

# Capital and Shares

## 4.1 Capital and Shares

### 4.1.1 Capitalization

Unit: Share/NT\$

As of 02/28/2017

Month/ Year	Issue Price (Per Share)	Authorized Share Capital		Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Date of Approval & Approval Document No.
07/2015	10	28,050,000,000	280,500,000,000	25,930,380,458	259,303,804,580	Exercise of Employee Stock Options: NT\$7,180,220	None	07/13/2015 Zhu Shang Tzu No.1040020526

### 4.1.2 Capital and Shares

Unit: Share

As of 02/28/2017

Type of Stock	Authorized Share Capital				Unissued Shares	Total
	Issued Shares			Total		
	Listed	Non-listed	Total			
Common Stock	25,930,380,458	-	25,930,380,458	2,119,619,542	28,050,000,000	

Shelf Registration: None.

### 4.1.3 Composition of Shareholders

Common Share

As of 07/03/2016 (last record date)

Type of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Domestic Natural Persons	Total
Number of Shareholders	8	173	1,113	4,005	323,327	328,626
Shareholding	1,653,959,189	716,013,819	1,163,831,208	20,342,510,801	2,054,065,441	25,930,380,458
Holding Percentage (%)	6.38%	2.76%	4.49%	78.45%	7.92%	100.00%

## Distribution Profile of Share Ownership

Common Share

As of 07/03/2016 (last record date)

Shareholder Ownership (Unit: Share)	Number of Shareholders	Ownership	Ownership (%)
1~999	149,756	33,827,984	0.13%
1,000~5,000	124,998	264,699,814	1.02%
5,001~10,000	24,023	171,313,860	0.66%
10,001~15,000	9,374	113,696,363	0.44%
15,001~20,000	4,219	73,977,870	0.29%
20,001~30,000	4,727	114,983,324	0.44%
30,001~40,000	2,255	77,940,198	0.30%
40,001~50,000	1,445	64,920,185	0.25%
50,001~100,000	2,863	200,555,113	0.77%
100,001~200,000	1,568	218,022,804	0.84%
200,001~400,000	1,027	286,323,448	1.10%
400,001~600,000	461	223,811,933	0.86%
600,001~800,000	289	201,307,575	0.78%
800,001~1,000,000	210	188,285,737	0.73%
Over 1,000,001	1,411	23,696,714,250	91.39%
Total	328,626	25,930,380,458	100.00%

Preferred Share: None.

### 4.1.4 Major Shareholders

Common Share

As of 07/03/2016 (last record date)

Shareholders	Total Shares Owned	Ownership (%)
ADR-Taiwan Semiconductor Manufacturing Company, Ltd.	5,363,175,253	20.68%
National Development Fund, Executive Yuan	1,653,709,980	6.38%
Government of Singapore	683,323,892	2.64%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Saudi Arabian Monetary Agency	391,625,559	1.51%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for EuroPacific Growth Fund	354,750,649	1.37%
Norges Bank	311,950,515	1.20%
JPMorgan Chase Bank, N.A., Taipei Branch in Custody for Stichting Depository APG Emerging Markets Equity Pool	253,958,873	0.98%
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	252,443,845	0.97%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	240,686,063	0.93%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for ABU DHABI Investment Authority	237,325,761	0.92%

#### 4.1.5 Net Change in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More

Unit: Share

Title Name	2016		01/01/2017 ~ 02/28/2017	
	Net Change in Shareholding	Net Change in Shares Pledged (Note)	Net Change in Shareholding	Net Change in Shares Pledged (Note)
Chairman Morris Chang	-	-	-	-
Vice Chairman F.C. Tseng	-	-	-	-
Director National Development Fund, Executive Yuan Representative: Johnsee Lee	-	-	-	-
Independent Director Sir Peter Leahy Bonfield	-	-	-	-
Independent Director Stan Shih	-	-	-	-
Independent Director Thomas J. Engibous	-	-	-	-
Independent Director Kok-Choo Chen	-	-	-	-
Independent Director Michael R. Splinter	-	-	-	-
President and Co-Chief Executive Officer Mark Liu	-	-	-	-
President and Co-Chief Executive Officer C.C. Wei	-	-	-	-
Senior Vice President and Chief Information Officer Information Technology, Materials Management and Risk Management Stephen T. Tso	(320,000)	-	-	-
Senior Vice President, Chief Financial Officer and Spokesperson Finance Lora Ho	-	-	-	-
Senior Vice President Research and Development/Technology Development Wei-Jen Lo	-	-	(4,000)	-
Senior Vice President of TSMC and President of TSMC North America Rick Cassidy	-	-	-	-
Senior Vice President Operations/Product Development Y.P. Chin	(180,000)	-	(21,000)	-
Senior Vice President Research and Development/Technology Development Y.J. Mii	-	-	-	-
Vice President Operations/Affiliate Fabs M.C. Tzeng	(178,000)	-	(9,000)	-
Vice President and Chief Technology Officer Research and Development/Corporate Research Jack Sun	(225,000)	-	(25,000)	-
Vice President Quality and Reliability N.S. Tsai	(45,000)	-	-	-

(Continued)

Title Name	2016		01/01/2017 ~ 02/28/2017	
	Net Change in Shareholding	Net Change in Shares Pledged (Note)	Net Change in Shareholding	Net Change in Shares Pledged (Note)
Vice President Operations/Mainstream Fabs and Manufacturing Technology J.K. Lin	-	-	-	-
Vice President Operations/300mm Fabs J.K. Wang	-	-	-	-
Vice President Corporate Planning Organization Irene Sun	-	-	-	-
Vice President Research and Development/Design and Technology Platform Cliff Hou	-	-	-	-
Vice President Business Development Been-Jon Woo	80,000	-	-	-
Vice President and General Counsel Legal Sylvia Fang	-	350,000	-	-
Vice President Human Resources Connie Ma	30,000	-	-	-
Vice President Research and Development/Technology Development Y.L. Wang	-	-	-	-
Vice President Research and Development/Integrated Interconnect & Packaging Douglas Yu (Note)	-	-	-	-
Vice President Research and Development/More-than-Moore Technologies Alexander Kalnitsky (Note)	-	-	-	-
Vice President Research and Development/Design and Technology Platform Kevin Zhang (Note)	-	-	-	-

Note: Dr. Douglas Yu, Dr. Alexander Kalnitsky and Dr. Kevin Zhang were promoted to Vice Presidents, effective November 8, 2016. Their shareholdings were disclosed starting from that date.

#### 4.1.6 Stock Trade with Related Party

Name	Reason of the Transfer	Transfer Date	Transferee	Relation with the Transferer	Shares	Transfer Price
Wei-Jen Lo	Gifting	01/05/2017	Wei-Li Lo	Brother	4,000	-

#### 4.1.7 Stock Pledge with Related Party: None.

#### 4.1.8 Related Party Relationship among Our 10 Largest Shareholders

Common Share As of 07/03/2016 (last record date)

Name	Current Shareholding		Spouse and Minor Shareholding		TSMC Shareholding by Nominee Arrangement		Name and Relationship between TSMC's Shareholders	
	Shares	%	Shares	%	Shares	%	Name	Relationship
ADR-Taiwan Semiconductor Manufacturing Company, Ltd.	5,363,175,253	20.68%	N/A	N/A	N/A	N/A	None	None
National Development Fund, Executive Yuan Representative: Johnsee Lee	1,653,709,980	6.38%	N/A	N/A	N/A	N/A	None	None
	-	-	-	-	-	-	None	None
Government of Singapore	683,323,892	2.64%	N/A	N/A	N/A	N/A	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Saudi Arabian Monetary Agency	391,625,559	1.51%	N/A	N/A	N/A	N/A	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for EuroPacific Growth Fund	354,750,649	1.37%	N/A	N/A	N/A	N/A	None	None
Norges Bank	311,950,515	1.20%	N/A	N/A	N/A	N/A	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Stichting Depository APG Emerging Markets Equity Pool	253,958,873	0.98%	N/A	N/A	N/A	N/A	None	None
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	252,443,845	0.97%	N/A	N/A	N/A	N/A	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	240,686,063	0.93%	N/A	N/A	N/A	N/A	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for ABU DHABI Investment Authority	237,325,761	0.92%	N/A	N/A	N/A	N/A	None	None

#### 4.1.9 Long-term Investment Ownership

As of 12/31/2016

Long-term Investment	Ownership by TSMC (1)		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries (2)		Total Ownership (1) + (2)	
	Shares	%	Shares	%	Shares	%
<b>Equity Method:</b>						
TSMC Partners, Ltd.	988,268,244	100%	-	-	988,268,244	100%
TSMC Global Ltd.	7,284	100%	-	-	7,284	100%
TSMC North America	11,000,000	100%	-	-	11,000,000	100%
TSMC Europe B.V.	200	100%	-	-	200	100%
TSMC Japan Limited	6,000	100%	-	-	6,000	100%
TSMC Korea Limited	80,000	100%	-	-	80,000	100%
TSMC China Company Limited	Not Applicable (Note 1)	100%	Not Applicable (Note 1)	-	Not Applicable (Note 1)	100%
TSMC Nanjing Company Limited (Note 2)	Not Applicable (Note 1)	100%	Not Applicable (Note 1)	-	Not Applicable (Note 1)	100%
TSMC Solar Europe GmbH (Note 3)	800	100%	-	-	800	100%
VisEra Technologies Company Ltd. (Note 4)	253,120,000	86.94%	-	-	253,120,000	86.94%
Systems on Silicon Manufacturing Co. Pte. Ltd.	313,603	38.79%	-	-	313,603	38.79%
Vanguard International Semiconductor Corp.	464,223,493	28.32%	275,910,722	16.83% (Note 5)	740,134,215	45.16%
Xintec Inc. (Note 6)	111,281,925	41.24%	-	-	111,281,925	41.24%
Global UniChip Corporation	46,687,859	34.84%	-	-	46,687,859	34.84%
VentureTech Alliance Fund II, L.P.	Not Applicable (Note 1)	98.00%	Not Applicable (Note 1)	-	Not Applicable (Note 1)	98.00%
VentureTech Alliance Fund III, L.P.	Not Applicable (Note 1)	98.00%	Not Applicable (Note 1)	-	Not Applicable (Note 1)	98.00%
VentureTech Alliance Holdings, LLC (Note 7)	Not Applicable (Note 1)	7.29%	Not Applicable (Note 1)	92.67%	Not Applicable (Note 1)	100%

Note 1: Not applicable. These firms do not issue shares. TSMC's investment is measured as a percentage of ownership.

Note 2: TSMC Nanjing Company Limited was established in May 2016.

Note 3: The dissolution procedures of TSMC Solar Europe GmbH will be completed by the end of June 2017.

Note 4: Pursuant to TSMC Board's approval on August 2, 2016, TSMC acquired 86.94% shareholding in VisEra Technologies Company Ltd. from VisEra Holding Company, a wholly-owned subsidiary of TSMC, in August 2016. To streamline investment structure, VisEra Holding Company was merged into TSMC Partners, Ltd., the subsidiary of TSMC, in October 2016.

Note 5: TSMC's Director, National Development Fund of Executive Yuan, holds 16.72% while other Directors and Management hold 0.11%.

Note 6: Pursuant to TSMC Board's approval on August 2, 2016, TSMC acquired 6.87% shareholding in Xintec Inc. from VisEra Holding Company, a wholly-owned subsidiary of TSMC in August 2016. After the share purchase transaction, TSMC directly owned 41.24% of Xintec Inc.

Note 7: Due to the expiration of the investment agreement between Emerging Alliance Fund, L.P. and TSMC, Emerging Alliance Fund, L.P. completed the liquidation procedures in April 2016. As a result, Emerging Alliance Fund, L.P.'s ownership in VentureTech Alliance Holdings, LLC was transferred to TSMC.

#### 4.1.10 Share Information

TSMC's earnings per share in 2016 increased 9.0% from 2015 to NT\$12.89 per share. The following table details TSMC's market price, net worth, earnings, and dividends per common share, as well as other data regarding return on investment.

#### Market Price, Net Worth, Earnings, and Dividends Per Common Share

Unit: NT\$, except for weighted average shares and return on investment ratios

Item	2015	2016	01/01/2017 ~ 02/28/2017
<b>Market Price Per Share (Note 1)</b>			
Highest Market Price	154.50	193.00	190.00
Lowest Market Price	115.00	131.50	179.50
Average Market Price	139.84	166.36	185.06
<b>Net Worth Per Share</b>			
Before Distribution	47.11	53.58	-
After Distribution	41.11	(Note 5)	-
<b>Earnings Per Share</b>			
Weighted Average Shares (thousand shares)	25,930,380	25,930,380	-
Diluted Earnings Per Share	11.82	12.89 (Note 5)	-
<b>Dividends Per Share</b>			
Cash Dividends	6.00	7.00 (Note 5)	-
Accumulated Undistributed Dividend	-	-	-
<b>Return on Investment</b>			
Price/Earnings Ratio (Note 2)	11.83	12.91 (Note 5)	-
Price/Dividend Ratio (Note 3)	23.31	23.77 (Note 5)	-
Cash Dividend Yield (Note 4)	4.3%	4.2% (Note 5)	-

Note 1: Referred to TWSE website  
 Note 2: Price/Earnings Ratio = Average Market Price/Diluted Earnings Per Share  
 Note 3: Price/Dividend Ratio = Average Market Price/Cash Dividends Per Share  
 Note 4: Cash Dividend Yield = Cash Dividends Per Share/Average Market Price  
 Note 5: Pending for shareholders' approval

#### 4.1.11 Dividend Policy and Distribution of Earnings

TSMC does not pay dividends when there are no profits or retained earnings. TSMC has distributed cash dividends every year to its shareholders since 2004. TSMC intends to maintain a stable and sustainable dividend policy, and will consider raising dividends when the free cash flow is sufficient to cover the previous level of dividend payment and any debt repayment. On February 14, 2017, TSMC's Board of Directors adopted a proposal recommending distribution of a cash dividend of NT\$7 per share as shown in the table below. The proposal will be implemented according to the relevant regulations, upon the approval of shareholders at the Annual Shareholders' Meeting on June 8, 2017.

#### Proposal to Distribute 2016 Earnings

Unit: NT\$

Cash Dividends to Common Shareholders (NT\$7 per share)	181,512,663,206
---	-----------------

#### 4.1.12 Compensation to Directors and Profit Sharing Bonus to Employees

Based on TSMC's Articles of Incorporation, before paying dividends or bonuses to shareholders, TSMC shall set aside not more than 0.3% of its annual profit to directors as compensation, and not less than 1% to employees as profit sharing bonus. As resolved by TSMC's Board of Directors on February 14, 2017, a profit sharing bonus to employees was expensed based on a certain percentage of 2016 profit; compensation to directors was expensed based on the estimated amount of payment. If the actual amounts subsequently paid differ from the above estimated amounts, the differences will be recorded in the year paid as a change in accounting estimate.

#### 2016 Directors' Compensation and Employees' Profit Sharing Bonus

	Board Resolution (02/14/2017)
	Amount (NT\$)
Directors' Compensation (Cash)	376,432,200
Employee's Profit Sharing Bonus (Cash)	22,418,339,262
Total	22,794,771,462

Note: NT\$22,418,339,262 employees' cash bonus has already been distributed following each quarter of 2016. The above employees' profit sharing bonus will be distributed in the third quarter of 2017.

#### 2015 Directors' Compensation and Employees' Profit Sharing Bonus

	Board Resolution (02/02/2016)	Actual Result (Note)
	Amount (NT\$)	Amount (NT\$)
Directors' Compensation (Cash)	356,186,472	356,186,472
Employees' Profit Sharing Bonus (Cash)	20,556,887,786	20,556,887,786
Total	20,913,074,258	20,913,074,258

Note: The above Directors' Compensation and Employees' Profit Sharing Bonus were expensed under the Company's 2015 statement of comprehensive income and the same amounts were approved by the Board of Directors at its meeting on February 2, 2016.

#### 4.1.13 Impact to 2017 Business Performance and EPS Resulting from Stock Dividend Distribution: Not applicable.

#### 4.1.14 Buyback of Common Stock: None.

## 4.2 Issuance of Corporate Bonds

### 4.2.1 Corporate Bonds

#### NTD Corporate Bonds

As of 02/28/2017

Issuance	Domestic Unsecured Bond (100-1)	Domestic Unsecured Bond (100-2)	Domestic Unsecured Bond (101-1)	Domestic Unsecured Bond (101-2)	Domestic Unsecured Bond (101-3)	Domestic Unsecured Bond (101-4)	Domestic Unsecured Bond (102-1)	Domestic Unsecured Bond (102-2)	Domestic Unsecured Bond (102-3)	Domestic Unsecured Bond (102-4)
Issuing Date	09/28/2011	01/11/2012	08/02/2012	09/26/2012	10/09/2012	01/04/2013	02/06/2013	07/16/2013	08/09/2013	09/25/2013
Denomination	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000
Offering Price	Par	Par	Par	Par	Par	Par	Par	Par	Par	Par
Total Amount	NT\$18,000,000,000	NT\$17,000,000,000	NT\$18,900,000,000	NT\$21,700,000,000	NT\$4,400,000,000	NT\$23,600,000,000	NT\$21,400,000,000	NT\$13,700,000,000	NT\$12,500,000,000	NT\$15,000,000,000
Coupon	Tranche A: 1.40% p.a. Tranche B: 1.63% p.a.	Tranche A: 1.29% p.a. Tranche B: 1.46% p.a.	Tranche A: 1.28% p.a. Tranche B: 1.40% p.a.	Tranche A: 1.28% p.a. Tranche B: 1.39% p.a.	1.53% p.a.	Tranche A: 1.23% p.a. Tranche B: 1.35% p.a. Tranche C: 1.49% p.a.	Tranche A: 1.23% p.a. Tranche B: 1.38% p.a. Tranche C: 1.50% p.a.	Tranche A: 1.50% p.a. Tranche B: 1.70% p.a.	Tranche A: 1.34% p.a. Tranche B: 1.52% p.a.	Tranche A: 1.35% p.a. Tranche B: 1.45% p.a. Tranche C: 1.60% p.a. Tranche D: 1.85% p.a. Tranche E: 2.05% p.a. Tranche F: 2.10% p.a.
Tenor and Maturity Date	Tranche A: 5 years Maturity: 09/28/2016 Tranche B: 7 years Maturity: 09/28/2018	Tranche A: 5 years Maturity: 01/11/2017 Tranche B: 7 years Maturity: 01/11/2019	Tranche A: 5 years Maturity: 08/02/2017 Tranche B: 7 years Maturity: 08/02/2019	Tranche A: 5 years Maturity: 09/26/2017 Tranche B: 7 years Maturity: 09/26/2019	Tenor: 10 years Maturity: 10/09/2022	Tranche A: 5 years Maturity: 01/04/2018 Tranche B: 7 years Maturity: 01/04/2020 Tranche C: 10 years Maturity: 01/04/2023	Tranche A: 5 years Maturity: 02/06/2018 Tranche B: 7 years Maturity: 02/06/2020 Tranche C: 10 years Maturity: 02/06/2023	Tranche A: 7 years Maturity: 07/16/2020 Tranche B: 10 years Maturity: 07/16/2023	Tranche A: 4 years Maturity: 08/09/2017 Tranche B: 6 years Maturity: 08/09/2019	Tranche A: 3 years Maturity: 09/25/2016 Tranche B: 4 years Maturity: 09/25/2017 Tranche C: 5.5 years Maturity: 03/25/2019 Tranche D: 7.5 years Maturity: 03/25/2021 Tranche E: 9.5 years Maturity: 03/25/2023 Tranche F: 10 years Maturity: 09/25/2023
Outstanding	NT\$7,500,000,000	NT\$7,000,000,000	NT\$18,900,000,000	NT\$21,700,000,000	NT\$4,400,000,000	NT\$23,600,000,000	NT\$21,400,000,000	NT\$13,700,000,000	NT\$12,500,000,000	NT\$13,500,000,000
Credit Rating	twAAA (Taiwan Ratings Corporation, 08/24/2011)	twAAA (Taiwan Ratings Corporation, 12/06/2011)	twAAA (Taiwan Ratings Corporation, 07/02/2012)	twAAA (Taiwan Ratings Corporation, 08/23/2012)	twAAA (Taiwan Ratings Corporation, 09/04/2012)	twAAA (Taiwan Ratings Corporation, 11/29/2012)	twAAA (Taiwan Ratings Corporation, 12/18/2012)	twAAA (Taiwan Ratings Corporation, 05/16/2013)	twAAA (Taiwan Ratings Corporation, 07/15/2013)	twAAA (Taiwan Ratings Corporation, 08/06/2013)
Trustee	Mega International Commercial Bank			Taipei Fubon Commercial Bank						
Guarantor	None									
Underwriter	Not Applicable									
Legal Counsel	Modern Law Office									
Auditor	Deloitte & Touche									
Repayment	Bullet									
Redemption or Early Repayment Clause	None									
Covenants	None									
Other Rights of Bondholders	Conversion Right	None								
	Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	Not Applicable								
Dilution Effect and Other Adverse Effects on Existing Shareholders	None									
Custodian	None									

#### USD Corporate Bonds

As of 02/28/2017

Issuance	Senior Unsecured Notes (Note)
Issuing Date	04/03/2013
Denomination	US\$200,000 and integral multiples of US\$1,000 in excess thereof
Listing	Singapore Exchange
Offering Price	2016 Notes: 99.988% 2018 Notes: 99.933%
Total Amount	US\$1,500,000,000
Coupon	2016 Notes: 0.950% p.a. 2018 Notes: 1.625% p.a.
Tenor and Maturity Date	2016 Notes: 3 years Maturity: 04/03/2016 2018 Notes: 5 years Maturity: 04/03/2018
Guarantor	TSMC
Trustee	Citicorp International Limited
Underwriter	Goldman Sachs International

(Continued)

Legal Advisor	Jones Day Maples and Calder	
Auditor	Deloitte & Touche	
Repayment	Bullet	
Outstanding	US\$1,150,000,000	
Redemption or Early Repayment Clause	At issuer's option	
Covenants	Limitations on (1) liens and (2) sale and leaseback transactions	
Credit Rating	A1 (Moody's Investors Service, 03/15/2013) A+ (Standard & Poor's Rating Services, 03/15/2013)	
Other Rights of Bondholders	Conversion Right	None
	Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	Not Applicable
Dilution Effect and Other Adverse Effects on Existing Shareholders	None	
Custodian	None	

Note: Issued by TSMC Global Ltd., a wholly-owned subsidiary of TSMC, and unconditionally and irrevocably guaranteed by TSMC.

4.2.2 Convertible Bond: None.

4.2.3 Exchangeable Bond: None.

4.2.4 Shelf Registration: None.

4.2.5 Bond with Warrants: None.

#### 4.3 Preferred Shares

4.3.1 Preferred Share: None.

4.3.2 Preferred Share with Warrants: None.

#### 4.4 Issuance of American Depositary Shares

Issuing Date	10/08/1997	11/20/1998	01/12/1999 - 01/14/1999	07/15/1999	08/23/1999 - 09/09/1999	02/22/2000 - 03/08/2000	04/17/2000	06/07/2000 - 06/15/2000	05/14/2001 - 06/11/2001	06/12/2001	11/27/2001	02/07/2002 - 02/08/2002	11/21/2002 - 12/19/2002	07/14/2003 - 07/21/2003	11/14/2003	08/10/2005 - 09/08/2005	05/23/2007
Total Amount (US\$)	594,720,000	184,554,440	35,500,000	296,499,641	158,897,089	379,134,599	224,640,000	1,167,873,850	240,999,660	297,649,640	320,600,000	1,001,650,000	160,097,914	908,514,880	1,077,000,000	1,402,036,500	2,563,200,000
Offering Price Per ADS (US\$)	24.78	15.26	17.75	24.516	28.964	57.79	56.16	35.75	20.63	20.63	16.03	16.75	8.73	10.40	10.77	8.6	10.68
Units Issued	24,000,000	12,094,000	2,000,000	12,094,000	5,486,000	6,560,000	4,000,000	32,667,800	11,682,000	14,428,000	20,000,000	59,800,000	18,348,000	87,357,200	100,000,000	163,027,500	240,000,000
Common Shares Represented	120,000,000	60,470,000	10,000,000	60,470,000	27,430,000	32,800,000	20,000,000	163,339,000	58,410,000	72,140,000	100,000,000	299,000,000	91,740,000	436,786,000	500,000,000	815,137,500	1,200,000,000
Underlying Securities	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	Cash Offering and TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders
Apportionment of Expenses for Issuance and Maintenance	(Note 3)							(Note 4)	(Note 3)								
Issuance and Listing	NYSE																
Rights and Obligations of ADS Holders	Same as those of Common Share Holders																
Trustee	Not Applicable																
Depository Bank	Citibank, N.A. - New York																
Custodian Bank (Note 1)	Citibank, N.A. - Taipei Branch																
ADSs Outstanding (Note 2)	As of February 28, 2017, total number of outstanding ADSs was 1,072,193,632.																
Terms and Conditions in the Deposit Agreement and Custody Agreement	See Deposit Agreement and Custody Agreement for Details																
Closing Price Per ADS (US\$; source: Bloomberg)	2016 (Note 5)	High	31.55														
		Low	19.73														
		Average	26.36														
	01/01/2017 - 02/28/2017	High	32.34														
		Low	29.29														
		Average	30.74														

Note 1: Citibank, N.A., Taipei Branch changed its name to "Citibank Taiwan Limited" in 2009.

Note 2: TSMC has in aggregate issued 813,544,500 ADSs since 1997, which, if taking into consideration stock dividends distributed over the period, would amount to 1,147,835,205 ADSs. Stock dividends distributed in 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009 were 45%, 23%, 28%, 40%, 10%, 8%, 14.08668%, 4.99971%, 2.99903%, 0.49991%, 0.50417% and 0.49998%, respectively. As of February 28, 2017, total number of outstanding ADSs was 1,072,193,632 after 75,641,573 were redeemed.

Note 3: All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of ADSs were borne by the selling shareholders, while maintenance expenses such as annual listing fees and accountant fees were borne by TSMC.

Note 4: All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of ADSs were borne proportionately by TSMC and the selling shareholders, while maintenance expenses such as annual listing fees and accountant fees were borne by TSMC.

Note 5: Adjusted for cash dividend paid in 2016.

4.2.2 Convertible Bond: None.

4.2.3 Exchangeable Bond: None.

4.2.4 Shelf Registration: None.

4.2.5 Bond with Warrants: None.

#### 4.3 Preferred Shares

4.3.1 Preferred Share: None.

4.3.2 Preferred Share with Warrants: None.

#### 4.4 Issuance of American Depositary Shares

Issuing Date	10/08/1997	11/20/1998	01/12/1999 - 01/14/1999	07/15/1999	08/23/1999 - 09/09/1999	02/22/2000 - 03/08/2000	04/17/2000	06/07/2000 - 06/15/2000	05/14/2001 - 06/11/2001	06/12/2001	11/27/2001	02/07/2002 - 02/08/2002	11/21/2002 - 12/19/2002	07/14/2003 - 07/21/2003	11/14/2003	08/10/2005 - 09/08/2005	05/23/2007
Total Amount (US\$)	594,720,000	184,554,440	35,500,000	296,499,641	158,897,089	379,134,599	224,640,000	1,167,873,850	240,999,660	297,649,640	320,600,000	1,001,650,000	160,097,914	908,514,880	1,077,000,000	1,402,036,500	2,563,200,000
Offering Price Per ADS (US\$)	24.78	15.26	17.75	24.516	28.964	57.79	56.16	35.75	20.63	20.63	16.03	16.75	8.73	10.40	10.77	8.6	10.68
Units Issued	24,000,000	12,094,000	2,000,000	12,094,000	5,486,000	6,560,000	4,000,000	32,667,800	11,682,000	14,428,000	20,000,000	59,800,000	18,348,000	87,357,200	100,000,000	163,027,500	240,000,000
Common Shares Represented	120,000,000	60,470,000	10,000,000	60,470,000	27,430,000	32,800,000	20,000,000	163,339,000	58,410,000	72,140,000	100,000,000	299,000,000	91,740,000	436,786,000	500,000,000	815,137,500	1,200,000,000
Underlying Securities	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	Cash Offering and TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders
Apportionment of Expenses for Issuance and Maintenance	(Note 3)							(Note 4)	(Note 3)								
Issuance and Listing	NYSE																
Rights and Obligations of ADS Holders	Same as those of Common Share Holders																
Trustee	Not Applicable																
Depository Bank	Citibank, N.A. - New York																
Custodian Bank (Note 1)	Citibank, N.A. - Taipei Branch																
ADSs Outstanding (Note 2)	As of February 28, 2017, total number of outstanding ADSs was 1,072,193,632.																
Terms and Conditions in the Deposit Agreement and Custody Agreement	See Deposit Agreement and Custody Agreement for Details																
Closing Price Per ADS (US\$; source: Bloomberg)	2016 (Note 5)	High	31.55														
		Low	19.73														
		Average	26.36														
	01/01/2017 - 02/28/2017	High	32.34														
		Low	29.29														
		Average	30.74														

Note 1: Citibank, N.A., Taipei Branch changed its name to "Citibank Taiwan Limited" in 2009.

Note 2: TSMC has in aggregate issued 813,544,500 ADSs since 1997, which, if taking into consideration stock dividends distributed over the period, would amount to 1,147,835,205 ADSs. Stock dividends distributed in 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009 were 45%, 23%, 28%, 40%, 10%, 8%, 14.08668%, 4.99971%, 2.99903%, 0.49991%, 0.50417% and 0.49998%, respectively. As of February 28, 2017, total number of outstanding ADSs was 1,072,193,632 after 75,641,573 were redeemed.

Note 3: All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of ADSs were borne by the selling shareholders, while maintenance expenses such as annual listing fees and accountant fees were borne by TSMC.

Note 4: All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of ADSs were borne proportionately by TSMC and the selling shareholders, while maintenance expenses such as annual listing fees and accountant fees were borne by TSMC.

Note 5: Adjusted for cash dividend paid in 2016.

4.2.2 Convertible Bond: None.

4.2.3 Exchangeable Bond: None.

4.2.4 Shelf Registration: None.

4.2.5 Bond with Warrants: None.

#### 4.3 Preferred Shares

4.3.1 Preferred Share: None.

4.3.2 Preferred Share with Warrants: None.

#### 4.4 Issuance of American Depositary Shares

Issuing Date	10/08/1997	11/20/1998	01/12/1999 - 01/14/1999	07/15/1999	08/23/1999 - 09/09/1999	02/22/2000 - 03/08/2000	04/17/2000	06/07/2000 - 06/15/2000	05/14/2001 - 06/11/2001	06/12/2001	11/27/2001	02/07/2002 - 02/08/2002	11/21/2002 - 12/19/2002	07/14/2003 - 07/21/2003	11/14/2003	08/10/2005 - 09/08/2005	05/23/2007
Total Amount (US\$)	594,720,000	184,554,440	35,500,000	296,499,641	158,897,089	379,134,599	224,640,000	1,167,873,850	240,999,660	297,649,640	320,600,000	1,001,650,000	160,097,914	908,514,880	1,077,000,000	1,402,036,500	2,563,200,000
Offering Price Per ADS (US\$)	24.78	15.26	17.75	24.516	28.964	57.79	56.16	35.75	20.63	20.63	16.03	16.75	8.73	10.40	10.77	8.6	10.68
Units Issued	24,000,000	12,094,000	2,000,000	12,094,000	5,486,000	6,560,000	4,000,000	32,667,800	11,682,000	14,428,000	20,000,000	59,800,000	18,348,000	87,357,200	100,000,000	163,027,500	240,000,000
Common Shares Represented	120,000,000	60,470,000	10,000,000	60,470,000	27,430,000	32,800,000	20,000,000	163,339,000	58,410,000	72,140,000	100,000,000	299,000,000	91,740,000	436,786,000	500,000,000	815,137,500	1,200,000,000
Underlying Securities	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	Cash Offering and TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders (Pursuant to ADR Conversion Sale Program)	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders	TSMC Common Shares from Selling Shareholders
Apportionment of Expenses for Issuance and Maintenance	(Note 3)							(Note 4)	(Note 3)								
Issuance and Listing	NYSE																
Rights and Obligations of ADS Holders	Same as those of Common Share Holders																
Trustee	Not Applicable																
Depository Bank	Citibank, N.A. - New York																
Custodian Bank (Note 1)	Citibank, N.A. - Taipei Branch																
ADSs Outstanding (Note 2)	As of February 28, 2017, total number of outstanding ADSs was 1,072,193,632.																
Terms and Conditions in the Deposit Agreement and Custody Agreement	See Deposit Agreement and Custody Agreement for Details																
Closing Price Per ADS (US\$; source: Bloomberg)	2016 (Note 5)	High	31.55														
		Low	19.73														
		Average	26.36														
	01/01/2017 - 02/28/2017	High	32.34														
		Low	29.29														
		Average	30.74														

Note 1: Citibank, N.A., Taipei Branch changed its name to "Citibank Taiwan Limited" in 2009.

Note 2: TSMC has in aggregate issued 813,544,500 ADSs since 1997, which, if taking into consideration stock dividends distributed over the period, would amount to 1,147,835,205 ADSs. Stock dividends distributed in 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009 were 45%, 23%, 28%, 40%, 10%, 8%, 14.08668%, 4.99971%, 2.99903%, 0.49991%, 0.50417% and 0.49998%, respectively. As of February 28, 2017, total number of outstanding ADSs was 1,072,193,632 after 75,641,573 were redeemed.

Note 3: All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of ADSs were borne by the selling shareholders, while maintenance expenses such as annual listing fees and accountant fees were borne by TSMC.

Note 4: All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of ADSs were borne proportionately by TSMC and the selling shareholders, while maintenance expenses such as annual listing fees and accountant fees were borne by TSMC.

Note 5: Adjusted for cash dividend paid in 2016.



#### **4.5 Status of Employee Stock Option Plan**

All TSMC employee stock options expired and exercise completed in 2015. TSMC did not issue employee stock options in 2016, nor as of the date of this annual report.

**4.5.1 Issuance of Employee Stock Options:** Not applicable.

**4.5.2 Employee Stock Options Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.6 Status of Employee Restricted Stock**

TSMC did not issue employee restricted stock in 2016, nor as of the date of this annual report.

**4.6.1 Status of Employee Restricted Stock:** Not applicable.

**4.6.2 Employee Restricted Stock Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions**

TSMC neither issued new shares in connection with mergers or acquisitions during 2016, nor as of the date of this annual report.

**4.8 Financing Plans and Implementation:** Not applicable.

#### **4.5 Status of Employee Stock Option Plan**

All TSMC employee stock options expired and exercise completed in 2015. TSMC did not issue employee stock options in 2016, nor as of the date of this annual report.

**4.5.1 Issuance of Employee Stock Options:** Not applicable.

**4.5.2 Employee Stock Options Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.6 Status of Employee Restricted Stock**

TSMC did not issue employee restricted stock in 2016, nor as of the date of this annual report.

**4.6.1 Status of Employee Restricted Stock:** Not applicable.

**4.6.2 Employee Restricted Stock Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions**

TSMC neither issued new shares in connection with mergers or acquisitions during 2016, nor as of the date of this annual report.

**4.8 Financing Plans and Implementation:** Not applicable.

#### **4.5 Status of Employee Stock Option Plan**

All TSMC employee stock options expired and exercise completed in 2015. TSMC did not issue employee stock options in 2016, nor as of the date of this annual report.

**4.5.1 Issuance of Employee Stock Options:** Not applicable.

**4.5.2 Employee Stock Options Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.6 Status of Employee Restricted Stock**

TSMC did not issue employee restricted stock in 2016, nor as of the date of this annual report.

**4.6.1 Status of Employee Restricted Stock:** Not applicable.

**4.6.2 Employee Restricted Stock Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions**

TSMC neither issued new shares in connection with mergers or acquisitions during 2016, nor as of the date of this annual report.

**4.8 Financing Plans and Implementation:** Not applicable.

#### **4.5 Status of Employee Stock Option Plan**

All TSMC employee stock options expired and exercise completed in 2015. TSMC did not issue employee stock options in 2016, nor as of the date of this annual report.

**4.5.1 Issuance of Employee Stock Options:** Not applicable.

**4.5.2 Employee Stock Options Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.6 Status of Employee Restricted Stock**

TSMC did not issue employee restricted stock in 2016, nor as of the date of this annual report.

**4.6.1 Status of Employee Restricted Stock:** Not applicable.

**4.6.2 Employee Restricted Stock Granted to Management Team and to Top 10 Employees:** Not applicable.

#### **4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions**

TSMC neither issued new shares in connection with mergers or acquisitions during 2016, nor as of the date of this annual report.

**4.8 Financing Plans and Implementation:** Not applicable.