

Taiwan Semiconductor Manufacturing Company Ltd.

Financial Statements as of December 31, 2000 and 1999

Together with Report of Independent Public Accountant

English Translation of a Report Originally Issued in Chinese

Report of Independent Public Accountant

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Ltd.

We have audited the accompanying balance sheets of Taiwan Semiconductor Manufacturing Company Ltd. as of December 31, 2000 and 1999, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taiwan Semiconductor Manufacturing Company Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the Republic of China.

January 29, 2001

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of another jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

BALANCE SHEETS

December 31, 2000 and 1999

(In Thousand New Taiwan Dollars, Except Par Value)

A S S E T S	2000		1999		LIABILITIES AND SHAREHOLDERS' EQUITY	2000		1999	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2 and 4)	\$ 35,664,440	11	\$ 16,650,017	10	Payable to related parties (Note 14)	\$ 4,346,578	1	\$ 1,916,526	1
Short-term investments (Note 2)	-	-	236,250	-	Accounts payable	7,989,953	3	2,525,086	2
Receivable from related parties (Note 14)	994,815	-	468,903	-	Payables to contractors and equipment suppliers	24,392,400	7	6,958,098	4
Notes receivable	125,175	-	164,134	-	Income tax payable (Notes 2 and 13)	-	-	146,300	-
Accounts receivable	30,335,314	9	13,380,253	8	Lease obligation payable(Notes 2 and 9)	50,000	-	-	-
Allowance for doubtful receivables (Note 2)	(946,734)	-	(422,202)	-	Accrued expenses and other current liabilities				
Allowance for sales returns and others (Note 2)	(2,204,167)	(1)	(706,886)	-	(Note 17)	4,409,731	1	2,923,319	2
Inventories (Notes 2 and 5)	10,967,935	3	4,529,714	3	Total Current Liabilities	41,188,662	12	14,469,329	9
Deferred income tax assets (Notes 2 and 13)	8,122,000	2	2,329,000	2	NONCURRENT LIABILITIES				
Prepaid expenses and other current assets (Notes 2, 14, 15 and 17)	2,891,808	1	2,141,487	1	Long-term bonds (Note 10)	29,000,000	8	20,000,000	12
Total Current Assets	85,950,586	25	38,770,670	24	Guarantee deposits	7,086,379	2	5,185,362	3
LONG-TERM INVESTMENTS (Notes 2 and 6)	33,422,010	10	28,208,643	17	Accrued pension cost (Notes 2 and 12)	1,509,535	1	998,203	1
PROPERTY, PLANT AND EQUIPMENT					Deferred gain on sale-lease back (Note 2)	434,183	-	-	-
(Notes 2, 7 and 14)					Total Noncurrent Liabilities	38,030,097	11	26,183,565	16
Cost					Total Liabilities	79,218,759	23	40,652,894	25
Buildings	46,307,643	14	21,337,655	13	SHAREHOLDERS' EQUITY (Notes 2 and 11)				
Machinery and equipment	210,461,923	62	102,672,163	64	Capital stock - \$10 par value				
Office equipment	3,672,927	1	1,939,392	1	Authorized - 17,800,000 thousand shares in 2000				
Total cost	260,442,493	77	125,949,210	78	and 9,100,000 thousand shares in 1999				
Accumulated depreciation	(94,332,168)	(28)	(57,969,725)	(36)	Issued:				
Advance payments and construction in progress	40,895,045	12	21,586,544	14	Common - 11,689,365 thousand shares				
Net Properties	207,005,370	61	89,566,029	56	in 2000 and 7,670,882 thousand shares in				
GOODWILL (Note 2)	3,309,707	1	-	-	1999	116,893,646	34	76,708,817	48
OTHER ASSETS					Preferred - 1,300,000 thousand shares	13,000,000	4	-	-
Leased assets (Note 2)	625,647	-	-	-	Capital surplus	55,285,821	16	11,831,411	7
Deferred charges - net (Notes 2 and 8)	3,122,610	1	578,544	-	Retained earnings:				
Deferred income tax assets (Notes 2 and 13)	6,559,293	2	4,273,252	3	Appropriated as legal reserve	10,689,323	3	8,258,359	5
Refundable deposits	967,985	-	16,346	-	Appropriated as special reserve	1,091,003	1	-	-
Miscellaneous	9,250	-	9,250	-	Unappropriated earnings	65,143,847	19	25,062,256	16
Total Other Assets	11,284,785	3	4,877,392	3	Unrealized loss on long-term investment	(71,564)	-	-	-
TOTAL ASSETS	\$ 340,972,458	100	\$ 161,422,734	100	Cumulative translation adjustments	(278,377)	-	(1,091,003)	(1)
					Total Shareholders' Equity	261,753,699	77	120,769,840	75
					TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 340,972,458	100	\$ 161,422,734	100

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

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

STATEMENTS OF INCOME
For the Years Ended December 31, 2000 and 1999
(In Thousand New Taiwan Dollars, Except Earnings Per Share)

	2000		1999	
	Amount	%	Amount	%
GROSS SALES (Notes 2, 14 and 18)	\$169,223,128		\$74,036,935	
SALES RETURNS AND ALLOWANCES	(<u>2,994,708</u>)		(<u>905,729</u>)	
NET SALES	166,228,420	100	73,131,206	100
COST OF SALES (Note 14)	<u>92,303,675</u>	<u>56</u>	<u>40,915,513</u>	<u>56</u>
GROSS PROFIT	<u>73,924,745</u>	<u>44</u>	<u>32,215,693</u>	<u>44</u>
OPERATING EXPENSES (Note 14)				
General and administrative	5,299,135	3	2,097,835	3
Marketing	2,953,008	2	1,810,701	2
Research and development	<u>5,131,497</u>	<u>3</u>	<u>2,390,538</u>	<u>4</u>
Total Operating Expenses	<u>13,383,640</u>	<u>8</u>	<u>6,299,074</u>	<u>9</u>
INCOME FROM OPERATIONS	<u>60,541,105</u>	<u>36</u>	<u>25,916,619</u>	<u>35</u>
NON-OPERATING INCOME				
Insurance compensation	1,623,832	1	184,607	1
Interest	1,575,460	1	808,616	1
Foreign exchange gain – net (Notes 2 and 17)	828,025	1	-	-
Equity in earnings of investee companies				
– net (Notes 2 and 6)	779,326	-	-	-
Technology service income (Note 14)	138,514	-	-	-
Premium income (Notes 2 and 17)	116,248	-	63,809	-
Gain on sales of short-term investments	104,643	-	29,041	-
Gain on disposal of properties	62,921	-	4,310	-
Reversal of allowance for losses on				
short-term investment	688	-	120,766	-
Other (Note 14)	<u>179,650</u>	<u>-</u>	<u>38,557</u>	<u>-</u>
Total Non-Operating Income	<u>5,409,307</u>	<u>3</u>	<u>1,249,706</u>	<u>2</u>
NON-OPERATING EXPENSES				
Interest (Notes 7 and 17)	1,858,197	1	1,415,527	2
Premium expenses (Notes 2 and 17)	108,133	-	86,746	-
Loss on disposal of properties	99,220	-	35,810	-
Bond issue cost	32,658	-	114,839	-

(Forward)

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Equity in net losses of investee companies - net (Notes 2 and 6)	\$	-	-	\$ 1,191,891	2
Loss on disposal of short-term investments		-	-	75,366	-
Foreign exchange loss - net (Notes 2 and 17)		-	-	81,436	-
Other		<u>14,610</u>	<u>-</u>	<u>54,845</u>	<u>-</u>
Total Non-Operating Expenses		<u>2,112,818</u>	<u>1</u>	<u>3,056,460</u>	<u>4</u>
 INCOME BEFORE INCOME TAX		 63,837,594	 38	 24,109,865	 33
INCOME TAX BENEFIT (Notes 2 and 13)		<u>1,268,600</u>	<u>1</u>	<u>450,019</u>	<u>1</u>
 NET INCOME		 <u>\$65,106,194</u>	 <u>39</u>	 <u>\$24,559,884</u>	 <u>34</u>
 EARNINGS PER SHARE					
Based on common stock weighted-average number of shares outstanding - 11,400,882 thousand shares in 2000 and 7,572,598 thousand shares in 1999		 <u>\$5.71</u>		 <u>\$3.24</u>	
Based on 9,863,489 thousand shares				<u>\$2.49</u>	

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

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2000 and 1999
(In Thousand New Taiwan Dollars)

	CAPITAL STOCK ISSUED				CAPITAL SURPLUS (Note 2)							RETAINED EARNINGS (Note 11)				UNREALIZED LOSS ON LONG-TERM INVESTMENT (NOTE 2)	CUMULATIVE TRANSLATION ADJUSTMENTS (NOTE 2)	TOTAL SHAREHOLDERS' EQUITY
	Common Stock		Preferred Stock		From Consolidation	Additional Paid-In Capital	From Long-term Investment	Excess on Foreign Bond Investment	Gain on Disposal of Properties	Donation	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total			
	Shares (Thousand)	Amount	Shares (Thousand)	Amount														
BALANCE, JANUARY 1, 1999	6,047,176	\$ 60,471,760	-	\$ -	\$ -	\$ -	\$ 99,128	\$ -	\$ 65,036	\$ 55	\$ 164,219	\$ 6,724,240	\$ -	\$ 17,437,873	\$ 24,162,113	\$ -	(\$ 727,426)	\$ 84,070,666
Appropriations of prior year's earnings																		
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	1,534,119	-	(1,534,119)	-	-	-	-
Bonus to employees - stock	110,457	1,104,566	-	-	-	-	-	-	-	-	-	-	-	(1,104,566)	(1,104,566)	-	-	-
Stock dividends - 23%	1,390,850	13,908,505	-	-	-	-	-	-	-	-	-	-	-	(13,908,505)	(13,908,505)	-	-	-
Bonus to directors and supervisors	-	-	-	-	-	-	-	-	-	-	-	-	-	(138,071)	(138,071)	-	-	(138,071)
Net income in 1999	-	-	-	-	-	-	-	-	-	-	-	-	-	24,559,884	24,559,884	-	-	24,559,884
Conversion of foreign bonds	122,399	1,223,986	-	-	-	-	-	11,289,998	-	-	11,289,998	-	-	-	-	-	-	12,513,984
Gain on disposal of properties	-	-	-	-	-	-	-	-	4,022	-	4,022	-	-	(4,022)	(4,022)	-	-	-
Gain on disposal of property from investees	-	-	-	-	-	-	246,218	-	-	-	246,218	-	-	(246,218)	(246,218)	-	-	-
Adjustment arising from changes in ownership percentage in investees	-	-	-	-	-	-	126,954	-	-	-	126,954	-	-	-	-	-	-	126,954
Translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(363,577)	(363,577)
BALANCE, DECEMBER 31, 1999	7,670,882	76,708,817	-	-	-	-	472,300	11,289,998	69,058	55	11,831,411	8,258,359	-	25,062,256	33,320,615	-	(1,091,003)	120,769,840
Appropriations of prior year's earnings																		
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	2,430,964	-	(2,430,964)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	1,091,003	(1,091,003)	-	-	-	-
Bonus to employees - stock	172,121	1,721,208	-	-	-	-	-	-	-	-	-	-	-	(1,721,208)	(1,721,208)	-	-	-
Stock dividends - 25.55%	1,959,910	19,599,103	-	-	-	-	-	-	-	-	-	-	-	(19,599,103)	(19,599,103)	-	-	-
Bonus to directors and supervisors	-	-	-	-	-	-	-	-	-	-	-	-	-	(215,151)	(215,151)	-	-	(215,151)
Capital Transferred from capital surplus - 2.45%	187,937	1,879,366	-	-	-	-	-	(1,879,366)	-	-	(1,879,366)	-	-	-	-	-	-	-
Issuance of shares on June 8, 2000	115,000	1,150,000	-	-	-	23,172,550	-	-	-	-	23,172,550	-	-	-	-	-	-	24,322,550
Issuance of shares for the mergers on June 30, 2000	1,583,515	15,835,152	-	-	22,329,129	-	-	-	-	-	22,329,129	-	-	(135,077)	(135,077)	-	-	38,029,204
Issuance of preferred stocks on November 29, 2000	-	-	1,300,000	13,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	13,000,000
Net income in 2000	-	-	-	-	-	-	-	-	-	-	-	-	-	65,106,194	65,106,194	-	-	65,106,194
Gain on disposal of properties	-	-	-	-	-	-	-	-	58,178	-	58,178	-	-	(58,178)	(58,178)	-	-	-
Gain on disposal of property from investees	-	-	-	-	-	-	5,502	-	-	-	5,502	-	-	(5,502)	(5,502)	-	-	-
Adjustment arising from changes in ownership percentage in investees	-	-	-	-	-	-	(231,583)	-	-	-	(231,583)	-	-	231,583	231,583	-	-	-
Unrealized loss on long-term investment from investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(71,564)	-	(71,564)
Translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	812,626	812,626
BALANCE, DECEMBER 31, 2000	<u>11,689,365</u>	<u>\$ 116,893,646</u>	<u>1,300,000</u>	<u>\$ 13,000,000</u>	<u>\$ 22,329,129</u>	<u>\$ 23,172,550</u>	<u>\$ 246,219</u>	<u>\$ 9,410,632</u>	<u>\$ 127,236</u>	<u>\$ 55</u>	<u>\$ 55,285,821</u>	<u>\$ 10,689,323</u>	<u>\$ 1,091,003</u>	<u>\$ 65,143,847</u>	<u>\$ 76,924,173</u>	<u>(\$ 71,564)</u>	<u>(\$ 278,377)</u>	<u>\$ 261,753,699</u>

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

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2000 and 1999
(In Thousand New Taiwan Dollars)

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 65,106,194	\$ 24,559,884
Net income from the dissolved company before the merger	(135,077)	-
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33,051,197	18,041,320
Deferred income taxes	(1,059,841)	(383,686)
Equity in net losses or earnings of investee companies – net	(779,326)	1,191,891
Gain on sale of long-term investments	-	(9,881)
Loss on disposal of properties – net	13,823	31,854
Accretion in redemption value of bonds	-	585,614
Accrued pension cost	360,673	249,483
Allowance for doubtful receivables	490,835	139,112
Allowance for sales returns and others	965,503	264,913
Changes of operating assets and liabilities:		
Decrease (increase) in:		
Short-term investments	236,250	5,425,077
Forward exchange contract receivable	7,108	(2,633)
Receivable from related parties	(538,201)	(234,396)
Notes receivable	96,364	(129,266)
Accounts receivable	(14,268,429)	(5,443,998)
Inventories	(2,985,133)	(840,937)
Prepaid expenses and other current assets	729,775	(1,289,994)
Increase (decrease) in:		
Payable to related parties	3,552,646	1,557,429
Accounts payable	2,379,105	477,215
Income tax payable	(146,300)	(629,208)
Forward exchange contract payable	76,168	102,784
Accrued expenses and other current liabilities	<u>883,185</u>	<u>1,336,588</u>
Net Cash Provided by Operating Activities	<u>88,036,519</u>	<u>44,999,165</u>

(Forward)

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CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of:

Properties	(\$ 79,270,461)	(\$ 29,842,159)
Long-term investments	(11,866,583)	(12,105,618)

Proceeds from sale of:

Properties	219,233	36,824
Long-term investments	-	16,106

Decrease (increase) in refundable deposits	(770,733)	5,572
Increase in deferred charges	(1,089,730)	(433,187)
Cash of TASMC and WSMC as of July 1,2000	<u>1,412,404</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(91,365,870)</u>	<u>(42,322,462)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of :

Long-term bonds	9,000,000	9,450,634
Capital stock	37,322,550	-

Payments on:

Short-term bank loans	(12,635,000)	-
Commercial paper	(5,479,288)	-
Long-term bank loans	(7,550,000)	(2,692,938)
Increase (decrease) in guarantee deposits	1,900,663	(938,463)
Bonus paid to directors and supervisors	<u>(215,151)</u>	<u>(138,071)</u>

Net Cash Provided by Financing Activities	<u>22,343,774</u>	<u>5,681,162</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	19,014,423	8,357,865
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CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR

<u>16,650,017</u>	<u>8,292,152</u>
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CASH AND CASH EQUIVALENTS, END OF THE YEAR

<u>\$ 35,664,440</u>	<u>\$ 16,650,017</u>
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SUPPLEMENTAL INFORMATION

Interest paid (excluding capitalized amounts)	<u>\$ 2,366,026</u>	<u>\$ 1,300,591</u>
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Income tax paid	<u>\$ -</u>	<u>\$ 540,873</u>
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Noncash investing and financing activities - effect of

Exchange rate changes on cash and cash equivalents	<u>\$ 1,009,264</u>	<u>(\$ 66,376)</u>
Current portion of long-term debt	<u>\$ 50,000</u>	<u>\$ -</u>

Cash paid for acquisitions of properties		
Total acquisitions	\$ 89,963,658	\$ 33,619,158

Payables to contractors and equipment suppliers	<u>(10,693,197)</u>	<u>(3,776,999)</u>
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	<u>\$ 79,270,461</u>	<u>\$ 29,842,159</u>
Conversion of bonds into common stocks	<u>\$ -</u>	<u>\$ 12,513,984</u>

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SUPPLEMENTAL INFORMATION OF THE MERGERS:

The Company had merged with Worldwide Semiconductor Manufacturing Corp. (WSMC) and had acquired TSMC-Acer Semiconductor Manufacturing Corp. (TASMC) by issuing new shares. The balance sheets as of June 30, 2000 of WSMC and TASMC were as follows:

	TASMC (Fair Value)	WSMC (Book Value)	<u>Total</u>
Cash	\$ 736,594	\$ 675,810	\$ 1,412,404
Inventories	1,647,845	1,805,243	3,453,088
Other current assets	2,308,391	3,150,257	5,458,648
Properties – net	19,846,708	40,512,706	60,359,414
Other assets	7,335,526	5,101,000	12,436,526
Current liabilities	(16,699,147)	(12,454,686)	(29,153,833)
Long-term liabilities	(2,000,000)	(4,950,000)	(6,950,000)
Other liabilities	(654,863)	(23,498)	(678,361)
Net assets acquired	12,521,054	33,816,832	46,337,886
Cancellation of stocks of the dissolved companies	(8,173,605)	-	(8,173,605)
Issuance of stocks from the surviving company	(4,335,152)	(11,500,000)	(15,835,152)
Capital surplus	<u>\$ 12,297</u>	<u>\$ 22,316,832</u>	<u>\$ 22,329,129</u>

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

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

NOTES TO FINANCIAL STATEMENTS
(Amounts in Thousand New Taiwan Dollars,
Unless Specified Otherwise)

1. GENERAL

The Company is engaged mainly in the: (a) manufacture, sale, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices; and, (b) manufacture and design of masks.

The Company's shares are listed and traded on the Taiwan Stock Exchange.

On October 8, 1997, the Company sold shares of stock in the New York Stock Exchange in the form of American Depositary Receipts (ADRs).

TSMC had acquired TSMC-Acer Semiconductor Manufacturing Corp. (TASMC). It also merged with Worldwide Semiconductor Manufacturing Corporation (WSMC) with TSMC as the surviving company. TASMC and WSMC were subsequently dissolved. The acquisition of TASMC and the merger with WSMC took effect on June 30, 2000, and, on that date, the Company issued a total of 1,583,515 thousand common shares to the former shareholders of TASMC and WSMC. The additional shares issued were based on the agreed exchange ratio of three point nine TASMC shares and two WSMC shares for every share of TSMC. Also, the holders of the additional shares have the same rights and the obligation as the holders of the other issued common stock of the Company.

TASMC was incorporated on March 31, 1990, and commenced operations in January 1992. TASMC is engaged mainly in the research, development, design, manufacturing, packaging, testing and sale of dynamic random-access memory (DRAM) semiconductor devices, other memory integrated circuits and logic integrated circuits.

WSMC, was incorporated on March 6, 1996 and commenced operations from December 1, 1998. WSMC is engaged mainly in the manufacture of semiconductor products.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in conformity with regulations governing the preparation of financial statements of public companies, and generally accepted accounting principles in the Republic of China. The significant accounting principles adopted by the Company are as follows:

Cash equivalents

Government bonds acquired under repurchase agreements with original maturities of less than three months are classified as cash equivalents.

Short-term investments

Short-term investments are carried at the lower of cost or market value. The costs of investments sold are determined by the specific identification method.

Allowance for doubtful receivables

Allowance for doubtful receivables are provided based on a review of the collectibility of individual receivables.

Sales and allowance for sales returns and others

Sales are recognized when products are shipped to customers. Allowances and the related provision for sales returns and others are provided based on experience. Such provisions are accounted for as reduction from sales and the related costs are deducted from cost of sales.

Inventories

Inventories are stated at the lower of standard cost (adjusted to approximate weighted average cost) or market value. Market value represents net realizable value for finished goods and work in process, and replacement value for raw materials, supplies and spare parts.

Long-term investments

Investments in shares of stock of companies wherein the Company exercises significant influence on their operating and financial decisions are accounted for by equity method. The difference between the investment cost and the Company's proportionate share in the net assets of the investee on the date of acquisition is amortized on a straight - line method over five years. Such amortization and the Company's proportionate share in the earnings or losses of investee companies are recognized as part of "Equity in net earnings or losses in investee companies" account. The increase in the Company's proportionate share in the net assets of its investee company resulting from its subscription to additional shares of stock, issued by such investee company, at the rate not proportionate to its existing equity ownership in such investee companies, is credited to a capital surplus account while any decrease in the Company's proportionate share in the net asset of investee company is debited against the existing balance of the similar capital surplus account with the difference debited against unappropriated retained earnings.

If an investee company's losses are covered by additional paid-in capital that is sourced from an increase in the value of assets upon reappraisal after the long-term investment was made, then the Company shall calculate such amount in accordance with its ownership percentage and debit the "Additional paid-in capital" account and credit the "Retained earnings" account; no journal entries shall be made for other types of loss coverage increase in asset values upon reappraisal.

Other stock investments are accounted for by cost method. These investments are stated at cost less decline in market value of listed stocks or decline in value of unlisted stocks which is considered irrecoverable; such reductions are charged to shareholders' equity or current income, respectively. Cash dividends are recognized as income in the year received but are accounted for as reduction in the carrying value of the long-term investment if the dividends are received in the same year that the related investments are acquired.

Stock dividends received are recognized only as increase in the number of stocks held on the ex-dividend date.

Investments in foreign mutual funds are stated at the lower of cost or net asset value (NAV). Write-downs of cost and write-ups to original acquisition cost resulting from subsequent recovery of the NAV are debited or credited to shareholders' equity.

The costs of investments sold are determined by the weighted-average method.

The Company's proportionate share in the gains from disposal of properties, net of the applicable income tax, included as part of its share in the earnings or losses of investee companies accounted for under the equity method for the current year is transferred in to capital surplus from retained earnings. When the Company subsequently disposed such investment in shares of stock, such capital surplus shall be transferred back to retain earnings. Also, if an investee company has unrealized loss on long-term investment which is evaluated by lower-of-cost-or-market method, the Company shall recognize that unrealized loss in proportion to the Company's equity interest and recorded in an account as a component of shareholders' equity.

Gains or losses on transactions with investee companies wherein the Company owned at least 20% of the outstanding common stock but less than a controlling interest are deferred in proportion to ownership percentage until realized through a transaction with a third party. The entire amount of the gains or losses on sales to majority-owned subsidiaries are deferred until such gains or losses are realized through the subsequent sale of the related products to third parties. On the other hand, if the unrealized gains or losses arose from a sale by the investee companies or majority-owned subsidiaries to the Company, an adjustment should be made in accordance with ownership percentage.

Property, plant and equipment and rental assets

Property, plant and equipment and rental assets are stated at cost less accumulated depreciation. Major additions, renewals and betterment, and interest expense incurred during the construction period are capitalized. Maintenance and repairs are expensed currently.

Property, plant and equipment covered by agreements qualifying as capital leases are carried at the lower of the present value of all minimum future rental payments, or the leased property's market value at the inception date of the lease. The lessee's periodic rental payment includes the purchase price of the leased property, and the interest expense.

Depreciation is provided on the straight-line method over these estimated service lives: Buildings - 10 to 20 years; machinery and equipment - 5 to 10 years; and office equipment - 3 to 5 years.

Upon sale or disposal of properties, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is credited or charged to income. Any such gain, less applicable income tax, is transferred to capital surplus at the-end of the year.

Goodwill

Goodwill arisen from the business merger is amortized by the straight-line method over 10 years.

Deferred charges

Deferred charges, consisting of technology, software and system design costs, technology know how, issuance costs of bonds, and short-term credit instruments, are amortized over three years, five years, the contract period of credit instruments, and the contract valid period or economic useful lives, respectively.

Pension costs

Net periodic pension costs are recorded on the basis of actuarial calculations. Unrecognized net transition obligation is amortized over 25 years.

Deferred gain on sale-leaseback

The gain resulting from the sale of leased property is deferred. Such deferred gain is then amortized as follows: (a) operating lease - adjustment of rental expenses over leasing period, and (b) capital lease - adjustment of depreciation over the estimate useful life or leasing period.

Income tax

The Company adopted inter-period tax allocation. Deferred income taxes are recognized for the tax effects of temporary differences, unused tax credits, and operating loss carry forwards. Valuation allowance is provided for deferred income tax assets that are not certain to be realized. A deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or non-current. However, if a deferred asset or liability cannot be related to an asset or liability in the financial statements, it should be classified as current or non-current based on the expected reversal date of temporary difference.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Income taxes (10%) on unappropriated earnings generated starting January 1, 1998 are recorded as expense in the year when the shareholders have resolved that the earnings shall be retained.

Derivative financial instruments

Foreign currency forward exchange contracts are recorded in New Taiwan dollars as assets or liabilities at spot rates on the inception dates of the contracts. The difference in the New Taiwan dollar amounts translated using the spot rates and the amounts translated using the contracted forward rates are also recognized as premiums or discounts on the inception dates of the forward contracts. Premiums or discounts are amortized by the straight-line method over the terms of the forward contracts are either deferred or recognized as income. At the balance sheet dates, the receivables or payables arising from forward contracts are restated at the prevailing spot rates, and the resulting differences are recognized in income. Also, the receivables and payable related to the forward contracts are netted out, and the resulting net amount is presented as either an asset or liability.

Under interest rate swap contracts, the Company pays an amount equal to the interest rates based on notional principal amount and receives a specified variable-rate of interest also based on the same notional principal amount; with the notional amounts of the contracts are not exchanged. The net amounts paid or received under the contracts are reported as adjustments to interest income or expense.

The notional amounts of the foreign currency option contracts entered into for hedging purposes are not recognized as either assets or liabilities on the contract dates. However, amounts received on call options written are recognized as assets and amounts paid on put options bought are recognized as liabilities. Such amounts are amortized using the straight-line method over the period of the contracts and charged to current income. Gains or losses on the exercise of the options are also recognized in current income.

Foreign-currency transactions

Foreign-currency transactions, except derivative financial instruments, are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Gains or losses resulting from the application of different foreign exchange rates when cash in foreign currency is converted into New Taiwan dollar, or when foreign-currency receivables and payables are settled, are credited or charged to income in the year of conversion or settlement. At period-end, the balances of foreign-currency assets and liabilities are restated at prevailing exchange rates, and the resulting differences are recorded as exchange gain or loss in current income.

Reclassifications

Certain accounts in 1999 have been reclassified to conform to 2000 classifications.

Mergers

The acquisition of TASMIC effective on July 1, 2000 was accounted under the Statement of Financial Accounting Standards No. 25 "Business Combination – Purchase Method". On the other hand, the merger with WSMC was accounted for as pooling of interest with the results of operations of WSMC included in the statement of income for the year ended December 31, 2000.

Pro forma net sales, net income and earnings per share of the Company on the assumption that the acquisition of TASMIC and the merger with WSMC were completed as of January 1, 1999 are as follows:

	<u>2000</u>	<u>1999</u>
Net sales	\$ 170,163,166	\$ 87,015,703
Net income	65,050,836	17,714,691
Earnings per share		
Based on weighted-average number of shares outstanding – 11,616,455 and 11,029,303 thousand shares in 2000 and 1999	<u>\$5.60</u>	<u>\$1.61</u>

The individual operating results of the three companies before the mergers on June 30, 2000 are as follows:

	<u>The Company</u>	<u>TASMIC</u>	<u>WSMC</u>
For the six months ended June 30, 2000			
Net sales	\$ 60,089,632	\$ 3,934,746	\$ 4,844,501
Net income (loss)	23,458,253	(55,358)	135,077
For the year ended December 31, 1999			
Net sales	73,131,206	10,655,995	3,228,502
Net income (loss)	24,559,884	(6,127,604)	(1,032,890)

3. The restated financial information of the Company on the assumption that the merger with WSMC had occurred as of December 31, 1999 is as follows:

BALANCE SHEETS
December 31, 1999

<u>A S S E T S</u>	<u>Amount</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 28,505,434
Short-term investments	266,890
Receivables-net	13,940,578
Inventories	5,791,791
Deferred income tax assets	2,498,455
Pledged time deposits	3,161,000
Prepaid expenses and other current assets	<u>2,578,883</u>
Total Current Assets	<u>56,743,031</u>
LONG-TERM INVESTMENTS	<u>28,240,267</u>
PROPERTY, PLANT AND EQUIPMENT-NET	<u>118,942,185</u>

(Forward)

OTHER ASSETS	
Deferred income tax assets	\$ 6,794,609
Deferred charges – net	2,317,245
Refundable deposits	54,903
Miscellaneous	<u>105,137</u>
Total Other Assets	<u>9,271,894</u>

TOTAL ASSETS \$ 213,197,377

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	
Short-term bank loan	\$ 5,026,631
Commercial paper	94,797
Payable to related parties	1,922,911
Accounts payable	2,871,065
Payable to contractors and equipment suppliers	6,958,098
Income tax payable	146,300
Accrued expenses and other current liabilities	<u>7,596,561</u>
Total Current Liabilities	<u>24,616,363</u>

NONCURRENT LIABILITIES	
Long-term bank loan	9,791,000
Long-term bonds	<u>20,000,000</u>
Total Noncurrent Liabilities	<u>29,791,000</u>

OTHER LIABILITIES	
Accrued pension cost	1,012,045
Guarantee deposits and other liabilities	<u>5,207,781</u>
Total Other Liabilities	<u>6,219,826</u>

Total Liabilities 60,627,189

SHAREHOLDERS' EQUITY	
Capital stock	85,208,817
Subscribed capital	13,118,025
Capital surplus	22,013,734
Legal reserve	8,258,359
Unappropriated earning	25,062,256
Cumulative translation adjustments	(<u>1,091,003</u>)
Total Shareholders' Equity	<u>152,570,188</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$ 213,197,377

STATEMENTS OF INCOME
For the Year Ended December 31, 1999

NET SALES		\$ 76,359,708
COST OF SALES		<u>45,640,417</u>
GROSS PROFIT		<u>30,719,291</u>
OPERATING EXPENSES		
General and administrative		2,326,662
Marketing		1,976,623
Research and development		<u>3,090,790</u>
Total Operating Expenses		<u>7,394,075</u>
INCOME FROM OPERATIONS		<u>23,325,216</u>
NON-OPERATING INCOME		
Interest		1,026,003
Insurance compensation		184,607
Reversal of allowance for losses on short-term investment		120,766
Premium income		63,809
Gain on disposal of investments		29,041
Rental income		3,667
Other		<u>111,272</u>
Total Non-Operating Income		<u>1,539,165</u>
NON-OPERATING EXPENSES		
Interest		1,954,366
Equity in net losses of investee companies – net		1,191,891
Loss on disposal of properties		164,351
Foreign exchange loss - net		119,141
Bond issue cost		114,839
Premium expenses		86,746
Loss on disposal of short-term investments		75,366
Other		<u>80,706</u>
Total Non-Operating expenses		<u>3,787,406</u>
INCOME BEFORE INCOME TAX		21,076,975
INCOME TAX BENEFIT		<u>2,450,019</u>
NET INCOME		<u>\$ 23,526,994</u>
4. CASH AND CASH EQUIVALENTS	<u>2000</u>	<u>1999</u>
Cash and bank deposits	\$ 35,053,733	\$ 16,575,032
Government bonds acquired under repurchase agreements	<u>610,707</u>	<u>74,985</u>
	<u>\$ 35,664,440</u>	<u>\$ 16,650,017</u>

5. INVENTORIES	<u>2000</u>	<u>1999</u>
Finished goods	\$ 1,606,368	\$ 653,347
Work in process	8,422,401	3,618,693
Raw materials	423,444	320,685
Supplies and spare parts	<u>1,083,348</u>	<u>718,344</u>
	11,535,561	5,311,069
Allowance for losses	(<u>567,626</u>)	(<u>781,355</u>)
	<u>\$ 10,967,935</u>	<u>\$ 4,529,714</u>

6. LONG-TERM INVESTMENTS	<u>2000</u>		<u>1999</u>	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
<u>Shares of stock</u>				
Equity method				
TSMC International Investment	\$ 23,678,522	100	\$ 10,078,880	100
Vanguard International Semiconductor	5,615,075	25	5,010,897	25
TSMC - North America	666,924	100	255,025	100
TSMC - Europe	9,594	100	25,956	100
TSMC - Japan	37,803	100	10,168	100
TASMC	-	-	3,630,193	32
Systems on Silicon Manufacturing Company Pte. Ltd. (SSMC)	935,870	32	360,177	32
Po Cherng Investment	136,984	25	103,017	25
Chi Hsin Investment	139,000	25	103,012	25
Kung Cherng Investment	158,752	25	102,773	25
Chi Cherng Investment	130,794	25	102,770	25
Hsin Ruey Investment	128,100	25	103,003	25
Cherng Huei Investment	138,200	25	103,005	25
TSMC Partners	<u>535,162</u>	100	<u>9,968</u>	100
	<u>32,310,780</u>		<u>19,998,844</u>	
Cost method				
Listed				
Taiwan Mask	32,129	2	32,129	2
Non-listed				
TASMC-preferred stocks	-	-	4,854,742	28
Taiwan Semiconductor Technology	500,000	19	500,000	19
United Industrial Gases Co., Ltd.	146,250	10	146,250	11

(Forward)

Shin-Etsu Handotai				
Taiwan Company Ltd.	\$ 105,000	7	\$ 105,000	7
W.K. Technology Fund IV	50,000	4	50,000	4
Hon Tung Venture Capital	<u>120,000</u>	10	<u>80,000</u>	10
	<u>953,379</u>		<u>5,768,121</u>	
Funds				
Crimson Asia Capital	64,547	-	34,534	-
Horizon Ventures	<u>93,304</u>	-	<u>31,744</u>	-
	<u>157,851</u>		<u>66,278</u>	
Subscription to shares of stock of TSMC International Investment	<u>-</u>	-	<u>2,375,400</u>	-
	<u>\$33,422,010</u>		<u>\$28,208,643</u>	

Equity in net earnings or losses of investee companies in 2000 and 1999 were as follows:

	<u>2000</u>	<u>1999</u>
TSMC International Investment	\$ 138,589	(\$ 1,007,218)
Vanguard International Semiconductor	597,812	(527,823)
Others	<u>42,925</u>	<u>343,150</u>
	<u>\$ 779,326</u>	<u>(\$ 1,191,891)</u>

The carrying values of investments accounted for by equity method and the related investment income and losses for the years ended December 31, 2000 were based on audited financial statements of the investees in the same period except for TSMC – Japan in 1999.

Information on the long-term investments is as follows:

	<u>2000</u>	<u>1999</u>
Market value of listed stocks	\$ 8,729,639	\$ 19,753,642
Equity in the net assets of unlisted stocks	27,597,593	20,177,278
Net asset value of funds	157,851	66,278

7. PROPERTY, PLANT AND EQUIPMENT

Accumulated depreciation consisted of the following:

	<u>2000</u>	<u>1999</u>
Buildings	\$ 9,816,698	\$ 7,441,342
Machinery and equipment	82,775,965	49,369,894
Office equipment	<u>1,739,505</u>	<u>1,158,489</u>
	<u>\$94,332,168</u>	<u>\$57,969,725</u>

Information on the status of the construction of the Company's manufacturing facilities as of December 31, 2000 is as follows:

<u>Manufacturing Plant</u>	<u>Estimated Cost</u>	<u>Accumulated Expenditures</u>	<u>Expected or Actual Date of Starting Operations</u>
Fab 6	\$ 76,889,000	\$ 67,565,100	March 2000
Fab 7	22,540,400	11,121,100	March 2001
Fab 8	28,314,300	15,217,800	March 2001
Fab 12 - 1 st stage	38,280,800	21,372,000	November 2001
Fab 14 - 1 st stage	9,711,000	7,946,600	May 2002

Interest expense capitalized for the years ended December 31, 2000 and 1999 were \$72,903 and \$305,312, respectively.

As of December 31, 2000, properties with an aggregate net book value of about \$7,171,081 were mortgaged as collateral for long-term bank loans.

8. DEFERRED CHARGES - NET	<u>2000</u>	<u>1999</u>
Technology	\$ 1,442,292	\$ -
Software and system design costs	1,420,528	541,306
Technology know how	157,500	-
Bond issue costs	45,595	37,238
Others	<u>56,695</u>	<u>-</u>
	<u>\$ 3,122,610</u>	<u>\$ 578,544</u>

9. LEASE OBLIGATION PAYABLE	<u>2000</u>
Lease payable – repayable by June 30, 2001	\$ 50,000
Current portion	(<u>50,000</u>)
	<u>\$ -</u>

10. LONG-TERM BONDS	<u>2000</u>	<u>1999</u>
Domestic unsecured bonds:		
Repayable in March 2003, 7.71% annual interest		
Payable semi-annually	\$ 4,000,000	\$ 4,000,000
Repayable in November 2003, 7.12% annual		
Interest payable annually, prepaid in November 2000	-	6,000,000

(Forward)

Repayable in October 2002 and 2004, 5.67% and 5.95% annual interest payable annually, respectively	\$ 10,000,000	\$ 10,000,000
Repayable in December 2005 and 2007, 5.25% and 5.36% annual interest payable annually, respectively	<u>15,000,000</u>	<u>-</u>
	<u>\$ 29,000,000</u>	<u>\$ 20,000,000</u>

11. SHAREHOLDERS' EQUITY

According to Company Law, capital surplus can only be used to offset a deficit or transferred to capital.

The Company's Articles of Incorporation provide that the following shall be appropriated from the annual net income (less any deficit):

- a. 10% legal reserve;
- b. Special reserve according to the relevant laws or the regulating authorities;
- c. Bonuses to directors and supervisors and to employees equal to 1% and at least 1% of the remainder, respectively.
- d. Dividends to shareholders of preferred stock equal to 3.5% annual rate, based on outstanding period.

These appropriations and the disposition of the remaining net income shall be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

The aforementioned appropriation for legal reserve shall be made until the reserve equals aggregate par value of the Company's outstanding capital stock. The reserve can only be used to offset a deficit; or, when it has reached 50% of the aggregate par value of the Company's outstanding capital stock, up to 50% thereof can be distributed as stock dividend.

Pursuant to existing regulations promulgated by the Securities and Futures Commission, a special reserve equivalent to the debit balance of any account shown in the shareholder equity section of the balance sheets, other than the deficit, shall be made from unappropriated retained earnings. The special reserve shall be adjusted accordingly based on the debit balance of such accounts as at year-end.

Under the Integrated Income Tax System that became effective on January 1, 1998, non-corporate and ROC-resident shareholders are allowed a tax credit for the income tax paid by the Company on earnings generated starting January 1, 1998. An Imputation Credit Account (ICA) is maintained by the Company for such income tax and the tax credit allocated to each shareholder. The maximum credit available for allocation to each shareholder cannot exceed the balance shown in the ICA on the date of distribution of dividends.

The company issued nonpublic 1,300,000 thousand preferred stock - Series A to certain investors. The following are the rights of the holders of the preferred shares and other terms and conditions.

- a. Entitled to receive cumulative cash dividends at an annual rate of 3.5%.
- b. Not be entitled participating any additional shares of stock upon transfer of unappropriated earnings and capital surplus to stock.
- c. Have priority over the holders of common shares to the assets of the Corporation available for distribution to stockholders upon liquidation or dissolution of the Corporation; however, the preemptive rights to the assets shall not exceed the issue value of the shares.
- d. Have voting rights similar to that of the holders of common stock.
- e. No right to convert their shares into common stock. The preferred shares will be redeemed within thirty months from its issuance. The holders will have the foregoing rights and the Company's related obligations will remain the same until the preferred shares are actually redeemed by the Company.

12. PENSION PLAN

The Company has a pension plan for all regular employees, which provides benefits based on length of service and average monthly salary for the final six months of employment.

The Company makes monthly contributions, equal to 2% of salaries, to a pension fund that is administered by a pension fund monitoring committee and deposited in the committee's name in the Central Trust of China.

The changes in the fund and accrued pension cost are summarized as follows:

	<u>2000</u>	<u>1999</u>
a. Components of pension cost		
Service cost	\$ 376,689	\$ 248,378
Interest cost	91,234	78,961
Projected return on plan assets	(26,675)	(22,317)
Amortization	<u>8,300</u>	<u>8,300</u>
	<u>\$ 449,548</u>	<u>\$ 313,322</u>

(Forward)

b. Reconciliation of the fund status of the plan and accrued pension cost

Benefit obligation		
Vested benefit obligation	\$ -	\$ -
Nonvested benefit obligation	<u>763,879</u>	<u>428,257</u>
Accumulated benefit obligation	763,879	428,257
Additional benefits based on future salaries	<u>1,550,009</u>	<u>975,345</u>
Projected benefit obligation	2,313,888	1,403,602
Fair value of plan assets	(<u>661,099</u>)	(<u>364,994</u>)
Funded status	1,652,789	1,038,608
Unrecognized prior service cost	-	-
Unrecognized net transitional obligation	(165,991)	(174,291)
Unrecognized net gain	22,737	135,448
Additional liability	<u>-</u>	<u>-</u>
Accrued pension cost	<u>\$ 1,509,535</u>	<u>\$ 999,765</u>

c. Actuarial assumptions

Discount rate used in determining present values	6.0%	6.5%
Future salary increase rate	6.0%	6.0%
Expected rate of return plan on assets	6.0%	6.5%

d. Contributions to pension fund	<u>\$ 95,932</u>	<u>\$ 67,227</u>
e. Funds transferred from TASMC and WSMC	<u>\$ 173,339</u>	<u>\$ -</u>
f. Payments from pension fund	<u>\$ 1,458</u>	<u>\$ 3,591</u>

13. INCOME TAX BENEFIT

1) A reconciliation of income tax expense - current before tax credits and income tax expense on income before income tax at statutory rate is shown below:

	<u>2000</u>	<u>1999</u>
Income tax expense on "income before income tax"		
at statutory rate (20%)	(\$ 12,760,503)	(\$ 4,821,973)
Tax-exempt income	7,770,000	3,434,802
Temporary difference	(49,497)	(221,129)
Assess additional income tax on the unappropriated earning	(<u>88,024</u>)	<u>-</u>
Income tax expense - current	<u>(\$ 5,128,024)</u>	<u>(\$ 1,608,300)</u>

2) Income tax credits as of December 31, 2000 and 1999 consist of:

	<u>2000</u>	<u>1999</u>
Income tax expense - current before tax credits	(\$ 5,128,024)	(\$ 1,608,300)
Tax credits	<u>5,128,024</u>	<u>1,587,000</u>
	-	(21,300)
Net change in deferred income tax assets (liabilities) for the period		
Investment tax credits	3,146,369	1,798,325
Temporary differences	(388,671)	(111,139)
Valuation allowance	(1,678,791)	(1,303,500)
Adjustment of prior years' taxes	<u>189,693</u>	<u>87,633</u>
	<u>\$ 1,268,600</u>	<u>\$ 450,019</u>

3) Deferred income tax assets and liabilities as of December 31, 2000 and 1999 consisted of:

	<u>2000</u>	<u>1999</u>
Current		
Investment tax credits	\$ 8,422,000	\$ 2,329,000
Valuation allowance	(<u>300,000</u>)	-
	<u>\$ 8,122,000</u>	<u>\$ 2,329,000</u>
Noncurrent		
Investment tax credits	\$15,490,536	\$ 5,806,891
Valuation allowance	(8,312,433)	(1,303,500)
Temporary differences	238,879	197,268
Depreciation	(<u>857,689</u>)	(<u>427,407</u>)
	<u>\$ 6,559,293</u>	<u>\$ 4,273,252</u>

4) Integrated income tax information:

The balances of the imputation credit account (ICA) as of December 31, 2000 and 1999 were \$5,888 and \$1,497, respectively.

The expected and actual creditable ratio for 2000 and 1999 is 0.009%.

The imputation credit allocated to each shareholder shall be based on the balance in the ICA on the date of distribution of dividends; thus the expected creditable ratio for 2000 may be adjusted according to the difference between the expected and actual imputation credit allowed under the regulation.

5) The unappropriated retained earnings as of December 31, 2000 and 1999 included the earnings generated up to December 31, 1997 of \$4,827 and \$752,612, respectively.

The effective tax rates for deferred income tax as of December 31, 2000 and 1999 were 7.54% and 5.9%, respectively.

Unused investment tax credits arising from investments in machinery and equipment, and research and development expenditures as of December 31, 2000 will expire as follows:

<u>Year of Expiry</u>	<u>Amount</u>
2000	\$ 2,899,245
2001	4,015,461
2002	4,800,268
2003	5,738,563
2004	<u>6,458,999</u>
	<u>\$23,912,536</u>

The income from the following projects and services are exempt from income tax:

	<u>Tax-Exemption Period</u>
Expansion of second manufacturing plant and computer-aided design services, and construction of third manufacturing plant	1996 to 1999
Expansion of first and second manufacturing plants – modules A and B, third manufacturing plant, and construction of fourth manufacturing plant	1997 to 2000
Expansion of first and second manufacturing plants-modules A and B, third manufacturing plant and fourth manufacturing plant, and construction of fifth manufacturing plant	1999 to 2002

Income tax returns through 1996 have been examined and cleared by the tax authorities.

14. RELATED PARTY TRANSACTIONS

The Company engages in business transactions with the following related parties:

- a. Industrial Technology Research Institute (ITRI); the Company's chairman is one of its director
- b. Philips Electronics N.V., a major shareholder
- c. Subsidiaries

TSMC International Investment (TSMC - BVI)
TSMC – North America
TSMC - Europe
TSMC – Japan

d. Investees

Vanguard International Semiconductor Corporation (VIS)
Systems on Silicon Manufacturing Company Pte.Ltd. (SSMC)

e. TSMC-ACER Semiconductor Manufacturing Corp. (TASMC), a merged company

f. WaferTech, LLC, an indirect subsidiary of TSMC-BVI

g. TSMC Technology, a subsidiary of TSMC-BVI

The transactions with the aforementioned parties in addition to those disclosed in other notes, are summarized as follows:

	<u>2000</u>		<u>1999</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>For the period</u>				
<u>Sales</u>				
ITRI	\$ 198,146	-	\$ 132,507	-
Philips and its affiliates	5,289,927	3	2,864,149	4
VIS	17,012	-	48,473	-
TASMC	-	-	22,246	-
WaferTech	<u>30,816</u>	-	<u>59,438</u>	-
	<u>\$ 5,535,901</u>	<u>3</u>	<u>\$ 3,126,813</u>	<u>4</u>
<u>Purchase</u>				
WaferTech	\$ 13,296,633	37	\$ 4,636,780	40
TASMC	-	-	808,926	7
VIS	<u>6,572,110</u>	<u>19</u>	<u>381,989</u>	<u>3</u>
	<u>\$ 19,868,743</u>	<u>56</u>	<u>\$ 5,827,695</u>	<u>50</u>
Rental expense - ITRI	<u>\$ 161,575</u>	<u>14</u>	<u>\$ 161,488</u>	<u>54</u>
<u>Manufacturing expenses</u>				
Technical assistance fee - Philips	<u>\$ 2,137,175</u>	<u>86</u>	<u>\$ 862,398</u>	<u>100</u>
<u>General and administrative expenses</u>				
Consulting fee - VIS	<u>\$ -</u>	<u>-</u>	<u>\$ 20,400</u>	<u>-</u>
<u>Marketing expenses</u>				
<u>Commission -</u>				
TSMC - North America	\$ 994,686	34	\$ 692,927	38
TSMC - Europe	143,461	5	87,414	5
TSMC - Japan	165,087	5	81,951	4
<u>Service Charge -</u>				
TSMC - North America	<u>118,852</u>	<u>4</u>	<u>99,087</u>	<u>5</u>
	<u>\$ 1,422,086</u>	<u>48</u>	<u>\$ 961,379</u>	<u>52</u>
(Forward)				

Sale of Properties					
WaferTech	\$	-	-	\$ 350,969	100
VIS		<u>87,189</u>	<u>37</u>	<u>-</u>	<u>-</u>
	\$	<u>87,189</u>	<u>37</u>	\$ <u>350,969</u>	<u>100</u>
Non-operating income					
SSMC (mainly technical service income)	\$	152,347	3	\$ -	-
VIS		5,604	-	-	-
Others		<u>1,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$	<u>159,738</u>	<u>3</u>	\$ <u>-</u>	<u>-</u>
<u>At end of period</u>					
Receivable					
ITRI	\$	56,078	6	\$ 18,458	4
Philips and its affiliates		643,604	65	133,245	28
TSMC – Japan		-	-	17,550	4
VIS		159,890	16	25,674	6
WaferTech		20,361	2	198,163	42
TSMC Technology		25,728	2	47,343	10
SSMC		89,154	9	5,353	1
TASMC		<u>-</u>	<u>-</u>	<u>23,117</u>	<u>5</u>
	\$	<u>994,815</u>	<u>100</u>	\$ <u>468,903</u>	<u>100</u>
Rental prepayment – ITRI	\$	<u>42,664</u>	<u>6</u>	\$ <u>42,541</u>	<u>2</u>
Payable					
Philips and its affiliates	\$	797,375	18	\$ 305,756	16
TSMC – North America		166,063	4	125,637	6
TSMC – Europe		66,343	2	13,422	1
TSMC – Japan		16,165	-	13,189	1
VIS		1,808,964	42	184,741	10
WaferTech		1,487,181	34	730,483	38
TSMC Technology		4,487	-	3,832	-
TASMC		<u>-</u>	<u>-</u>	<u>539,466</u>	<u>28</u>
	\$	<u>4,346,578</u>	<u>100</u>	\$ <u>1,916,526</u>	<u>100</u>

Sales to related parties are based on regular selling prices and collection terms, except for disposal of properties and technical service, which were in accordance with the underlying contracts.

Payable to WaferTech includes those arising from purchases of finished goods and compensation for violation of manufacturing agreement. As there were no comparable sales of properties and purchases, they were in accordance with contracts.

15. LONG-TERM OPERATING LEASES

The Company leases from ITRI the land, building and certain machinery and equipment of its first manufacturing facility under agreements that will expire in March 2002. The annual rent and other related charges under such agreement amount to \$170,656. The agreements can be renewed upon their expiration.

The Company leases the land where its second through fourteen manufacturing facilities are located from the Science-Based Industrial Park Administration. These agreements will expire on various dates from March 2008 to November 2019 and have annual rentals aggregating \$172,000. The agreements can also be renewable upon their expiration.

Future annual minimum rentals under the aforementioned leases are as follows:

<u>Year</u>	<u>Amount</u>
2001	\$ 342,657
2002	214,664
2003	172,000
2004	172,000
2005	172,000
2006-2019	<u>1,488,431</u>
	<u>\$ 2,561,752</u>

16. COMMITMENTS AS OF DECEMBER 31, 2000

The Company's commitments as of December 31, 2000 are as follows:

- 1) Under a Technical Cooperation Agreement with Philips, as amended on May 12, 1997, the Company shall pay technical assistance fee at a percentage of net sales, as defined in the agreement, of certain products. The agreement shall remain in force up to July 9, 2007 and thereafter be automatically renewed for successive periods of three years. Under the amended agreement, the fee is subject to deduction by the amounts the Company pays to any third party for settling any licensing/infringement issue after the first five-year period of the amended agreement, provided that the fee after reduction will not be below a certain percentage of the net selling price.
- 2) Subject to certain equity ownership and notification requirements, Philips and its affiliates can avail themselves each year up to 30% of the Company's production capacity.
- 3) Under a Submicron Technology License Agreement with ITRI, the Company shall pay license fees of \$129,400 (including 5% value-added tax) to ITRI plus royalty fee at an agreed percentage of net sales of certain products through December 31, 2000 as amended. In addition, under a technical cooperation agreement with ITRI, the Company shall reserve and allocate up to 35% of its production capacity for use by the Ministry of Economic Affairs (MOEA) or any other party designated by the MOEA.

- 4) Under a manufacturing agreement, the Company shall buy at least 85% of the calculated installed capacity of the wafer-fabrication plant ("WaferTech, LLC") constructed by TSMC Development, Inc. for three years from start of production. If the Company is unable or unwilling to buy the minimum purchase allocation, it shall compensate TSMC Development, Inc. at the full price of the products less certain costs. Later, TSMC Development, Inc. transferred its rights under the agreement to WaferTech, LLC.
- 5) Under several foundry agreements, the Company shall allocate a portion of its production output for sale to certain major customers from whom guarantee deposits of US\$213,865 thousand had been received as of December 31, 2000.
- 6) Under a Shareholders Agreement entered into with Philips and EDB Investments Pte. Ltd. dated March 30, 1999, the parties agreed to: (a) form a joint venture company to be named Systems on Silicon Manufacturing Company Pte Ltd. (SSMC) for the purpose of constructing an integrated circuit foundry in Singapore, (b) set SSMC's total authorized capital at about S\$1.2 billion, and, (c) allow the Company to invest 32% of SSMC's capital. The Company and Philips committed to buy a certain percentage of the production capacity of SSMC. If any party defaults on the agreement and the capacity utilization of SSMC falls below a certain percentage of its total capacity, the defaulting party should compensate SSMC for all related unavoidable costs.
- 7) Under a Technical Cooperation Agreement with SSMC entered into on May 12, 1999, SSMC shall compensate TSMC for technology service provided to SSMC. The compensation shall be a certain percentage of net selling prices of certain products sold by SSMC. The agreement will remain in force for ten years and be automatically renewed for successive periods of five years unless predetermined by either party under certain conditions.
- 8) The Company provides guarantee for loans of US\$268,000 thousand and US\$40,000 thousand obtained by TSMC Development, Inc. and TSMC - North America.
- 9) Under a Technical Transfer Agreement with National Semiconductor Corporation ("National") entered into on June 27, 2000, TSMC shall receive payments for the technology transferred to National. The agreement will remain in force for ten years. After expiration, this agreement will be automatically renewed for successive periods of two years unless pre-terminated by either party under certain conditions.
- 10) The Company entered into a Manufacturing Agreement with Vanguard International Semiconductor Corp. ("VIS"). VIS agrees to reserve certain capacity to manufacture for the Company certain devices on logic or other technologies required by the Company's customers, at discounted actual setting prices as agreed by the parties. The Company shall pay NT\$1,200,000 thousands to VIS as Security Bond (which was paid on July 7, 2000). VIS shall return certain amount of the Bond without any interest to the Company for some wafers ordered by the Company. The contract will remain in force for five years.
- 11) Unused credit lines as of December 31, 2000 are approximately \$ 250,338.

17. ADDITIONAL DISCLOSURES

The following are the additional disclosure requirements for TSMC and affiliates pursuant to SFC requirements:

- 1) Financing provided to other parties: Please see table 1 attached.
- 2) Collateral provided to other parties: Please see table 2 attached.
- 3) Marketable Securities held: Please see table 3 attached.
- 4) Balance of marketable securities acquired and disposed of, exceeding NTD 100 million or 20% of the issued capital: Please see table 4 attached.
- 5) Acquisition of properties exceeding NTD 100 million or 20% of issued capital: Please see table 5 attached.
- 6) Disposal of properties exceeding NTD 100 million or 20% of issued capital: None.
- 7) Transaction of purchase or sales with related parties amounting to more than NTD 100 million or 20% of the issued capital: Please see table 6 attached.
- 8) Receivable from related parties amounting to more than NTD 100 million or 20% of the issued capital: Please see table 7 attached.
- 9) Information regarding names and locations etc. of investees on which the Company exercises significant influences: Please see table 8 attached.
- 10) Transactions of derivative financial instruments:

The relevant information on the derivative financial instruments entered into by the Company is as follows:

- a) Outstanding forward exchange contracts as of December 31, 2000 and 1999:

	Currency	Contract Amount (Thousands)	Fair Value (Thousands)	Settlement Date	Maturity Amount
<u>2000</u>					
Buy	US\$	US\$ 60,000	NTD 1,978,998	Jan. 2001	NTD 1,989,006
Sell	US\$	US\$ 106,993	NTD 3,582,959	Jan. to Feb. 2001	NTD 3,553,080
Sell	US\$	US\$ 156,875	NTD 5,100,386	Jan. 2001	NTD 5,091,560
Sell	US\$	US\$ 365,000	NTD 12,105,459	Jan. to Dec. 2001	NTD 12,032,465
<u>1999</u>					
Buy	US\$	US\$ 25,000	JPY 2,472,080	Jul. 2000	NTD 879,154
Sell	US\$	US\$ 81,367	JPY 8,303,350	Jan. to Jul. 2000	NTD 2,564,297
Sell	US\$	US\$ 16,000	NLG 34,926	Jan. 2000	NTD 497,159
Sell	US\$	US\$ 30,000	NTD 941,847	Jan. 2000	NTD 947,880

Receivables from forward exchange contracts (shown in the balance sheet as part of "Other current assets" account) as of December 31, 2000 and 1999 aggregated to \$49,480 and \$19,144 respectively, and payables from forward exchange contracts (shown in the balance sheet as part of "Other current liabilities" account) aggregated to \$178,952 and \$102,784 as of December 31, 2000 and 1999. Net exchange losses and gains for the years ended December 31, 2000 and 1999 were \$266,393 and \$105,859, respectively.

The net assets or liabilities that have been hedged by the above forward exchange contracts are as follows:

	<u>Amount (Thousand)</u>			
	<u>2000</u>		<u>1999</u>	
Accounts receivable	US\$	813,685	US\$	375,749
Payable to contractors and equipment suppliers	US\$	571,332	US\$	151,392
	JPY	21,237,708		
	EUR	62,480		
Guarantee deposits			- US\$	764,765

b) Interest rate swaps

The Company has entered into interest rate swap transactions to hedge exposure to rising interest rates on its floating rate long-term bank loans. These significant transactions are summarized as follows:

<u>Contract Date</u>	<u>Period</u>	<u>Amount</u>
April 28, 1998	May 21, 1998 to May 21, 2003	\$ 2,000,000
April 29, 1998	May 21, 1998 to May 21, 2003	1,000,000
June 26, 1998	June 26, 1998 to June 26, 2003	1,000,000
June 26, 1998	July 6, 1998 to July 6, 2003	1,000,000

Interest expenses on these transactions for the years ended December 31, 2000 and 1999 were \$113,683 and \$112,213, respectively.

c) Option contracts

Outstanding option contracts as of December 31, 2000 and 1999 were as follows:

<u>Contract</u>	<u>Currency</u>	<u>Contract Amount (Thousands)</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Strike Price</u>	<u>Maturity</u>
<u>2000</u>						
Put option sell	EUR	EUR 525,537	\$ -	(\$ 189,735)	0.8870~0.9680 (US\$/EUR)	May 2001
Call option sell	US\$	US\$ 203,500	-	(264,885)	107.77~110.5 (US\$/JPY)	Mar 2001
Call option sell	US\$	US\$ 20,000	-	(1,485)	32.42 (US\$/NTD)	Jan. 2001
Put option buy	US\$	US\$ 15,000	-	37	110~110.5 (US\$/JPY)	Feb. 2001
<u>1999</u>						
Call option sell	US\$	US\$ 100,000	3,911	3,911	0.9785~0.9940 (US\$/EUR)	Jan. 2000
Call option sell	US\$	US\$ 60,000	3,035	3,035	106.6 (US\$/JPY)	Jan. 2000

For the years ended December 31, 2000 and 1999, the Company realized premium income of \$116,248 and \$63,809 on foreign currency options written and incurred premium expenses of \$108,133 and \$86,746 on foreign currency options bought.

d) Transaction risk

- (1) Credit risk. The banks, which are the counter-parties to the foregoing derivative financial instruments, are reputable financial institutions. Management believes its exposures related to the potential default by those counter parties are low.
- (2) Market price risk. The Company is exposed to market risks arising from changes in currency exchange rates due to U.S. dollar-denominated accounts receivable, Yen-dominated accounts payable, Euro-denominated accounts payables, and U.S. dollar-denominated debt related to its importation of materials and machinery and equipment and long-term bank loans. The Company enters into forward contracts and option contracts to manage its exposures. The Company uses interest rate swap contracts with banks to principally manage the risks arising from the changes in interest rates of its obligations. It enters into financial derivative contracts based on analysis of specific and known economic exposures and by policy prohibits entering into such contracts for trading purposes. Its hedging strategy is to use financial instruments having negative correlation to fair value of the hedged items as hedging instruments and periodically evaluates the effectiveness of these instruments' as hedges of its interest rate exposures.
- (3) Liquidity and cash flow requirements. The cash flow requirements with respect to the Company's derivative financial instruments are as follows: (i) forward contracts - the net differences between the spot rates and contracted forward rates, (ii) options - the exercise price but the options may not have to be exercised at all in cases where the strike price is higher than the related market price at exercise dates, and (iii) interest rate swap agreements - equal to the net difference between the interest receivable and payables under the agreements.

e) Fair value of financial instruments

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Non-derivative financial instruments</u>				
Assets				
Cash and cash equivalents	\$ 35,664,440	\$ 35,664,440	\$ 16,650,017	\$ 16,650,017
Short-term investments	-	-	236,250	241,850
Receivable from related parties	994,815	994,815	468,903	468,903
Accounts and notes receivable	30,460,489	30,460,489	13,544,387	13,544,387
Long-term investments	33,422,010	36,485,083	28,208,643	39,997,198
Pledge time deposit	46,856	46,856	8,710	8,710
Refundable deposits	967,985	967,985	16,346	16,346
Liabilities				
Payable to related parties	4,346,578	4,346,578	1,916,526	1,916,526
Accounts payable	7,989,953	7,989,953	2,525,086	2,525,086
Payable to contractors and equipment suppliers	24,392,400	24,392,400	6,958,098	6,958,098
Long-term bonds	29,000,000	29,035,803	20,000,000	20,013,774
Guarantee deposits	7,086,379	7,086,379	5,185,362	5,185,362
<u>Derivative financial instruments</u>				
Forward exchange contracts (buy)	1,984,740	1,978,998	784,875	760,906
Forward exchange contracts (sell)	20,802,311	20,788,804	3,998,698	3,998,108
Interest rate swaps	1,601	234,017	7,488	7,488
Option	-	(456,068)	6,946	6,946

Fair values of financial instruments were determined as follows:

- (1) Short-term financial instruments -- carrying values.
- (2) Short-term investments -- market values.
- (3) Long-term investments -- market value for listed companies and net equity value for the others.
- (4) Refundable deposits and guarantees deposits -- carrying values.
- (5) Long-term bank loans -- based on forecasted cash flows discounted at interest rates of similar long-term liabilities. Long-term bonds payable is discounted at present value. Fair values of other long-term liabilities are also their carrying values as they use floating interest rates.
- (6) Derivative financial instruments -- based on outright forward rates and interest rate in each contract.

The fair values of non-financial instruments were not included in the fair values disclosed above. Accordingly, the sum of the fair values of the financial instruments listed above are not equal the fair value of the company.

18. SEGMENT FINANCIAL INFORMATION

a. Export sales

<u>Area</u>	<u>2000</u>	<u>1999</u>
America	\$ 81,686,803	\$ 38,084,870
Asia	42,906,968	16,493,721
Europe	<u>11,360,517</u>	<u>4,778,646</u>
	<u>\$ 135,954,288</u>	<u>\$ 59,357,237</u>

The export sales information is presented by billed regions.

- b. The Company has no single customer that accounts for at least 10% of its total sales.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEES

FINANCING PROVIDED TO OTHER PARTIES
For the Year Ended December 31, 2000
(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 1

No.	Financing Provider Company Name	Transaction Entity	Accounts	Limitation on Financing	Maximum Balance for the Period	Ending Balance (Thousand)	Interest Rate	Financing Reasons	Allowance for Bad Debt	Mortgage		Transaction Amount	Amount Limited on Financing
										Item	Value		
1	TSMC-BVI	TSMC Technology	Other receivables	-	USD 13,887	USD 13,887	7.75%	Operating capital	\$ -	-	\$ -	\$ -	USD 779,788 (Note 1)
2	VIS	VIS America	Prepaid expenses	(Note 2)	\$ 6,122	\$ 1,232	-	Prepayments for product development	-	-	-	5,706	\$ 4,400,000 (Note 3)

Note 1: Not exceeding the issued capital of the Company

Note 2: Not exceeding 10% of the issued capital of VIS for each transaction entity, and also limiting to 30% of the issued capital of each transaction entity.

Note 3: Not exceeding 20% of the issued capital of VIS.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEES

COLLATERAL PROVIDED TO OTHER PARTIES

For the Year Ended December 31, 2000

(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 2

No.	Collateral Provider Name	Transaction Entity		Limitation on Collateral	Maximum Balance for the Period (Thousands)	Ending Balance (Thousands)	Amount of Properties Guaranteed by Collateral	Percentage of Accumulated Amount of Collateral on Net Equity of the Latest Financial Statement	Amount Limited on Collateral (Note 1)
		Name	Nature of the Relationship (Note 3)						
0	TSMC	TSMC Development Inc.	3	(Note 2)	\$ 8,865,172 (USD 268,000)	\$ 8,865,172 (USD 268,000)	\$ 8,865,172	3.39%	\$ 38,968,094
		TSMC - North America	2		1,323,160 (USD 40,000)	1,323,160 (USD 40,000)	1,323,160	0.51%	

Note 1: 30% of the issued capital of the Company.

Note 2: Not exceeding 10% of the issued capital of the Company, and also limiting to the issued capital of the transaction entity with the exception of approval from BOD.

Note 3: The number 2 represent subsidiary that directly holds exceeding 50% of the issued.

The number 3 represents the investee that has over 50% of the common stocks holds by the parent company and subsidiary.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEES

MARKETABLE SECURITIES HELD

December 31, 2000

(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 3

Held Company Name	Marketable Securities Name and Type	Nature of the Relationship	Account	December 31, 2000				Note
				Shares (Thousand)	Carrying Value (Thousand)	Percentage of Ownership	Market Value or Net Asset Value (Thousand)	
TSMC	TSMC-North America - Stock	Subsidiary	Long-term investment	11,000	\$ 666,924	100	\$ 666,924	
	TSMC-Europe - Stock	Subsidiary	Long-term investment	-	9,594	100	9,594	
	TSMC-Japan - Stock	Subsidiary	Long-term investment	2	37,803	100	37,803	
	VIS - Stock	Investee	Long-term investment	556,133	5,615,075	25	8,642,314	
	TSMC-BVI - Stock	Subsidiary	Long-term investment	779,788	23,678,522	100	23,678,522	
	Po Cherng Investment - Certificate	Investee	Long-term investment	-	136,984	25	136,984	
	Chi Hsin Investment - Certificate	Investee	Long-term investment	-	139,000	25	139,000	
	Kung Cherng Investment - Certificate	Investee	Long-term investment	-	158,752	25	158,752	
	Chi Cherng Investment - Certificate	Investee	Long-term investment	-	130,794	25	130,794	
	Hsin Ruey Investment - Certificate	Investee	Long-term investment	-	128,100	25	128,100	
	Cherng Huei Investment - Certificate	Investee	Long-term investment	-	138,200	25	138,200	
	TSMC Partners, Ltd. - Stock	Subsidiary	Long-term investment	300	535,162	100	535,162	
	SSMC - Stock	Investee	Long-term investment	90	935,870	32	935,870	
	Taiwan Mask Corp. - Stock	-	Long-term investment	6,887	32,129	2	87,325	
	United Industrial Gases Co., Ltd. - Stock	-	Long-term investment	10,058	146,250	10	155,041	
	Shin-Etsu Handotai Taiwan Co., Ltd. - Stock	-	Long-term investment	10,500	105,000	7	105,476	
	W.K. Technology Fund IV - Stock	-	Long-term investment	5,000	50,000	4	81,059	
	Taiwan Semiconductor Technology Corp. - Stock	-	Long-term investment	50,000	500,000	19	434,385	
	Hon Tung Ventures Capital - Stock	-	Long-term investment	12,000	120,000	10	125,927	
	Crimson Asia Capital Fund - Equity	-	Long-term investment	-	64,547	N/A	64,547	
Horizon Ventures Fund - Equity	-	Long-term investment	-	93,304	N/A	93,304		
Chi Cherng Investment	TSMC - Stock	Major shareholder	Short-term investment	2,160	98,282	-	184,451	
	Po Cherng Investment - Certificate	Major shareholder	Long-term investment	6,000	82,191	15	82,191	
	Chi Hsin Investment - Certificate	Major shareholder	Long-term investment	6,000	83,400	15	83,400	
	Hsin Ruey Investment - Certificate	Major shareholder	Long-term investment	6,000	76,860	15	76,860	
	Kung Cherng Investment - Certificate	Major shareholder	Long-term investment	6,000	95,251	15	95,251	
	Cherng Huei Investment - Certificate	Major shareholder	Long-term investment	6,000	82,920	15	82,920	
Kung Cherng Investment	TSMC - Stock	Major shareholder	Short-term investment	4,827	226,819	-	412,317	4,827 thousands shares-pledged
	Po Cherng Investment - Certificate	Major shareholder	Long-term investment	6,000	82,191	15	82,191	
	Chi Hsin Investment - Certificate	Major shareholder	Long-term investment	6,000	83,400	15	83,400	
	Chi Cherng Investment - Certificate	Major shareholder	Long-term investment	6,000	78,476	15	78,476	
	Hsin Ruey Investment - Certificate	Major shareholder	Long-term investment	6,000	76,860	15	76,860	
	Cherng Huei Investment - Certificate	Major shareholder	Long-term investment	6,000	82,920	15	82,920	

(Forward)

Po Cherng Investment	TSMC – Stock	Major shareholder	Short-term investment	3,814	\$ 236,150	-	\$ 325,790	2,814 thousands shares-pledged
	Chi Hsin Investment – Certificate	Major shareholder	Long-term investment	6,000	83,400	15	83,400	
	Chi Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	78,476	15	78,476	
	Hsin Ruey Investment – Certificate	Major shareholder	Long-term investment	6,000	76,861	15	76,861	
	Kung Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	95,251	15	95,251	
	Cherng Huei Investment – Certificate	Major shareholder	Long-term investment	6,000	82,920	15	82,920	
Cherng Huei Investment	TSMC – Stock	Major shareholder	Short-term investment	4,298	243,391	-	367,074	3,297 thousands shares-pledged
	Po Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	82,191	15	82,191	
	Chi Hsin Investment – Certificate	Major shareholder	Long-term investment	6,000	83,400	15	83,400	
	Chi Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	78,476	15	78,476	
	Hsin Ruey Investment – Certificate	Major shareholder	Long-term investment	6,000	76,860	15	76,860	
	Kung Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	95,251	15	95,251	
Chi Hsin Investment	TSMC – Stock	Major shareholder	Short-term investment	2,544	138,747	-	217,270	2,543 thousands shares-pledged
	Po Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	82,191	15	82,191	
	Chi Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	78,476	15	78,476	
	Hsin Ruey Investment – Certificate	Major shareholder	Long-term investment	6,000	76,860	15	76,860	
	Kung Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	95,251	15	95,251	
	Cherng Huei Investment – Certificate	Major shareholder	Long-term investment	6,000	82,920	15	82,920	
Hsin Ruey Investment	TSMC – Stock	Major shareholder	Short-term investment	1,006	85,850	-	85,936	
	Po Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	82,191	15	82,191	
	Chi Hsin Investment – Certificate	Major shareholder	Long-term investment	6,000	83,400	15	83,400	
	Chi Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	78,476	15	78,476	
	Kung Cherng Investment – Certificate	Major shareholder	Long-term investment	6,000	95,251	15	95,251	
	Cherng Huei Investment – Certificate	Major shareholder	Long-term investment	6,000	82,920	15	82,920	
TSMC-BVI	InveStar Semiconductor Development Fund Inc. - Stock	Subsidiary of TSMC-BVI	Long-term investment	45,000	USD 53,602	97	USD 53,995	
	InveStar Semiconductor Development Fund (II) Inc. - Stock	Subsidiary of TSMC-BVI	Long-term investment	13,950	USD 14,046	97	USD 14,046	
	TSMC Development Inc.- Stock	Subsidiary of TSMC-BVI and its chairman is also TSMC's chairman	Long-term investment	1	USD 648,332	100	USD 648,332	
	TSMC Technology Inc.- Stock	Subsidiary of TSMC-BVI and its chairman is also TSMC's chairman	Long-term investment	1	(USD 5,285)	100	(USD 5,285)	
	3DFX. Interactive Inc. – Stock	-	Long-term investment	68	USD 297	-	USD 84	

(Forward)

VIS	VIS Associates Inc. – Stock	Subsidiary	Long-term investment	23,570	\$ 464,077	100	\$ 464,077
	PowerChip Semiconductor Inc.- Stock	Investee	Long-term investment	168,488	2,651,216	9	3,315,837
	Etron Technology Inc. – Stock	-	Long-term investment	5,590	310,132	3	278,118
	Walsin Technology Inc. – Stock	Investee	Long-term investment	31,410	414,481	10	414,481
	MEGIC Corporation – Stock	-	Long-term investment	16,500	177,000	15	177,000
	Form Factor Inc. – Stock	-	Long-term investment	267	64,360	1	64,360
	United Industrial Gases Co., Ltd. - Stock	-	Long-term investment	2,313	29,250	2	29,250
VIS Associates Inc.	VIS Investment Holding, Inc. - Stock	Subsidiary of VIS Associates Inc.	Long-term investment	67,500	USD 871	100	USD 871
	Silicon Valley Equity Fund - Equity	-	Long-term investment	-	USD 9,448	35	USD 9,448
	Silicon Valley Equity Fund II – Equity	-	Long-term investment	-	USD 3,326	16	USD 3,326
VIS Investment Holding, Inc.	Grand Palace Trust Fund – Equity	-	Long-term investment	-	-	100	-
	VIS Micro Inc. – Stock	Investee	Long-term investment	200	USD 237	100	USD 237
	VIS America. – Stock	Investee	Long-term investment	6,500	USD 627	100	USD 627
TSMC Development	WaferTech, LLC- Equity	Investee of TSMC Development and its chairman is also chairman of TSMC	Long-term investment	-	USD 623,957	97	USD 623,957
TSMC Partners	TSMC – ADR	Parent Company	Short-term investment	495	USD 7,357	-	USD 8,916
InveStar Semiconductor Development Fund Inc.	Silicon Image, Inc. – Stock	-	Short-term investment	411	USD 720	-	USD 2,237
	Sage, Inc. – Stock	-	Short-term investment	140	USD 506	-	USD 2,065
	Centillum Tec. Corp. – Stock	-	Short-term investment	165	USD 650	-	USD 3,671
	Marvell Technology Group Ltd. – Stock	-	Short-term investment	4,665	USD 4,579	-	USD 102,347
	Silicon Labo Ratories – Stock	-	Short-term investment	15	USD 482	-	USD 219
	Chang Yi Technology - Stock	-	Long-term investment	1,113	USD 1,500	-	USD 1,500
	Capella Microsystems, Inc. – Stock	-	Long-term investment	42	USD 10	-	USD 10
	Equator Technologies, Inc. – Stock	-	Long-term investment	133	USD 90	-	USD 260
	Scenix Semiconductor Inc. – Stock	-	Long-term investment	861	USD 172	-	USD 172
	Global Test Corp. – Stock	-	Long-term investment	11,292	USD 5,559	-	USD 9,242
	Chip strate – Stock	-	Long-term investment	6,660	USD 2,142	-	USD 2,190
	Ritch Tech – Stock	-	Long-term investment	790	USD 313	-	USD 302
	APE Fu Ding Technology – Stock	-	Long-term investment	2,750	USD 1,518	-	USD 1,411
	Integrated Memory Logic, Inc. – Preferred Stock	-	Long-term investment	1,831	USD 1,809	-	USD 2,559
	Divio (Next wave) – Preferred Stock	-	Long-term investment	667	USD 500	-	USD 2,233
	SiRF Technology Inc. – Preferred Stock	-	Long-term investment	306	USD 1,333	-	USD 1,771
	Rise – preferred Stock	-	Long-term investment	600	USD 1,500	-	USD 1,500
	Capella Microsystems, Inc. – Preferred Stock	-	Long-term investment	1,383	USD 1,298	-	USD 1,383
	Sensory, Inc. – Preferred Stock	-	Long-term investment	1,404	USD 1,250	-	USD 1,250
	Equator Technologies, Inc. – Preferred Stock	-	Long-term investment	443	USD 1,338	-	USD 864
Light Speed Semiconductor Corporation – Preferred Stock	-	Long-term investment	2,252	USD 3,064	-	USD 5,639	

(Forward)

InveStar Semiconductor Development Fund Inc.	Empower Tel Networks, Inc. – Preferred Stock	-	Long-term investment	3,840	USD	5,128	-	USD	14,980
	Lara Technology, Inc. – Preferred Stock	-	Long-term investment	1,544	USD	772	-	USD	10,034
	Scenix Semiconductor Inc. – Preferred Stock	-	Long-term investment	1,056	USD	1,361	-	USD	2,919
	RapidSteam – Preferred Stock	-	Long-term investment	2,056	USD	1,050	-	USD	7,286
	Tropian, Inc (Premier R.F., Inc.) – Preferred Stock	-	Long-term investment	1,758	USD	2,334	-	USD	7,498
	Sonics, Inc. – Preferred Stock	-	Long-term investment	2,686	USD	3,530	-	USD	4,110
	Pico Turbo, Inc – Preferred Stock	-	Long-term investment	1,050	USD	1,250	-	USD	1,250
	T-Span Systems Corporation – Preferred Stock	-	Long-term investment	1,266	USD	1,385	-	USD	3,653
	NanoAmp Solutions, Inc. – Preferred Stock	-	Long-term investment	541	USD	853	-	USD	1,900
	Formfactor, Inc. – Preferred Stock	-	Long-term investment	267	USD	2,000	-	USD	2,747
	Monolithic Power Systems, Inc – Preferred Stock	-	Long-term investment	2,521	USD	2,000	-	USD	2,000
	Memsic, Inc – Preferred Stock	-	Long-term investment	3	USD	1,500	-	USD	1,500
	Reflectivity, Inc. – Preferred Stock	-	Long-term investment	1,064	USD	2,000	-	USD	2,000
	Signia – Preferred Stock	-	Long-term investment	3,000	USD	1,500	-	USD	1,500
	Match Lab, Inc. – Preferred Stock	-	Long-term investment	1,875	USD	1,500	-	USD	1,500
	HINT Corporation – Preferred Stock	-	Long-term investment	1,000	USD	1,000	-	USD	1,000
	Creosys, Inc. – Preferred Stock	-	Long-term investment	1,500	USD	1,500	-	USD	1,500
Incentia Design Systems, Inc. – Preferred Stock	-	Long-term investment	286	USD	500	-	USD	500	
Rise – Bond	-	Long-term investment	N/A	USD	300	-	USD	300	
InveStar Semiconductor Development Fund (II) Inc.	Lara Networks, Inc. – Preferred Stock	-	Long-term investment	188	USD	1,500	-	USD	1,500
	Seagull Semiconductor, Inc. – Preferred Stock	-	Long-term investment	1,389	USD	1,250	-	USD	1,250
	Memsic, Inc. – Preferred Stock	-	Long-term investment	1,818	USD	1,000	-	USD	1,000
	OEpic – Preferred Stock	-	Long-term investment	600	USD	750	-	USD	750
	FabCentric, Inc. – Preferred Stock	-	Long-term investment	500	USD	250	-	USD	250
	Equator Technologies, Inc. – Preferred Stock	-	Long-term investment	770	USD	1,501	-	USD	1,501
	NanAmp Solutions, Inc. – Preferred Stock	-	Long-term investment	250	USD	1,000	-	USD	1,000
	RapidStream, Inc. – Preferred Stock	-	Long-term investment	246	USD	1,057	-	USD	1,057
	FabCentric, Inc. – Bond	-	Long-term investment	N/A	USD	250	-	USD	250
	Signia Technologies, Inc. – Bond	-	Long-term investment	N/A	USD	500	-	USD	500
Advanced Analogic Technology, Inc. - Bond	-	Long-term investment	N/A	USD	1,250	-	USD	1,250	

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEEES

BALANCE OF MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF
EXCEEDING NTD 100 MILLION OR 20% OF THE ISSUED CAPITAL
For the Year Ended December 31, 2000
(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 4

Company Name	Marketable Securities Type and Name	Account	Transaction Entity	Nature of the Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (Thousand)	Amount	Shares (Thousand)	Amount	Share (Thousand)	Amount	Carrying Value	Gain (loss)	Shares (Thousand)	Amount
TSMC	Taipei Bank Stock	Short-term investment	-	-	8,750	\$ 236,250	-	\$ -	8,750	\$ 288,719	\$ 236,250	\$ 52,469	-	\$ -
	The Wan Pao Securities Investment Trust Fund	Short-term investment	-	-	-	-	18,207	230,000	18,207	231,644	230,000	1,644	-	-
	Kwang Hua Bond Fund	Short-term investment	-	-	-	-	25,495	323,000	25,495	326,273	323,000	3,273	-	-
	Jin-sun Bond Fund	Short-term investment	-	-	-	-	26,382	300,000	26,382	302,604	300,000	2,604	-	-
	Capital Safe Income Securities Investment Trust Fund	Short-term investment	-	-	-	-	24,468	300,000	24,468	302,748	300,000	2,748	-	-
	First Global Investment Trust Wan Tai Bond Fund	Short-term investment	-	-	-	-	25,484	300,000	25,484	302,523	300,000	2,523	-	-
	President Home Run Bond Fund	Short-term investment	-	-	-	-	28,222	332,000	28,222	333,627	332,000	1,627	-	-
	Grand Cathay Bond Fund	Short-term investment	-	-	-	-	57,900	630,000	57,900	633,522	630,000	3,522	-	-
	The GP ROC Bond Fund	Short-term investment	-	-	-	-	26,842	340,000	26,842	341,476	340,000	1,476	-	-
	Flemings Taiwan Bond Fund	Short-term investment	-	-	-	-	25,593	330,000	25,593	332,564	330,000	2,564	-	-
	National Investment Taiwan Bond Fund	Short-term investment	-	-	-	-	25,556	300,000	25,556	301,955	300,000	1,955	-	-
	National Investment Bond Fund	Short-term investment	-	-	-	-	2,956	410,000	2,956	411,752	410,000	1,752	-	-
	United Bond Fund	Short-term investment	-	-	-	-	30,054	330,000	30,054	331,605	300,000	1,605	-	-
	President Investment Bond Fund	Short-term investment	-	-	-	-	46,405	600,000	46,405	603,210	600,000	3,210	-	-
	VIS Stock	Long-term investment	VIS	Investee	556,133	5,010,897	-	-	-	-	-	-	556,133	5,615,075
TSMC-BVI Stock	Long-term investment	TSMC-BVI	Subsidiary	464,788	12,454,280	315,000	10,409,490	-	-	-	-	779,788	23,678,522	
												(Note 1)		
	SSMC Stock	Long-term investment	SSMC	Investee	26	360,177	64	989,690	-	-	-	-	90	935,870
	TSMC-North America Stock	Long-term investment	TSMC-North America	Subsidiary	1,000	255,025	10,000	308,130	-	-	-	-	11,000	666,924
Kung Cherng Investment	TSMC Stock	Short-term investment	-	-	984	50,509	4,682	219,376	839	172,270	43,066	129,204	4,827	226,819
Po Cherng Investment	TSMC Stock	Short-term investment	-	-	642	88,519	3,603	206,936	430	88,166	59,306	28,860	3,814	236,150
Cherng Huei Investment	TSMC Stock	Short-term investment	-	-	642	88,732	4,288	239,512	632	119,571	84,853	34,718	4,298	243,391
Chi Hsin Investment	TSMC Stock	Short-term investment	-	-	642	87,157	2,439	124,547	537	110,211	72,957	37,254	2,544	138,747
TSMC-BVI	TSMC Development Inc. Stock	Long-term investment	TSMC Development	Subsidiary	1	USD 42,018	-	USD 315,000	-	-	-	-	1	USD 648,332
	InveStar Semiconductor Development Fund (II) Inc. Stock	Long-term investment	InveStar Semiconductor Development Fund (II) Inc.	Subsidiary	-	-	13,950	USD 13,995	-	-	-	-	13,950	USD 14,046
TSMC Development	WAFERTECH, LLC Stock	Long-term investment	WAFERTECH, LLC	Subsidiary	-	USD 401,464	-	USD 226,105	-	-	-	-	-	USD 623,957
TSMC Partners	TSMC ADR	Short-term investment	-	-	302	USD 3,703	193	USD 3,654	-	-	-	-	495	USD 7,357
InveStar Semiconductor Development Fund Inc.	Empower Tel Networks, Inc. Stock	Long-term investment	Empower Tel Networks, Inc.	Investee	3,087	USD 1,878	752	USD 3,250	-	-	-	-	3,840	USD 5,128
	Global Test Corp. Stock	Long-term investment	Global Test Corp.	Investee	7,500	USD 2,281	3,792	USD 3,278	-	-	-	-	11,292	USD 5,559

(Forward)

VIS	The GP Bond Fund	-	-	-	-	-	58,761	\$ 750,000	58,761	\$ 761,731	\$ 750,000	\$ 11,731	-	-
	Kwang Hua Bond Fund	-	-	-	-	-	42,671	550,000	42,671	558,584	550,000	8,584	-	-
	Ta Chong Investment Bond Fund	-	-	-	-	-	16,199	180,000	16,199	182,393	180,000	2,393	-	-
	National Investment Bond Fund	-	-	-	-	-	3,921	550,000	3,921	558,516	550,000	8,516	-	-
	First Global Investment Trust Wan Tai Bond Fund	-	-	-	-	-	45,921	550,000	45,921	558,212	550,000	8,212	-	-
	Money Mgmt Fund	-	-	-	-	-	31,415	400,000	31,415	404,997	400,000	4,997	-	-
	Grand Cathay Bond Fund	-	-	-	-	-	21,446	240,000	21,446	242,656	240,000	2,656	-	-
VIS Associates Inc.	Silicon Valley Equity Fund II Stock	Long-term investment	Asia Tech Management LLC.	-	-	-	-	USD 3,400	-	-	-	-	-	USD 3,326 (Note 3)

Note 1: Acquire 75,000 thousands shares of stocks and including the beginning balance of prepayment for stocks.

Note 2: The ending balance included the recognition of the investment income (loss) by the equity method and the accumulated translation adjustment.

Note 3: The ending balance included the movement of net asset value of trust fund.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEEES
ACQUISITION OF PROPERTIES EXCEEDING NTD 100 MILLION OR 20% OF ISSUED CAPITAL
For the Year Ended December 31, 2000
(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 5

Company Name	Properties	Transaction Date	Transaction Amount	Payment Term	Transaction Entity	Nature of the Relationship	Former Transaction Detail when Transacting with Related Parties				Reference of Price Determined	Purpose of Acquisition	Other Commitments
							Owner	Relationship	Transfer Date	Amount			
TSMC	February 6 and office	Feb. 16, 2000 ~ Dec. 31, 2000	\$3,254,412	Depend on the progress of the construction	Fu Tsu Construction Co. Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEES

TRANSACTION OF PURCHASE OR SALES WITH RELATED PARTIES AMOUNTING TO MORE THAN NTD 100 MILLION OR 20% OF THE ISSUED CAPITAL

For the Year Ended December 31, 2000

(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 6

Company Name	Transaction Entity	Nature of the Relationship	Transaction Detail				Abnormal Transaction		Notes, Accounts Payable or Receivables		Note
			Purchase or Sales	Amount	%	Collection Terms	Unit Price	Collection Terms	Ending Balance	%	
TSMC	ITRI	It's director is TSMC's chairman	Sales	\$ 198,146	-	Net 45 days from monthly closing date	None	None	\$ 56,078	6	
	Phillips and its affiliates	Major shareholder	Sales	5,289,927	3	Net 30 days from invoice date	None	None	643,604	65	
	WAFERTECH, LLC	Indirect Investee of the subsidiary (TSMC-BVI)	Purchase	13,296,633	37	Net 30 days from monthly closing date	None	None	(1,487,181)	(34)	
	VIS	Investee	Purchase	6,572,110	19	Net 45 days from monthly closing date	None	None	(1,808,964)	(42)	

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEES

RECEIVABLE FROM RELATED PARTIES AMOUNTING TO MORE
THAN NTD 100 MILLION OR 20% OF THE ISSUED CAPITAL
December 31, 2000

(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 7

Company Name	Transaction Entity	Nature Of the Relationship	Ending Balance	Turnover	Overdue		Amounts Received from December 31, 2000 Up-to-Date	Allowance for Bad Debts
					Amount	Management		
TSMC	Phillips and its affiliates	Major shareholder	\$ 643,604	27days	\$ 175,828	Accelerate demand on account receivables	\$ 193,403	\$ -
	VIS	Investee	159,890	N/A	10,080	Accelerate demand on account receivables	-	-

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD. AND INVESTEES

INFORMATION REGARDING NAMES, LOCATIONS AND OTHERS OF INVESTEE ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES

December 31, 2000

(Amounts in Thousand New Taiwan Dollars, Unless Otherwise Specified)

Table 8

Company Name	Investee	Location	Businesses Activity	Original Investment Amount		Balance as of December 31, 2000			Net Income (Loss) of the Investee	Recognized Gain (Loss) on Recognized	Note
				Dec.31.2000	Dec.31.1999	Shares (Thousand)	%	Carrying Value			
TSMC	TSMC-North America	San Jose, California, U.S.A	Marketing and engineering support	\$ 333,718	\$ 25,588	11,000	100	\$ 666,924	\$ 131,107	\$ 131,107	Subsidiary
	TSMC-Europe	Amsterdam, The Netherlands	Marketing and engineering support	2,960	2,960	-	100	9,594	(14,668)	(14,668)	Subsidiary
	TSMC-Japan	Yokohama, Japan	Marketing and engineering support	35,142	7,440	2	100	37,803	2,261	2,261	Subsidiary
	VIS	Hsin-Chu, Taiwan	IC Design and manufacturing	6,503,640	6,503,640	556,133	25	5,615,075	2,573,745	597,812	Investee
	TSMC-BVI	Tortola, British Virgin Islands	Investment	24,159,958	13,750,468	779,788	100	23,678,522	138,589	138,589	Subsidiary
	Po Cherng Investment	Taipei, Taiwan	Investment	100,000	100,000	-	25	136,984	135,869	33,967	Investee
	Chi Hsin Investment	Taipei, Taiwan	Investment	100,000	100,000	-	25	139,000	143,951	35,988	Investee
	Kung Cherng Investment	Taipei, Taiwan	Investment	100,000	100,000	-	25	158,752	223,915	55,979	Investee
	Chi Cherng Investment	Taipei, Taiwan	Investment	100,000	100,000	-	25	130,794	112,094	28,023	Investee
	Hsin Ruey Investment	Taipei, Taiwan	Investment	100,000	100,000	-	25	128,100	100,391	25,098	Investee
	Cherng Huei Investment	Taipei, Taiwan	Investment	100,000	100,000	-	25	138,200	140,781	35,195	Investee
	TSMC Partners	Tortola, British Virgin Islands	Investment	10,350	10,350	300	100	535,162	494,966	494,966	Subsidiary
	SSMC	Singapore	Manufacture of wafer	1,432,482	442,792	90	32	935,870	(1,480,190)	(473,661)	Investee