01	-	-
Vice President	Tsung-Hsi Ko	2005.11.14	2,551,682	0.02	46,649	0.00
Vice President	Terry Tsao	2007.8.17	99,472	0.00	244	0.00
Vice President	Kevin Lee	2007.5.15	707,698	0.01	-	-
Vice President	Ming Hsu	2007.10.31	-	-	-	-
Chief SoC Architect	Patrick T. Lin	2007.9.21	126,773	0.00	-	-
CFO	Chitung Liu	2005.10.20	947,577	0.01	155,357	0.00

Notes (1) Shareholding figures are actual number of shares held on February 29, 2008. (2) Managers did not hold shares through other parties. (3) Managers are not spouses or siblings of other managers. (4) Managers' election date is the same date they assumed their positions.

EXPERIENCE EDUCATION	ALSO SERVES CONCURRENTLY AS
Chairman and CEO, UMC Ph.D. of Computer Science, University of Illinois at Urbana-Champaign	Independent Director, Compal Communications, Inc.
Director, UMC Ph.D. of Electrical Engineering, University of Pennsylvania	-
Director, UMC Ph.D. of Material Science & Engineering, State University of New York at Stony Brook	-
Director, UMC Ph.D. of Electronic Materials, Northwestern University	-
Senior Vice President, UMC Bachelor of Electronics Engineering, National Taiwan University of Science and Technology	Director, Faraday Technology Corp.
Senior Vice President, UMC Master of Electrical Engineering, University of Utah	-
Senior Vice President, UMC Master of Electronics Engineering, National Chiao Tung University	-
Vice President, UMC Bachelor of Marine Engineering, National Taiwan Ocean University	-
Vice President, UMC Bachelor of Physics, National Changhua University of Education	-
Vice President, UMC Master of Business Administration, University of Oregon State	-
Vice President, UMC Master of Materials Science, University of California, L.A.	-
Vice President, UMC Bachelor of Chemical Engineering, National Taiwan University	-
Vice President, UMC Master of Chemical Engineering, National Taiwan University	-
Vice President, UMC EMBA, National Chiao Tung University	-
Vice President, UMC Bachelor of Electrophysics, National Chiao Tung University	-
Vice President, UMC Master of Electrical Engineering, National Taiwan University	Director and President, UMC Japan
Vice President, UMC Master of Electrical Engineering, USC, Los Angeles	-
Chief SoC Architect, UMC Master of Electrical Engineering, San Jose State University	-
CFO, UMC EMBA candidate, National Taiwan University	Director, Novatek Microelectronics Corp., Ltd.; Director, Fortune Venture Capital Corporation; Supervisor, UMC Japan; Supervisor, TLC Capital Co., Ltd.; Supervisor, Nexpower Technology Corp.

The Compensation of Directors (Including Independent Directors), Supervisors and Managers

Directors' Compensation (Including Independent Directors')

				DIRECTORS' COMPENSATION		THE PERCENTAGE OF DIRECTORS' COMPENSATION TO EAIT (%)	
ALLOWANCE		DIRECTORS' REMUNERATION		OPERATING EXPENSES			
UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES
-	-	10,029	10,029	1,650	1,650	0.07	0.07

TITLE	NAME	REPRESENTATIVES
Director	Hsun Chieh Investment Co., Ltd.	Jackson Hu
		Ching-Chang Wen
		Fu-Tai Liou
		Wen-Yang Chen
Director	Silicon Integrated Systems Corp.	Shih-Wei Sun
		Chitung Liu
Independent Director	Chun-Yen Chang	
Independent Director	Chung Laung Liu	
Independent Director	Paul S.C. Hsu	

Note Wen-Yang Chen was assigned as representative and director by Hsun Chieh Investment Co., Ltd. on October 1, 2007; Chitung Liu was assigned as representative and director by Silicon Integrated Systems Corp. on December 21, 2007.

In thousand NTD

		MANAGERS' COMPENSATION						THE PERCENTAGE OF	COMPENSATION	
SALARIES		EMPLOYEES' BONUS				EMPLOYEE STOCK OPTIONS (SHARES)		TOTAL COMPENSATION TO EAIT (%)	FROM OTHER UMC INVESTEE COMPANIES	
UMC	UMC's CONSOLIDATED COMPANIES	UMC	UMC's CONSOLIDATED COMPANIES	UMC	UMC's CONSOLIDATED COMPANIES	UMC	UMC's CONSOLIDATED COMPANIES			
		CASH	STOCK	CASH	STOCK					
50,530	50,530	7,787	60,711	7,787	60,711	4,100	4,100	0.77	0.77	None

LEVELS OF AMOUNTS OF COMPENSATION	DIRECTORS' COMPENSATION				NAMES OF DIRECTORS	
					TOTAL COMPENSATION	
	UMC	UMC's CONSOLIDATED COMPANIES	UMC	UMC's CONSOLIDATED COMPANIES	UMC	UMC's CONSOLIDATED COMPANIES
Lower than NTD 2,000,000	Chitung Liu, Fu-Tai Liou, Wen-Yang Chen, Jackson Hu, Ching-Chang Wen, Shih-Wei Sun		Chitung Liu, Fu-Tai Liou, Wen-Yang Chen, Jackson Hu, Ching-Chang Wen, Shih-Wei Sun			
NTD 2,000,000~NTD 4,999,999	Paul S.C. Hsu, Chun-Yen Chang, Chung Laung Liu		Paul S.C. Hsu, Chun-Yen Chang, Chung Laung Liu		Paul S.C. Hsu, Chun-Yen Chang, Chung Laung Liu	Paul S.C. Hsu, Chun-Yen Chang, Chung Laung Liu
NTD 5,000,000~NTD 9,999,999					Chitung Liu	Chitung Liu
NTD 10,000,000~NTD 14,999,999					Wen-Yang Chen	Wen-Yang Chen
NTD 15,000,000~NTD 29,999,999					Fu-Tai Liou, Ching-Chang Wen, Shih-Wei Sun	Fu-Tai Liou, Ching-Chang Wen, Shih-Wei Sun
NTD 30,000,000~NTD 49,999,999					Jackson Hu	Jackson Hu
NTD 50,000,000~NTD 99,999,999						
NTD 100,000,000 or More						
Total	9		9		9	9

Supervisors' Compensation

		SUPERVISORS' COMPENSATION			
ALLOWANCE		SUPERVISORS' REMUNERATION		OPERATING EXPENSES	
UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES
-	-	1,910	1,910	140	140

TITLE	NAME	REPRESENTATIVES
Supervisor	Hsun Chieh Investment Co., Ltd.	Tzyy-Jang Tseng
Supervisor	Silicon Integrated Systems Corp.	Ta-Hsing Wang
Supervisor	Ting-Yu Lin	

In thousand NTD

THE PERCENTAGE OF SUPERVISORS' COMPENSATION TO EAIT (%)		COMPENSATION FROM OTHER UMC INVESTEE COMPANIES	
UMC	UMC'S CONSOLIDATED COMPANIES		
0.01		0.01	None

LEVELS OF AMOUNTS OF COMPENSATION	NAMES OF SUPERVISORS		
	TOTAL COMPENSATION		
	UMC	UMC'S CONSOLIDATED COMPANIES	
Lower than NTD 2,000,000	Tzyy-Jang Tseng, Ta-Hsing Wang, Ting-Yu Lin	Tzyy-Jang Tseng, Ta-Hsing Wang, Ting-Yu Lin	
NTD 2,000,000~NTD 4,999,999			
NTD 5,000,000~NTD 9,999,999			
NTD 10,000,000~NTD 14,999,999			
NTD 15,000,000~NTD 29,999,999			
NTD 30,000,000~NTD 49,999,999			
NTD 50,000,000~NTD 99,999,999			
NTD 100,000,000 or More			
Total		3	3

Managers' Compensation

SALARIES		BONUS AND SPECIAL ALLOWANCE				EMPLOYEES' BONUS	
UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES
				CASH	STOCK	CASH	STOCK
31,220	31,220	56,681	56,681	15,111	117,804	15,111	117,804

TITLE	NAME
Chairman and CEO	Jackson Hu
President of Central Integrated Manufacturing & Technology	Ching-Chang Wen
President of Quality & Reliability Assurance	Fu-Tai Liou
Chief Operating Officer	Shih-Wei Sun
Senior Vice President	Henry Liu
Senior Vice President	Tai-Sheng Feng
Senior Vice President	Wen-Yang Chen
Vice President	Nick Nee
Vice President	Ying-Chih Wu
Vice President	Chia-Pin Lee
Vice President	Lee Chung
Vice President	Shan-Chieh Chien
Vice President	Po-Wen Yen
Vice President	Tsung-Hsi Ko
Vice President	Terry Tsao
Vice President	Kevin Lee
Vice President	Ming Hsu
Chief SoC Architect	Patrick T. Lin
CFO	Chitung Liu

In thousand NTD

THE PERCENTAGE OF TOTAL COMPENSATION TO EAIT (%)		EMPLOYEE STOCK OPTIONS (SHARES)		COMPENSATION FROM OTHER UMC INVESTEE COMPANIES
UMC	UMC'S CONSOLIDATED COMPANIES	UMC	UMC'S CONSOLIDATED COMPANIES	
1.30	1.30	10,400	10,400	None

LEVELS OF AMOUNTS OF COMPENSATION	NAMES OF MANAGERS	
	UMC	UMC'S CONSOLIDATED COMPANIES
Lower than NTD 2,000,000		
NTD 2,000,000~NTD 4,999,999	Ming Hsu, Patrick T. Lin	Ming Hsu, Patrick T. Lin
NTD 5,000,000~NTD 9,999,999	Terry Tsao, Kevin Lee, Ying-Chih Wu, Nick Nee, Shan-Chieh Chien, Chia-Pin Lee, Po-Wen Yen, Tsung-Hsi Ko, Wen-Yang Chen, Lee Chung, Chitung Liu	Terry Tsao, Kevin Lee, Ying-Chih Wu, Nick Nee, Shan-Chieh Chien, Chia-Pin Lee, Po-Wen Yen, Tsung-Hsi Ko, Wen-Yang Chen, Lee Chung, Chitung Liu
NTD 10,000,000~NTD 14,999,999		
NTD 15,000,000~NTD 29,999,999	Henry Liu, Tai-Sheng Feng, Fu-Tai Liou, Ching-Chang Wen, Shih-Wei Sun	Henry Liu, Tai-Sheng Feng, Fu-Tai Liou, Ching-Chang Wen, Shih-Wei Sun
NTD 30,000,000~NTD 49,999,999	Jackson Hu	Jackson Hu
NTD 50,000,000~NTD 99,999,999		
NTD 100,000,000 or More		
Total	19	19

Managers' Bonus
In thousand NTD

STOCK BONUS	CASH BONUS	TOTAL	THE PERCENTAGE OF TOTAL BONUS TO EAIT (%)
117,804	15,111	132,915	0.78

TITLE	NAME
Chairman and CEO	Jackson Hu
President of Central Integrated Manufacturing & Technology	Ching-Chang Wen
President of Quality & Reliability Assurance	Fu-Tai Liou
Chief Operating Officer	Shih-Wei Sun
Senior Vice President	Henry Liu
Senior Vice President	Tai-Sheng Feng
Senior Vice President	Wen-Yang Chen
Vice President	Nick Nee
Vice President	Ying-Chih Wu
Vice President	Chia-Pin Lee
Vice President	Lee Chung
Vice President	Shan-Chieh Chien
Vice President	Po-Wen Yen
Vice President	Tsung-Hsi Ko
Vice President	Terry Tsao
Vice President	Kevin Lee
Vice President	Ming Hsu
Chief SoC Architect	Patric T. Lin
CFO	Chitung Liu

Comparison of Compensation of Directors, Supervisors and Managers in the Past Two Years

	2007		2006	
	UMC	CONSOLIDATED	UMC	CONSOLIDATED
EAIT (Thousand NTD)	16,961,762	16,961,762	32,619,313	32,619,313
The Percentage of Directors' and Supervisors' Compensation to EAIT	0.07	0.07	0.05	0.05
The Percentage of Managers' Compensation to EAIT	1.30	1.30	0.52	0.54

Notes (1) The directors' and supervisors' compensation includes allowance, remuneration and operating expenses; the managers' compensation includes salaries, special allowance and employees' bonus. (2) On March 17, 2008, the Company's Board proposed to distribute NTD 11,939,226 as Directors' and Supervisors' remuneration, NTD 1,146,165,670 as employee stock bonus and NTD 286,541,418 as employee cash bonus from retained earnings of 2007 and previous years.

The Company's compensation for Directors, Supervisors and Managers is based on the Company's Article and formulations, and is distributed in proper ratios.

Compensation Policy for Directors, Supervisors and Managers

Policy for Directors' and Supervisors' Compensation

The Company's Article has stated that Directors' and Supervisors' Compensation is the allocation of 0.1% of the residual amount from net profit after being deducted by payment of taxes, making up loss for preceding years and setting aside 10% for legal reserve.

Policy for Managers' Compensation

The Company annually evaluates its salary level with similar industries to ensure the Company's salary is competitive. The Company's salary structure can be divided into fixed and variable. The compensation is set to fully reflect the achievements for individuals and teams.

Information of Board Meeting Operation

Board meetings were held 6 times in 2007; attendances of directors and supervisors are as follows:

NAME	TITLE	ATTENDANCE	PROXY ATTENDANCE	ATTENDANCE RATE (%) (NOTE)	REMARKS
Hsun Chieh Investment Co., Ltd.					
Representatives: Jackson Hu	Chairman	6		100.00	
Representatives: Ching-Chang Wen	Director	6		100.00	
Representatives: Fu-Tai Liou	Director	5		83.33	
Representatives: Wen-Yang Chen	Director	6		100.00	Assigned on 2007.10.1
Silicon Integrated Systems Corp.					
Representatives: Shih-Wei Sun	Director	6		100.00	
Representatives: Chitung Liu	Director	4	1	66.67	Assigned on 2007.12.21
Chun-Yen Chang	Independent Director	4		66.67	
Chung Laung Liu	Independent Director	5		83.33	
Paul S.C. Hsu	Independent Director	5		83.33	
Hsun Chieh Investment Co., Ltd.					
Representatives: Tzyy-Jang Tseng	Supervisor	3		50.00	
Silicon Integrated Systems Corp.					
Representatives: Ta-Hsing Wang	Supervisor	5		83.33	
Ting-Yu Lin	Supervisor	6		100.00	
Other disclosures: The board resolved the proportion of directors' and supervisors' compensation distribution for 2007 on December 13, 2007; all directors were agreed upon except for Chun-Yen Chang, Chung Laung Liu and Paul S.C. Hsu, who abstained due to their independent status.					

Note Attendance rate = Number of meetings each board member actually attends / total number of board meetings held within his or her service period.

Information Regarding Audit Committee Operation

Not Applicable. The audit committee of the Company was instituted under US securities authorities regulation.

Corporate Governance Practices

ITEM	ACTIONS	THE REASONS FOR THE DIFFERENCES BETWEEN THE COMPANY'S GOVERNANCE AND RECOGNIZED CORPORATE GOVERNANCE
Corporate Shareholder Structure and Shareholders' Rights:		
(a) How the Company handles shareholders' recommendations or disputes:	The Company has designated a specific body and established an email address to handle shareholders' recommendations or disputes.	-
(b) How the Company regularly monitors the list of key shareholders who have management control of the Company, or those who have ultimate control of key shareholders:	There is no single shareholder who holds more than 10% of the Company's total outstanding shares.	-
(c) How the Company establishes proper risk control mechanisms and firewalls between the Company and its affiliated enterprises:	The obligations and rights between the Company and its affiliated enterprises have been clearly defined. Any transaction between the Company and its affiliated enterprises complies with related regulations.	-
The Structure and Responsibilities of the Board:		
(a) Independent directors on the Company's Board:	The Company has instituted three independent directors.	-
(b) How the Company periodically evaluates the independence of its auditors:	The Company's auditor is one of the largest and best regarded in its industry. The auditor assiduously avoids conflicts of interests.	-
The Composition and Responsibilities of Supervisors:		
(a) How the Company institutes independent supervisors:	-	The Company currently has no independent supervisors.
(b) How the supervisors communicate with the Company's employees and shareholders:	At any time, a supervisor may individually investigate the business and financial conditions of the Company, and may ask the Board of Directors or executive managers to prepare a report.	-
The Company's Communication Channels for its Stakeholders:	The Company has designated a specific unit and established an email address to handle stakeholders' concerns.	-
Information Disclosure:		
(a) How the Company establishes a website to disclose financial and corporate governance information:	The Company regularly publishes up-to-date detailed financial and corporate governance information on its website in both Chinese and English.	-
(b) Other channels for the disclosure of the Company's information:	The Company has designated a specific body to collect and disclose information about the Company. In addition, the Company has established standard procedures for an authorized spokesperson to make statements on behalf of the Company. The Company has one main spokesperson and two deputy spokespersons. To ensure the quality of information disclosure, the Company has set up a Disclosure Committee designed to provide and control information for government officials in a timely and accurate manner, thus achieving the goal and responsibility to thoroughly disclose corporate information.	-

ITEM	ACTIONS	THE REASONS FOR THE DIFFERENCES BETWEEN THE COMPANY'S GOVERNANCE AND RECOGNIZED CORPORATE GOVERNANCE
<p>The operation of functional committee work within the Board of Directors of the Company:</p>	<p>The Company has instituted an audit committee. The operation details are disclosed on page 101.</p>	<p>-</p>
<p>The comparison between the Company's corporate governance mechanism and the recognized corporate governance principles: The Company bases its corporate governance structures and practices on Taiwan's Company Law, the Securities and Exchange Law, and their related rules and regulations. The Company's corporate governance mechanism follows recognized corporate governance principles.</p>		
<p>The Company's policy and efforts to be socially responsible: When the Company was founded, its long-term policy stated that the company should make contributions to the society as well as focusing on its business. Therefore, launching a series of public services revolved around issues close to the daily lives and activities within the Company's capability has become part of UMC's goals. The breadth covered by UMC's public service scope includes the Company itself, its employees, employees' families, the community, and various other social entities. UMC's public service aspects cover education, environmental protection, cultural activities and child-care. The Company's public services can be categorized into two parts: the UMC Candlelight Charity Club, of which purpose is to assist disadvantaged minorities, and the UMC Science and Culture Foundation, of which purpose is to support affairs regarding education, culture, sports and environmental protection. The Company established a "Policy and Procedures for Refraining from Insider Trading" in May 2005 to request the Company's related parties to avoid improper interests. The descriptions about labor relationships, environmental protection and relationships with suppliers are disclosed in the Operations Overview section.</p>		
<p>Other information disclosures:</p> <ul style="list-style-type: none"> (a) Has the Company established any educational programs for its board members? The Company provides information related to professional educational opportunities to all board members. (b) The attendance of directors and supervisors to the board meeting: In 2007, the attendance rate of directors was 87%; the attendance rate of supervisors was 78%. (c) Has the Company established a risk management policy and standards for evaluating risk and implementing its risk management policy? Not Applicable. (d) Has the Company established policies to protect consumers or its customers and does it regularly evaluate the policies' implementation? Not Applicable. (e) Is there a policy to ensure board members avoid introducing topics of discussion that would advance their own vested interests? The board is well disciplined and enforces a strict policy of separating personal and company interests amongst its members. (f) Has the Company purchased liability insurance for its directors and supervisors? The Company has purchased liability insurance for its directors since 2000. (g) The Corporate Governance Statement: http://www.umc.com/english/investors/corp_gov.asp 		
<p>The result, material deficiency (or suggestion) and improvement of corporate governance assessed by internal audit or professional institutions: None.</p>		

Status of Internal Control

Statement of Internal Control

The self-assessment of UMC's internal control was conducted for the year ended December 31, 2007 based on UMC's internal control system. The results are described as follows:

1. UMC acknowledges that the Board of Directors and the management are responsible for establishing, executing, and maintaining a sufficient internal control system, which is already in place. The purposes of the internal control system are to provide a reasonable assurance of achieving the goals of efficiency and effectiveness of the operations, such as profitability, performance and the safeguard of the assets, the reliability of the financial reports and the compliance with applicable laws and regulations.
2. The internal control system has its inherent constraints, and can only provide reasonable assurances of achieving the three goals mentioned above no matter how well it has been designed. The effectiveness of the internal control system is subject to changes in the environment and circumstances. UMC has established an internal control system with the function of self-monitoring, which is designed to take corrective actions whenever a shortcoming is identified.
3. UMC's assessment of the effectiveness of the design and execution of the internal control system is based on the Regulations Governing Establishment of Internal Control Systems by Public Companies (the Regulations) currently in effect in the Republic of China ("R.O.C."), which specify the judgement items for evaluating the effectiveness of internal control.

The internal control is divided into five components, based on the process of management control, according

to the judgement items for internal control employed by the Regulations, such as: (1) Control Environment, (2) Risk Assessments, (3) Control Activities, (4) Information and Communication, and (5) Monitoring. Each component consists of certain items, which could be referred to the Regulations.

4. UMC has employed the judgement items mentioned above to evaluate the effectiveness of the design and execution of the internal control system.
5. UMC believes that the effectiveness of the design and execution of its internal control system (including subsidiaries) during the above mentioned assessment period provides reasonable assurance of achieving the goals of efficiency and effectiveness of operations, the reliability of financial reports and the compliance with applicable R.O.C. laws and regulations.
6. The Statement of Internal Control will be an integral part of UMC's annual report and prospectus that are open to the public, and within which any illegal acts, such as misstatement or concealment, would be subject to the legal liabilities of Code 20, Code 32, Code 171 and Code 174 of the Securities Exchange Laws.
7. UMC's Board of Directors approved the Statement of Internal Control (the Statement) on March 17, 2008. 9 directors attended and agreed with the content of the Statement.



Jackson Hu,
Chairman and CEO
March 17, 2008

The Company was not required to engage with a CPA to attest to the internal control system under R.O.C. regulations; therefore, there is no CPA audit report on internal control to be disclosed for 2007 in this annual report.

Major Resolutions of the Shareholders' Meeting and the Board of Directors' Meetings

Shareholders' Meeting

The Company's 2007 Shareholders' Meeting was held at UMC Recreation Center in Hsinchu Science Park on June 11, 2007. The shareholders present in person or by proxy approved the following resolutions:

1. Acceptance of the 2006 business reports and financial statements.
2. Distribution of 2006 retained earnings.
3. Capital Reduction.
4. Amendment of the Company's Articles of Incorporation, Acquisition or Disposal of Assets Procedure and Directors and Supervisors Election Procedure.
5. Investment related to mainland China.

Board of Directors' Meetings

The major resolutions from the Board of Directors from January 1, 2007 to the printing day are summarized below:

1. Capital Reduction.
2. Acceptance of the 2006 business reports and financial statements.
3. Distribution of 2006 retained earnings.
4. Investment related to mainland China.
5. Cancellation of 192,067,000 treasury shares.
6. Amendment of ADS conversion sales program for UMC's common shareholders .
7. Revision of Employee Stock Option Plan for Employees.
8. Acceptance of the 2007 business reports and financial statements.
9. Distribution of 2007 retained earnings.
10. Capitalization of retained earnings from 2007 and previous years and capital reserve.
11. Amendment of the Company's Articles of Incorporation and establishment of an audit committee under the Securities and Exchange Act.
12. Approval of 15% of net income (before the effect of employee's bonus expense) as the ratio allocated for employees' bonus expense.

Description of Violations/Infringement of Regulations and the Company's Response

None.

Directors' or Supervisors' Objections on the Important Resolution of Board Meetings

None.

Information of Resignation or Dismissal of Persons Related to Financial Reports

None.

Auditing Notes

Disclosure of Auditing Fee

- (a) The amount of non-auditing relevant fees charged by the appointed independent auditors and the related parties reaches 25% of the Company's annual auditing expenses: Not Applicable.
- (b) If there is any change in the appointed independent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed: Not Applicable.
- (c) Auditing expenses decreased by 15% in comparison to the previous year, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed: Not Applicable.

Changes in Independent Auditors

Not Applicable.

The Company's chairman, presidents, CFO or Accounting division director have not worked in the accounting firm of the appointed independent auditors or the related parties within the past year.

Change in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: share

TITLE	NAME	2008		2007	
		HOLDING INCREASE (DECREASE)	PLEGGED HOLDING INCREASE (DECREASE)	HOLDING INCREASE (DECREASE)	PLEGGED HOLDING INCREASE (DECREASE)
Chairman, Supervisor	Hsun Chieh Investment Co., Ltd.	-	48,000,000	(183,465,774)	(209,760,939)
Director, Supervisor	Silicon Integrated Systems Corp.	-	-	(131,094,960)	-
Independent Director	Chun-Yen Chang	-	-	-	-
Independent Director	Chung Laung Liu	-	-	-	-
Independent Director	Paul S.C. Hsu	-	-	-	-
Supervisor	Ting-Yu Lin	-	-	(5,132,401)	-
Chairman and CEO	Jackson Hu	-	-	(619,335)	-
President of Central Integrated Manufacturing & Technology	Ching-Chang Wen	-	-	3,416,963	-
President of Quality & Reliability Assurance	Fu-Tai Liou	-	-	(1,390,723)	(1,000,000)
Chief Operating Officer	Shih-Wei Sun	-	-	(4,391,888)	(5,865,239)
Senior Vice President	Henry Liu	-	-	(3,595,484)	-
Senior Vice President	Tai-Sheng Feng	-	-	(496,196)	-
Senior Vice President	Wen-Yang Chen	-	-	(614,916)	-
Vice President	Nick Nee	-	-	(881,318)	(2,900,000)
Vice President	Ying-Chih Wu	-	-	(5,075,173)	-
Vice President	Chia-Pin Lee	-	-	(869,877)	-
Vice President	Lee Chung	-	-	633,369	788,000
Vice President	Shan-Chieh Chien	-	-	1,047,724	1,061,215
Vice President	Po-Wen Yen	-	-	337	90,000
Vice President	Tsung-Hsi Ko	-	-	(1,108,394)	(100,000)
Vice President	Terry Tsao	-	-	(43,209)	-
Vice President	Kevin Lee	-	-	122,905	-
Vice President	Ming Hsu	-	-	-	-
Chief SoC Architect	Patrick T. Lin	-	-	-	-
CFO	Chitung Liu	-	-	18,706	-

Notes (1) No shareholder owns 10% or more of UMC shares. (2) The data represented for 2008 was gathered until February 29, 2008. (3) Counterparts of the shareholding transferred or pledged are not related parties. (4) The share changes for Terry Tsao, Kevin Lee, Ming Hsu and Patrick T. Lin are calculated starting from the assumed date.

Information Disclosing the Relationship Between Any of the Company's Top Ten Shareholders

No relationship between any of the Company's top ten shareholders under ROC SFAS No. 6.

Total Percentage of Ownership of Investees

INVESTEES	UMC INVESTMENTS		INVESTMENTS FROM DIRECTORS, SUPERVISORS, MANAGERS, AND DIRECTLY OR INDIRECTLY CONTROLLED BUSINESSES		TOTAL INVESTMENTS	
	SHARES	%	SHARES	%	SHARES	%
Fortune Venture Capital Corporation	499,994,000	99.99	-	-	499,994,000	99.99
Hsun Chieh Investment Co., Ltd.	33,624,110	36.49	-	-	33,624,110	36.49
Pacific Venture Capital Co., Ltd.	30,000,000	50.00	-	-	30,000,000	50.00
United Microdisplay Optronics Corp.	84,093,025	85.24	-	-	84,093,025	85.24
UMC Group (USA)	16,437,500	100.00	-	-	16,437,500	100.00
UMC Japan	495,650	50.09	57,880	5.85	553,530	55.94
UMCi Ltd.	880,006,287	100.00	-	-	880,006,287	100.00
UMC Capital Corp.	124,000,000	100.00	-	-	124,000,000	100.00
United Microelectronics Corp. (Samoa)	280,000	100.00	-	-	280,000	100.00
United Microelectronics (Europe) B.V.	9,000	100.00	-	-	9,000	100.00
Unitech Capital Inc.	21,000,000	42.00	-	-	21,000,000	42.00
XGI Technology Inc.	5,867,578	16.44	15,115,610	42.35	20,983,188	58.79
TLC Capital Co., Ltd.	628,800,000	100.00	-	-	628,800,000	100.00
Mega Mission Limited Partnership	-	45.00	-	-	-	45.00
MTIC Holdings Pte Ltd.	4,000,000	49.94	-	-	4,000,000	49.94
NexPower Technology Corporation	44,911,562	34.55	-	-	44,911,562	34.55
United Fu Shen Chen Technology Corp.	18,460,153	16.60	-	-	18,460,153	16.60
MediaTek Inc.	6,552,023	0.63	25,000	0.00	6,577,023	0.63
C-Com Corporation	2,312,157	4.40	-	-	2,312,157	4.40
Mega Financial Holding Company	95,576,810	0.86	-	-	95,576,810	0.86
Hon Hai Precision Industry Co., Ltd.	1,268,154	0.02	-	-	1,268,154	0.02
Billionton Systems Inc.	2,047,819	2.63	-	-	2,047,819	2.63
Chipbond Technology Corporation	12,583,647	4.05	-	-	12,583,647	4.05
Faraday Technology Corp.	56,714,388	16.46	20,438	0.01	56,734,826	16.46

Notes (1) The companies listed above are UMC's funds and investments. (2) Shareholding figures are actual number of shares held on December 31, 2007.

Total Percentage of Ownership of Investees (cont.)

INVESTEES	UMC INVESTMENTS		INVESTMENTS FROM DIRECTORS, SUPERVISORS, MANAGERS, AND DIRECTLY OR INDIRECTLY CON- TROLLED BUSINESSES		TOTAL INVESTMENTS	
	SHARES	%	SHARES	%	SHARES	%
Novatek Microelectronics Corp.	61,273,871	11.32	4,174,630	0.77	65,448,501	12.09
Silicon Integrated Systems Corp.	228,955,885	16.24	-	-	228,955,885	16.24
AMIC Technology Corporation	15,590,000	11.21	20,653,808	14.85	36,243,808	26.06
Unimicron Technology Corp.	206,413,870	19.53	6,565,530	0.62	212,979,400	20.15
EPISTAR Corporation	21,004,999	3.39	20,642,255	3.33	41,647,254	6.71
King Yuan Electronics Co., Ltd.	38,505,220	3.17	9,000,000	0.74	47,505,220	3.91
Springsoft, Inc.	8,572,190	4.16	-	-	8,572,190	4.16
Topoint Technology Co., Ltd.	929,233	0.97	7,252,471	7.60	8,181,704	8.57
Vietnam Infrastructure Ltd.	5,000,000	-	-	-	5,000,000	-
ITE Tech. Inc.	22,279,364	19.73	-	-	22,279,364	19.73
Holtek Semiconductor Inc.	42,326,239	19.42	-	-	42,326,239	19.42
TECO Nanotech Co., Ltd.	9,000,757	3.73	-	-	9,000,757	3.73
United Industrial Gases Co., Ltd.	13,185,529	7.66	-	-	13,185,529	7.66
Industrial Bank of Taiwan Corp.	118,302,849	4.95	-	-	118,302,849	4.95
Subtron Technology Co., Ltd.	13,774,174	4.29	11,142,770	3.47	24,916,944	7.76
Taiwan High Speed Rail Corporation Preferred Stock	30,000,000	-	-	-	30,000,000	-
Pacific Technology Partners, L.P.	-	-	-	-	-	-
Pacific United Technology, L.P.	-	-	-	-	-	-
Tonbu, Inc.	937,500	-	-	-	937,500	-
MTIC Holdings Pte Ltd. Preferred Stock	4,000,000	49.94	-	-	4,000,000	49.94
PixTech, Inc.	9,883,470	17.63	-	-	9,883,470	17.63
Sino Swearingen Aircraft Corporation	1,124,361	1.50	-	-	1,124,361	1.50
Taiwan Aerospace Corporation	234,208	0.17	-	-	234,208	0.17
Aetas Technology Incorporated Preferred Stock	781,250	-	-	-	781,250	-
Unimicron Holding Limited	20,000,000	33.78	-	-	20,000,000	33.78

