

UNITED MICROELECTRONICS CORP  
Form 6-K  
August 16, 2006

1934 Act Registration No. 1-15128

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# SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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## FORM 6-K

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REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

Dated August 16, 2006

For the month of July 2006

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## United Microelectronics Corporation

(Translation of Registrant's Name into English)

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No. 3 Li Hsin Road II

Science Park

Hsinchu, Taiwan, R.O.C.

(Address of Principal Executive Office)

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(Indicate by check mark whether the registrant files or will file annual reports under cover of form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

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(If "Yes" is marked, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable )

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

United Microelectronics Corporation

Date: 8/16/2006

By /s/ Chitung Liu  
Chitung Liu  
Chief Financial Officer

**Exhibit**

<b>Exhibit</b>	<b>Description</b>
99.1	Announcement on July 17, 2006: The Company announced the record date for stock and cash dividends is August 8, 2006
99.2	Announcement on July 19, 2006: Represent subsidiary UMO to announce the merger with Thinktek Optronics Corp.
99.3	Announcement on July 20, 2006: To announce related materials on acquisition of machinery and equipment
99.4	Announcement on July 20, 2006: To announce related materials on disposal of MediaTek Incorporation securities
99.5	Announcement on July 20, 2006: Update the Company's 2005 Annual Report
99.6	Announcement on July 25, 2006: To clarify reports on Commercial Times on July 25, 2006
99.7	Announcement on July 27, 2006: To announce related materials on disposal of MediaTek Incorporation securities
99.8	Announcement on July 28, 2006: To announce related materials on acquisition of Promos Technologies. common shares
99.9	Announcement on July 31, 2006: To announce related materials on acquisition of machinery and equipment
99.10	Announcement on July 31, 2006: To clarify reports on Economic Daily News on July 31, 2006
99.11	Announcement on August 1, 2006: To announce related materials on disposal of MediaTek Incorporation securities
99.12	Announcement on August 2, 2006: To announce related materials on acquisition of Promos Technologies. common shares
99.13	Announcement on August 2, 2006: To announce related materials on acquisition of machinery and equipment
99.14	Announcement on August 2, 2006: To announce related materials on acquisition of machinery and equipment
99.15	Announcement on August 2, 2006: UMC announced its unconsolidated operating results for the second quarter of 2006
99.16	Announcement on August 3, 2006: To announce related materials on acquisition of Promos Technologies. common shares
99.17	Announcement on August 3, 2006: To announce related materials on acquisition of machinery and equipment
99.18	Announcement on August 4, 2006: The Company received notice about completing the trust process for the 15% of outstanding shares of the holding company of Hejian
99.19	Announcement on August 7, 2006: To announce related materials on disposal of MediaTek Incorporation securities

- 99.20 Announcement on August 8, 2006: To announce related materials on acquisition of machinery and equipment
- 99.21 Announcement on August 8, 2006: To announce related materials on acquisition of machinery and equipment
- 99.22 Announcement on August 8, 2006: July Revenue
- 99.23 Announcement on August 10, 2006: To announce related materials on acquisition of Promos Technologies. common shares
- 99.24 Announcement on August 11, 2006: To announce related materials on acquisition of Promos Technologies. common shares
- 99.25 Announcement on August 11, 2006: To announce related materials on disposal of MediaTek Incorporation securities
- 99.26 Announcement on August 15, 2006: 1) the trading and pledge of UMC common shares by directors, supervisors, executive officers and 10% shareholders of UMC 2) the acquisition and disposition of assets by UMC

**The Company announced the record date for stock and cash dividends is August 8, 2006**

1. Date of occurrence of the event: 2006/07/17
2. Name of the company: United Microelectronics Corp.
3. Relationship to the company (listed company or affiliated company): Listed company
4. The shareholding ratios of mutual holding: N/A
5. Cause of occurrence:  
The Company announced the record date for stock and cash dividends is August 8, 2006. The ex-dividend date is August 2, 2006. The shareholder registration closing period is from August 4, 2006 to August 8, 2006.

Due the Company's 11th shares buyback program, the total shares outstanding were decreased by 400,000,000 shares. Thus the stock and cash dividend ratios are adjusted to:

- (1) Stock dividend: every 1,000 shares are entitled to receive 10.228530 shares
  - (2) Cash dividend: every share is entitled to receive NTD 0.40914120.
6. Countermeasures: none
  7. Any other matters that need to be specified: none

**Represent subsidiary UMO to announce the merger with Thinktek Optronics Corp.**

1. Kind of merger/acquisition (e.g. merger, consolidation, spin-off, acquisition, or receiving assignment of shares): acquisition
2. Date of occurrence of the event: 2006/07/19
3. Names of companies participating in the merger (e.g.name of the other company participating in the merger or consolidation, newly established company in a spin-off, acquired company, or company whose shares are taken assignment of): The Company's subsidiary, United Microdisplay Optronics Corporation (UMO), merged Thintek Optronics Corp. by issuing 8,658,442 new shares. The resolution was passed by Board Meetings on July 18, 2006. The existing company is UMO and the extinct company is Thinktek Optronics Corp.
4. Counterparty (e.g.name of the other company participating in the merger or consolidation, company taking assignment of the spin-off, or counterparty to the acquisition or assignment of shares): United Microdisplay Optronics Corporation, Thinktek Optronics Corp.
5. Relationship between the counterparty and the Company (investee company in which the Company has re-invested and has shareholding of XX%), and explanation of the reasons for the decision to acquire, or take assignment of the shares of, an affiliated enterprise or related person, and whether it will affect shareholders' equity: Thinktek Optronics Corp. is the investee company which UMO holds 33%. The purposes are to increase competitiveness, to promote efficient management, to enlarge business scale, and to enforce economic of scale. whether it will affect shareholders' equity: none
6. Purpose/objective of the merger/acquisition: The purposes are to increase competitiveness, to promote efficient management, to enlarge business scale, and to enforce economic of scale.
7. Anticipated benefits of the merger/acquisition: increase operating efficiency and lower operating costs
8. Effect of the merger or consolidation on net worth per share and earnings per share: The merger will increase operating efficiency and lower operating costs, thus increase EPS and net worth.
9. Share exchange ratio and basis of its calculation: every 2.31 shares of Thinktek Optronics Corp. will exchange 1 share of UMO. The share exchange ratio was decided by the Board Meeting based on the financial statements as of June 30, 2006, net worth per share and other factors which will affect shareholders' equity
10. Scheduled timetable for consummation: The merger record date is October 1, 2006.
11. Matters related to assumption by the existing company or new company of rights and obligations of the extinguished (or spun-off) company:: After the merger, the extinct company's assets, liabilities and other rights will be endured by the existing company

12. Basic information of companies participating in the merger:

- (1) United Microdisplay Optronics Corporation: The R&D, production and sales of LCOSs panel and components
- (2) Thinktek Optronics Corp.: Optical instrument sales



13. Matters related to the spin-off (including estimated value of the business and assets planned to be assigned to the existing company or new company; the total number and the types and volumes of the shares to be acquired by the split company or its shareholders; matters related to the reduction, if any, in capital of the split company) (note: not applicable other than where there is announcement of a spin-off):n/a
  
14. Conditions and restrictions on future transfers of shares resulting from the merger or acquisition: n/a
  
15. Other important stipulations: none
  
16. Do the directors have any objection to the present transaction? none

**To announce related materials on acquisition of machinery and equipment**

1. Name and nature of the subject matter (e.g. land located at Sublot XX, Lot XX, North District, Taichung City): Machinery and equipment
2. Date of the occurrence of the event: 2006/02/10~2006/07/19
3. Transaction volume (e.g. XX square meters, equivalent to XX ping), unit price, total transaction price: Transaction volume: one lot; average unit price: \$504,566,075 NTD; total transaction price: \$504,566,075 NTD
4. Counterparty to the trade and its relationship with the company (if the trading counterpart is a natural person and is not an actual related party of the Company, the name of the trading counterpart is not required to be disclosed): SEMITOO INC.; non-related party transaction
5. Where the counterpart to the trade is an actual related party, a public announcement shall also include the reason for choosing the related party as trading counterpart and the identity of the previous owner (including its relationship with the company and the trading counterpart), price of transfer and the date of acquisition: Not applicable
6. Where a person who owned the property within the past five years has been an actual related person of the company, a public announcement shall also include the dates and prices of acquisition and disposal by the related person and the person's relationship to the company at those times: Not applicable
7. Anticipated loss or profit from the disposal (not applicable in cases of acquisition of assets) (where originally deferred, the status or recognition shall be stated and explained): Not applicable
8. Terms of delivery or payment (including payment period and monetary amount): 1) 90% paid upon shipment; 10% paid after acceptance  
2) 100% paid after acceptance
9. The manner of deciding on this transaction (such as tender invitation, price comparison, or price negotiation), the reference basis for the decision on price and the decision-making department: transaction: price negotiation; the reference basis for the decision on price: market price. The decision-making department: the Selection Meeting
10. Name of the professional appraisal institution and its appraisal amount: Not applicable
11. Reason for any significant discrepancy with the transaction amount, and opinion of the certifying CPA: Not applicable

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12. Is the appraisal report price a limited price or specific price? Not applicable
13. Has an appraisal report not yet been obtained? Not applicable
14. Reason an appraisal report has not yet been obtained: Not applicable
15. Broker and broker's fee: Not applicable
16. Concrete purpose or use of the acquisition or disposition: to produce integrated circuits
17. Do the directors have any objection to the present transaction? no
18. Any other matters that need to be specified: none

**To announce related materials on disposal of MediaTek Incorporation securities**

1. Name of the securities: Common shares of MediaTek Incorporation
2. Trading date: 2006/07/13~2006/07/20
3. Trading volume, unit price, and total monetary amount of the transaction: trading volume: 1,149,000 shares; average unit price:\$287.65 NTD; total amount: \$330,506,000 NTD
4. Gain (or loss) (not applicable in case of acquisition of securities): \$330,506,000 NTD
5. Relationship with the underlying company of the trade: MediaTek Incorporation, none.
6. Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any restriction of rights (e.g. pledges): cumulative volume: 37,057,272 shares; amount: 421,629,487 NTD; percentage of holdings: 4.29%; status of restriction of rights: no
7. Current ratio of long or short term securities investment (including the current trade) to the total assets and shareholder's equity as shown in the most recent financial statement and the operational capital as shown in the most recent financial statement: ratio of total assets: 13.39%; ratio of shareholder's equity: 10.84%; the operational capital as shown in the most recent financial statement: \$96,736,519 thousand NTD
8. Concrete purpose/objective of the acquisition or disposal: financing operation
9. Do the directors have any objections to the present transaction? none
10. Any other matters that need to be specified: none

**Update the Company's 2005 Annual Report**

1. Date of occurrence of the event: 2006/07/20
2. Name of the company: United Microelectronics Corp.
3. Relationship to the company (listed company or affiliated company): Listed company
4. The shareholding ratios of mutual holding: N/A
5. Cause of occurrence:  
The Company updated the information about remuneration for directors, supervisors and managers in the 2005 Annual Report. The update is required by the government officials to disclose the proposed remuneration distribution from the 2005 retained earnings.
6. Countermeasures: none
7. Any other matters that need to be specified: none

**To clarify reports on Commercial Times on July 25, 2006**

1. Name of the reporting media: Commercial Times, A1
2. Date of the report: 2006/07/25
3. Content of the report: Merger of AMD and ATi will impact ATi's supply chain and other companies
4. Summary of the information provided by investors: None
5. Company's explanation of the reportage or provided information:  
The Company's policy is to respect customers' business confidentiality and can not comment on specific customer's status. The Company can not comment on media's speculative reports as well.
6. Countermeasures: None
7. Any other matters that need to be specified: None

**To announce related materials on disposal of MediaTek Incorporation securities**

1. Name of the securities: Common shares of MediaTek Incorporation
2. Trading date: 2006/07/21~2006/07/27
3. Trading volume, unit price, and total monetary amount of the transaction: trading volume: 1,215,000 shares; average unit price: \$289.77 NTD; total amount: \$352,065,500 NTD
4. Gain (or loss) (not applicable in case of acquisition of securities): \$338,241,4980 NTD
5. Relationship with the underlying company of the trade: MediaTek Incorporation, none.
6. Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any restriction of rights (e.g. pledges): cumulative volume: 35,842,272 shares; amount: 407,805,485 NTD; percentage of holdings: 4.15%; status of restriction of rights: no
7. Current ratio of long or short term securities investment (including the current trade) to the total assets and shareholder's equity as shown in the most recent financial statement and the operational capital as shown in the most recent financial statement: ratio of total assets: 10.42%; ratio of shareholder's equity: 12.88%; the operational capital as shown in the most recent financial statement: \$96,736,519 thousand NTD
8. Concrete purpose/objective of the acquisition or disposal: financing operation
9. Do the directors have any objections to the present transaction? none
10. Any other matters that need to be specified: none

**To announce related materials on acquisition of Promos Technologies common shares**

1. Name of the securities: Common shares of Promos Technologies.
2. Trading date: 2006/07/24~2006/07/28
3. Trading volume, unit price, and total monetary amount of the transaction: trading volume: 66,990,000 shares; average unit price: \$12.04 NTD; total amount: \$806,273,370 NTD
4. Gain (or loss) (not applicable in case of acquisition of securities): Not applicable
5. Relationship with the underlying company of the trade: None
6. Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any restriction of rights (e.g. pledges): cumulative volume: 66,990,000 shares; amount: NTD 806,273,370; percentage of holdings: 1.32%; status of restriction of rights: no
7. Current ratio of long or short term securities investment (including the current trade) to the total assets and shareholder's equity as shown in the most recent financial statement and the operational capital as shown in the most recent financial statement: ratio of total assets: 11.25% ratio of shareholder's equity: 13.90%; the operational capital as shown in the most recent financial statement: \$96,736,519 thousand NTD
8. Concrete purpose/objective of the acquisition or disposal: financial operation
9. Do the directors have any objections to the present transaction? none
10. Any other matters that need to be specified: none



**To announce related materials on acquisition of machinery and equipment**

1. Name and nature of the subject matter (e.g. land located at Sublot XX, Lot XX, North District, Taichung City): Machinery and equipment
2. Date of the occurrence of the event: 2006/06/26~2006/07/28
3. Transaction volume (e.g. XX square meters, equivalent to XX ping), unit price, total transaction price: Transaction volume: a batch; average unit price: \$538,402,680 NTD; total transaction price: \$538,402,680 NTD
4. Counterparty to the trade and its relationship with the company (if the trading counterpart is a natural person and is not an actual related party of the Company, the name of the trading counterpart is not required to be disclosed): APPLIED MATERIALS ASIA PACIFIC LTD; non-related party transaction
5. Where the counterpart to the trade is an actual related party, a public announcement shall also include the reason for choosing the related party as trading counterpart and the identity of the previous owner (including its relationship with the company and the trading counterpart), price of transfer and the date of acquisition: Not applicable
6. Where a person who owned the property within the past five years has been an actual related person of the company, a public announcement shall also include the dates and prices of acquisition and disposal by the related person and the person's relationship to the company at those times: Not applicable
7. Anticipated loss or profit from the disposal (not applicable in cases of acquisition of assets) (where originally deferred, the status or recognition shall be stated and explained): Not applicable
8. Terms of delivery or payment (including payment period and monetary amount): 1) 90% paid upon shipment; 10% paid after acceptance  
2) 100% paid after acceptance
9. The manner of deciding on this transaction (such as tender invitation, price comparison, or price negotiation), the reference basis for the decision on price and the decision-making department: transaction: price negotiation; the reference basis for the decision on price: market price. The decision-making department: the Selection Meeting
10. Name of the professional appraisal institution and its appraisal amount: Not applicable
11. Reason for any significant discrepancy with the transaction amount, and opinion of the certifying CPA: Not applicable
12. Is the appraisal report price a limited price or specific price? Not applicable

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13. Has an appraisal report not yet been obtained? Not applicable
14. Reason an appraisal report has not yet been obtained: Not applicable
15. Broker and broker's fee: Not applicable
16. Concrete purpose or use of the acquisition or disposition: to produce integrated circuits
17. Do the directors have any objection to the present transaction? no
18. Any other matters that need to be specified: none

**To clarify reports on Economic Daily News on July 31, 2006**

1. Name of the reporting media: United Evening News
2. Date of the report: 2006/07/31
3. Content of the report: The market speculate if UMC would merge Pormos
4. Summary of the information provided by investors: None
5. Company's explanation of the reportage or provided information: The Company can not commend on media's speculative reports.
6. Countermeasures: None
7. Any other matters that need to be specified: None

**To announce related materials on disposal of MediaTek Incorporation securities**

1. Name of the securities: Common shares of MediaTek Incorporation
2. Trading date: 2006/07/28~2006/08/01
3. Trading volume, unit price, and total monetary amount of the transaction: trading volume: 1,140,000 shares; average unit price: \$299.96 NTD; total amount: \$341,952,500 NTD
4. Gain (or loss) (not applicable in case of acquisition of securities): \$328,981,831 NTD
5. Relationship with the underlying company of the trade: MediaTek Incorporation, none.
6. Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any restriction of rights (e.g. pledges): cumulative volume: 334,702,272 shares; amount: 394,834,816 NTD; percentage of holdings: 4.02%; status of restriction of rights: no
7. Current ratio of long or short term securities investment (including the current trade) to the total assets and shareholder's equity as shown in the most recent financial statement and the operational capital as shown in the most recent financial statement: ratio of total assets: 11.22%; ratio of shareholder's equity: 13.87%; the operational capital as shown in the most recent financial statement: \$96,736,519 thousand NTD
8. Concrete purpose/objective of the acquisition or disposal: financing operation
9. Do the directors have any objections to the present transaction? none
10. Any other matters that need to be specified: none

**To announce related materials on acquisition of Promos Technologies common shares**

1. Name of the securities: Common shares of Promos Technologies.
2. Trading date: 2006/07/31~2006/08/02
3. Trading volume, unit price, and total monetary amount of the transaction: trading volume: 43,469,000 shares; average unit price: \$12.63 NTD; total amount: \$549,084,461 NTD
4. Gain (or loss) (not applicable in case of acquisition of securities): Not applicable
5. Relationship with the underlying company of the trade: None
6. Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any restriction of rights (e.g. pledges): cumulative volume: 110,459,000 shares; amount: NTD 1,355,357,831; percentage of holdings: 2.18%; status of restriction of rights: no
7. Current ratio of long or short term securities investment (including the current trade) to the total assets and shareholder's equity as shown in the most recent financial statement and the operational capital as shown in the most recent financial statement: ratio of total assets: 11.27% ratio of shareholder's equity: 13.92%; the operational capital as shown in the most recent financial statement: \$96,736,519 thousand NTD
8. Concrete purpose/objective of the acquisition or disposal: financial operation
9. Do the directors have any objections to the present transaction? none
10. Any other matters that need to be specified: none

**To announce related materials on acquisition of machinery and equipment**

1. Name and nature of the subject matter (e.g. land located at Sublot XX, Lot XX, North District, Taichung City): Machinery and equipment
2. Date of the occurrence of the event: 2005/08/23~2006/08/01
3. Transaction volume (e.g. XX square meters, equivalent to XX ping), unit price, total transaction price: Transaction volume: one batch; average unit price: \$609,405,039 NTD; total transaction price: \$609,405,039 NTD
4. Counterparty to the trade and its relationship with the company (if the trading counterpart is a natural person and is not an actual related party of the Company, the name of the trading counterpart is not required to be disclosed): IWATANI INTERNATIONAL CORPORATION
5. Where the counterpart to the trade is an actual related party, a public announcement shall also include the reason for choosing the related party as trading counterpart and the identity of the previous owner (including its relationship with the company and the trading counterpart), price of transfer and the date of acquisition: Not applicable
6. Where a person who owned the property within the past five years has been an actual related person of the company, a public announcement shall also include the dates and prices of acquisition and disposal by the related person and the person's relationship to the company at those times: Not applicable
7. Anticipated loss or profit from the disposal (not applicable in cases of acquisition of assets) (where originally deferred, the status or recognition shall be stated and explained): Not applicable
8. Terms of delivery or payment (including payment period and monetary amount): 1)90% paid upon shipment; 10% paid after acceptance  
2)100% paid after acceptance
9. The manner of deciding on this transaction (such as tender invitation, price comparison, or price negotiation), the reference basis for the decision on price and the decision-making department: transaction: price negotiation; the reference basis for the decision on price: market price. The decision-making department: the Selection Meeting
10. Name of the professional appraisal institution and its appraisal amount: Not applicable
11. Reason for any significant discrepancy with the transaction amount, and opinion of the certifying CPA: Not applicable

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12. Is the appraisal report price a limited price or specific price? Not applicable
13. Has an appraisal report not yet been obtained? Not applicable
14. Reason an appraisal report has not yet been obtained: Not applicable
15. Broker and broker's fee: Not applicable
16. Concrete purpose or use of the acquisition or disposition: to produce integrated circuits
17. Do the directors have any objection to the present transaction? no
18. Any other matters that need to be specified: none

**To announce related materials on acquisition of machinery and equipment**

1. Name and nature of the subject matter (e.g. land located at Sublot XX, Lot XX, North District, Taichung City): Machinery and equipment
2. Date of the occurrence of the event: 2006/07/18~2006/08/01
3. Transaction volume (e.g. XX square meters, equivalent to XX ping), unit price, total transaction price: Transaction volume: one batch; average unit price: \$1,627,632,109 NTD; total transaction price: \$1,627,632,109 NTD
4. Counterparty to the trade and its relationship with the company (if the trading counterpart is a natural person and is not an actual related party of the Company, the name of the trading counterpart is not required to be disclosed): TOKYO ELECTRON LIMITED; non-related party transaction
5. Where the counterpart to the trade is an actual related party, a public announcement shall also include the reason for choosing the related party as trading counterpart and the identity of the previous owner (including its relationship with the company and the trading counterpart), price of transfer and the date of acquisition: Not applicable
6. Where a person who owned the property within the past five years has been an actual related person of the company, a public announcement shall also include the dates and prices of acquisition and disposal by the related person and the person's relationship to the company at those times: Not applicable
7. Anticipated loss or profit from the disposal (not applicable in cases of acquisition of assets) (where originally deferred, the status or recognition shall be stated and explained): Not applicable
8. Terms of delivery or payment (including payment period and monetary amount): 1)90% paid upon shipment;10% paid after acceptance  
2)100% paid after acceptance
9. The manner of deciding on this transaction (such as tender invitation, price comparison, or price negotiation), the reference basis for the decision on price and the decision-making department: transaction: price negotiation; the reference basis for the decision on price: market price. The decision-making department: the Selection Meeting
10. Name of the professional appraisal institution and its appraisal amount: Not applicable
11. Reason for any significant discrepancy with the transaction amount, and opinion of the certifying CPA: Not applicable



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12. Is the appraisal report price a limited price or specific price? Not applicable
13. Has an appraisal report not yet been obtained? Not applicable
14. Reason an appraisal report has not yet been obtained: Not applicable
15. Broker and broker's fee: Not applicable
16. Concrete purpose or use of the acquisition or disposition: to produce integrated circuits
17. Do the directors have any objection to the present transaction? no
18. Any other matters that need to be specified: none

**UMC announced its unconsolidated operating results for the second quarter of 2006**

1. Date of occurrence of the event: 2006/08/02
2. Name of the company: United Microelectronics Corp.
3. Relationship to the company (listed company or affiliated company): Listed company
4. The shareholding ratios of mutual holding: N/A

5. Cause of occurrence:

United Microelectronics Corporation (NYSE: UMC; TSE: 2303) ( UMC or the Company ) today announced its unconsolidated operating results for the second quarter of 2006. Year-over-year revenue increased by 32.4% to NT\$25.75 billion from NT\$19.44 billion, and a 5.6% QoQ increase from NT\$24.38 billion in 1Q06. The gross profit is NT\$5.17 billion, increase 58.9% from NT\$3.26 billion in 1Q06. Gross profit is 20.1%, which increases 6.8 percentage points from 13.3% in last quarter. The EPS for the second quarter in 2006 was NT\$0.34.

Wafer shipments increased 4.2% QoQ to 786 thousand 8-inch equivalent wafers in 2Q06. Overall, the utilization rate for the quarter improved to 80%. The percentage of revenue from 90nm business increased to 16% in 2Q06, combined with revenue from 0.13um, it represents 38% of total revenue. Besides, 90nm business from graphic chips has been in mass production already.

The results for Q2 were basically in line with our earlier forecast, said UMC Chairman and CEO, Dr. Jackson Hu. Revenue reached NT\$25.75 billion, which represented a 5.6% growth over Q1. ASP increased by 1%, while wafer shipments increased by 4%. We are also happy to report that gross profit margin grew by 7%, with operating profit improving by 6%. Our gross profit and margins came in higher than we expected. This was primarily due to a higher number of shipments of leading edge 90nm and 0.13um chips.

Dr. Hu continued, In terms of our market view, there has been a significant change in market conditions over the past 3 months. We have seen clear signs of higher inventory levels from some of our customers; however, inventory levels vary significantly by application. For ICs related to flat panel displays and digital TVs, overproduction in anticipation of high demand related to the World Cup has resulted in inventory buildup, which will take some time to digest. For PC-related applications, the second quarter is traditionally slow, and although there is typically a pick-up in demand in the third quarter, there are signs that demand is being postponed due to delays in the release of new CPUs and operating systems. For handset related products, inventory levels are normal for the major brand-name providers, although there is inventory buildup at second-tier and non-brand companies.

For the third quarter, we are expecting more than 20% of our revenue to come from 90nm sales. The utilization at our two 300mm fabs is also expected to improve significantly. Thus, we anticipate a steady growth in revenues and profitability for Q3. The 65nm technology node is progressing smoothly and is in the rollout stage. We believe UMC's success at 65/90nm will accelerate our growth and improve profitability in the coming years.

6. Countermeasures: none

7. Any other matters that need to be specified: none

**To announce related materials on acquisition of Promos Technologies common shares**

1. Name of the securities: Common shares of Promos Technologies.
2. Trading date: 2006/08/03~2006/08/03
3. Trading volume, unit price, and total monetary amount of the transaction: trading volume: 84,676,000 shares; average unit price: \$12.97 NTD; total amount: \$1,098,215,552 NTD
4. Gain (or loss) (not applicable in case of acquisition of securities): Not applicable
5. Relationship with the underlying company of the trade: None
6. Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any re