TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED
2016 ANNUAL SHAREHOLDERS' MEETING
MINUTES
(Translation)

Time and Date: 9:00 a.m., June 7, 2016

Place: TSMC's Headquarters at Fab 12A
(No. 8, Li-Hsin Road 6, Hsinchu Science Park, Hsinchu, Taiwan)

Total outstanding TSMC shares: 25,930,380,458 shares

Total shares represented by shareholders present in person or by proxy: 24,269,702,539 shares

Percentage of shares held by shareholders present in person or by proxy: 93.59%

Directors present: Morris Chang, FC Tseng, Stan Shih, Kok-Choo Chen

Chairman: Dr. Morris Chang, the Chairman of the Board of Directors

Recorder: Sylvia Fang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman's Address (omitted)

B. Resolution

It was proposed to approve revisions to the Articles of Incorporation (Proposed by the Board of Directors)

Explanatory Notes： (1) The R.O.C. Company Law was amended in May 2015. The amendments (i) remove employees' profit sharing bonus (treated as expenses) from the distribution of the company's earnings; and (ii) require a company to specify a fixed amount or ratio of annual profits as employees' profit sharing bonus in its Articles of Incorporation. Therefore, TSMC's Articles of Incorporation needs to be revised to comply with such amendments.

In addition, Article 19 of TSMC's Articles of Incorporation specifies that "The Corporation shall have seven to nine Directors". It was proposed to revise it to "The Corporation shall have seven to ten Directors".

(2) Please refer to Attachment I for details of the proposed amendments to TSMC's Articles of Incorporation.

Voting Results:
Shares represented at the time of voting: 24,268,864,591

Voting Results*		% of the total represented share present
Votes in favor:	20,918,331,412 votes (12,824,930,996 votes)	86.19%
Votes against:	149,441,321 votes (149,440,306 votes)	0.62%
Votes invalid:	none	0%
Votes abstained:	3,201,091,858 votes (3,179,896,050 votes)	13.19%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

C. Report Items

I. Reported the business of 2015 (see Attachment II)

II. Audit Committee's review report (see Attachment III)

III. Reported 2015 employees' profit sharing bonus and directors' compensation

Explanatory Notes： (1) The Board of Directors approved 2015 employees' profit sharing bonus and directors' compensation on February 2, 2016. The employees' profit sharing bonus and directors' compensation are to be distributed in cash.

(2) 2015 employees' total cash bonus and profit sharing bonus is NT$41,113,775,572, of which NT$20,556,887,786 has been distributed following each quarter of 2015 as cash bonus, and NT$20,556,887,786 will be distributed in July 2016 as profit sharing bonus.

(3) 2015 directors' compensation is NT$356,186,472.

IV. Reported TSMC's merger of two subsidiaries - TSMC Solar Ltd. and TSMC Guang Neng Investment, Ltd.

Explanatory Notes： (1) Since TSMC Solar Ltd. had ceased manufacturing operations in the third quarter of 2015 as part of its winding down, to simplify TSMC's corporate structure and reduce relevant operating cost, TSMC's Board of Directors approved to merge TSMC Solar Ltd., its 99% owned subsidiary, and TSMC Guang Neng Investment, Ltd., its wholly-owned subsidiary. A short-form merger was conducted pursuant to the R.O.C. Business Mergers and Acquisitions Act and the R.O.C Company Law, with TSMC being the surviving company. The record date of the merger was December 14, 2015.

(2) The merger has been approved by Hsinchu Science Park Bureau, Ministry of Science and Technology on January 15, 2016.

D. Resolutions

I. The 2015 Business Report and Financial Statements were submitted at the meeting for acceptance (Proposed by the Board of Directors)

Explanatory Notes： (1) TSMC's 2015 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Ms. Yi-Hsin Kao and Mr. Hung-Wen Huang, of Deloitte & Touche.

(2) 2015 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements were attached hereto as Attachments II, IV and V.

Voting Results:
Shares represented at the time of voting: 24,269,648,379

Voting Results*		% of the total represented share present
Votes in favor:	21,054,116,962 votes (12,960,677,989 votes)	86.75%
Votes against:	867,651 votes (867,651 votes)	0.00%
Votes invalid:	1,000 votes	0.00%
Votes abstained:	3,214,662,766 votes (3,192,721,712 votes)	13.25%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the 2015 Business Report and Financial Statements be and hereby were accepted as submitted.

II. A proposal to approve the distribution of 2015 earnings was submitted at the meeting for discussion and approval (Proposed by the Board of Directors)

Explanatory Notes： (1) The proposed earnings distribution was allocated from Earnings in 2015 Available for Distribution. Each common share holder would be entitled to receive a cash dividend of NT$6 per share (based on the total outstanding shares as of December 31, 2015).

(2) Should the total amount of TSMC's common shares outstanding change for any reason, the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly. It was proposed that the Chairman of Board of Directors of TSMC be authorized to adjust the cash dividend to be distributed to each common share based

on the total amount of earnings resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

(3) The 2015 Earnings Distribution Proposal was attached hereto as Attachment VI.

Voting Results:
Shares represented at the time of voting: 24,269,648,379

Voting Results*		% of the total represented share present
Votes in favor:	21,127,169,502 votes (13,033,722,448 votes)	87.05%
Votes against:	69,556 votes (69,556 votes)	0.00%
Votes invalid:	1,000 votes	0.00%
Votes abstained:	3,142,408,321 votes (3,120,475,348 votes)	12.95%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

E. Special Motion

(Questions raised by the shareholders and the management's responses were omitted)

There being no other business and special motion, upon a motion duly made and seconded, the meeting was adjourned.

Morris Chang
Chairman of the Board of Directors

Sylvia Fang
Recorder

Amendments to the Articles of Incorporation
Mark-up and Clean Revisions

Mark-up Version	Clean Version
Article 19 The Corporation shall have seven to ~~nine~~ten Directors. The Board of Directors is authorized to determine the number of Directors. The aforesaid Board of Directors must have at least three independent directors.	**Article 19** The Corporation shall have seven to ten Directors. The Board of Directors is authorized to determine the number of Directors. The aforesaid Board of Directors must have at least three independent directors.
Article 33 This Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings for each fiscal year, the Corporation shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge~~; and then~~. Before paying dividends or bonuses to shareholders, this Corporation shall set aside not more than 0.3% of ~~the balance~~its annual profits as compensation to its directors and not less than 1% as profit sharing bonuses to its employees; provided, however, that this Corporation shall have reserved a sufficient amount to offset its accumulated losses. Directors' compensation is governed by the rules set by the Board of Directors; directors who also serve as executive officers of this Corporation are not entitled to receive compensation to directors. Employees' profit sharing bonuses are resolved by a	**Article 33** This Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings for each fiscal year, the Corporation shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Before paying dividends or bonuses to shareholders, this Corporation shall set aside not more than 0.3% of its annual profits as compensation to its directors and not less than 1% as profit sharing bonuses to its employees; provided, however, that this Corporation shall have reserved a sufficient amount to offset its accumulated losses. Directors' compensation is governed by the rules set by the Board of Directors; directors who also serve as executive officers of this Corporation are not entitled to receive compensation to directors. Employees' profit sharing bonuses are resolved by a majority vote at

Mark-up Version	Clean Version
majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting. This Corporation may issue ~~stock~~ profit sharing bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors or, by the person duly authorized by the Board of Directors. After this Corporation has set aside the capital reserves pursuant to the first Paragraph of this Article, ~~Any~~ the balance left over shall be allocated according to the following principles per resolution of the shareholders' meeting: Earnings may be distributed in total after taking into consideration financial, business and operational factors. Earnings of this Corporation may be distributed by way of cash dividend and/or stock dividend. Since this Corporation is in a capital-intensive industry at the steady growth stage of its business, distribution of earnings shall be made preferably by way of cash dividend. Distribution of earnings may also be made by way of stock dividend, provided however, the ratio for stock dividend shall not exceed 50% of total distribution. In case there are no earnings for distribution in a certain year, or the earnings of a certain year are far less than the earnings actually distributed by this Corporation in the previous year, or considering the financial, business or operational factors of this Corporation, this Corporation may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.	a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting. This Corporation may issue profit sharing bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors or, by the person duly authorized by the Board of Directors. After this Corporation has set aside the capital reserves pursuant to the first Paragraph of this Article, the balance left over shall be allocated according to the following principles per resolution of the shareholders' meeting: Earnings may be distributed in total after taking into consideration financial, business and operational factors. Earnings of this Corporation may be distributed by way of cash dividend and/or stock dividend. Since this Corporation is in a capital-intensive industry at the steady growth stage of its business, distribution of earnings shall be made preferably by way of cash dividend. Distribution of earnings may also be made by way of stock dividend, provided however, the ratio for stock dividend shall not exceed 50% of total distribution. In case there are no earnings for distribution in a certain year, or the earnings of a certain year are far less than the earnings actually distributed by this Corporation in the previous year, or considering the financial, business or operational factors of this Corporation, this Corporation may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

Mark-up Version	Clean Version
Article 36 These Articles of Incorporation are agreed to and signed on December 10, 1986 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on April 28, 1987, the second Amendment on November 27, 1989, the third Amendment on May 28, 1991, the fourth Amendment on May 18, 1993, the fifth Amendment on January 28, 1994, the sixth Amendment on May 12, 1995, the seventh Amendment on April 8, 1996, and the eighth Amendment on May 13, 1997, the ninth Amendment on May 12, 1998, the tenth Amendment on May 11, 1999, the eleventh Amendment on April 14, 2000, the twelfth Amendment on September 5, 2000, the thirteenth Amendment on May 15, 2001, the fourteenth Amendment on May 7, 2002, the fifteenth Amendment on June 3, 2003, the sixteenth Amendment on December 21, 2004, the seventeenth Amendment on May 10, 2005, the eighteenth Amendment on May 16, 2006, the nineteenth Amendment on May 7, 2007, the twentieth Amendment on June 15, 2010, ~~and~~ the twenty-first Amendment on June 12, 2012, and the twenty-second Amendment on June 7, 2016.	**Article 36** These Articles of Incorporation are agreed to and signed on December 10, 1986 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on April 28, 1987, the second Amendment on November 27, 1989, the third Amendment on May 28, 1991, the fourth Amendment on May 18, 1993, the fifth Amendment on January 28, 1994, the sixth Amendment on May 12, 1995, the seventh Amendment on April 8, 1996, and the eighth Amendment on May 13, 1997, the ninth Amendment on May 12, 1998, the tenth Amendment on May 11, 1999, the eleventh Amendment on April 14, 2000, the twelfth Amendment on September 5, 2000, the thirteenth Amendment on May 15, 2001, the fourteenth Amendment on May 7, 2002, the fifteenth Amendment on June 3, 2003, the sixteenth Amendment on December 21, 2004, the seventeenth Amendment on May 10, 2005, the eighteenth Amendment on May 16, 2006, the nineteenth Amendment on May 7, 2007, the twentieth Amendment on June 15, 2010, the twenty-first Amendment on June 12, 2012, and the twenty-second Amendment on June 7, 2016.

Business Report

2015 was a record-breaking year for TSMC, in which we achieved record revenue and profits and made important technology breakthroughs in the face of a challenging business environment for the semiconductor industry worldwide. In 2015, lingering issues of a weakening global economy, stronger US Dollar and financial market volatility dampened the overall demand for semiconductors and lengthened the inventory adjustment cycle, but TSMC continued to reap the benefits of the progress we made in technology and manufacturing. TSMC's leadership in technology, coupled with our ability to provide the right capacity for customers at the right time, was a major factor in our ability to outperform our semiconductor industry peers in 2015.

In addition to doubling the 20-nanometer business from the 2014 level, TSMC also saw successful introduction and record ramp-up speed for our industry-leading 16-nanometer FinFET process. The 16-nanometer and the 20-nanometer nodes together contributed 20 percent of our 2015 wafer revenue, up from 9 percent in 2014. In addition, we continued making good progress toward achieving the next major industry milestone, 10-nanometer capability and the development of 7-nanometer technology. With improvements in yield learning and device performance, we now anticipate to start customer 10-nanometer product tape-outs in first quarter of 2016.

Despite rising technological complexity and higher capital requirements, TSMC continues to follow the cadence and the economy of process technology advancement, known as "Moore's Law". Moore's Law has already put high-powered computing and globe-spanning communications into the pockets of ordinary people around the world and made ICs powerful and affordable that they can connect mundane objects around us into intelligent networks. TSMC is dedicated to continued investment in the R&D and advanced capacity necessary to not only benefit from the march of Moore's Law, but also to keep driving it forward.

Highlights of TSMC's accomplishments in 2015:

- Total wafer shipments increased 6.1 percent from 2014 to reach 8,763 thousand 12-inch equivalent wafers.
- Advanced technologies (28-nanometer and beyond) accounted for 48 percent of total wafer revenue, up from 42 percent in 2014.
- We deployed 228 process technologies, and manufactured 8,941 products for 470 customers.
- TSMC's market share in the total semiconductor foundry segment rose successively during the last six years and reached 55 percent in 2015.

2015 Financial Performance

Consolidated revenue totaled NT$843.50 billion, an increase of 10.6 percent over NT$762.81 billion in 2014. Net income was NT$306.57 billion and diluted earnings per share were NT$11.82. Both increased 16 percent from the 2014 level of NT$263.90 billion net income and NT$10.18 diluted EPS.

In US dollars, TSMC generated net income of US$9.67 billion on consolidated revenue of US$26.61 billion, compared with net income of US$8.71 billion on consolidated revenue of US$25.17 billion in 2014.

Gross profit margin was 48.7 percent compared with 49.5 percent in 2014, and operating profit margin was 37.9 percent compared with 38.8 percent a year earlier. Net profit margin was 36.3 percent, an increase of 1.7 percentage points from the prior year's 34.6 percent, aided by non-operating items, including NT$22.1 billion gain from disposal of ASML shares.

TSMC increased its cash dividend payment to NT$4.5 per share for 2014 profit distribution, up from NT$3 over the last eight years, to reflect rising free cash flow generation. We are confident in our ability to maintain a sustainable level of cash dividend to our shareholders going forward and will consider increasing the dividends if and when it is appropriate.

Technological Developments

Five years into volume production of 28-nanometer technology, TSMC continued to make innovations and introduced 28HPC and 28HPC+ to its industry-leading 28-nanometer technology platform in 2015. These latest additions enable smaller die size circuit designs with higher performance and lower power consumption. Because TSMC's 28-nanometer solutions are highly competitive in both technology and cost, we saw increasing number of customer product tape-outs in 2015 and believe we should be able to maintain our substantial (above 70 percent) market share in this significant node in the next few years.

Our 20nm process paved the way for the successful introduction and production ramp-up of our 16FF+ technology in 2015, with yield ramping ahead of plan. Customers have been active in engaging with TSMC and nearly 40 product tape-outs were scheduled before the end of 2015. Drawing on our experience in 16FF+, we completed the development of a highly competitive and cost-effective solution, 16 FFC, which incorporates optical shrink and process simplification for further die cost scaling and is directly transferrable from 16FF+. Volume ramp of 16FFC is expected to begin in 2016. Both 16FF+ and 16FFC are positioned to drive future growth with high volume applications across mobile, networking, CPU, FPGA, consumer and GPUs.

In 2015, we completed technology qualification for 10-nanometer and it is on track to meet the goal of production start-up in 2016. TSMC's 7-nanometer technology was in full development in 2015 and is on track for risk production in the first half of 2017. It shares more than 95 percent common tools with our 10-nanometer process and offers substantial density improvement and power reduction given the same chip performance. Our 5-nanometer node is undergoing definition with intensive advanced development efforts. Exploratory R&D work focusing on new transistors and technologies is on-going to establish a solid foundation to feed into future technology platforms.

Our advanced 3D IC packaging InFO technology that integrates 16-nanometer SoC and DRAM package for advanced mobile products was successfully qualified in 2015 and is expected to start volume production by mid-2016.

Meanwhile, we continued to expand TSMC's Open Innovation Platform® (OIP), which is the most comprehensive design ecosystem in the semiconductor industry. In 2015, more than 10,000 items were contained in our libraries and silicon IP portfolio, an 18 percent increase from 2014. More than 7,500 technology files and over 200 process design kits were available to customers via TSMC-Online which saw more than 100,000 customer downloads in 2015.

Corporate Developments

In January 2015, TSMC's board of directors approved the sale of TSMC Solid State Lighting to Epistar. Upon the closing of the sale, TSMC completely exited the LED industry.

In August 2015, TSMC announced that TSMC Solar would cease manufacturing operations by end of that month, as we believed that our solar business was no longer economically sustainable. All outstanding warranties to existing customers will be honored, and all Taiwan employees were extended employment offers at TSMC.

In December 2015, TSMC submitted an application to the Investment Commission of Taiwan's Ministry of Economic Affairs (MoEA) to build a wholly-owned 12-inch wafer manufacturing facility and to start a design service center in Nanjing, China. The purpose is to enhance our access to business opportunities in China market. Pending approval from the MoEA, the investment project will commence in 2016 with production targeted in second half of 2018.

Honors and Awards

TSMC received recognitions for achievements in innovation, business information disclosure, sustainability, investor relations and overall excellence in management from organizations including Barron's, FinanceAsia, Fortune Magazine, Institutional Investor, IR Magazine, GlobalViews Magazine, CommonWealth Magazine, RobecoSAM and the Taiwan Stock Exchange. The IEEE Spectrum Magazine gave TSMC the highest score in its 2015 Patent Power Scorecard in the semiconductor manufacturing sector. For the third consecutive year, TSMC was named Semiconductor and Semiconductor Equipment Industry Group Leader by the Dow Jones Sustainability Indices, reflecting our commitment to sustainability and corporate social responsibility.

Outlook

TSMC pioneered the dedicated foundry business model nearly 30 years ago by being committed to delivering technology leadership and manufacturing excellence with an unmatched focus on earning customers' trust. We forecast the recovery in the global economy will lead to growth for the semiconductor industry in 2016. More importantly, TSMC's firm dedication to our business model will allow us to outgrow considerably the semiconductor industry in both 2016 and beyond, just as we have consistently done throughout our history.

Despite product cycle ebbs and flows, semiconductors have been and will remain a basic and pervasive technology, defining how we live. Innovators have not stopped finding ways to create new applications and services that open up undiscovered opportunities. The rise of connected or "smart" devices in smart cars, drones, robots, virtual reality/augmented reality, artificial intelligence and wearables is creating a need for significant increases in processor speeds and capability. At TSMC, we are working with our customers to drive these emerging innovations to market over the coming years.

Being “everyone’s foundry” has been a key part of our core strategy, and we will continue to commit resources to technology development and capacity build for both the “Moore’s Law” and the “More than Moore” technologies. As we carry out our mission as the trusted technology and capacity provider for the global logic IC industry, we are well positioned to deliver strong returns to our shareholders for years to come.

Attachment III

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of Deloitte & Touche was retained to audit TSMC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan Semiconductor Manufacturing Company Limited. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Taiwan Semiconductor Manufacturing Company Limited

Chairman of the Audit Committee:

Sir Peter Leahy Bonfield

February 2, 2016

Independent Auditors' Report
(Consolidated Financial Statements)

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

We have audited the accompanying consolidated balance sheets of Taiwan Semiconductor Manufacturing Company Limited and subsidiaries as of December 31, 2015 and 2014 and January 1, 2014 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Taiwan Semiconductor Manufacturing Company Limited and subsidiaries as of December 31, 2015 and 2014 and January 1, 2014, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance translated by Accounting Research and Development Foundation endorsed by the Financial Supervisory Commission of the Republic of China with the effective dates.

We have also audited, in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China, the parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited as of and for the years ended December 31, 2015 and 2014 and January 1, 2014 on which we have issued an unqualified opinion.

Deloitte & Touche

February 2, 2016

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated 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 any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2015 (Note 3)		December 31, 2014 (Adjusted) (Note 3)		January 1, 2014 (Adjusted) (Note 3)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 562,688,930	34	$ 358,449,029	24	$ 242,695,447	19
Financial assets at fair value through profit or loss (Note 7)	6,026	-	192,045	-	90,353	-
Available-for-sale financial assets (Note 8)	14,299,361	1	73,797,476	5	760,793	-
Held-to-maturity financial assets (Note 9)	9,166,523	1	4,485,593	-	1,795,949	-
Hedging derivative financial assets (Note 10)	1,739	-	-	-	-	-
Notes and accounts receivable, net (Note 11)	85,059,675	5	114,734,743	8	71,649,926	6
Receivables from related parties (Note 37)	505,722	-	312,955	-	291,708	-
Other receivables from related parties (Note 37)	125,018	-	178,625	-	221,576	-
Inventories (Notes 5 and 12)	67,052,270	4	66,337,971	5	37,494,893	3
Noncurrent assets held for sale (Note 34)	-	-	944,208	-	-	-
Other financial assets (Note 38)	4,305,358	-	3,476,884	-	501,785	-
Other current assets (Note 17)	3,533,369	-	3,656,110	-	2,984,224	-
Total current assets	746,743,991	45	626,565,639	42	358,486,654	28
NONCURRENT ASSETS						
Available-for-sale financial assets (Note 8)	-	-	-	-	58,721,959	5
Held-to-maturity financial assets (Note 9)	6,910,873	-	-	-	-	-
Financial assets carried at cost (Notes 13 and 36)	3,990,882	-	1,800,542	-	2,145,591	-
Investments accounted for using equity method (Notes 5 and 14)	24,091,828	2	28,255,737	2	28,321,241	2
Property, plant and equipment (Notes 5 and 15)	853,470,392	52	818,198,801	55	792,665,913	63
Intangible assets (Notes 5, 16 and 33)	14,065,880	1	13,531,510	1	11,490,383	1
Deferred income tax assets (Notes 5 and 30)	6,384,974	-	5,138,782	-	7,145,004	1
Refundable deposits	430,802	-	356,069	-	2,519,031	-
Other noncurrent assets (Note 17)	1,428,676	-	1,202,006	-	1,469,577	-
Total noncurrent assets	910,774,307	55	868,483,447	58	904,478,699	72
TOTAL	$ 1,657,518,298	100	$ 1,495,049,086	100	$ 1,262,965,353	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 18)	$ 39,474,000	2	$ 36,158,520	2	$ 15,645,000	1
Financial liabilities at fair value through profit or loss (Note 7)	72,610	-	486,214	-	33,750	-
Hedging derivative financial liabilities (Note 10)	-	-	16,364,241	1	-	-
Accounts payable	18,575,286	1	21,878,934	2	14,670,260	1
Payables to related parties (Note 37)	1,149,988	-	1,491,490	-	1,688,456	-
Salary and bonus payable	11,702,042	1	10,573,922	1	8,330,956	1
Accrued profit sharing bonus to employees and compensation to directors and supervisors (Notes 23 and 32)	20,958,893	1	18,052,820	1	12,738,801	1
Payables to contractors and equipment suppliers	26,012,192	2	26,980,408	2	89,810,160	7
Income tax payable (Notes 5 and 30)	32,901,106	2	28,616,574	2	22,563,286	2
Provisions (Notes 5 and 19)	10,163,536	1	10,445,452	1	7,603,781	1
Liabilities directly associated with noncurrent assets held for sale (Note 34)	-	-	219,043	-	-	-
Long-term liabilities - current portion (Note 20)	23,517,612	1	-	-	-	-
Accrued expenses and other current liabilities (Note 22)	27,701,329	2	29,746,011	2	16,693,484	1
Total current liabilities	212,228,594	13	201,013,629	14	189,777,934	15
NONCURRENT LIABILITIES						
Hedging derivative financial liabilities (Note 10)	-	-	-	-	5,481,616	-
Bonds payable (Note 20)	191,965,082	12	213,673,818	14	210,767,625	17
Long-term bank loans	32,500	-	40,000	-	40,000	-
Deferred income tax liabilities (Notes 5 and 30)	31,271	-	199,750	-	-	-
Obligations under finance leases	-	-	802,108	-	776,230	-
Net defined benefit liability (Notes 5 and 21)	7,448,026	-	6,567,782	-	6,801,663	1
Guarantee deposits (Note 22)	21,564,801	1	25,538,475	2	151,660	-
Others (Note 19)	1,613,545	-	885,192	-	694,901	-
Total noncurrent liabilities	222,655,225	13	247,707,125	16	224,713,695	18
Total liabilities	434,883,819	26	448,720,754	30	414,491,629	33
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock (Note 23)	259,303,805	16	259,296,624	17	259,286,171	21
Capital surplus (Note 23)	56,300,215	3	55,989,922	4	55,858,626	4
Retained earnings (Note 23)						
Appropriated as legal capital reserve	177,640,561	11	151,250,682	10	132,436,003	11
Appropriated as special capital reserve	-	-	-	-	2,785,741	-
Unappropriated earnings	716,653,025	43	553,914,592	37	383,670,168	30
	894,293,586	54	705,165,274	47	518,891,912	41
Others (Note 23)	11,774,113	1	25,749,291	2	14,170,306	1
Equity attributable to shareholders of the parent	1,221,671,719	74	1,046,201,111	70	848,207,015	67
NONCONTROLLING INTERESTS (Note 23)	962,760	-	127,221	-	266,709	-
Total equity	1,222,634,479	74	1,046,328,332	70	848,473,724	67
TOTAL	$ 1,657,518,298	100	$ 1,495,049,086	100	$ 1,262,965,353	100

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015 (Note 3)		2014 (Adjusted) (Note 3)	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Notes 5, 25, 37 and 42)	$ 843,497,368	100	$ 762,806,465	100
COST OF REVENUE (Notes 5, 12, 32 and 37)	433,117,601	51	385,113,005	50
GROSS PROFIT BEFORE REALIZED GROSS PROFIT ON SALES TO ASSOCIATES	410,379,767	49	377,693,460	50
REALIZED GROSS PROFIT ON SALES TO ASSOCIATES	15,126	-	28,556	-
GROSS PROFIT	410,394,893	49	377,722,016	50
OPERATING EXPENSES (Notes 5, 32 and 37)				
Research and development	65,544,579	8	56,828,815	8
General and administrative	17,257,237	2	18,933,335	2
Marketing	5,664,684	1	5,087,420	1
Total operating expenses	88,466,500	11	80,849,570	11
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 15, 16, 26 and 32)	(1,880,618)	-	(1,002,137)	-
INCOME FROM OPERATIONS (Note 42)	320,047,775	38	295,870,309	39
NON-OPERATING INCOME AND EXPENSES				
Share of profits of associates and joint venture (Notes 14 and 42)	4,132,128	-	3,950,469	1
Other income (Note 27)	4,750,829	1	3,380,407	-
Foreign exchange gain, net (Note 41)	2,481,446	-	2,111,310	-
Finance costs (Note 28)	(3,190,331)	-	(3,236,345)	-
Other gains and losses (Note 29)	22,207,064	3	2,207	-
Total non-operating income and expenses	30,381,136	4	6,208,048	1
INCOME BEFORE INCOME TAX	350,428,911	42	302,078,357	40
INCOME TAX EXPENSE (Notes 5, 30 and 42)	43,872,744	6	38,314,399	5
NET INCOME	306,556,167	36	263,763,958	35
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 30)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	(827,703)	-	258,482	-
Share of other comprehensive loss of associate and joint venture	(2,546)	-	(15,664)	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	99,326	-	(31,952)	-
	(730,923)	-	210,866	-

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015 (Note 3) Amount	%	2014 (Adjusted) (Note 3) Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	$ 6,604,768	1	$ 11,771,129	1
Changes in fair value of available-for-sale financial assets	(20,489,015)	(2)	(36,559)	-
Share of other comprehensive loss of associates and joint venture	(83,021)	-	(135,284)	-
Income tax expense related to items that may be reclassified subsequently	(15,991)	-	(5,131)	-
	(13,983,259)	(1)	11,594,155	1
Other comprehensive income (loss) for the year, net of income tax	(14,714,182)	(1)	11,805,021	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 291,841,985	35	$ 275,568,979	36
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	$ 306,573,837	36	$ 263,881,771	35
Noncontrolling interests	(17,670)	-	(117,813)	-
	$ 306,556,167	36	$ 263,763,958	35
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	$ 291,867,757	35	$ 275,670,991	36
Noncontrolling interests	(25,772)	-	(102,012)	-
	$ 291,841,985	35	$ 275,568,979	36

	2015 Income Attributable to Shareholders of the Parent	2014 Income Attributable to Shareholders of the Parent
EARNINGS PER SHARE (NT$, Note 31)		
Basic earnings per share	$ 11.82	$ 10.18
Diluted earnings per share	$ 11.82	$ 10.18

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Shareholders of the Parent												Noncontrolling Interests	Total Equity
	Capital Stock - Common Stock			Retained Earnings				Others						
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain/Loss from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total	Total		
BALANCE, JANUARY 1, 2014	25,928,617	$ 259,286,171	$ 55,858,626	$ 132,436,003	$ 2,785,741	$ 382,971,408	$ 518,193,152	$ (7,140,362)	$ 21,310,781	$ (113)	$ 14,170,306	$ 847,508,255	$ 266,830	$ 847,775,085
Effect of retrospective application	-	-	-	-	-	698,760	698,760	-	-	-	-	698,760	(121)	698,639
ADJUSTED BALANCE, JANUARY 1, 2014	25,928,617	259,286,171	55,858,626	132,436,003	2,785,741	383,670,168	518,891,912	(7,140,362)	21,310,781	(113)	14,170,306	848,207,015	266,709	848,473,724
Appropriations of prior year's earnings														
Legal capital reserve	-	-	-	18,814,679	-	(18,814,679)	-	-	-	-	-	-	-	-
Reversal of special capital reserve	-	-	-	-	(2,785,741)	2,785,741	-	-	-	-	-	-	-	-
Cash dividends to shareholders - NT$3.0 per share	-	-	-	-	-	(77,785,851)	(77,785,851)	-	-	-	-	(77,785,851)	-	(77,785,851)
Total	-	-	-	18,814,679	(2,785,741)	(93,814,789)	(77,785,851)	-	-	-	-	(77,785,851)	-	(77,785,851)
Net income in 2014	-	-	-	-	-	263,881,771	263,881,771	-	-	-	-	263,881,771	(117,813)	263,763,958
Other comprehensive income in 2014, net of income tax	-	-	-	-	-	210,235	210,235	11,642,475	(63,298)	(192)	11,578,985	11,789,220	15,801	11,805,021
Total comprehensive income in 2014	-	-	-	-	-	264,092,006	264,092,006	11,642,475	(63,298)	(192)	11,578,985	275,670,991	(102,012)	275,568,979
Issuance of stock from exercise of employee stock options	1,045	10,453	36,602	-	-	-	-	-	-	-	-	47,055	-	47,055
Disposal of investments accounted for using equity method	-	-	(2,273)	-	-	-	-	-	-	-	-	(2,273)	-	(2,273)
Adjustments to share of changes in equities of associates and joint venture	-	-	93,459	-	-	-	-	-	-	-	-	93,459	(26)	93,433
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	-	-	(8)	-	-	(32,793)	(32,793)	-	-	-	-	(32,801)	32,801	-
From share of changes in equities of subsidiaries	-	-	3,516	-	-	-	-	-	-	-	-	3,516	(3,516)	-
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	(66,735)	(66,735)
ADJUSTED BALANCE, DECEMBER 31, 2014	25,929,662	259,296,624	55,989,922	151,250,682	-	553,914,592	705,165,274	4,502,113	21,247,483	(305)	25,749,291	1,046,201,111	127,221	1,046,328,332
Appropriations of prior year's earnings														
Legal capital reserve	-	-	-	26,389,879	-	(26,389,879)	-	-	-	-	-	-	-	-
Cash dividends to shareholders - NT$4.5 per share	-	-	-	-	-	(116,683,481)	(116,683,481)	-	-	-	-	(116,683,481)	-	(116,683,481)
Total	-	-	-	26,389,879	-	(143,073,360)	(116,683,481)	-	-	-	-	(116,683,481)	-	(116,683,481)
Net income in 2015	-	-	-	-	-	306,573,837	306,573,837	-	-	-	-	306,573,837	(17,670)	306,556,167
Other comprehensive income in 2015, net of income tax	-	-	-	-	-	(730,902)	(730,902)	6,537,836	(20,512,712)	(302)	(13,975,178)	(14,706,080)	(8,102)	(14,714,182)
Total comprehensive income in 2015	-	-	-	-	-	305,842,935	305,842,935	6,537,836	(20,512,712)	(302)	(13,975,178)	291,867,757	(25,772)	291,841,985
Issuance of stock from exercise of employee stock options	718	7,181	130,974	-	-	-	-	-	-	-	-	138,155	-	138,155
Disposal of investments accounted for using equity method	-	-	(47,850)	-	-	-	-	-	-	-	-	(47,850)	-	(47,850)
Adjustments to share of changes in equities of associates and joint venture	-	-	230,743	-	-	-	-	-	-	-	-	230,743	(4,230)	226,513
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	-	-	-	-	-	(31,142)	(31,142)	-	-	-	-	(31,142)	31,142	-
From share of changes in equities of subsidiaries	-	-	(3,574)	-	-	-	-	-	-	-	-	(3,574)	3,574	-
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	(50,218)	(50,218)
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	923,683	923,683
Effect of disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(42,640)	(42,640)
BALANCE, DECEMBER 31, 2015	25,930,380	$ 259,303,805	$ 56,300,215	$ 177,640,561	$ -	$ 716,653,025	$ 894,293,586	$ 11,039,949	$ 734,771	$ (607)	$ 11,774,113	$ 1,221,671,719	$ 962,760	$ 1,222,634,479

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 350,428,911	$ 302,078,357
Adjustments for:		
Depreciation expense	219,303,369	197,645,186
Amortization expense	3,202,200	2,606,349
Finance costs	3,190,331	3,236,345
Share of profits of associates and joint venture	(4,132,128)	(3,950,469)
Interest income	(4,129,316)	(2,730,674)
Gain on disposal of property, plant and equipment and intangible assets, net	(433,559)	(14,518)
Impairment loss of noncurrent assets held for sale	-	735,466
Impairment loss on property, plant and equipment	2,545,584	239,864
Impairment loss on intangible assets	58,514	-
Impairment loss on financial assets	154,721	211,477
Gain on disposal of available-for-sale financial assets, net	(22,070,736)	(280,956)
Gain on disposal of financial assets carried at cost, net	(87,193)	(81,449)
Gain on disposal of investments accounted for using equity method, net	(2,507,707)	(2,028,643)
Loss from liquidation of subsidiaries	138,243	90
Realized gross profit on sales to associates	(15,126)	(28,556)
Loss on foreign exchange, net	2,563,439	3,615,493
Dividend income	(621,513)	(649,733)
Income from receipt of equity securities in settlement of trade receivables	-	(1,211)
Loss from hedging instruments	134,112	10,577,714
Loss (gain) arising from changes in fair value of available-for-sale financial assets in hedge effective portion	305,619	(10,088,628)
Gain from lease agreement modification	(430,041)	-
Changes in operating assets and liabilities:		
Derivative financial instruments	(228,560)	342,853
Notes and accounts receivable, net	26,630,123	(43,090,068)
Receivables from related parties	(192,767)	(26,405)
Other receivables from related parties	53,607	(11,766)
Inventories	(655,249)	(28,871,597)
Other financial assets	720,301	(2,612,158)
Other current assets	263,384	(744,868)
Accounts payable	(2,693,358)	6,634,198
Payables to related parties	(369,134)	(194,866)
Salary and bonus payable	945,030	2,281,117
Accrued profit sharing bonus to employees and compensation to directors and supervisors	2,860,250	5,314,019
Accrued expenses and other current liabilities	(3,778,322)	8,432,511

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
Provisions	$ (382,774)	$ 2,836,910
Net defined benefit liability	52,540	60,446
Cash generated from operations	570,822,795	451,441,830
Income taxes paid	(40,943,357)	(29,918,099)
Net cash generated by operating activities	529,879,438	421,523,731
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Available-for-sale financial assets	(13,392,330)	(91,909)
Held-to-maturity financial assets	(28,181,915)	(5,882,316)
Financial assets carried at cost	(2,586,169)	(23,151)
Property, plant and equipment	(257,516,835)	(288,540,028)
Intangible assets	(4,283,870)	(3,859,486)
Proceeds from disposal or redemption of:		
Available-for-sale financial assets	57,493,051	689,420
Held-to-maturity financial assets	16,800,000	3,200,000
Financial assets carried at cost	368,778	87,501
Financial assets for hedging	2,659	-
Investments accounted for using equity method	5,171,962	3,471,883
Property, plant and equipment	816,852	200,263
Costs from entering into hedging transactions	(495,348)	(520,856)
Interest received	3,641,920	2,578,663
Other dividends received	616,675	645,585
Dividends received from investments accounted for using equity method	3,407,126	3,223,090
Refundable deposits paid	(404,458)	(57,988)
Refundable deposits refunded	348,434	2,296,872
Decrease in receivables for temporary payments	398,185	-
Cash received from other long-term receivables	-	161,900
Net cash outflow from acquisition of subsidiary (Note 33)	(51,601)	-
Net cash inflow from disposal of subsidiary (Note 34)	601,047	-
Net cash used in investing activities	(217,245,837)	(282,420,557)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	3,138,680	18,563,525
Interest paid	(3,156,218)	(3,192,971)
Guarantee deposits received	754,873	30,142,823
Guarantee deposits refunded	(742,458)	(7,704)
Decrease in obligations under finance leases	(29,098)	(28,426)
Proceeds from exercise of employee stock options	33,891	47,055
Cash dividends	(116,683,481)	(77,785,851)
Decrease in noncontrolling interests	(50,218)	(66,735)
Net cash used in financing activities	(116,734,029)	(32,328,284)

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	$ 8,258,851	$ 9,060,170
NET INCREASE IN CASH AND CASH EQUIVALENTS	204,158,423	115,835,060
CASH AND CASH EQUIVALENTS INCLUDED IN NONCURRENT ASSETS HELD FOR SALE, BEGINNING OF YEAR	81,478	-
CASH AND CASH EQUIVALENT ON CONSOLIDATED BALANCE SHEET, BEGINNING OF YEAR	358,449,029	242,695,447
CASH AND CASH EQUIVALENTS, END OF YEAR	562,688,930	358,530,507
CASH AND CASH EQUIVALENTS INCLUDED IN NONCURRENT ASSETS HELD FOR SALE	-	(81,478)
CASH AND CASH EQUIVALENT ON CONSOLIDATED BALANCE SHEET	$ 562,688,930	$ 358,449,029

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

Attachment V

Independent Auditors' Report
(Parent Company Only Financial Statements)

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

We have audited the accompanying parent company only balance sheets of Taiwan Semiconductor Manufacturing Company Limited as of December 31, 2015 and 2014 and January 1, 2014 and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These parent company only 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 the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and 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 parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of Taiwan Semiconductor Manufacturing Company Limited as of December 31, 2015 and 2014 and January 1, 2014, 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 Reports by Securities Issuers.

The statements of major accounting items listed in the parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited as of and for the year ended December 31, 2015 are presented for the purpose of additional analysis. Such statements have been subjected to the auditing procedures applied in our audits of the financial statements mentioned above. In our opinion, such statements are consistent in all material respects in relation to the financial statements as a whole.

Deloitte & Touche

February 2, 2016

<u>*Notice to Readers*</u>

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 any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2015 (Note 3)		December 31, 2014 (Adjusted) (Note 3)		January 1, 2014 (Adjusted) (Note 3)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 264,493,583	16	$ 184,859,232	13	$ 146,438,768	12
Financial assets at fair value through profit or loss (Note 7)	6,026	-	134,824	-	64,030	-
Available-for-sale financial assets	706,924	-	612,860	-	646,402	-
Held-to-maturity financial assets (Note 8)	9,166,523	1	4,485,593	-	1,795,949	-
Notes and accounts receivable, net (Note 9)	25,636,123	2	22,806,184	2	17,445,877	2
Receivables from related parties (Note 31)	57,282,682	4	88,419,913	6	52,969,803	4
Other receivables from related parties (Note 31)	455,327	-	576,592	-	572,000	-
Inventories (Notes 5 and 10)	64,338,188	4	63,523,287	5	35,243,061	3
Noncurrent assets held for sale (Note 11)	-	-	669,472	-	-	-
Other financial assets (Note 32)	1,766,573	-	2,069,874	-	61,842	-
Other current assets (Note 14)	3,061,131	-	2,791,666	-	2,386,031	-
Total current assets	426,913,080	27	370,949,497	26	257,623,763	21
NONCURRENT ASSETS						
Held-to-maturity financial assets (Note 8)	1,621,424	-	-	-	-	-
Financial assets carried at cost	343,721	-	373,158	-	469,378	-
Investments accounted for using equity method (Notes 5 and 11)	324,365,592	20	242,022,438	17	165,082,697	14
Property, plant and equipment (Notes 5 and 12)	831,784,912	52	796,684,361	56	770,443,494	64
Intangible assets (Notes 5 and 13)	9,391,418	1	8,996,810	1	7,069,456	1
Deferred income tax assets (Notes 5 and 26)	4,506,675	-	3,209,679	-	4,486,126	-
Refundable deposits	398,693	-	340,010	-	2,496,663	-
Other noncurrent assets (Note 14)	360,000	-	385,700	-	820,000	-
Total noncurrent assets	1,172,772,435	73	1,052,012,156	74	950,867,814	79
TOTAL	$ 1,599,685,515	100	$ 1,422,961,653	100	$ 1,208,491,577	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 15)	$ 39,474,000	2	$ 36,158,520	2	$ 15,645,000	1
Financial liabilities at fair value through profit or loss (Note 7)	45,254	-	477,268	-	25,404	-
Accounts payable	16,702,970	1	19,310,737	1	13,628,675	1
Payables to related parties (Note 31)	3,759,631	-	4,756,426	-	4,183,979	-
Salary and bonus payable	9,603,908	1	8,983,879	1	6,834,181	1
Accrued profit sharing bonus to employees and compensation to directors (Notes 20 and 28)	20,913,074	1	18,052,820	1	12,738,801	1
Payables to contractors and equipment suppliers	25,346,206	2	25,911,719	2	89,555,814	8
Income tax payable (Note 26)	32,975,435	2	28,616,392	2	22,567,331	2
Provisions (Notes 5 and 16)	9,011,863	1	9,959,817	1	7,217,331	1
Long-term liabilities - current portion (Note 17)	12,000,000	1	-	-	-	-
Accrued expenses and other current liabilities (Note 19)	24,466,937	2	26,033,514	2	14,799,228	1
Total current liabilities	194,299,278	13	178,261,092	12	187,195,744	16
NONCURRENT LIABILITIES						
Bonds payable (Note 17)	154,200,000	10	166,200,000	12	166,200,000	14
Deferred income tax liabilities (Note 26)	31,271	-	199,750	-	-	-
Net defined benefit liability (Notes 5 and 18)	7,448,026	-	6,546,849	-	6,704,854	-
Guarantee deposits (Note 19)	21,554,374	1	25,534,851	2	147,964	-
Others (Note 16)	480,847	-	18,000	-	36,000	-
Total noncurrent liabilities	183,714,518	11	198,499,450	14	173,088,818	14
Total liabilities	378,013,796	24	376,760,542	26	360,284,562	30
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock (Note 20)	259,303,805	16	259,296,624	18	259,286,171	21
Capital surplus (Note 20)	56,300,215	3	55,989,922	4	55,858,626	5
Retained earnings (Note 20)						
Appropriated as legal capital reserve	177,640,561	11	151,250,682	11	132,436,003	11
Appropriated as special capital reserve	-	-	-	-	2,785,741	-
Unappropriated earnings	716,653,025	45	553,914,592	39	383,670,168	32
	894,293,586	56	705,165,274	50	518,891,912	43
Others (Note 20)	11,774,113	1	25,749,291	2	14,170,306	1
Total equity	1,221,671,719	76	1,046,201,111	74	848,207,015	70
TOTAL	$ 1,599,685,515	100	$ 1,422,961,653	100	$ 1,208,491,577	100

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

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015 (Note 3)		2014 (Adjusted) (Note 3)	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Notes 5, 22 and 31)	$ 837,046,888	100	$ 757,152,389	100
COST OF REVENUE (Notes 10, 28 and 31)	439,356,165	52	390,284,816	52
GROSS PROFIT BEFORE REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES AND ASSOCIATES	397,690,723	48	366,867,573	48
REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES AND ASSOCIATES	18,117	-	31,547	-
GROSS PROFIT	397,708,840	48	366,899,120	48
OPERATING EXPENSES (Notes 5, 28 and 31)				
Research and development	64,831,860	8	55,818,708	7
General and administrative	16,138,095	2	17,763,094	2
Marketing	2,983,080	-	2,686,065	-
Total operating expenses	83,953,035	10	76,267,867	9
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 12 and 28)	(347,107)	-	9,049	-
INCOME FROM OPERATIONS	313,408,698	38	290,640,302	39
NON-OPERATING INCOME AND EXPENSES				
Share of profits of subsidiaries and associates (Note 11)	33,694,186	4	9,292,160	1
Other income (Note 23)	1,839,862	-	1,141,884	-
Foreign exchange gain, net (Note 35)	2,698,396	-	2,142,565	-
Finance costs (Note 24)	(2,440,459)	-	(2,512,231)	-
Other gains and losses (Note 25)	787,985	-	299,137	-
Total non-operating income and expenses	36,579,970	4	10,363,515	1
INCOME BEFORE INCOME TAX	349,988,668	42	301,003,817	40
INCOME TAX EXPENSE (Notes 5 and 26)	43,414,831	5	37,122,046	5
NET INCOME	306,573,837	37	263,881,771	35

(Continued)

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015 (Note 3)		2014 (Adjusted) (Note 3)	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 11, 18, 20 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	$ (827,703)	-	$ 237,233	-
Share of other comprehensive income (loss) of subsidiaries and associates	(2,523)	-	1,470	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	99,324	-	(28,468)	-
	(730,902)	-	210,235	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	6,525,608	1	11,784,245	1
Changes in fair value of available-for-sale financial assets	94,064	-	30,183	-
Share of other comprehensive loss of subsidiaries and associates	(20,578,859)	(3)	(230,312)	-
Income tax expense related to items that may be reclassified subsequently	(15,991)	-	(5,131)	-
	(13,975,178)	(2)	11,578,985	1
Other comprehensive income (loss) for the year, net of income tax	(14,706,080)	(2)	11,789,220	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 291,867,757	35	$ 275,670,991	36
EARNINGS PER SHARE (NT$, Note 27)				
Basic earnings per share	$ 11.82		$ 10.18	
Diluted earnings per share	$ 11.82		$ 10.18	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock - Common Stock			Retained Earnings				Others				
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain/Loss from Available-for-sale Financial Assets	Cash Flow Hedges Reserve	Total	Total Equity
BALANCE, JANUARY 1, 2014	25,928,617	$ 259,286,171	$ 55,858,626	$ 132,436,003	$ 2,785,741	$ 382,971,408	$ 518,193,152	$ (7,140,362)	$ 21,310,781	$ (113)	$ 14,170,306	$ 847,508,255
Effect of retrospective application	-	-	-	-	-	698,760	698,760	-	-	-	-	698,760
ADJUSTED BALANCE, JANUARY 1, 2014	25,928,617	259,286,171	55,858,626	132,436,003	2,785,741	383,670,168	518,891,912	(7,140,362)	21,310,781	(113)	14,170,306	848,207,015
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	18,814,679	-	(18,814,679)	-	-	-	-	-	-
Reversal of special capital reserve	-	-	-	-	(2,785,741)	2,785,741	-	-	-	-	-	-
Cash dividends to shareholders - NT$3.0 per share	-	-	-	-	-	(77,785,851)	(77,785,851)	-	-	-	-	(77,785,851)
Total	-	-	-	18,814,679	(2,785,741)	(93,814,789)	(77,785,851)	-	-	-	-	(77,785,851)
Net income in 2014	-	-	-	-	-	263,881,771	263,881,771	-	-	-	-	263,881,771
Other comprehensive income in 2014, net of income tax	-	-	-	-	-	210,235	210,235	11,642,475	(63,298)	(192)	11,578,985	11,789,220
Total comprehensive income in 2014	-	-	-	-	-	264,092,006	264,092,006	11,642,475	(63,298)	(192)	11,578,985	275,670,991
Issuance of stock from exercise of employee stock options	1,045	10,453	36,602	-	-	-	-	-	-	-	-	47,055
Disposal of investments accounted for using equity method	-	-	(2,273)	-	-	-	-	-	-	-	-	(2,273)
Adjustments to share of changes in equities of associates	-	-	93,459	-	-	-	-	-	-	-	-	93,459
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	-	-	(8)	-	-	(32,793)	(32,793)	-	-	-	-	(32,801)
From share of changes in equities of subsidiaries	-	-	3,516	-	-	-	-	-	-	-	-	3,516
ADJUSTED BALANCE, DECEMBER 31, 2014	25,929,662	259,296,624	55,989,922	151,250,682	-	553,914,592	705,165,274	4,502,113	21,247,483	(305)	25,749,291	1,046,201,111
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	26,389,879	-	(26,389,879)	-	-	-	-	-	-
Cash dividends to shareholders - NT$4.5 per share	-	-	-	-	-	(116,683,481)	(116,683,481)	-	-	-	-	(116,683,481)
Total	-	-	-	26,389,879	-	(143,073,360)	(116,683,481)	-	-	-	-	(116,683,481)
Net income in 2015	-	-	-	-	-	306,573,837	306,573,837	-	-	-	-	306,573,837
Other comprehensive income in 2015, net of income tax	-	-	-	-	-	(730,902)	(730,902)	6,537,836	(20,512,712)	(302)	(13,975,178)	(14,706,080)
Total comprehensive income in 2015	-	-	-	-	-	305,842,935	305,842,935	6,537,836	(20,512,712)	(302)	(13,975,178)	291,867,757
Issuance of stock from exercise of employee stock options	718	7,181	130,974	-	-	-	-	-	-	-	-	138,155
Disposal of investments accounted for using equity method	-	-	(26,537)	-	-	-	-	-	-	-	-	(26,537)
Adjustments to share of changes in equities of associates	-	-	209,430	-	-	-	-	-	-	-	-	209,430
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	-	-	-	-	-	(31,142)	(31,142)	-	-	-	-	(31,142)
From share of changes in equities of subsidiaries	-	-	(3,574)	-	-	-	-	-	-	-	-	(3,574)
BALANCE, DECEMBER 31, 2015	25,930,380	$ 259,303,805	$ 56,300,215	$ 177,640,561	$ -	$ 716,653,025	$ 894,293,586	$ 11,039,949	$ 734,771	$ (607)	$ 11,774,113	$ 1,221,671,719

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

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 349,988,668	$ 301,003,817
Adjustments for:		
Depreciation expense	213,293,810	191,590,059
Amortization expense	3,159,437	2,487,860
Finance costs	2,440,459	2,512,231
Share of profits of subsidiaries and associates	(33,694,186)	(9,292,160)
Interest income	(1,726,503)	(1,029,508)
Gain on disposal of property, plant and equipment, net	(21,569)	(21,331)
Impairment loss on property, plant and equipment	228,037	-
Impairment loss on financial assets	21,437	90,774
Gain on disposal of available-for-sale financial assets, net	(51)	(127,161)
Gain on disposal of financial assets carried at cost, net	-	(5,397)
Gain on disposal of investments accounted for using equity method, net	(2,419,785)	(2,028,643)
Realized gross profit on sales to subsidiaries and associates	(18,117)	(31,547)
Loss on foreign exchange, net	2,548,291	3,615,493
Dividend income	(113,359)	(112,376)
Changes in operating assets and liabilities:		
Derivative financial instruments	(249,322)	381,070
Notes and accounts receivable, net	(6,375,554)	(5,360,307)
Receivables from related parties	31,322,516	(35,450,110)
Other receivables from related parties	108,834	(44,800)
Inventories	(759,653)	(28,280,226)
Other financial assets	823,847	(1,797,351)
Other current assets	(142,763)	(399,739)
Accounts payable	(1,916,970)	5,095,232
Payables to related parties	(1,024,427)	596,749
Salary and bonus payable	595,592	2,149,698
Accrued profit sharing bonus to employees and compensation to directors	2,860,254	5,314,019
Accrued expenses and other current liabilities	(2,788,099)	6,469,226
Provisions	(948,176)	2,742,486
Net defined benefit liability	73,473	79,228
Cash generated from operations	555,266,121	440,147,286
Income taxes paid	(40,493,290)	(29,636,283)
Net cash generated by operating activities	514,772,831	410,511,003

(Continued)

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Available-for-sale financial assets	$ (3,628)	$ -
Held to maturity financial assets	(23,074,925)	(5,882,316)
Equity interest in subsidiary	(394,674)	-
Property, plant and equipment	(249,921,656)	(283,231,097)
Intangible assets	(4,269,815)	(3,846,384)
Proceeds from disposal or redemption of:		
Available-for-sale financial assets	3,679	190,886
Held-to-maturity financial assets	16,800,000	3,200,000
Financial assets carried at cost	8,000	10,843
Investments accounted for using equity method	3,962,848	3,471,883
Equity interest in subsidiary	806,807	-
Property, plant and equipment	347,840	117,578
Interest received	1,636,497	1,043,898
Other dividends received	113,359	112,376
Dividends received from investments accounted for using equity method	3,001,834	2,664,207
Refundable deposits paid	(404,253)	(57,351)
Refundable deposits refunded	348,283	2,290,791
Increase in receivables for temporary payments	(47,924)	-
Cash received from other long-term receivables	-	161,900
Cash outflow from incorporation of subsidiary	(3,725,916)	-
Net cash used in investing activities	(254,813,644)	(279,752,786)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	3,138,680	18,563,525
Interest paid	(2,456,299)	(2,504,871)
Guarantee deposits received	747,108	30,140,940
Guarantee deposits refunded	(740,829)	(7,075)
Proceeds from exercise of employee stock options	33,891	47,055
Payment of partial acquisition of interests in subsidiaries	(64,744,242)	(60,904,793)
Proceeds from partial disposal of interests in subsidiaries	380,336	113,317
Cash dividends	(116,683,481)	(77,785,851)
Net cash used in financing activities	(180,324,836)	(92,337,753)
NET INCREASE IN CASH AND CASH EQUIVALENTS	79,634,351	38,420,464
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	184,859,232	146,438,768
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 264,493,583	$ 184,859,232

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

Taiwan Semiconductor Manufacturing Company Limited
Earnings Distribution Proposal
December 31, 2015

Unit: NT$

Net Income of 2015	**306,573,836,535**
Less:	
- 10% Legal Reserve	-30,657,383,654
Earnings in 2015 Available for Distribution	**275,916,452,881**
Plus:	
- Unappropriated retained earnings of previous years	410,188,621,529
- Adjustment due to application of 2013 Taiwan-IFRSs version	652,610,580
Less:	
- Remeasurement of defined benefit obligation	-730,901,859
- Adjustment arising from investments accounted for using equity method	-31,141,737
Retained Earnings Available for Distribution as of December 31, 2015	**685,995,641,394**
Distribution Item:	
- Cash Dividends to Common Share Holders (NT$6 per share)	-155,582,282,748
Unappropriated Retained Earnings	**530,413,358,646**