



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
For the Ended June 30, 1998 and 1997

(Figures in Million of New Taiwan dollars(NTD) and U.S. dollars(USD)) 1.

| | <u>1,998</u> | | <u>1,997</u> |
|---|--------------|-----------------|-----------------|
| | <u>USD</u> | <u>NTD</u> | <u>NTD</u> |
| Cash Flows from Operating Activities: | | | |
| Net Income | 324 | 10,705 | 6,609 |
| Depreciation & Amortization | 213 | 7,027 | 4,248 |
| Investment Loss (Income) | 32 | 1,073 | (155) |
| Deferred Tax on Investment Tax Credit | (55) | (1,825) | (518) |
| Changes in Working Capital & Others | 2 | 59 | (1,622) |
| Net Cash Provided from Operating Activities | <u>516</u> | <u>17,039</u> | <u>8,562</u> |
| Cash Flows from Investing Activities: | | | |
| Increase in Short-Term Investments | (13) | (440) | |
| Acquisition of Fixed Assets | (568) | (18,752) | (10,019) |
| Increase in Long-Term Investments | (2) | (58) | (341) |
| Increase in Deposit out/Deferred Assets | (3) | (113) | 318 |
| Net Cash Used in Investing Activities | <u>(586)</u> | <u>(19,363)</u> | <u>(10,042)</u> |
| Cash Flows from Financing Activities: | | | |
| Increase in Commercial Paper Payable | 11 | 355 | 0 |
| Increase in Corporation Bond Payable | 137 | 4,525 | 0 |
| Decrease in Bank Loans | (73) | (2,409) | (651) |
| Increase (Decrease) in Deposit in | (10) | (339) | (1,537) |
| Profit Sharing to Employees/Directors/Supervisors | (5) | (162) | (568) |
| Increase in payments received in advance-equipment | 0 | 0 | 143 |
| Adjustment for Forward Contract Payable | (18) | (585) | 0 |
| Net Cash Provided by (Used in) Financing Activities | <u>42</u> | <u>1,385</u> | <u>(2,613)</u> |
| Net Decrease in Cash and Cash Equivalents | (28) | (939) | (4,093) |
| Cash and Cash Equivalents at Beginning of Period | 77 | 2,534 | 8,692 |
| Cash and Cash Equivalents at End of Period | <u>48</u> | <u>1,595</u> | <u>4,599</u> |

Note1: New Taiwan dollars amounts have been translated into U.S. dollars at the weighted average rate of NTD 33.04 per U.S. dollars for 1st half year of 1998.