



**TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.**

**UNCONSOLIDATED BALANCE SHEET**

As of December 31, 1998 and 1997

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

ASSETS	Dec-98			Dec-97		YOY	
	USD	NTD	%	NTD	%	Move	%
Cash	256	8,292	7%	2,534	2%	5,758	227%
Short Term Investment	175	5,661	5%	4,971	5%	690	14%
Accounts Receivable	231	7,481	6%	9,544	9%	-2,063	-22%
Inventories	114	3,689	3%	4,720	4%	-1,031	-22%
Other Current Assets	39	1,256	1%	2,022	2%	-766	-38%
<b>Total Current Assets</b>	<b>815</b>	<b>26,378</b>	<b>21%</b>	<b>23,791</b>	<b>22%</b>	<b>2,588</b>	<b>11%</b>
Long Term Investment	542	17,538	14%	19,220	18%	-1,683	-9%
Fixed Assets	3,537	114,422	92%	88,200	81%	26,222	30%
Less Accumulated Depreciation	(1,261)	(40,786)	-33%	(26,502)	-24%	-14,284	54%
<b>Net Fixed Assets</b>	<b>2,276</b>	<b>73,636</b>	<b>59%</b>	<b>61,698</b>	<b>57%</b>	<b>11,938</b>	<b>19%</b>
Other Assets	203	6,555	5%	3,805	4%	2,750	72%
<b>Total Assets</b>	<b>3,836</b>	<b>124,107</b>	<b>100%</b>	<b>108,514</b>	<b>100%</b>	<b>15,593</b>	<b>14%</b>
<b>LIABILITIES</b>							
Short Term Credit Instruments	0	0	0%	250	0%	-250	-100%
Current Portion of Long Term Bank Loan	9	299	0%			299	-
Accounts Payable	242	7,839	6%	9,839	9%	-1,999	-20%
<b>Total Current Liabilities</b>	<b>252</b>	<b>8,139</b>	<b>7%</b>	<b>10,089</b>	<b>9%</b>	<b>-1,950</b>	<b>-19%</b>
Convertible Bonds	390	12,632	10%	11,983	11%	648	5%
Bonds Payable	309	10,000	8%	0	0%	10,000	-
Long Term Debt	74	2,393	2%	8,026	7%	-5,632	-70%
Other Long Term Liabilities	212	6,873	6%	9,001	8%	-2,129	-24%
<b>Total Liabilities</b>	<b>1,238</b>	<b>40,037</b>	<b>32%</b>	<b>39,099</b>	<b>36%</b>	<b>937</b>	<b>2%</b>
<b>SHAREHOLDERS' EQUITY</b>							
Capital Stock	1,869	60,472	49%	40,813	38%	19,659	48%
Capital Surplus	5	164	0%	62	0%	102	165%
Legal Reserve	208	6,724	5%	4,929	5%	1,796	36%
Retained Earnings							
-Previous Year	65	2,094	2%	5,753	5%	-3,659	-64%
-Current Year	474	15,344	12%	17,960	17%	-2,616	-15%
Cumulated Translation Adjustment	(22)	(727)	-1%	(102)	0%	-625	613%
<b>Total Equity</b>	<b>2,599</b>	<b>84,071</b>	<b>68%</b>	<b>69,414</b>	<b>64%</b>	<b>14,656</b>	<b>21%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>3,836</b>	<b>124,107</b>	<b>100%</b>	<b>108,514</b>	<b>100%</b>	<b>15,593</b>	<b>14%</b>

Note (1) : New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD 32.35 per U.S. dollar on December 31, 1998.