

8.1.2 Business Scope of TSMC and Its Subsidiaries

TSMC and its subsidiaries strive to provide the best foundry services in the industry. Subsidiaries in North America, Europe, Japan, China, and South Korea are dedicated to servicing TSMC customers worldwide. WaferTech in the United States and TSMC China provide additional 8-inch wafer capacity. Other subsidiaries support the Company's core foundry business with related services such as design service and invest in start-up companies involved in design, manufacturing, and other related businesses in the semiconductor industry. Beginning in 2010, certain TSMC's subsidiaries also engage in researching, developing, designing, manufacturing and selling of solid state lighting devices and related products and systems, and solar-related technologies and products.

8.1.3 TSMC Subsidiaries

Unit: NT(USD, EUR, JPY, KRW, RMB, CAD)\$ thousands					As of 12/31/2013
Company	Date of Incorporation	Place of Registration	Capital Stock		Business Activities
TSMC North America	Jan. 18, 1988	San Jose, California, U.S.	US\$	11,000	Selling and marketing of integrated circuits and semiconductor devices
TSMC Europe B.V.	Mar. 04, 1994	Amsterdam, The Netherlands	EUR	100	Marketing and engineering supporting activities
TSMC Japan Limited	Sep. 10, 1997	Yokohama, Japan	JPY	300,000	Marketing activities
TSMC Korea Limited	May 02, 2006	Seoul, Korea	KRW	400,000	Customer service and technical supporting activities
TSMC China Company Limited	Aug. 04, 2003	Shanghai, China	RMB	4,502,080	Manufacturing and selling of integrated circuits at the order of and pursuant to product design specifications provided by customers
TSMC Technology, Inc.	Feb. 20, 1996	Delaware, U.S.	US\$	0.001	Engineering support activities
InveStar Semiconductor Development Fund, Inc.	Sep. 10, 1996	Cayman Islands	US\$	811	Investing in new start-up technology companies
InveStar Semiconductor Development Fund, Inc. (II) LDC.	Aug. 25, 2000	Cayman Islands	US\$	14,578	Investing in new start-up technology companies
TSMC Development, Inc.	Feb. 16, 1996	Delaware, U.S.	US\$	0.001	Investment activities
WaferTech, LLC	Jun. 03, 1996	Washington, U.S.	US\$	80,000	Manufacturing, selling, testing and computer- aided designing of integrated circuits and other semiconductor devices
TSMC Partners, Ltd.	Mar. 26, 1998	Tortola, British Virgin Islands	US\$	988,268	Investing in companies involved in the design, manufacture, and other related business in the semiconductor industry
TSMC Design Technology Canada Inc.	May 28, 2007	Ontario, Canada	CAD	2,434	Engineering support activities
TSMC Global Ltd.	Jul. 13, 2006	Tortola, British Virgin Islands	US\$	1,284,000	Investment activities
Mutual-Pak Technology Co., Ltd.	Mar. 22, 2006	Taipei, Taiwan	NT\$	268,184	Manufacturing and selling of electronic parts and researching, developing and testing of RFID
Emerging Alliance Fund, L.P.	Jan. 10, 2001	Cayman Islands	US\$	24,155	Investing in new start-up technology companies
VentureTech Alliance Fund II, L.P.	Feb. 27, 2004	Cayman Islands	US\$	14,511	Investing in new start-up technology companies
VentureTech Alliance Fund III, L.P.	Mar. 25, 2006	Cayman Islands	US\$	115,679	Investing in new start-up technology companies
Growth Fund Limited	May 30, 2007	Cayman Islands	US\$	2,130	Investing in new start-up technology companies
VentureTech Alliance Holdings, LLC	Apr. 25, 2007	Delaware, U.S.		N/A	Investing in new start-up technology companies
TSMC Solar Ltd.	Aug. 16, 2011	Taichung, Taiwan	NT\$	11,341,000	Researching, developing, designing, manufacturing and selling renewable energy and energy saving related technologies and products
TSMC Solar North America, Inc.	Sep. 03, 2010	Delaware, U.S.	US\$	1	Selling and marketing of solar related products
TSMC Solar Europe B.V.	Sep. 29, 2010	Amsterdam, the Netherlands	EUR	100	Investing in solar related business
TSMC Solar Europe GmbH	Dec. 17, 2010	Hamburg, Germany	EUR	100	Selling of solar related products and providing customer service
TSMC Solid State Lighting Ltd.	Aug. 16, 2011	Hsinchu, Taiwan	NT\$	6,008,000	Researching, developing, designing, manufacturing and selling solid state lighting devices and related applications products and systems
TSMC Lighting North America, Inc.	Sep. 03, 2010	Delaware, U.S.	US\$	1	Selling and marketing of solid state lighting related products
TSMC Guang Neng Investment, Ltd.	Jan. 19, 2012	Taipei, Taiwan	NT\$	150,000	Investment activities

8.1.4 Shareholders in Common of TSMC and Its Subsidiaries with Deemed Control and Subordination: None.

8.1.5 Rosters of Directors, Supervisors, and Presidents of TSMC's Subsidiaries

Unit: NT\$(USD/EUR), except shareholding				As of 12/31/2013			
			Shareholding	Shareholding			
Company	Title	Name	Shares (Investment Amount)	% (Investment Holding%)			
TSMC North America	Director Director President	Dick Thurston Rick Cassidy Rick Cassidy	- - - - TSMC holds 11,000,000 shares	- - - 100%			
TSMC Europe B.V.	Director Director President	Wendell Huang Maria Marced Maria Marced	- - - TSMC holds 200 shares	- - - 100%			
TSMC Japan Limited	Director Director Supervisor President	Chih-Chun Tsai Makoto Onodera Lora Ho Makoto Onodera		- - - - 100%			
TSMC Korea Limited	Director Director Director	Shing-Wha Lin Chih-Chun Tsai Wendell Huang	- - - - TSMC holds 80,000 shares	- - - 100%			
TSMC China Company Limited	Chairman Director Director Supervisor President	F.C. Tseng M.C. Tzeng L.C. Tu Lora Ho L.C. Tu		- - - - - (100%)			
TSMC Technology, Inc.	Chairman Director Director President	Lora Ho Richard Thurston Cliff Hou Cliff Hou		- - - 100%			
InveStar Semiconductor Development Fund, Inc.	Director	Wendell Huang	TSMC Partners, Ltd. holds 786,907 shares	97.09%			
InveStar Semiconductor Development Fund, Inc. (II) LDC	Director	Wendell Huang	TSMC Partners, Ltd. holds 14,152,996 shares	97.09%			
TSMC Development, Inc.	Chairman Director President	Lora Ho Richard Thurston Lora Ho		- - - 100%			
WaferTech, LLC	Director Director President	M.C. Tzeng Steve Tso Kuo-Chin Hsu	TSMC Development, Inc. holds 293,636,833 shares	- - - 100%			
TSMC Partners, Ltd.	Director Director President	Lora Ho Richard Thurston Lora Ho	- - - - TSMC holds 988,268,244 shares	- - - 100%			
TSMC Design Technology Canada Inc.	Director Director Director President	Cliff Hou Cormac Michael O'Connell Richard Thurston Cliff Hou		- - - - 100%			

112 113

			Shareholding			
Company	Title	Name	Shares (Investment Amount)	% (Investment Holding%)		
TSMC Global, Ltd.	Director	Lora Ho	-	-		
	Director	Richard Thurston	TSMC holds 1,284 shares	100%		
Mutual-Pak Technology Co., Ltd.	Chairman Director Director	Hsu-Tung Chen Lewis Hwang Representative of VentureTech Alliance Fund III,	1,107,010 shares 2,508,000 shares 15,643,347 shares	4.13% 9.35% 58.33%		
	Supervisor President	L.P.: Juine-Kai Tseng Wei-Pong Lin Lewis Hwang	30,000 shares 2,508,000 shares	0.11% 9.35%		
Emerging Alliance Fund, L.P.	None	None	(TSMC's investment US\$24,034,590)	(99.50%)		
VentureTech Alliance Fund II, L.P.	None	None	(TSMC's investment US\$14,221,019)	(98.00%)		
VentureTech Alliance Fund III, L.P.	None	None	(TSMC's investment US\$58,240,732) (TSMC Solar Ltd.'s investment US\$56,250,001)	(50.35%) (48.63%)		
Growth Fund Limited	None	None	(VentureTech Alliance Fund III, L.P.'s investment US\$2,130,000)	(100%)		
VentureTech Alliance Holdings, LLC	None	None	None	(100%)		
TSMC Solar Ltd.	Chairman Director Director Supervisor	Rick Tsai (Note 1) F.C. Tseng Richard Thurston Lora Ho	TSMC holds 1,118,000,000 shares TSMC Guang Neng Investment, Ltd. holds 5,249,800 shares	98.58% 0.46%		
	President	Ying-Chen Chao	1,200,000 shares	0.11%		
TSMC Solar North America, Inc.	Director Director President	Lora Ho Richard Thurston Rick Tsai (Note 2)	- - - TSMC Solar Ltd. holds 1,000 shares	- - - 100%		
TSMC Solar Europe B.V.	Director Director	Lora Ho Richard Thurston	TSMC Solar Ltd. holds 200 shares	- 100%		
TSMC Solar Europe GmbH	Director Director Director Director	Rick Tsai (Note 3) Lora Ho Richard Thurston Stephen McKenery Ying-Chen Chao	- - - - TSMC Solar Europe B.V. holds 200 shares	- - - - - 100%		
TSMC Solid State Lighting Ltd.	Chairman Director Director Supervisor	Rick Tsai (Note 1) F.C. Tseng Richard Thurston Lora Ho Jacob Tarn (Note 4)	TSMC holds 554,674,437 shares TSMC Guang Neng Investment, Ltd. holds 5,435,878 shares 2,457,415 shares	92.32% 0.90%		
TSMC Lighting North America, Inc.	Director Director President	Lora Ho Richard Thurston Rick Tsai (Note 5)	TSMC Solid State Lighting Ltd. holds 1,000 shares	- - - 100%		
TSMC Guang Neng Investment, Ltd.	Director Director	Lora Ho Richard Thurston	- - (TSMC's investment NT\$150,000,000)	- - 100%		

Note 1: Dr. Rick Tsai resigned as a director on January 27, 2014, succeeded by Dr. Stephen T. Tso.

Note 2: Dr. Rick Tsai resigned as President on January 27, 2014, succeeded by Mr. Ying-Chen Chao.

Note 3: Dr. Rick Tsai resigned as a director on January 27, 2014.

Note 4: Dr. Jacob Tarn resigned as President on February 20, 2014, succeeded by Mr. C.H. Chen.

Note 5: Dr. Rick Tsai resigned as President on January 27, 2014, succeeded by Mr. C.H. Chen.

8.1.6 Operational Highlights of TSMC Subsidiaries (Note)

Unit: NT\$ thousands, except EPS (\$) As of 12/31/2013

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Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
TSMC North America	327,800	59,095,156	55,331,962	3,763,194	418,065,923	97,185	468,309	42.57
TSMC Europe B.V.	4,100	389,587	98,749	290,838	446,714	47,317	37,659	188,294.17
TSMC Japan Limited	85,020	171,807	47,045	124,762	237,267	10,791	4,717	786.16
TSMC Korea Limited	11,320	31,714	2,239	29,475	20,993	1,925	1,296	16.20
TSMC China Company Limited	22,015,171	26,389,517	2,362,958	24,026,559	17,047,495	4,917,422	5,192,936	N/A
TSMC Technology, Inc.	0.03	528,148	141,177	386,971	852,391	40,590	37,518	3,751,830.90
InveStar Semiconductor Development Fund, Inc.	24,153	297,024	41,168	255,857	226,292	191,163	190,339	234.84
InveStar Semiconductor Development Fund, Inc. (II) LDC	434,412	333,283	1,098	332,185	97,291	73,178	73,175	5.02
TSMC Development, Inc.	0.03	20,614,259	-	20,614,259	2,612,431	2,611,740	2,593,196	259,319,585.23
WaferTech, LLC	2,384,000	8,515,086	808,506	7,706,580	8,495,239	2,512,407	2,558,757	8.71
TSMC Partners, Ltd.	29,450,394	42,862,161	-	42,862,161	3,516,600	3,516,560	3,516,560	3.56
TSMC Design Technology Canada Inc.	68,197	169,884	27,116	142,768	217,842	19,804	15,493	6.74
TSMC Global Ltd.	38,263,200	115,161,390	50,207,901	64,953,489	928,232	(107,256)	(172,392)	(134,261.45)
Mutual-Pak Technology Co., Ltd.	268,184	98,622	59,017	39,605	60,934	(18,454)	(19,129)	(0.71)
Emerging Alliance Fund, L.P.	719,830	145,652	-	145,652	13,413	4,025	(10,806)	N/A
VentureTech Alliance Fund II, L.P.	432,435	450,222	5,817	444,405	84,352	32,391	(3,662)	N/A
VentureTech Alliance Fund III, L.P.	3,447,244	888,020	298	887,722	37,833	(1,510,174)	(1,510,174)	N/A
Growth Fund Limited	63,474	18,075	-	18,075	-	(3,286)	(1,839)	N/A
VentureTech Alliance Holdings, LLC	-	-	-	-	-	-	-	N/A
TSMC Solar North America, Inc.	30	22,608	14,303	8,305	439	(37,126)	(36,733)	(36,732.98)
TSMC Lighting North America, Inc.	30	2,980	107	2,873	-	(65)	(65)	(65.19)
TSMC Solar Europe B.V.	4,100	89,407	211	89,196	-	(282)	(93,795)	(468,973.40)
TSMC Solar Europe GmbH	4,100	124,034	38,171	85,863	151,344	(51,325)	(93,917)	(469,587.03)
TSMC Solar Ltd.	11,341,000	7,213,235	2,635,931	4,577,304	259,158	(962,460)	(1,530,526)	(1.35)
TSMC Solid State Lighting Ltd.	6,008,000	3,008,574	674,396	2,334,178	178,335	(1,671,706)	(1,659,745)	(2.76)
TSMC Guang Neng Investment, Ltd.	150,000	86,412	1,250	85,162	-	(106)	(22,899)	N/A

Note: Foreign exchange rates for balance sheet amounts are as follows: \$1 USD = \$29.800 NT, \$1 EUR = \$41.00.NT, \$1 JPY = \$0.2834 NT, \$1 RMB = \$4.89 NT, \$1 KRW = \$0.0283NT, \$1 CAD = \$28.02 NT Foreign exchange rates for income statement amounts are as follows: \$1 USD = \$29.675 NT, \$1 EUR = \$39.54 NT, \$1 JPY = \$0.3068 NT, \$1 RMB = \$4.83 NT, \$1 KRW = \$0.0272 NT, \$1 CAD = \$28.89 NT

8.2 Status of TSMC Common Shares and ADRs Acquired, Disposed of, and Held by Subsidiaries: None.

8.3 Special Notes

- 8.3.1 Private Placement Securities in 2013 and as of the Date of this Annual Report: None.
- 8.3.2 Regulatory Authorities' Legal Penalties to the Company or Its Employees, and the Company's Resulting Punishment on Its Employees for Violations of Internal Control System Provisions, Principal Deficiencies, and the State of Any Efforts to Make Improvements in 2013 and as of the Date of this Annual Report

The competent authorities fined a minor fine totaling NT\$27,433 for very few isolated incidents of administrative errors. TSMC has been implementing relevant remedial measures.

- 8.3.3 Any Events in 2013 and as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.
- 8.3.4 Other Necessary Supplement: None.

115 114