



TSMC Board of Directors Meeting Resolutions

Hsinchu, Taiwan, R.O.C., August 2, 2016 – TSMC (NYSE: TSM) today held a meeting of the Board of Directors, which passed the following resolutions:

1. Approved capital appropriations of approximately US\$3,790.4 million for purposes including: 1) Expansion of advanced technology capacity; 2) Conversion of certain logic capacity to specialty technologies; 3) Fourth quarter 2016 R&D capital investments and sustaining capital expenditures.
2. To simplify investment structure, the board also approved TSMC's acquisition from VisEra Holding Company of 86.9% shareholding in VisEra Technologies Company Ltd. at the book value, and 6.9% shareholding in Xintec Inc. at the market price. As a result, VisEra Holding Company will be dissolved and merged into TSMC Partners, Ltd., which is 100% owned by TSMC. After the transaction, TSMC will own 86.9% of VisEra Technologies Company Ltd. and 41.3% of Xintec Inc. directly, which are the same as what TSMC has held directly and indirectly prior to this transaction.

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TSMC Spokesperson:

Ms. Lora Ho
Senior Vice President and CFO
Tel: 886-3-566-4602

TSMC Acting Spokesperson:

Dr. Elizabeth Sun
Senior Director
Corporate Communications
Division
Tel: 886-3-568-2085
Mobile: 886-988-937999
E-Mail: elizabeth_sun@tsmc.com