



Corporate Action Announcement

Citibank, N.A., acting as sponsored depository bank, announces the following:

Date: October 16, 2007 Preliminary

Announcement For: **Capital Reduction, Cash Distribution**

	Old Information	New Information
Company Name:	United Microelectronics Corporation	
Ticker Symbol:	UMC	
CUSIP Number:	910873207	910873405
Country:	Taiwan	
Listing Exchange:	NYSE	
Ratio (ADR:ORD):	1:5	
Underlying Share Symbol:	2303 TT	
Underlying Share ISIN:	TW0002303005	
DR ISIN:	US9108732077	TW0002303005
Custodian(s):	Citibank Taipei	

Please be advised that at the June 11, 2007 United Microelectronics Corp. General Shareholders Meeting, the shareholders of the Company approved a capital reduction of the ordinary shares in the local market. In Taiwan, pursuant to the terms of the Return of Capital, each holder of common shares is entitled to receive 0.69716433 newly issued common shares of United Microelectronics Corporation (the "New Shares"), and will receive cash for the shares cancelled at the rate of NT\$ 3.0283357 per share cancelled.

In turn, Citibank as Depository for United Microelectronics Corporation's ADR program effected the Capital Reduction in the U.S.

Upon receipt of the new shares at our custodian bank (Citibank Taiwan), Citibank NY will issue and distribute the new ADSs upon receipt from the ADS holders of their existing ADSs. ADS holders will be required to surrender their old ADRs (cusip# 910873207) in order to receive the New ADSs (cusip# 910873405). The fractional ADSs were sold to establish the cash-in-lieu price. Citibank determined the US Dollar cash rate approximately three business days prior to the effective date (once Citibank Taiwan announced the f/x rate from Taiwan dollars to US dollars).



New Security:

Security Name: United Microelectronics Corporation

Cusip Number: 910873405

ISIN Number: TW0002303005

Important Dates:

ADR Books Closure Date: September 24, 2007 at 5PM through October 9th at 5PM (NYC Time)

ORD Share Books Closure Date: September 26, 2007 at 5PM until October 8, 2007 at 5PM (Singapore Time)

ADR Effective Date: October 9, 2007

Exchange Rates:

From and after the Effective Date, every one (1) UMC ADS issued and outstanding will represent the right to receive the following:

1. **Stock : 0.69716643 New ADSs of UMC**
2. **Cash-in-lieu: \$3.8094 per ADS**
3. **Cash: \$0.444686 per existing UMC ADS held (net of any taxes, governmental charges, currency conversion costs, handling costs and an ADS Depositary fee of \$0.02 per ADS due from such holders to the Depositary)**

Shareholder Services

Questions may be directed to Shareholder Services toll free at 1-877-248-4237

For further information on Citi's Depositary Receipt Services, visit www.citi.com/adr.