Taiwan Semiconductor Manufacturing Company Ltd.

Financial Statements as of December 31, 1999 and 1998

Together with Independent Auditors' Report

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

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

We have audited the balance sheets of Taiwan Semiconductor Manufacturing Company Ltd. as of December 31, 1999 and 1998, 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 management of Taiwan Semiconductor Manufacturing Company Ltd. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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, 1999 and 1998, and the results of its operations and its cash flows for the years then ended, in conformity with the regulations governing the preparation of financial statements of public companies and generally accepted accounting principles.

January 24, 2000

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 examine such financial statements are those generally accepted and applied in the Republic of China.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

BALANCE SHEETS
December 31, 1999 and 1998
(In Thousand New Taiwan Dollars Except Par Value)

ASSETS	1999 Amount	%	1998 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 2 and 3)	$ 16,650,017	10	$ 8,292,152	7
Short-term investments (Notes 2 and 4)	236,250	-	5,661,327	5
Receivable from related parties (Note 13)	468,903	-	234,507	-
Notes receivable	164,134	-	34,868	-
Accounts receivable	13,380,253	8	7,936,255	6
Allowance for doubtful receivables (Note 2)	(422,202)	-	(283,090)	-
Allowance for sales returns and allowances (Note 2)	(706,886)	-	(441,973)	-
Inventories (Notes 2 and 5)	4,529,714	3	3,688,777	3
Deferred income tax assets (Notes 2 and 12)	2,329,000	1	406,739	-
Prepayments and others (Notes 2, 13 and 16)	2,141,487	2	848,860	1
Total Current Assets	38,770,670	24	26,378,422	22
LONG-TERM INVESTMENTS (Notes 2 and 6)	28,208,643	17	17,537,765	14
PROPERTIES (Notes 2, 7 and 13)				
Cost				
Buildings	21,337,655	13	20,037,080	17
Machinery and equipment	102,672,163	64	77,290,435	62
Office equipment	1,939,392	1	1,657,981	1
Total cost	125,949,210	78	98,985,496	80
Accumulated depreciation	(57,969,725)	(36)	(40,786,249)	(33)
Prepayments and construction in progress	21,586,544	14	15,436,962	12
Net Properties	89,566,029	56	73,636,209	59
OTHER ASSETS				
Deferred charges – net	578,544	-	711,822	-
Deferred income tax assets (Notes 2 and 12)	4,273,252	3	5,811,827	5
Refundable deposits	16,346	-	21,918	-
Miscellaneous	9,250	-	9,250	-
Total Other Assets	4,877,392	3	6,554,817	5
TOTAL ASSETS	$ 161,422,734	100	$ 124,107,213	100

LIABILITIES AND SHAREHOLDERS' EQUITY	1999 Amount	%	1998 Amount	%
CURRENT LIABILITIES				
Payable to related parties (Note 13)	$ 1,916,526	1	$ 359,097	-
Accounts payable	2,525,086	2	2,047,871	2
Other payable - construction and equipment	6,958,098	4	3,181,099	3
Income tax payable (Notes 2 and 12)	146,300	-	775,508	1
Current portion of long-term bank loans (Note 8)	-	-	299,449	-
Accrued expenses and others	2,923,319	2	1,475,772	1
Total Current Liabilities	14,469,329	9	8,138,796	7
NON-CURRENT LIABILITIES				
Bonds payables (Notes 2 and 9)	20,000,000	12	22,631,717	18
Guarantee deposits	5,185,362	3	6,123,825	5
Accrued pension obligations (Notes 2 and 11)	998,203	1	748,720	-
Bank loans (Notes 7 and 8)	-	-	2,393,489	2
Total Non-Current Liabilities	26,183,565	16	31,897,751	25
Total Liabilities	40,652,894	25	40,036,547	32
SHAREHOLDERS' EQUITY (Notes 2 and 10)				
Capital stock- $10 par value				
Authorized – 9,100,000 thousand shares in 1999 and 8,500,000 thousand shares in 1998				
Issued – 7,670,882 thousand shares in 1999 and 6,047,176 thousand shares in 1998	76,708,817	47	60,471,760	49
Capital surplus	11,831,411	7	164,219	-
Legal reserve	8,258,359	5	6,724,240	5
Unappropriated earnings	25,062,256	16	17,437,873	14
Cumulative translation adjustment	(1,091,003)	-	(727,426)	-
Total Shareholders' Equity	120,769,840	75	84,070,666	68
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 161,422,734	100	$ 124,107,213	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, 1999 and 1998
(In Thousand New Taiwan Dollars, Except Earnings Per Share)

	1999		1998	
	Amount	%	Amount	%
GROSS SALES (Notes 2 and 13)	$74,036,935		$51,441,572	
SALES RETURNS AND ALLOWANCES	(905,729)		(1,208,564)	
NET SALES	73,131,206	100	50,233,008	100
COST OF SALES (Note 13)	40,915,513	56	29,896,966	60
GROSS PROFIT	32,215,693	44	20,336,042	40
OPERATING EXPENSES (Note 13)				
General and administrative	2,097,835	3	1,367,301	3
Marketing	1,810,701	2	809,302	1
Research and development	2,390,538	4	1,957,194	4
Total Operating Expenses	6,299,074	9	4,133,797	8
INCOME FROM OPERATIONS	25,916,619	35	16,202,245	32
NON-OPERATING INCOME				
Interest	808,616	1	566,020	1
Insurance compensation	184,607	1	-	-
Reversal of allowance for losses on short-term investments	120,766	-	-	-
Premium income (Notes 2 and 17)	63,809	-	8,280	-
Gain on sale of investments	29,041	-	756,522	2
Foreign exchange gain – net (Note 2)	-	-	97,229	-
Other	42,867	-	66,607	-
Total Non-Operating Income	1,249,706	2	1,494,658	3
NON-OPERATING EXPENSES				
Interest (Notes 7 and 17)	1,415,527	2	981,388	3
Investment loss – net (Notes 2 and 6)	1,191,891	2	2,707,170	5
Bond issue costs	114,839	-	143,644	-
Loss on option contracts (Notes 2 and 17)	86,746	-	-	-
Foreign exchange loss – net (Note 2)	81,436	-	-	-
Loss on disposal of short-term investments	75,366	-	-	-

(Forward)

Loss on disposal of properties	$ 35,810	-	$ 2,507	-
Provision for loss on short-term investments	-	-	121,926	-
Other	54,845	-	91,646	-
Total Non-Operating Expenses	3,056,460	4	4,048,281	8
INCOME BEFORE INCOME TAX	24,109,865	33	13,648,622	27
INCOME TAX BENEFIT (Notes 2 and 12)	450,019	1	1,695,581	3
NET INCOME	$24,559,884	34	$15,344,203	30
EARNINGS PER SHARE				
Based on weighted-average number of shares outstanding - 7,572,598 thousand in 1999 and 6,047,176 thousand in 1998	$3.24		$2.54	
Based on 7,548,483 thousand shares			$2.03	

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

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 1999 and 1998
(In Thousand New Taiwan Dollars)

	CAPITAL STOCK ISSUED		CAPITAL SURPLUS (Note 2)					RETAINED EARNINGS (Note 10)			CUMULATIVE TRANSLATION ADJUSTMENT (Note 2)	TOTAL SHAREHOLDERS' EQUITY
	Shares (Thousand)	Amount	From Long-Term Investments	Excess on Foreign Bond Investments	Gain on Disposal of Properties	Donation	Total	Legal Reserve	Unappropriated Earnings	Total		
BALANCE, JANUARY 1, 1998	4,081,300	$ 40,813,000	$ -	$ -	$ 62,027	$ 55	$ 62,082	$ 4,928,532	$ 23,712,760	$ 28,641,292	($ 101,981)	$ 69,414,393
Appropriations of prior year's earnings (Note 10)												
Legal reserve	-	-	-	-	-	-	-	1,795,708	(1,795,708)	-	-	-
Bonus to employees – stock	129,291	1,292,910	-	-	-	-	-	-	(1,292,910)	(1,292,910)	-	-
Stock dividends - 45%	1,836,585	18,365,850	-	-	-	-	-	-	(18,365,850)	(18,365,850)	-	-
Bonus to directors and supervisors	-	-	-	-	-	-	-	-	(161,613)	(161,613)	-	(161,613)
Net income in 1998	-	-	-	-	-	-	-	-	15,344,203	15,344,203	-	15,344,203
Gain on disposal of properties	-	-	-	-	3,009	-	3,009	-	(3,009)	(3,009)	-	-
Adjusting arising from changes in ownership percentage in investees	-	-	99,128	-	-	-	99,128	-	-	-	-	99,128
Translation adjustment	-	-	-	-	-	-	-	-	-	-	(625,445)	(625,445)
BALANCE, DECEMBER 31, 1998	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 (Note 10)												
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 properties of investees	-	-	246,218	-	-	-	246,218	-	(246,218)	(246,218)	-	-
Adjusting arising from changes in ownership percentage in investees	-	-	126,954	-	-	-	126,954	-	-	-	-	126,954
Translation adjustment	-	-	-	-	-	-	-	-	-	-	(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

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 CASH FLOWS
For the Years Ended December 31, 1999 and 1998
(In Thousand New Taiwan Dollars)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 24,559,884	$ 15,344,203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,041,320	14,592,897
Deferred income tax	(383,686)	(2,471,239)
Investment loss recognized by equity method - net	1,191,891	2,707,170
Accretion in redemption value of bonds	585,614	875,760
Accrued pension liabilities	249,483	261,015
Provisions for:		
Sales returns and allowances	264,913	(93,241)
Doubtful receivables	139,112	(9,997)
Loss (gain) on disposal of properties - net	31,854	(371)
Gain on disposal of long-term investments	(9,881)	(756,522)
Changes in operating assets and liabilities		
Receivable from related parties	(234,396)	268,533
Notes receivable	(129,266)	200,044
Accounts receivable	(5,443,998)	1,697,948
Inventories	(840,937)	1,031,254
Prepayments and others	(1,292,627)	505,748
Payable to related parties	1,557,429	(435,216)
Accounts payable	477,215	(612,275)
Income tax payable	(629,208)	775,508
Accrued expenses and others	1,439,372	57,544
Net Cash Provided by Operating Activities	39,574,088	33,938,763
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions:		
Properties	(29,842,159)	(28,066,471)
Long-term investments	(12,105,618)	(1,676,239)
Proceeds from sales of:		
Properties	36,824	3,476
Long-term investments	16,106	1,466,879
Decrease (increase) in short-term investments	5,425,077	(690,495)
Increase in deferred charges	(433,187)	(322,735)
Decrease in refundable deposits	5,572	51,667
Net Cash Used in Investing Activities	(36,897,385)	(29,233,918)

(Forward)

CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term bonds payable	$ 9,450,634	$ 9,772,500
Payments of:		
Long-term bank loans	(2,692,938)	(5,332,962)
Commercial papers payable	-	(250,000)
Decrease in guarantee deposits	(938,463)	(2,389,860)
Bonus paid to directors and supervisors	(138,071)	(161,613)
Adjustment of forward contract payable	-	(585,000)
Net Cash Provided by Financing Activities	5,681,162	1,053,065
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,357,865	5,757,910
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,292,152	2,534,242
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 16,650,017	$ 8,292,152
SUPPLEMENTAL INFORMATION		
Interest paid (excluding capitalized amounts)	$ 1,300,591	$ 850,661
Income tax paid	$ 540,873	$ 17,457
Noncash investing and financing activities		
Effect of exchange rate changes on cash and cash equivalents	($ 66,376)	($ 150,518)
Current portion of long-term bank loans	$ -	$ 299,449
Cash paid for acquisition of properties		
Total acquisitions	$ 33,619,158	$ 26,281,585
Other payable - construction and equipment	(3,776,999)	1,784,886
	$ 29,842,159	$ 28,066,471
Conversion of foreign bonds into common stocks and capital surplus	$ 12,513,984	$ -

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 in the Taiwan Stock Exchange.

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

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.

Cash equivalents

Government bonds acquired under repurchase agreements and commercial papers 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 is 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 for sales returns and others are provided based on experience; such provisions are deducted 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 stock for which the Company exercises significant influence on the investees are accounted for by equity method. The difference between the investment cost and the Company's proportionate share in the net asset of the investee at 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 "Investment income or loss" account in the Statement of Income. The increase or decrease in the Company's share in the net assets of the investee companies because of the changes in its equity interest resulting from the issuance of additional new shares by the investee companies, on which the Company did not subscribe according to the original percentage of ownership, are accounted for as adjustment to the investment carrying value and capital surplus.

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. 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). Writedowns of cost and write-ups to original acquisition cost resulting from subsequent recovery in NAV are debited or credited to shareholders' equity.

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

If an investee company's net income or net loss includes gains from the disposal of properties, the after-tax amount of such gains or losses shall be recognized as investment gains or losses in the year of occurrence in proportion to the Company's equity interest and 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 retained earnings.

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 subsequently transaction with a third party. If the unrealized gains or losses stated above are due to a sale by the subsidiary to the parent, an adjustment should be made in accordance with ownership percentage.

Properties

Properties are stated at cost less accumulated depreciation. Major additions, renewals and betterment, and interest expense incurred during the construction period are capitalized while maintenance and repairs are expensed currently.

Depreciation is provided on the straight-line method over estimated service lives which range as follows: buildings - 10 to 20 years; machinery and equipment - 5 to 10 years; 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.

Deferred charges

Deferred charges, consisting of software and system design costs, issuance costs of bonds, and short-term credit instruments, are amortized over three years, five years, and the contract period of credit instruments, respectively.

Convertible bonds

The excess of the stated redemption price over the face value of the bond is amortized and recognized as interest expense over a period starting from the issue date to the last day of the redemption period or the actual redemption date, whichever is earlier, using the effective interest method.

Capital stock account is credited for the face value of the bond converted into the Company's shares of stock and the excess of the carrying value of the bond as of the date of its conversion over its face value is credited to capital surplus account.

Pension costs

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

Income tax

The Company adopted interperiod tax allocation. Deferred income taxes are recognized for the tax effects of temporary differences, unused tax credits, and operating loss carryforwards. 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 a asset or liability in the financial statements, then it should be classified as current or non-current based on the expected length of time before it is recovered.

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

Income taxes (10%) on undistributed earnings 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 (forward contracts), entered into for purpose other than trading, are recorded in New Taiwan dollars as assets or liabilities using the spot rates at the inception dates of the contracts. The differences 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 at the inception dates of the forward contracts. Such premiums or discounts are amortized over the terms of the forward contracts using the straight-line method and the amortizations are either deferred or recognized in income.

At the balance sheet dates, the receivables or payables arising from forward contracts are restated using the prevailing spot rates and the resulting differences are recognized consistent with the recognition of the amortization of the premiums or discounts described above. 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.

Interest rate swap transactions entered into to manage liabilities are accounted for on an accrual basis, in which cash settlement receivable or payable is recorded as an adjustment to interest income or expense.

The notional amounts of the European foreign currency option contracts entered into for hedging purposes are not recognized as either asset or liability 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 year-end, the balances of foreign-currency assets and liabilities are restated at prevailing exchange rates, and the resulting differences are recorded as follows:

a. Long-term investments accounted for by equity method - as cumulative translation adjustment under shareholders’ equity.

b. Long-term investments accounted for by cost method - as translation adjustment (same as above) if the translated New Taiwan dollar amount is lower than cost; otherwise, no adjustment is made.

c. Other assets and liabilities - credited or charged to current income.

Reclassifications

Certain accounts in 1998 have been reclassified to conform to 1999 classifications.

3. CASH AND CASH EQUIVALENTS

	1999	1998
Cash and bank deposits	$16,575,032	$ 7,453,517
Government bonds acquired under repurchase agreements	74,985	804,564
Commercial papers	-	34,071
	$16,650,017	$ 8,292,152

4. SHORT-TERM INVESTMENTS

	1999	1998
Marketable equity securities	$ 236,250	$ 530,640
U.S. Treasury bonds	-	4,625,769
Corporate bonds	-	626,844
	236,250	5,783,253
Allowance for losses	-	(121,926)
	$ 236,250	$ 5,661,327

5. INVENTORIES

	1999	1998
Finished goods	$ 653,347	$ 467,368
Work in process	3,618,693	2,346,837
Raw materials	320,685	371,874
Supplies and spare parts	718,344	619,971
	5,311,069	3,806,050
Allowance for losses	(781,355)	(117,273)
	$ 4,529,714	$ 3,688,777

6. LONG-TERM INVESTMENTS

	1999		1998	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Shares of stock				
Equity method				
TSMC International Investment	$10,078,880	100	$11,096,090	100
Vanguard International Semiconductor	5,010,897	25	4,723,014	26
TSMC-ACER Semiconductor	3,630,193	32	-	-
TSMC - North America	255,025	100	178,294	100

(Forward)

TSMC – Europe	$ 25,956	100	$ 25,077	100
TSMC – Japan	10,168	100	9,287	100
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	360,177	32	-	-
Po Cherng Investment	103,017	25	100,657	25
Chi Hsin Investment	103,012	25	100,659	25
Kung Cherng Investment	102,773	25	100,680	25
Chi Cherng Investment	102,770	25	100,661	25
Hsin Ruey Investment	103,003	25	100,641	25
Cherng Huei Investment	103,005	25	100,643	25
TSMC Partners	9,968	100	9,653	100
	19,998,844		16,645,356	
Cost method				
Listed Stock - Taiwan Mask	32,129	2	32,129	2
Unlisted				
Taiwan – ACER Semiconductor - preferred stocks	4,854,742	28	-	-
Taiwan Semiconductor Technology	500,000	19	500,000	19
Lian Ya	146,250	11	146,250	11
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	80,000	10	40,000	10
	5,768,121		873,379	
Fund				
Crimson Asia Capital	34,534	-	19,030	-
Horizon Ventures Fund	31,744	-	-	-
	66,278		19,030	
Stock paid in advance				
TSMC International Investment	2,375,400	-	-	-
	$28,208,643		$17,537,765	

Net investment loss recognized by equity method in 1999 and 1998 were as follows:

	1999	1998
TSMC International Investment	($ 1,007,218)	($ 1,356,890)
Vanguard International Semiconductor	(527,823)	(1,400,026)
Others	343,150	49,746
	($ 1,191,891)	($ 2,707,170)

The carrying values of investments accounted for by equity method and the related investment income and loss for the years ended December 31, 1999 and 1998 were based on audited financial statements of the investees, except for TSMC – Japan.

Information on the investments is as follows:

	1999	1998
Market value of listed stocks	$19,753,642	$10,196,822
Equity in the net assets of unlisted stocks	20,177,278	12,718,756
Net asset value of fund	66,278	18,504

7. PROPERTIES

Accumulated depreciation consisted of the following:

	1999	1998
Buildings	$ 7,441,342	$ 5,475,083
Machinery and equipment	49,369,894	34,390,645
Office equipment	1,158,489	920,521
	$57,969,725	$40,786,249

Information on the manufacturing plant construction as of December 31, 1999 are as follows:

Manufacturing Plant	Estimated Cost	Accumulated Expenditures	Expected Date of Start of Operations
Sixth	$66,846,000	$40,238,232	March 2000
Seventh	9,711,000	266,063	June 2002
Twelfth	9,392,000	252,415	June 2002

Interest expense capitalized for the twelve months ended December 31, 1999 and 1998 were $305,312 and $661,414, respectively.

As of December 31, 1999, properties with an aggregate net book value of $4,488,327 are mortgaged as collateral for long-term bank loans (Note 8).

8. LONG-TERM BANK LOANS

	1998
N.T. dollar loans	
Bank acceptance - 6.95%interest; repayable by December 1999 but was prepaid in January 1999	$ 299,449
Commercial paper – 7.00%-7.08% interest repayable by May 2003 but was prepaid in October 1999	2,393,489
	2,692,938
Current portion	(299,449)
	$2,393,489

Unused credit lines as of December 31, 1999 aggregate about $10,610,290.

9. LONG-TERM BONDS PAYABLE

	1999	1998
Foreign convertible bonds – US$350,000 thousands, non-interest bearing, repayable in July 2002	$11,322,500	$11,322,500
Accretion in redemption value of bonds	1,894,831	1,309,217
	13,217,331	12,631,717
Converted into common stocks	(12,914,338)	-
Redeemed before maturity	(302,993)	-
	-	12,631,717
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	6,000,000	6,000,000
Repayable in October 2002 and 2004, 5.67% and 5.95% annual interest payable annually, respectively	10,000,000	-
	$20,000,000	$22,631,717

The foreign convertible bonds can be converted into common stocks of the Company prior to its maturity at a price per share determined using an agreed formula. The Company may redeem the bonds prior to its maturity when certain conditions are met. As of December 31, 1999, $1,223,986 bonds with face value totaling to $1,223,986 were converted into 122,399 thousand shares of common stocks. The Company has redeemed the unconverted part prior to the maturity, on November 1999.

The holders of the bonds with an aggregate face value of $6,000,000 and the Company can exercise resale agreements or repurchase agreements, respectively, thirty days before the second and third anniversaries of the issuance date, which range from November 18 to December 1, 1998.

10. 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 provides that the following shall be appropriated from the annual net income (less any deficit):

a) 10% legal reserve;

b) Bonus to directors and supervisors and to employees equal to 1% and at least 1% of the remainder, respectively.

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 the Company's capital. Such reserve can only be used to offset a deficit; or, when it has reached 50% of the paid-in capital, up to 50% thereof can be transferred to capital.

Under the Integrated Income Tax System which became effective on January 1, 1998, non-corporate shareholders are allowed a tax credit for the income tax paid or payable by the Company on earnings generated in 1998 and onwards. 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.

11. 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 last six months prior to retirement.

The Company makes monthly contributions, equal to 2% of salaries, to a pension fund which 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:

	1999	1998
a. Components of pension cost		
Service cost	$ 248,378	$ 212,398
Interest cost	78,961	69,390
Projected return on plan assets	(22,317)	(16,992)
Amortization of prior period service cost	8,300	8,300
	$ 313,322	$ 273,096
b. Reconciliation of the fund status of the plan and accrued pension liabilities		
Benefit obligation		
Vested benefit obligation	$ -	$ 579
Nonvested benefit obligation	428,257	310,430
Accumulated benefit obligation	428,257	311,009
Additional benefits based on future salaries	975,345	817,006
Projected benefit obligation	1,403,602	1,128,015
Fair value of plan assets	(364,994)	(287,493)
Funded status	1,038,608	840,522
Unrecognized prior service cost	-	-
Unrecognized net transitional obligation	(174,291)	(182,591)
Unrecognized net gain	135,448	91,059
Additional liability	-	-
Accrued pension liabilities	$ 999,765	$ 748,990

Vested benefit	$ -	$ 677

c. Actuarial assumptions

Discount rated used in determining present values	6.5%	7.0%
Future salary increase rate	6.0%	6.5%
Expected rate of return plan on assets	6.5%	7.0%

d. Contributions to pension fund	$ 67,227	$ 51,055
e. Payments from pension fund	$ 3,591	$ -

12. INCOME TAX BENEFIT

1) A reconciliation of income tax current payable before tax credits is shown below:

	1999	1998
Income tax on pretax income at statutory rate (20%)	$ 4,821,973	$ 2,729,724
The tax effects of adjustments:		
Tax-exempt income	(3,434,802)	(1,413,371)
Temporary differences	221,129	(19,353)
Income tax current payable	$ 1,608,300	$ 1,297,000

2) Income tax benefit as of December 31, 1999 and 1998 consist of:

	1999	1998
Income tax current payable before tax credits	$ 1,608,300	$ 1,297,000
Tax credits	(1,587,000)	(751,492)
	21,300	545,508
Adjustment of prior years' taxes	(87,633)	230,000
Net change in deferred income tax for the year		
Investment tax credits	(1,798,325)	(2,590,089)
Temporary differences	111,139	119,000
Valuation allowance	1,303,500	-
	($ 450,019)	($ 1,695,581)

3) Deferred income tax assets and liabilities as of December 31, 1999 and 1998 consist of:

	1999	1998
Current:		
Investment tax credits	$ 2,329,000	$ 406,739

(Forward)

Noncurrent:		
Investment tax credits	$5,806,891	$5,930,827
Valuation allowance	(1,303,500)	-
Temporary differences	197,268	247,844
Depreciation	(427,407)	(366,844)
	$4,273,252	$5,811,827

4) Integrated income tax information:

	1999	1998
Ending balances of imputation Credit account	$ 1,497	$ 22,633

The expected and actual creditable ratio for 1999 and 1998 are 0.006% and 3.51%, respectively.

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 1999 may be adjusted according to the difference between the expected and actual imputation credit allowed under the regulation.

The unappropraited retained earnings as of December 31, 1999 and 1998 included the earnings prior to 1997 of $752,612 and $2,096,679, respectively.

The effective tax rates for deferred income tax in 1999 and 1998 are 5.9% and 9.5%.

Unused investment tax credits arising from investments in machinery and equipment, and research and development expenditures as of December 31, 1999 will expire as follows:

Year of Expiry	Amount
2000	$1,588,644
2001	3,250,623
2002	2,222,961
2003	1,073,663

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

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

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

13. RELATED PARTY TRANSACTIONS

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

a. Industrial Technology Research Institute (ITRI); its director is the Company's chairman

b. Philips Electronics N.V., a major shareholder

c. Subsidiaries

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

d. Vanguard International Semiconductor Corporation (VIS), an investee

e. TSMC–ACER Semiconductor Manufacturing Corporation (TASMC), an investee

f. Systems on Silicon Manufacturing Company Pte Ltd. (SSMC), an investee

g. WaferTech, LLC, an indirect investee of TSMC-BVI

h. TSMC Technology, an investee of TSMC-BVI.

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

	1999		1998	
	Amount	%	Amount	%
For the year				
Sales				
ITRI	$ 132,507	-	$ 173,375	-
Philips and its affiliates	2,864,149	4	3,422,090	7
VIS	48,473	-	65,301	-
TASMC	22,246	-	-	-
WaferTech	59,438	-	38,452	-
	$ 3,126,813	4	$ 3,699,218	7
Purchase				
WaferTech	$ 4,636,780	40	$ -	-
TASMC	808,926	7	-	-
VIS	381,989	3	-	-
	$ 5,827,695	50	$ -	-

(Forward)

Rental expense - ITRI	$ 161,488	54	$ 161,477	67
Manufacturing expenses				
Technical assistance fee – Philips	$ 862,398	100	$ 637,136	100
General and administrative expenses				
Consulting fee – VIS	$ 20,400	-	$ -	-
Marketing expenses				
TSMC – North America (commissions)	$ 692,927	38	$ 388,513	48
TSMC – North America (service charges)	99,087	5	78,448	10
TSMC – Europe (commissions)	87,414	5	25,975	3
TSMC – Japan (commissions)	81,951	4	51,665	6
	$ 961,379	52	$ 544,601	67
Sale of Property - WaferTech	$ 350,969	100	$ -	-
At end of year				
Receivable				
ITRI	$ 18,458	4	$ 30,668	13
Philips and its affiliates	133,245	28	162,750	69
TSMC – Japan	17,550	4	17,550	8
VIS	25,674	6	7,884	3
WaferTech	198,163	42	6,405	3
TSMC Technology	47,343	10	9,250	4
SSMC	5,353	1	-	-
TASMC	23,117	5	-	-
	$ 468,903	100	$ 234,507	100
Prepayments and other current assets				
Prepayment - Rental to ITRI	$ 42,541	2	$ 42,462	5
Payable				
Philips and its affiliates	$ 305,756	16	$ 155,086	43
TSMC – North America	125,637	6	60,746	17
TSMC – Europe	13,422	1	10,713	3
TSMC – Japan	13,189	1	9,603	3
VIS	184,741	10	-	-
WaferTech	730,483	38	122,949	34
TSMC Technology	3,832	-	-	-
TASMC	539,466	28	-	-
	$ 1,916,526	100	$ 359,097	100

Sales to related parties are based on normal selling prices and collection terms.

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

14. LONG-TERM OPERATING LEASES

The Company leases the land, building and certain machinery and equipment of its first manufacturing plant from ITRI under agreements which will expire in March 2002, at annual rentals and other charges aggregating $170,166. The agreements are renewable upon expiration.

The Company leases the land sites of its second through tenth manufacturing plants from the Science-Based Industrial Park Administration under agreements which will expire on various dates from March 2008 to April 2018 with annual rentals aggregating $42,149. The agreements are also renewable upon expiration.

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

Year	Amount
2000	$ 212,315
2001	212,315
2002	84,690
2003	42,149
2004	42,149
2005-2018	313,250
	$ 906,868

15. COMMITMENTS AS OF DECEMBER 31, 1999

a. 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 of certain products, less specified deductions. The agreement shall remain in force up to July 9, 2007 and thereafter automatically renewed for successive periods of three years. Under the amended agreement, the fee is subject to reduction by the amounts the Company pays to any third party for settling any licensing/ infringement issue after the first five-year periods of the amended agreement, provided that the fee after reduction will not be below a certain percentage of the net selling price.

b. Subject to certain equity ownership and notification requirements, Philips and its affiliates can avail each year up to 30% of the Company's production capacity.

c. 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, 1998. As of December 31, 1995, the Company has paid the entire license fee.

d. 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.

e. 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 selling price of the products less certain variable costs. Later, TSMC Development, Inc. transferred its rights under the agreement to WaferTech, LLC.

f. Under a purchase agreement with three customers, the Company shall supply them with, and the three customers shall buy, a certain portion of wafers produced by WaferTech, LLC. If the Company or any of the customers is unable or unwilling to supply or buy the minimum purchase allocation, the defaulting party shall compensate the other party at the selling price of the products, less certain variable costs.

g. 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$164,765 thousand had been received as of December 31, 1999.

h. On February 27, 1998, the Tax Bureau assessed the Company additional income taxes of about $105,000 and $125,000 for 1994 and 1995, respectively, arising from contention by the Bureau that the Company's first manufacturing plant was not a science-based industry under the Science-Based Industrial Park Regulations. The Company is contesting the assessment, but has already accrued the amount of tax assessment. The additional income tax for 1994 has been reassessed to be $21,887.

i. Under a Shareholders Agreement entered into by Philips and EDB Investments Pte Ltd. dated March 30, 1999, the parties agreed to: (a) form a joint venture company to be called Systems on Silicon Manufacturing Company Pte Ltd. (SSMC) for the purpose of building an integrated circuit foundry in Singapore, (b) set SSMC's total authorized capital at about S$1.2 billion (about NT$22,800,000), 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 is unable or unwilling to buy the committed purchase allocation and the capacity utilization of SSMC falls below a certain percentage of total available capacity, such party shall compensate SSMC for all related unavoidable costs.

j. Under a Technical Cooperation Agreement with SSMC signed on May 12, 1999, SSMC shall pay TSMC remuneration for the technology service provided by SSMC at a certain percentage of net selling prices of its products. The agreement shall remain in force for ten years, and thereafter automatically continue for successive periods of five years unless and until terminated by either party under certain conditions.

k. The Company provides collateral for loans of US$68,000 thousand obtained by TSMC Development, Inc.

l. Under a Technical Cooperation Agreement with TSMC-Acer Semiconductor Manufacturing Corporation ("TASMC") signed on July 21, 1999, TASMC shall pay TSMC remuneration by way of giving discount to the selling price of products sold to TSMC. The agreement shall remain in force for 10 years, unless and until terminated by either party under certain conditions prior to its expiration, the parties shall meet 6 months prior to the expiration date to decide whether the Agreement shall be renewed.

m. Unused credit lines as of December 31, 1999 are approximately $138,738.

16. OTHER SIGNIFICANT EVENTS

TSMC has two merger agreements signed on December 30, 1999 and January 7, 2000, with TASMC and WSMC, respectively. TSMC will acquire and merge TASMC and WSMC. TSMC shall be the surviving company, and TASMC and WSMC shall be dissolved after the merger. The consolidation date is tentatively scheduled for June 30, 2000. The agreed exchange ratio is five shares of TASMC to one share of TSMC, (The exchange ratio will be adjusted again based on the same proportion of TSMC's stock dividends once such dividends are declared by the consolidation date.), and two shares of WSMC to one share of TSMC. The Agreement shall be further granted approval by the shareholders from both companies and the governing regulator. The capital of TSMC will be expected to increase 1,488,684 thousand shares of common stock (such number will be adjusted after declaration of TSMC's 1999 stock dividend.)

17. FINANCIAL INSTRUMENTS

The Company entered into derivative financial instrument transactions for the twelve months ended December 31, 1999 and 1998 to hedge foreign-currency denominated receivables or payables, and interest rate fluctuations. The strategy is to hedge most of the market price risks. Certain information on these contracts is as follows:

a. Outstanding forward exchange contracts as of December 31, 1999 and 1998:

	Currency	Contract Amount (Thousands)	Fair Value (Thousands)	Maturity	Maturity Amount
1999					
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
1998					
Buy	US$	US$110,000	NTD 3,574,885	Jan. 1999	NTD 3,580,421
Sell	US$	US$ 40,000	NTD 1,296,959	Jan. to Feb. 1999	NTD 1,262,120

Receivables and payables from forward exchange contracts (shown in the balance sheets as part of "Other current assets" or "Other current liabilities" accounts) as of December 31, 1999 aggregate about $19,144 and $102,784, respectively; and receivables (shown in the balance sheets as part of "Other current assets" account) as of December 31, 1998 aggregate about $21,572.

Net exchange gains for the years ended December 31, 1999 and 1998 were $105,859 and $336,807, respectively.

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

	Thousands	
	1999	1998
Accounts receivable	US$ 375,749	US$ 206,926
Accounts payable and other payable - construction and equipment	151,392	66,397
Guarantee deposits	764,765	189,058

b. Interest rate swaps

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

Contract Date	Period	Amount
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 expense on these loans for the twelve months ended December 31, 1999 and 1998 were $112,213 and $13,367, respectively.

c. Option

The Company has entered into foreign currency option contracts to hedge risks of exchange rate fluctuations arising from its anticipated U.S. dollar cash receipts from its export sales or Japanese Yen obligations related to its importation of materials and machinery and equipment.

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

Contract	Currency	Contract Amount (Thousands)	Carrying Value	Fair Value	Strike Price	Maturity
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

The Company has no outstanding option contracts as of December 31, 1998.

For the twelve months ended December 31, 1999 and 1998, the Company realized premium income of $63,809 and $8,280, respectively, on foreign currency put options bought and incurred losses of $86,746 on foreign currency call options written for 1999.

d. Transaction risk

1) Credit risk: the banks with which the Company has entered into the above contracts are reputable and, therefore, the Company is not expected to be exposed to significant credit risks.

2) Market price risk: All derivative financial instruments are for hedging receivables or payables denominated in foreign currencies and interest rate fluctuations. Gains or losses from forward exchange contracts are likely to be offset by gains or losses realized from the settlement of the related receivables and payables. Interest rate risks are also controlled as the expected cost of capital is fixed. Thus, market price risks from exchange rate and interest rate fluctuations are minimal.

3) Liquidity and cash flow: The purpose of forward exchange contracts is to limit the Company‘s exposure to loss resulting from adverse fluctuations in assets and liabilities denominated in foreign currency. Interest rate swap transactions result in adjustments for interest only. Therefore, no significant extra cash requirement is expected.

e. Fair value of financial instruments

	1999		1998	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-derivative financial instruments				
Assets				
Cash and cash equivalents	$ 16,650,017	$ 16,650,017	$ 8,292,152	$ 8,292,152
Short-term investments	236,250	241,850	5,661,327	5,691,566
Receivable from related parties	468,903	468,903	234,507	234,507
Accounts and notes receivable	13,544,387	13,544,387	7,971,123	7,971,123
Long-term investments	28,208,643	39,997,198	17,537,765	22,934,082
Refundable deposits	16,346	16,346	21,918	21,918
Liabilities				
Payable to related parties	1,916,526	1,916,526	359,097	359,097
Accounts payable	2,525,086	2,525,086	2,047,871	2,047,871
Other payable - construction and equipment	6,958,098	6,958,098	3,181,099	3,181,099
Long-term bank loans	-	-	2,692,938	2,692,938
Long-term bonds payable	20,000,000	20,013,774	22,631,717	21,948,204
Guarantee deposits	5,185,362	5,185,362	6,123,825	6,123,825
Derivative financial instruments				
Forward exchange contracts (buy)	784,875	760,906	3,590,850	3,574,885
Forward exchange contracts (sell)	3,998,698	3,998,108	1,294,000	1,296,959
Interest rate swaps	7,488	7,488	7,423	7,423
Option	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 -- carrying values.

5) Long-term bank loans are forecasted using cash flows discounted at present value, using discount rates which are interest rates of similar long-term liabilities. Long-term bonds payable are discounted at present values. 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.

7) Financial instruments or non-financial instruments are not necessarily all disclosed at fair values; accordingly, the sum of the fair values of the financial instruments listed above does not equal to the fair value of the company.

18. SEGMENT FINANCIAL INFORMATION

a. Export sales

Area	1999	1998
America	$38,084,870	$26,438,864
Asia	16,493,721	9,667,353
Europe	4,778,646	3,595,809
	$59,357,237	$39,702,026

The export sales information is presented by billed regions.

b. No single customer accounts for more than 10% of total sales.