

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD

Form 6-K

April 18, 2007

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1934 Act Registration No. 1-14700
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934
For the month of April 2007
Taiwan Semiconductor Manufacturing Company Ltd.
(Translation of Registrant's Name Into English)
No. 8, Li-Hsin Rd. 6,
Hsinchu Science Park,
Taiwan
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82: _____.)

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**Taiwan Semiconductor Manufacturing Company Limited
Financial Statements for the
Years Ended December 31, 2006 and 2005 and
Independent Auditors Report**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Taiwan Semiconductor Manufacturing Company Limited

We have audited the accompanying balance sheets of Taiwan Semiconductor Manufacturing Company Limited as of December 31, 2006 and 2005, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These 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 Rules Governing the Audit 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 financial statements referred to above present fairly, in all material respects, the financial position of Taiwan Semiconductor Manufacturing Company Limited as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting with respect to financial accounting standards, and accounting principles generally accepted in the Republic of China.

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We have also audited, in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China, the consolidated financial statements of Taiwan Semiconductor Manufacturing Company Limited and subsidiaries as of and for the years ended December 31, 2006 and 2005, and have expressed an unqualified opinion on the consolidated financial statements. January 11, 2007

Notice to Readers

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 jurisdiction. 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.

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Table of Contents**Taiwan Semiconductor Manufacturing Company Limited****BALANCE SHEETS****DECEMBER 31, 2006 AND 2005****(In Thousands of New Taiwan Dollars, Except Par Value)**

	2006		2005	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 2 and 4)	\$ 100,139,709	17	\$ 85,383,583	17
Financial assets at fair value through profit or loss (Notes 2, 3 and 5)	44,601		1,380,905	1
Available-for-sale financial assets (Notes 2, 3 and 6)	25,967,061	5	46,452,838	9
Held-to-maturity financial assets (Notes 2, 3 and 7)	8,510,823	2	602,509	
Notes and accounts receivable	16,278,164	3	20,591,818	4
Receivables from related parties (Note 23)	16,869,509	3	21,050,604	4
Allowance for doubtful receivables (Note 2)	(690,931)		(976,344)	
Allowance for sales returns and others (Note 2)	(2,751,065)		(4,269,969)	(1)
Other receivables from related parties (Note 23)	449,266		1,797,714	1
Other financial assets (Note 3)	653,460		1,106,030	
Inventories, net (Notes 2 and 8)	19,152,214	3	16,257,955	3
Deferred income taxes assets (Notes 2 and 16)	7,832,000	1	7,013,000	1
Prepaid expenses and other current assets (Note 3)	1,221,199		1,171,773	
Total current assets	193,676,010	34	197,562,416	39
LONG-TERM INVESTMENTS (Notes 2, 3, 6, 7, 9 and 10)				
Investments accounted for using equity method	101,044,356	18	51,076,803	10
Available-for-sale financial assets	6,647,511	1		
Held-to-maturity financial assets	28,973,495	5	28,775,308	6
Financial assets carried at cost	712,843		807,490	
Total long-term investments	137,378,205	24	80,659,601	16
PROPERTY, PLANT AND EQUIPMENT (Notes 2, 11 and 23)				
Cost				
Buildings	96,961,851	17	90,769,622	18
Machinery and equipment	527,850,728	92	459,850,773	91
Office equipment	8,659,225	2	7,850,035	1
	633,471,804	111	558,470,430	110

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Accumulated depreciation	(417,467,250)	(73)	(359,191,829)	(71)
Advance payments and construction in progress	12,230,805	2	14,867,032	3
Net property, plant and equipment	228,235,359	40	214,145,633	42
GOODWILL (Note 2)	1,567,756		1,567,756	
OTHER ASSETS				
Deferred income tax assets (Notes 2 and 16)	5,761,127	1	6,759,955	2
Deferred charges, net (Notes 2 and 12)	5,593,068	1	6,681,144	1
Refundable deposits	1,306,234		83,642	
Assets leased to others, net (Note 2)	67,145		72,879	
Others			6,789	
Total other assets	12,727,574	2	13,604,409	3
TOTAL	\$ 573,584,904	100	\$ 507,539,815	100

	2006		2005	
	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Notes 2, 3 and 5)	\$ 10,751		\$ 234,279	
Accounts payable	6,143,679	1	8,052,106	1
Payables to related parties (Note 23)	3,326,916	1	3,242,197	1
Income tax payable (Notes 2 and 16)	7,850,418	1	3,815,888	1
Accrued expenses and other current liabilities (Notes 3 and 14)	7,903,867	1	7,980,715	1
Payables to contractors and equipment suppliers	10,669,523	2	8,859,230	2
Current portion of bonds payable (Note 13)	7,000,000	1		
Total current liabilities	42,905,154	7	32,184,415	6
LONG-TERM LIABILITIES				
Bonds payable (Note 13)	12,500,000	2	19,500,000	4
Other long-term payables (Note 14)	1,271,896		1,511,100	
Other payables to related parties (Notes 23 and 25)	403,375		1,100,475	
Total long-term liabilities	14,175,271	2	22,111,575	4

OTHER LIABILITIES

Accrued pension cost (Notes 2 and 15)	3,530,116	1	3,461,392	1
Guarantee deposits (Note 25)	3,809,961	1	2,892,945	1
Deferred credits (Notes 2 and 23)	1,183,118		1,259,139	

Total other liabilities	8,523,195	2	7,613,476	2
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Total liabilities	65,603,620	11	61,909,466	12
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CAPITAL STOCK - NT\$10 PAR VALUE

Authorized: 27,050,000 thousand shares

Issued: 25,829,688 thousand shares in 2006

24,730,025 thousand shares in 2005	258,296,879	45	247,300,246	49
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CAPITAL SURPLUS (Notes 2 and 18)	54,107,498	10	57,117,886	11
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RETAINED EARNINGS (Note 18)

Appropriated as legal capital reserve	43,705,711	8	34,348,208	7
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Appropriated as special capital reserve	640,742		2,226,427	
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Unappropriated earnings	152,778,079	26	106,196,399	21
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	197,124,532	34	142,771,034	28
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OTHERS (Notes 2, 3 and 22)

Cumulative translation adjustments	(1,191,165)		(640,742)	
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Unrealized gains on financial instruments	561,615			
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	(629,550)		(640,742)	
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TREASURY STOCK (AT COST, Notes 2 and 20)

33,926 thousand shares in 2006 and 32,938 thousand shares in 2005

	(918,075)		(918,075)	
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Total shareholders equity	507,981,284	89	445,630,349	88
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TOTAL	\$ 573,584,904	100	\$ 507,539,815	100
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The accompanying notes are an integral part of the financial statements.

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Taiwan Semiconductor Manufacturing Company Limited
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2006		2005	
	Amount	%	Amount	%
GROSS SALES (Notes 2 and 23)	\$ 319,210,148		\$ 270,315,064	
SALES RETURNS AND ALLOWANCES (Note 2)	5,328,513		5,726,700	
NET SALES	313,881,635	100	264,588,364	100
COST OF SALES (Notes 17 and 23)	164,163,235	52	149,344,315	56
GROSS PROFIT	149,718,400	48	115,244,049	44
OPERATING EXPENSES (Notes 17 and 23)				
Research and development	14,601,385	5	13,395,801	5
General and administrative	7,190,422	2	7,485,011	3
Marketing	1,626,734	1	1,349,413	1
Total operating expenses	23,418,541	8	22,230,225	9
INCOME FROM OPERATIONS	126,299,859	40	93,013,824	35
NON-OPERATING INCOME AND GAINS				
Equity in earnings of equity method investees, net (Notes 2 and 9)	5,526,727	2		
Interest income (Notes 2 and 3)	3,382,868	1	2,506,769	1
Settlement income (Note 25)	967,506	1	950,046	
Technical service income (Notes 23 and 25)	670,297		491,267	
Gain on disposal of property, plant and equipment and other assets (Notes 2 and 23)	596,459		494,374	
Valuation gain on financial instruments, net (Notes 2, 3, 5 and 22)	33,850			
Foreign exchange gain, net (Notes 2 and 3)			2,572,560	1
Others (Note 23)	419,020		366,344	
Total non-operating income and gains	11,596,727	4	7,381,360	2
NON-OPERATING EXPENSES AND LOSSES				

Loss on settlement and disposal of financial instruments, net (Notes 2, 3 and 5)	1,623,882	1	3,742,312	2
Interest expense (Note 3)	661,200		1,180,484	
Foreign exchange loss, net (Note 2)	412,726			
Loss on disposal of property, plant and equipment (Note 2)	240,985		59,992	
Equity in losses of equity method investees, net (Notes 2 and 9)			1,052,045	

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Taiwan Semiconductor Manufacturing Company Limited
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2006		2005	
	Amount	%	Amount	%
Valuation loss on financial instruments, net (Notes 2, 3, 5 and 22)	\$		\$ 337,160	
Others	151,294		203,768	
Total non-operating expenses and losses	3,090,087	1	6,575,761	2
INCOME BEFORE INCOME TAX	134,806,499	43	93,819,423	35
INCOME TAX EXPENSE (Notes 2 and 16)	(7,550,582)	(2)	(244,388)	
NET INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	127,255,917	41	93,575,035	35
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES, NET OF TAX BENEFIT OF NT\$82,062 THOUSAND (Note 3)	(246,186)			
NET INCOME	\$ 127,009,731	41	\$ 93,575,035	35

	2006		2005	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (NT\$, Note 21)				
Basic earnings per share	\$ 5.21	\$ 4.93	\$ 3.64	\$ 3.63
Diluted earnings per share	\$ 5.21	\$ 4.92	\$ 3.64	\$ 3.63

Certain pro forma information (after income tax) is shown as follows, based on the assumption that the Company's stock held by subsidiaries is treated as an investment instead of treasury stock (Notes 2 and 20):

	2006	2005
NET INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	\$ 127,338,237	\$ 93,881,698
NET INCOME	\$ 127,092,051	\$ 93,881,698

EARNINGS PER SHARE (NT\$)

Basic earnings per share	\$	4.92	\$	3.64
Diluted earnings per share	\$	4.92	\$	3.64

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

(Concluded)

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Taiwan Semiconductor Manufacturing Company Limited
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

Balance Sheet (Thousands)	Paid-in Capital Amount	Capital Surplus	Legal Capital Reserve	Retained Earnings		Total	Cumulative Translation Adjustments	Others Unrealized Gain on Financial Instruments	Total
				Special Capital Reserve	Unappropriated Earnings				
2004	\$ 232,519,637	\$ 56,537,259	\$ 25,528,007	\$	\$ 88,202,009	\$ 113,730,016	\$ (2,226,427)	\$	\$ (2,226,427)
			8,820,201		(8,820,201)				
				2,226,427	(2,226,427)				
					(3,086,215)	(3,086,215)			
2002	3,086,215				(3,086,215)	(3,086,215)			
					(46,504,097)	(46,504,097)			
2002	11,626,024				(11,626,024)	(11,626,024)			
					(231,466)	(231,466)			
					93,575,035	93,575,035			
		71,405							
							1,585,685		1,585,685
2007	68,370	202,559							
		84,285							

222,378

5 247,300,246 57,117,886 34,348,208 2,226,427 106,196,399 142,771,034 (640,742) (640,742)

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

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Taiwan Semiconductor Manufacturing Company Limited
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(In Thousands of New Taiwan Dollars)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 127,009,731	\$ 93,575,035
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,699,455	67,991,423
Amortization of premium/discount of financial assets	2,399	120,872
Loss on disposal of available-for-sale financial assets, net	485	150,081
Equity in losses (earnings) of equity method investees, net	(5,526,727)	1,052,045
Dividends received from equity method investees	626,367	668,464
Gain on disposal of investments accounted for using equity method investees, net	(26,031)	(583)
Gain on disposal of financial assets carried at cost, net	(212)	(2,919)
Loss on impairment of financial assets carried at cost	36,608	
Gain on disposal of property, plant and equipment and other assets, net	(355,474)	(434,382)
Deferred income taxes	179,828	(3,278,952)
Loss on idle assets	44,072	131,849
Donation of idle assets		7,207
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets and liabilities at fair value through profit or loss	1,112,776	10,739
Notes and accounts receivable	4,313,654	(5,264,937)
Receivables from related parties	4,181,095	(4,914,565)
Allowance for doubtful receivables	(285,413)	(4,117)
Allowance for sales returns and others	(1,518,904)	942,055
Other receivables from related parties	985,419	(1,243,126)
Other financial assets	(99,109)	64,288
Inventories	(2,894,259)	(2,086,010)
Prepaid expenses and other current assets	(49,426)	(84,341)
Increase (decrease) in:		
Accounts payable	(1,908,427)	1,563,489
Payables to related parties	(612,381)	(1,224,371)
Income tax payable	4,034,530	3,435,985
Accrued expenses and other current liabilities	157,262	(1,001,293)
Accrued pension cost	68,724	360,196
Deferred credits	(95,745)	95,744
Net cash provided by operating activities	196,080,297	150,629,876
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Available-for-sale financial assets	(98,679,832)	(99,436,242)

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Held-to-maturity financial assets	(18,554,027)	(14,199,142)
Financial assets carried at cost	(12,940)	(48,536)
Investments accounted for using equity method	(5,515,466)	(3,392,619)
Property, plant and equipment	(77,215,811)	(73,659,014)
		(Continued)

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Taiwan Semiconductor Manufacturing Company Limited
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(In Thousands of New Taiwan Dollars)

	2006	2005
Proceeds from disposal of:		
Available-for-sale financial assets	\$ 73,212,019	\$ 101,609,384
Financial assets carried at cost	71,191	16,599
Investments accounted for using equity method	37,946	65,076
Property, plant and equipment and other assets	1,277,729	2,087,236
Redemption of held-to-maturity financial assets upon maturity	10,410,000	14,595,394
Proceeds from return of capital by investee	162,354	
Increase in deferred charges	(1,272,355)	(847,721)
Decrease (increase) in refundable deposits	(1,222,592)	1,771
 Net cash used in investing activities	 (117,301,784)	 (73,207,814)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid for common stock	(61,825,061)	(46,504,097)
Cash bonus paid to employees	(3,432,129)	(3,086,215)
Increase in guarantee deposits	917,016	2,480,552
Proceeds from exercise of employee stock options	575,197	270,929
Bonus to directors and supervisors	(257,410)	(231,466)
Repayment of long-term bonds payable		(10,500,000)
 Net cash used in financing activities	 (64,022,387)	 (57,570,297)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 14,756,126	 19,851,765
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 85,383,583	 65,531,818
 CASH AND CASH EQUIVALENTS, END OF YEAR	 \$ 100,139,709	 \$ 85,383,583
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 661,200	\$ 1,212,449
Income tax paid	\$ 3,189,528	\$ 87,351
 INVESTING ACTIVITIES AFFECTING BOTH CASH AND NON-CASH ITEMS		
Acquisition of property, plant, and equipment	\$ 79,026,104	\$ 51,363,935

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Decrease (increase) in payables to contractors and equipment suppliers	(1,810,293)	22,295,079
Cash paid	\$ 77,215,811	\$ 73,659,014

NON-CASH INVESTING AND FINANCING ACTIVITIES

Current portion of bonds payable	\$ 7,000,000	\$
Current portion of other payables to related parties (under payables to related parties)	\$ 688,591	\$ 693,956
Current portion of other long-term payable (under accrued expenses and other current liabilities)	\$ 617,892	\$ 869,072
Transfer of available-for-sale financial assets and other net assets to investments accounted for using equity method (Note 6)	\$ 39,687,637	\$

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

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Taiwan Semiconductor Manufacturing Company Limited

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

Taiwan Semiconductor Manufacturing Company Limited (the Company or TSMC), a Republic of China (R.O.C.) corporation, was incorporated as a venture among the Government of the R.O.C., acting through the Development Fund of the Executive Yuan; Philips Electronics N.V. and certain of its affiliates (Philips); and certain other private investors. On September 5, 1994, its shares were listed on the Taiwan Stock Exchange (TSE). On October 8, 1997, TSMC listed some of its shares of stock on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADSs).

The Company is engaged mainly in the manufacturing, selling, packaging, testing and computer-aided designing of integrated circuits and other semiconductor devices and the manufacturing of masks.

As of December 31, 2006 and 2005, the Company had 20,202 and 19,460 employees, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law, Guideline Governing Business Accounting, and accounting principles generally accepted in the R.O.C.

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 financial statements shall prevail.

Significant accounting policies are summarized as follows:

Use of Estimates

The preparation of financial statements in conformity with the aforementioned guidelines, law and principles requires management to make reasonable assumptions and estimates of matters that are inherently uncertain. The actual results may differ from management's estimates.

Classification of Current and Noncurrent Assets and Liabilities

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within one year from the balance sheet date. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within one year from the balance sheet date. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalents

Repurchase agreements collateralized by government bonds and corporate notes acquired with maturities of less than three months from the date of purchase are classified as cash equivalents. The carrying amount approximates fair value.

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Financial Assets/Liabilities at Fair Value Through Profit or Loss

Derivatives that do not meet the criteria for hedge accounting are initially recognized at fair value, with transaction costs expensed as incurred. The derivatives are remeasured at fair value subsequently with the changes in fair value recognized in earnings. A regular way purchase or sale of financial assets is accounted for using settlement date accounting.

Fair value is estimated using valuation techniques incorporating estimates and assumptions that are consistent with prevailing market conditions. When the fair value is positive, the derivative is recognized as a financial asset; when the fair value is negative, the derivative is recognized as a financial liability.

Available-for-sale Financial Assets

Investments designated as available-for-sale financial assets include debt securities and equity securities.

Available-for-sale financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition. Changes in fair value from subsequent remeasurement are reported as a separate component of shareholders' equity. The corresponding accumulated gains or losses are recognized in earnings when the financial asset is derecognized from the balance sheet. A regular way purchase or sale of financial assets is accounted for using settlement date accounting.

Except structured time deposits whose fair value is estimated using valuation techniques, fair values of open-end mutual funds and publicly traded stocks are determined using the net assets value and the closing-price at the end of the year, respectively. For debt securities, fair value is determined using the average of bid and asked prices at the end of the year.

Cash dividends are recognized as investment income upon resolution of shareholders of an investee but are accounted for as reductions to the original cost of investments if such dividends are declared on the earnings of the investees attributable to periods prior to the purchase of the investments. Stock dividends are recorded as an increase in the number of shares held and do not affect investment income. The cost per share is recalculated based on the new total number of shares. Any difference between the initial carrying amount of a debt security and the amount due at maturity is amortized using the effective interest method, with the amortization recognized in earnings.

If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized. If, in a subsequent period, the amount of the impairment loss decreases, for equity securities, the previously recognized impairment loss is reversed to the extent of the decrease and recorded as an adjustment to shareholders' equity; for debt securities, the amount of the decrease is recognized in earnings, provided that the decrease is clearly attributable to an event which occurred after the impairment loss was recognized.

Held-to-maturity Financial Assets

Debt securities for which the Company has a positive intention and ability to hold to maturity are categorized as held-to-maturity financial assets and are carried at amortized cost under the effective interest method. Those financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition. Gains or losses are recognized at the time of derecognition, impairment or amortization. A regular way purchase or sale of financial assets is accounted for using settlement date accounting.

If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized. If, in a subsequent period, the amount of the impairment loss decreases and the decrease is clearly attributable to an event which occurred after the impairment loss was recognized, the previously recognized impairment loss is reversed to the extent of the decrease. The reversal may not result in a carrying amount that exceeds the amortized cost that would have been determined as if no impairment loss had been recognized.

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Allowance for Doubtful Receivables

An allowance for doubtful receivables is provided based on a review of the collectibility of accounts receivable. The Company determines the amount of allowance for doubtful receivables by examining the aging analysis of outstanding accounts receivable and current trends in the credit quality of its customers as well as its internal credit policies.

Revenue Recognition and Allowance for Sales Returns and Others

The Company recognizes revenue when evidence of an arrangement exists, shipment is made, price is fixed or determinable, and collectibility is reasonably assured. Revenues from the design and manufacture of photo masks, which are used as manufacturing tools in the fabrication process, are recognized when the photo masks are qualified by customers. Provisions for estimated sales returns and others are generally recorded in the period the related revenue is recognized based on historical experience, management's judgment, and any known factors that would significantly affect the allowance.

Sales prices are determined using fair value taking into account related sales discounts agreed to by the Company and its customers. Sales agreements typically provide that payment is due 30 days from invoice date for a majority of the customers and 30 to 45 days after the end of the month in which sales occur for some customers. Since the receivables from sales are collectible within one year and such transactions are frequent, fair value of the receivables is equivalent to the nominal amount of the cash to be received.

Inventories

Inventories are stated at the lower of cost or market value. Inventories are recorded at standard cost and adjusted to the approximate weighted-average cost at the balance sheet date. Market value represents replacement cost for raw materials, supplies and spare parts and net realizable value for work in process and finished goods. The Company assesses the impact of changing technology on its inventories on hand and writes off inventories that are considered obsolete. Year-end inventories are evaluated for estimated excess quantities and obsolescence based on a demand forecast within a specific time horizon, which is generally 180 days or less. Estimated losses on scrap and slow-moving items are recognized and included in the allowance for losses.

Investments Accounted for Using Equity Method

Investments in companies wherein the Company exercises significant influence over the operating and financial policy decisions are accounted for using the equity method. The Company's share of the net income or net loss of an investee is recognized in the equity in earnings/losses of equity method investees, net account. Prior to January 1, 2006, the difference, if any, between the cost of investment and the Company's proportionate share of the investee's equity was amortized by the straight-line method over five years, with the amortization recorded in the equity in earnings/losses of equity method investees, net account. Effective January 1, 2006, pursuant to the revised Statement of Financial Accounting Standards No. 5, Long-term Investments in Equity Securities (SFAS No. 5), the cost of an investment shall be analyzed and the difference between the cost of investment and the fair value of identifiable net assets acquired, representing goodwill, shall not be amortized and instead shall be tested for impairment annually. The accounting treatment for the investment premiums acquired before January 1, 2006 is the same as that for goodwill which is no longer being amortized; while investment discounts continue to be amortized over the remaining periods. When an indication of impairment is identified, the carrying amount of the investment is reduced, with the related impairment loss recognized in earnings.

When the Company subscribes for additional investee's shares at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment in the investee differs from the amount of the Company's share of the investee's equity. The Company records such a difference as an adjustment to long-term investments with the corresponding amount charged or credited to capital surplus.

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Gains or losses on sales from the Company to equity method investees are deferred in proportion to the Company's ownership percentage in the investees until such gains or losses are realized through transactions with third parties. The entire amount of the gains or losses on sales to investees over which the Company has a controlling interest is deferred until such gains or losses are realized through subsequent sales of the related products to third parties. Gains or losses on sales from equity method investees to the Company are deferred in proportion to the Company's ownership percentages in the investees until they are realized through transactions with third parties. Gains or losses on sales between equity method investees are deferred in proportion to the Company's weighted-average ownership percentages in the investees that record such gains or losses until they are realized through transactions with third parties.

If an investee's functional currency is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

Financial Assets Carried at Cost

Investments in which the Company does not exercise significant influence and that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at their original cost, such as non-publicly traded stocks and mutual funds. The costs of mutual funds and non-publicly traded stocks are determined using the weighted-average method. If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized. A subsequent reversal of such impairment loss is not allowed.

The accounting treatment for cash dividends and stock dividends arising from financial assets carried at cost is the same as that for cash and stock dividends arising from available-for-sale financial assets.

Property, Plant and Equipment and Assets Leased to Others

Property, plant, and equipment and assets leased to others are stated at cost less accumulated depreciation. When an indication of impairment is identified, any excess of the carrying amount of an asset over its recoverable amount is recognized as a loss. If the recoverable amount increases in a subsequent period, the amount previously recognized as impairment would be reversed and recognized as a gain. However, the adjusted amount may not exceed the carrying amount that would have been determined, net of depreciation, as if no impairment loss had been recognized.

Significant additions, renewals and betterments incurred during the construction period are capitalized. Maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated service lives: buildings - 10 to 20 years; machinery and equipment - 5 years; and office equipment - 3 to 5 years.

Upon sale or disposal of property, plant and equipment, the related cost and accumulated depreciation are deducted from the corresponding accounts, with any gain or loss recorded as to non-operating gains or losses in the period of sale or disposal.

Goodwill

Goodwill represents the excess of the consideration paid for acquisition over the fair value of identifiable net assets acquired. Prior to January 1, 2006, goodwill was amortized using the straight-line method over the estimated life of 10 years. Effective January 1, 2006, pursuant to the newly revised SFAS No. 25, Business Combinations - Accounting Treatment under Purchase Method (SFAS No. 25), goodwill is no longer amortized and instead is tested for impairment annually. If an event occurs or circumstances change which indicated that the fair value of goodwill is more likely than not below its carrying amount, an impairment loss is recognized. A subsequent recovery in fair value of goodwill is not allowed.

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Deferred Charges

Deferred charges consist of technology license fees, software and system design costs and other charges. The amounts are amortized over the following periods: Technology license fees - the shorter of the estimated life of the technology or the term of the technology transfer contract; software and system design costs and other charges - 3 years. When an indication of impairment is identified, any excess of the carrying amount of an asset over its recoverable amount is recognized as a loss. If the recoverable amount increases in a subsequent period, the previously recognized impairment loss would be reversed and recognized as a gain. However, the adjusted amount may not exceed the carrying amount that would have been determined, net of amortization, as if no impairment loss had been recognized.

Pension Costs

For employees under defined contribution pension plans, pension costs are recorded based on the actual contributions made to employees' individual pension accounts during their service periods. For employees under defined benefit pension plans, pension costs are recorded based on actuarial calculations.

Income Tax

The Company applies intra-period and inter-period allocations for its income tax, whereby (1) a portion of current income tax expense is allocated to the cumulative effect of changes in accounting principles; and (2) deferred income tax assets and liabilities are recognized for the tax effects of temporary differences and unused tax credits. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Any tax credits arising from purchases of machinery, equipment and technology, research and development expenditures, personnel training, and investments in important technology-based enterprises are recognized using the flow-through method.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Income tax on unappropriated earnings at a rate of 10% is expensed in the year of shareholder approval which is the year subsequent to the year the earnings are generated.

The R.O.C. government enacted the Alternative Minimum Tax Act (the AMT Act), which became effective on January 1, 2006. The alternative minimum tax (AMT) imposed under the AMT Act is a supplemental tax levied at a rate of 10% which is payable if the income tax payable determined pursuant to the Income Tax Law is below the minimum amount prescribed under the AMT Act. The taxable income for calculating the AMT includes most of the income that is exempted from income tax under various laws and statutes. The Company has considered the impact of the AMT Act in the determination of its tax liabilities.

Stock-based Compensation

Employee stock option plans that are amended or have options granted on or after January 1, 2004 are accounted for by the interpretations issued by the Accounting Research and Development Foundation. The Company adopted the intrinsic value method and any compensation cost determined using this method is recognized in earnings over the employee vesting period.

Table of Contents**Treasury Stock**

The Company's stock held by subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from the Company are recorded under capital surplus - treasury stock transactions.

Foreign-currency Transactions

Foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange gains or losses derived from foreign-currency transactions or monetary assets and liabilities denominated in foreign currencies are recognized in earnings. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are revalued at prevailing exchange rates with the resulting gains or losses recognized in earnings.

3. ACCOUNTING CHANGES

On January 1, 2006, the Company adopted the newly released Statements of Financial Accounting Standards No. 34, Financial Instruments: Recognition and Measurement (SFAS No. 34) and No. 36, Financial Instruments: Disclosure and Presentation and related revisions of previously released SFASs.

a. Effect of adopting the newly released SFASs and related revisions of previously released SFASs

The Company had categorized its financial assets and liabilities upon initial adoption of the newly released SFASs. The adjustments made to the carrying amounts of the financial instruments categorized as financial assets or financial liabilities at fair value through profit or loss were included in the cumulative effect of changes in accounting principles; the adjustments made to the carrying amounts of those categorized as available-for-sale financial assets were recognized as adjustments to shareholders' equity.

The effect of adopting the newly released SFASs is summarized as follows:

	Recognized as Cumulative Effect of Changes in Accounting Principles (Net of Tax)	Recognized as a Separate Component of Shareholders Equity
Financial assets or liabilities at fair value through profit or loss	\$ (246,186)	\$
Available-for-sale financial assets		
	\$ (246,186)	\$

The adoption of the newly released SFASs resulted in a increase in net income before cumulative effect of changes in accounting principles of NT\$280,036 thousand, a increase in net income of NT\$33,850 thousand, and a increase in

basic earnings per share (after income tax) of NT\$0.001, for the year ended December 31, 2006.

Effective January 1, 2006, the Company adopted the newly revised SFAS No. 5 and SFAS No. 25, which prescribe that investment premiums, representing goodwill, be assessed for impairment at least on an annual basis instead of being amortized. Such a change in accounting principle did not have a material effect on the Company's financial statements as of and for the year ended December 31, 2006.

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b. Reclassifications

Upon adoption of SFAS No. 34, certain accounts in the financial statements as of and for the year ended December 31, 2005 were reclassified to conform with the financial statements as of and for the year ended December 31, 2006. The previously issued financial statements as of and for the year ended December 31, 2005 need not be restated.

Certain accounting policies prior to the adoption of the newly released SFASs are summarized as follows:

1) Short-term investments

Short-term investments that were publicly-traded, easily converted to cash, and not acquired for the purpose of controlling the investees or establishing close business relationship with the investees were carried at the lower of cost or market value at the balance sheet date, with any temporary decline in value charged to current income. The market value of publicly-traded stocks was determined using the average-closing prices for the last month of the year.

2) Derivative financial instruments

The Company entered into forward exchange contracts to manage foreign exchange exposures on foreign-currency-denominated assets and liabilities. The contracts were recorded in New Taiwan dollars at the current rate of exchange at the contract date. The differences in the New Taiwan dollar amounts translated using the current rates and the amounts translated using the contracted forward rates were amortized over the terms of the forward contracts using the straight-line method. At the end of each year, the receivables or payables arising from forward contracts were restated using the prevailing exchange rates with the resulting differences credited or charged to income. In addition, the receivables and payables related to the same forward contracts were netted with the resulting amount presented as either an asset or a liability. Any resulting gain or loss upon settlement was credited or charged to income in the year of settlement.

The Company entered into cross currency swap contracts to manage currency exposures on foreign-currency-denominated assets and liabilities. The principal amount was recorded using the current rates of exchange at the contract date. The differences in the New Taiwan dollar amounts translated using the current rates and the amounts translated using the contracted rates were amortized over the terms of the contracts using the straight-line method. At the end of each year, the receivables or payables arising from cross-currency swap contracts were restated using prevailing exchange rate with the resulting differences credited or charged to income. In addition, the receivables and payables related to the contracts of the same counter party were netted with the resulting amount presented as either an asset or a liability. The difference in interest computed pursuant to the contracts on each settlement date or the balance sheet date was recorded as an adjustment to the interest income or expense associated with the hedged items. Any resulting gain or loss upon settlement was credited or charged to income in the year of settlement.

The Company entered into interest rate swap contracts to manage exposures to changes in interest rates on existing assets or liabilities. These transactions were accounted for on an accrual basis, in which the cash settlement receivable or payable was recorded as an adjustment to interest income or expense associated with the hedged items.

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Certain accounts in the financial statements as of and for the year ended December 31, 2005 have been reclassified to conform to the classifications prescribed by the newly released SFASs. The reclassifications of the whole or a part of the account balances of certain accounts are summarized as follows:

	Before Reclassification	After Reclassification
Balance sheet		
Short-term investments, net	\$ 47,055,347	\$
Other financial assets	2,403,929	1,106,030
Prepaid expenses and other current assets	1,254,779	1,171,773
Long-term investments accounted for using cost method	807,490	
Long-term bond investments	18,548,308	
Other long-term investments	10,227,000	
Accrued expenses and other current liabilities	(8,214,994)	(7,980,715)
Financial assets at fair value through profit or loss		1,380,905
Financial liabilities at fair value through profit or loss		(234,279)
Available-for-sale financial assets		46,452,838
Held-to-maturity financial assets		29,377,817
Financial assets carried at cost		807,490
	\$ 72,081,859	\$ 72,081,859
Statement of income		
Interest income	\$ 2,769,978	\$ 2,506,769
Foreign exchange gain (loss), net	(34,379)	2,572,560
Interest expense	(2,429,568)	(1,180,484)
Unrealized valuation loss on short-term investments	(337,160)	
Loss on disposal of investments, net	(149,498)	
Valuation loss on financial instruments, net		(337,160)
Loss on settlement and disposal of financial instruments, net		(3,742,312)
	\$ (180,627)	\$ (180,627)

4. CASH AND CASH EQUIVALENTS

	December 31	
	2006	2005
Cash and deposits in banks	\$ 68,898,115	\$ 37,007,192
Repurchase agreements collateralized by government bonds	31,241,594	47,963,226
Corporate notes		413,165
	\$ 100,139,709	\$ 85,383,583

Table of Contents**5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	December 31	
	2006	2005
Derivatives - financial assets		
Forward exchange contracts	\$	\$ 26,720
Cross currency swap contracts	44,601	1,354,185
	\$ 44,601	\$ 1,380,905
Derivatives - financial liabilities		
Cross currency swap contracts	\$ 10,751	\$ 234,279

The Company entered into derivative contracts during the years ended December 31, 2006 and 2005 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the Company did not meet the criteria for hedge accounting prescribed by SFAS No. 34. Therefore, effective from January 1, 2006, the Company discontinued applying hedge accounting treatment for its derivative contracts.

Outstanding forward contracts as of December 31, 2005:

	Currency	Maturity Date	Contract Amount (in Thousands)
December 31, 2005			
Sell	US\$/NT\$	January 2006	US\$60,000

Outstanding cross currency swap contracts as of December 31, 2006 and 2005:

Maturity Date	Contract Amount (in Thousands)	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2006			
January 2007 to February 2007	US\$820,000	3.19%-5.91%	0.90%-3.25%
December 31, 2005			
January 2006 to March 2006	US\$2,089,000	4.15%-4.54%	0.02%-2.12%

The Company did not enter into any interest rate swap contract during the year ended December 31, 2006. The Company rescinded all interest rate swap contracts in the first quarter of 2005 before their original maturities. The rescission loss of NT\$28,295 thousand has been reclassified and included in the loss on settlement and disposal of financial instruments account.

Net losses arising from derivative financial instruments for the year ended December 31, 2006 were NT\$1,615,796 thousand (including realized settlement losses of NT\$1,649,646 thousand and a valuation gain of NT\$33,850 thousand).

Table of Contents**6. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	December 31	
	2006	2005
Open-end mutual funds	\$ 25,967,061	\$ 6,198,982
Corporate bonds	4,150,202	11,853,044
Government bonds	1,998,067	1,776,279
Structured time deposits	499,242	
Agency bonds		14,496,728
Corporate issued asset-backed securities		11,582,590
Corporate notes		263,249
Money market funds		260,686
Publicly-traded stocks		21,280
	32,614,572	46,452,838
Current portion	(25,967,061)	(46,452,838)
	\$ 6,647,511	\$

Starting from 2004, the Company entered into investment management agreements with three well-known financial institutions (fund managers) to manage its investment portfolios. In accordance with the investment guidelines and terms specified in these agreements, the securities invested by the fund managers cannot be below a pre-defined credit rating. Beginning from the third quarter of 2006, the Company transferred investment portfolios managed by the fund managers of US\$1,277,789 thousand to TSMC Global Ltd. (TSMC-Global), a subsidiary of TSMC. The transferred investment portfolios held by TSMC Global are still being managed by the same fund managers in accordance with the aforementioned investment guidelines and terms.

As of December 31, 2006, structured time deposits categorized as available-for-sale financial assets consisted of the following:

	Principal Amount	Carrying Amount	Range of Interest Rates	Maturity Date
Step-up callable deposits				
Domestic deposits	\$ 500,000	\$ 499,242	1.76%	March 2008

The interest rate of the step-up callable deposits was pre-determined by the Company and the banks.

7. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31	
	2006	2005
Corporate bonds	\$ 13,742,541	\$ 8,927,317
Structured time deposits	11,671,120	10,227,000
Government bonds	12,070,657	10,223,500
	37,484,318	29,377,817

Current portion	(8,510,823)	(602,509)
	\$ 28,973,495	\$ 28,775,308

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Structured time deposits categorized as held-to-maturity financial assets consisted of the following:

	Principal Amount	Interest Receivable	Range of Interest Rates	Maturity Date
December 31, 2006				
Step-up callable deposits				
Domestic deposits Callable range accrual deposits	\$ 4,500,000	\$ 13,928	1.40%-1.83%	June 2007 to October 2008
Domestic deposits	3,911,520	4,808	(See below)	September 2009 to December 2009
Foreign deposits	3,259,600	4,998	(See below)	October 2009 to January 2010
	\$ 11,671,120	\$ 23,734		
December 31, 2005				
Step-up callable deposits				
Domestic deposits Callable range accrual deposits	\$ 3,000,000	\$ 8,145	1.40%-1.50%	June 2007 to October 2007
Domestic deposits	3,942,000	4,928	(See below)	September 2009 to December 2009
Foreign deposits	3,285,000	5,023	(See below)	October 2009 to January 2010
	\$ 10,227,000	\$ 18,096		

The amount of interest earned by the Company for the callable range accrual deposits is based on a pre-defined range as determined by the 3-month or 6-month LIBOR plus an agreed upon rate ranging between 2.10% and 3.45%. Based on the terms of the contracts, if the 3-month or 6-month LIBOR moves outside of the pre-defined range, the interest paid to the Company is at a fixed rate between zero and 1.5%. Under the terms of the contracts, the bank has the right to cancel the contracts prior to the maturity date.

As of December 31, 2006 and 2005, the principal of the deposits that resided in banks located in Hong Kong amounted to US\$80,000 thousand; those resided in banks located in Singapore amounted to US\$20,000 thousand.

8. INVENTORIES, NET

	December 31	
	2006	2005
Finished goods	\$ 4,754,342	\$ 2,768,575
Work in process	13,251,174	12,407,286
Raw materials	1,515,996	1,700,314

Supplies and spare parts	421,648	786,772
	19,943,160	17,662,947
Allowance for losses	(790,946)	(1,404,992)
	\$ 19,152,214	\$ 16,257,955

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Table of Contents**9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

	December 31		December 31	
	2006	% of	2005	% of
	Carrying	Owner-	Carrying	Owner-
	Amount	ship	Amount	ship
TSMC Global (Note 6)	\$ 42,496,592	100	\$	
TSMC International Investment Ltd. (TSMC International)	26,593,749	100	23,912,812	100
TSMC (Shanghai) Company Limited (TSMC-Shanghai)	9,027,984	100	9,438,856	100
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	7,960,869	39	4,215,200	32
Vanguard International Semiconductor Corporation (VIS)	5,741,870	27	5,419,747	27
TSMC Partners, Ltd. (TSMC Partners)	4,433,819	100	4,091,166	100
TSMC North America (TSMC-North America)	2,014,990	100	1,790,186	100
Emerging Alliance Fund, L.P. (Emerging Alliance)	793,585	99	850,534	99
VentureTech Alliance Fund II, L.P. (VTAF II)	733,130	98	642,479	98
Global UniChip Corporation (GUC)	629,755	38	442,233	46
VentureTech Alliance Fund III, L.P. (VTAF III)	228,005	98		
Chi Cherng Investment Co., Ltd. (Chi Cherng)	115,507	36	78,139	36
Hsin Ruey Investment Co., Ltd. (Hsin Ruey)	114,297	36	77,415	36
TSMC Japan K. K. (TSMC-Japan)	95,757	100	94,949	100
Taiwan Semiconductor Manufacturing Company Europe B.V. (TSMC-Europe)	49,741	100	23,087	100
Taiwan Semiconductor Manufacturing Company Korea (TSMC-Korea)	14,706	100		
	\$ 101,044,356		\$ 51,076,803	

In November 2006, the Company acquired 81 thousand shares in SSMC from EDB Investments Pte Ltd. under a Shareholders Agreement. After the acquisition, the number of SSMC shares owned by the Company increased from 382 thousand to 463 thousand; the percentage of ownership increased from 32% to 39%.

For the years ended December 31, 2006 and 2005, net equity in earnings of NT\$5,526,727 thousand and net equity in losses of NT\$1,052,045 thousand were recognized, respectively. The carrying amounts of the investments accounted for using the equity method and the related equity in earnings or losses of equity method investees were determined based on the audited financial statements of the investees as of and for the same periods ended as the Company.

10. FINANCIAL ASSETS CARRIED AT COST

	December 31	
	2006	2005
Non-publicly traded stocks	\$ 364,913	\$ 472,500
Mutual funds	347,930	334,990

\$ 712,843 \$ 807,490

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Table of Contents**11. PROPERTY, PLANT AND EQUIPMENT**

Accumulated depreciation consisted of the following:

	December 31	
	2006	2005
Buildings	\$ 49,595,917	\$ 42,902,526
Machinery and equipment	361,401,800	310,626,317
Office equipment	6,469,533	5,662,986
	\$ 417,467,250	\$ 359,191,829

No interest was capitalized during the years ended December 31, 2006 and 2005.

12. DEFERRED CHARGES, NET

	December 31	
	2006	2005
Technology license fees	\$ 4,038,551	\$ 4,985,806
Software and system design costs	1,517,575	1,623,276
Others	36,942	72,062
	\$ 5,593,068	\$ 6,681,144

13. BONDS PAYABLE

	December 31	
	2006	2005
Domestic unsecured bonds:		
Issued in December 2000 and repayable in December 2005 and 2007 in two installments, 5.25% and 5.36% interest payable annually, respectively	\$ 4,500,000	\$ 4,500,000
Issued in January 2002 and repayable in January 2007, 2009 and 2012 in three installments, 2.60%, 2.75% and 3.00% interest payable annually, respectively	15,000,000	15,000,000
	19,500,000	19,500,000
Current portion	(7,000,000)	
	\$ 12,500,000	\$ 19,500,000

As of December 31, 2006, future principal repayments for the Company's bonds were as follows:

Year of Repayment	Amount
2007	\$ 7,000,000
2009	8,000,000
2012	4,500,000

Table of Contents**14. OTHER LONG-TERM PAYABLES**

Most of the payables resulted from license agreements for certain semiconductor-related patents. As of December 31, 2006, future payments for other long-term payables were as follows:

Year of Payment	Amount
2007	\$ 617,892
2008	337,043
2009	337,043
2010	337,043
2011	260,767
	1,889,788
Current portion (classified under accrued expenses and other current liabilities)	(617,892)
	\$ 1,271,896

15. PENSION PLANS

The Labor Pension Act (the Act) became effective on July 1, 2005. The employees who were subject to the Labor Standards Law prior to July 1, 2005 were allowed to choose to be subject to the pension mechanism under the Act with their seniority as of July 1, 2005 retained or continue to be subject to the pension mechanism under the Labor Standards Law. Employees who joined the Company after July 1, 2005 can only be subject to the pension mechanism under the Act.

The pension mechanism under the Act is deemed a defined contribution plan. Pursuant to the Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts starting from July 1, 2005, and recognized pension costs of NT\$618,975 thousand and NT\$261,096 thousand for the years ended December 31, 2006 and 2005, respectively.

The Company has a defined benefit plan under the Labor Standards Law that provides benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to a pension fund (the Fund), which is administered by the pension fund monitoring committee (the Committee) and deposited in the Committee's name in the Central Trust of China.

Pension information on the defined benefit plan is summarized as follows:

- a. Components of net periodic pension cost for the year

	2006	2005
Service costs	\$ 178,432	\$ 468,044
Interest costs	163,740	163,294
Projected return on plan assets	(49,115)	(49,627)
Amortization	12,339	8,300
Net periodic pension costs	\$ 305,396	\$ 590,011

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b. Reconciliation of funded status of the plan and accrued pension cost at December 31, 2006 and 2005

	2006	2005
Benefit obligation		
Vested benefit obligation	\$ 102,920	\$ 62,302
Nonvested benefit obligation	3,873,239	3,356,213
Accumulated benefit obligation	3,976,159	3,418,515
Additional benefits based on future salaries	2,964,923	2,546,186
Projected benefit obligation	6,941,082	5,964,701
Fair value of plan assets	(1,945,572)	(1,681,365)
Funded status	4,995,510	4,283,336
Unrecognized net transition obligation	(116,191)	(124,491)
Unrecognized net loss	(1,349,203)	(697,453)
Accrued pension cost	\$ 3,530,116	\$ 3,461,392
Vested benefits	\$ 106,645	\$ 67,752
c. Actuarial assumptions at December 31, 2006 and 2005		
Discount rate used in determining present values	2.25%	2.75%
Future salary increase rate	3.00%	3.00%
Expected rate of return on plan assets	2.50%	2.75%
d. Contributions to the Fund for the year	\$ 230,577	\$ 223,654
e. Payments from the Fund for the year	\$ 10,823	\$ 8,419

16. INCOME TAX

- a. A reconciliation of income tax expense based on income before income tax at statutory rate and income tax currently payable was as follows:

	Years Ended December 31	
	2006	2005
Income tax expense based on income before income tax at statutory rate (25%)	\$ (33,701,625)	\$ (23,454,856)
Tax effect of the following:		
Tax-exempt income	12,274,041	12,243,435
Temporary and permanent differences	2,080,110	(860,918)
Cumulative effect of changes in accounting principles	82,062	
Additional tax at 10% on unappropriated earnings	(1,156,130)	(1,489,709)
Income tax credits	12,715,377	10,110,561

Income tax currently payable	\$ (7,706,165)	\$ (3,451,487)
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- b. Income tax expense consisted of the following:

	Years Ended	
	December 31	
	2006	2005
Income tax currently payable	\$ (7,706,165)	\$ (3,451,487)
Other income tax adjustments	335,411	(71,853)
Net change in deferred income tax assets		
Investment tax credits	(3,908,879)	(2,018,813)
Temporary differences	1,522,734	1,768,265
Adjustment in valuation allowance	2,206,317	3,529,500
Income tax expense	\$ (7,550,582)	\$ (244,388)

- c. Net deferred income tax assets consisted of the following:

	December 31	
	2006	2005
Current deferred income tax assets		
Investment tax credits	\$ 7,832,000	\$ 7,013,000
Noncurrent deferred income tax assets, net		
Investment tax credits	\$ 12,124,892	\$ 16,852,771
Temporary differences	840,464	(682,270)
Valuation allowance	(7,204,229)	(9,410,546)
	\$ 5,761,127	\$ 6,759,955

- d. Integrated income tax information:

The balance of the imputation credit account as of December 31, 2006 and 2005 was NT\$ 828,612 thousand and NT\$20,087 thousand, respectively.

The estimated creditable ratio for distribution of earnings of 2006 and 2005 was 0.54% and 2.88%, respectively.

The imputation credit allocated to shareholders is based on its balance as of the date of dividend distribution. The estimated creditable ratio may change when the actual distribution of imputation credit is made.

- e. All earnings generated prior to December 31, 1997 have been appropriated.

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f. As of December 31, 2006, investment tax credits consisted of the following:

Regulation	Item	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	\$ 2,685,805	\$	2006
		4,113,439		2007
		6,802,469	3,955,466	2008
		6,030,309	6,030,309	2009
		5,114,762	5,114,762	2010
		\$ 24,746,784	\$ 15,100,537	
Statute for Upgrading Industries	Research and development expenditures	\$ 1,780,480	\$	2006
		1,245,142		2007
		1,627,095	1,627,095	2008
		1,534,230	1,534,230	2009
		1,534,050	1,534,050	2010
		\$ 7,720,997	\$ 4,695,375	
Statute for Upgrading Industries	Personnel training	\$ 27,311	\$	2006
		16,197		2007
		40,734	40,734	2008
		40,442	40,442	2009
		\$ 124,684	\$ 81,176	
Statute for Upgrading Industries	Investments in important technology-based enterprises	\$ 79,804	\$ 79,804	2010

g. The profits generated from the following expansion and construction projects are exempt from income tax:

	Tax-Exemption Period
Construction of Fab 8 modules B	2002 to 2005
Expansion of Fab 2 modules A and B, Fab 3, Fab 4, Fab 5 and Fab 6	2003 to 2006
Construction of Fab 12	2004 to 2007

h. The tax authorities have examined income tax returns of the Company through 2003.

Table of Contents**17. LABOR COST, DEPRECIATION AND AMORTIZATION**

	Year Ended December 31, 2006		
	Classified as Cost of Sales	Classified as Operating Expenses	Total
Labor cost			
Salary	\$ 9,877,603	\$ 4,172,915	\$ 14,050,518
Labor and health insurance	686,125	352,085	1,038,210
Pension	610,873	313,416	924,289
Meal	449,505	159,302	608,807
Welfare	184,560	99,323	283,883
Others	225,615	19,784	245,399
	\$ 12,034,281	\$ 5,116,825	\$ 17,151,106
Depreciation	\$ 61,028,727	\$ 3,296,764	\$ 64,325,491
Amortization	\$ 1,430,069	\$ 918,011	\$ 2,348,080

	Year Ended December 31, 2005		
	Classified as Cost of Sales	Classified as Operating Expenses	Total
Labor cost			
Salary	\$ 9,160,576	\$ 3,682,390	\$ 12,842,966
Labor and health insurance	625,744	297,483	923,227
Pension	576,776	274,280	851,056
Meal	429,307	141,259	570,566
Welfare	167,218	95,208	262,426
Others	159,724	44,783	204,507
	\$ 11,119,345	\$ 4,535,403	\$ 15,654,748
Depreciation	\$ 61,576,001	\$ 3,031,796	\$ 64,607,797
Amortization	\$ 1,763,527	\$ 1,603,496	\$ 3,367,023

18. SHAREHOLDERS EQUITY

As of December 31, 2006, 889,740 thousand ADSs of the Company were traded on the NYSE. The number of common shares represented by the ADSs is 4,448,702 thousand (one ADS represents five common shares).

Capital surplus can only be used to offset a deficit under the Company Law. However, the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers, convertible bonds and the surplus from treasury stock transactions) may be appropriated as stock dividends, which are limited to a certain percentage of the Company's paid-in capital.

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Capital surplus consisted of the following:

	December 31	
	2006	2005
From merger	\$ 24,003,546	\$ 24,003,546
Additional paid-in capital	19,974,431	23,254,234
From convertible bonds	9,360,424	9,360,424
From treasury stock transactions	389,188	306,868
From long-term investments	379,854	192,759
Donations	55	55
	\$ 54,107,498	\$ 57,117,886

The Company's Articles of Incorporation as revised on May 10, 2005 provide that, when allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and then set aside the following items accordingly:

- a. Legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the Company's paid-in capital;
- b. Special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge;
- c. Bonus to directors and supervisors and bonus to employees of the Company of not more than 0.3% and not less than 1% of the remainder, respectively. Directors who also serve as executive officers of the Company are not entitled to receive the bonus to directors and supervisors. The Company may issue stock 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;
- d. Any balance left over shall be allocated according to the resolution of the shareholders' meeting.

The Company's Articles of Incorporation also provide that profits of the Company may be distributed by way of cash dividend and/or stock dividend. However, distribution of profits shall be made preferably by way of cash dividend. Distribution of profits may also be made by way of stock dividend; provided that the ratio for stock dividend shall not exceed 50% of the total distribution.

Any appropriations of the profits are recorded in the year of shareholder approval and given effect to in the financial statements of that year.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends and bonuses for the portion in excess of 50% of the paid-in capital if the Company has no unappropriated earnings and the reserve balance has exceeded 50% of the Company's paid-in capital. The Company Law also prescribes that, when the reserve has reached 50% of the Company's paid-in capital, up to 50% of the reserve may be transferred to capital.

A special capital reserve equivalent to the net debit balance of the other components of shareholders' equity (for example, cumulative translation adjustments and unrealized loss on financial assets, but excluding treasury stock) shall be made from unappropriated earnings pursuant to existing regulations promulgated by the Securities and Futures Bureau (SFB). Any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

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The appropriations of earnings for 2005 and 2004 had been approved in the shareholders' meetings held on May 16, 2006 and May 10, 2005, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Fiscal	For Fiscal	For	For
	Year 2005	Year 2004	Fiscal Year 2005	Fiscal Year 2004
Legal capital reserve	\$ 9,357,503	\$ 8,820,201		
Special capital reserve	(1,585,685)	2,226,427		
Employees' profit sharing in cash	3,432,129	3,086,215		
Employees' profit sharing in stock	3,432,129	3,086,215		
Cash dividends to shareholders	61,825,061	46,504,097	\$ 2.50	\$ 2.00
Stock dividends to shareholders	3,709,504	11,626,024	0.15	0.50
Bonus to directors and supervisors	257,410	231,466		
	\$ 80,428,051	\$ 75,580,645		

The shareholders' meeting held on May 16, 2006 also resolved to distribute stock dividends out of capital surplus in the amount of NT\$3,709,504 thousand.

The amounts of the above appropriations of earnings for 2005 and 2004 are consistent with the resolutions of the meetings of the Board of Directors held on February 14, 2006 and February 22, 2005, respectively. If the above bonus to employees, directors and supervisors had been paid entirely in cash and charged to earnings of 2005 and 2004, the basic earnings per share (after income tax) for the years ended December 31, 2005 and 2004 shown in the respective financial statements would have decreased from NT\$3.79 to NT\$3.50 and NT\$3.97 to NT\$3.70, respectively.

The shares distributed as a bonus to employees represented 1.39% and 1.33% of the Company's total outstanding common shares as of December 31, 2005 and 2004, respectively.

As of January 11, 2007, the Board of Directors had not resolved the appropriation for earnings of 2006.

The above information about the appropriations of bonus to employees, directors and supervisors is available at the Market Observation Post System website.

Under the Integrated Income Tax System that became effective on January 1, 1998, R.O.C. resident shareholders are allowed a tax credit for their proportionate share of the income tax paid by the Company on earnings generated since January 1, 1998.

19. STOCK-BASED COMPENSATION PLANS

The Company's Employee Stock Option Plans under the 2004 Plan, 2003 Plan and 2002 Plan were approved by the SFB on January 6, 2005, October 29, 2003 and June 25, 2002, respectively. The maximum number of options authorized to be granted under the 2004 Plan, 2003 Plan and 2002 Plan was 11,000 thousand, 120,000 thousand and 100,000 thousand, respectively, with each option eligible to subscribe for one common share when exercisable. The options may be granted to qualified employees of the Company or any of its domestic or foreign

subsidiaries, in which the Company's shareholding with voting rights, directly or indirectly, is more than fifty percent (50%). The options of all the plans are valid for ten years and exercisable at certain percentages subsequent to the second anniversary of the grant date. Under the terms of the plans, the options are granted at an exercise price equal to the closing price of the Company's common shares listed on the TSE on the grant date.

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Options of the aforementioned plans that had never been granted or had been granted but subsequently cancelled had expired as of December 31, 2006.

Information about outstanding options for the years ended December 31, 2006 and 2005 was as follows:

	Number of Options (in Thousands)	Weighted- Average Exercise Price (NT\$)
Year ended December 31, 2006		
Balance, beginning of year	67,758	\$ 39.4
Options granted	2,758	40.1
Options exercised	(14,550)	40.1
Options cancelled	(3,152)	43.7
Balance, end of year	52,814	39.6
Year ended December 31, 2005		
Balance, beginning of year	64,367	\$ 40.5
Options granted	14,864	48.4
Options exercised	(6,837)	39.6
Options cancelled	(4,636)	44.1
Balance, end of year	67,758	42.1

The number of outstanding options and exercise prices have been adjusted to reflect the appropriations of dividends in accordance with the plans.

As of December 31, 2006, information about outstanding and exercisable options was as follows:

Range of Exercise Price (NT\$)	Options Outstanding			Options Exercisable	
	Number of Options (in Thousands)	Weighted- average Remaining Contractual Life (Years)	Weighted- average Exercise Price (NT\$)	Number of Options (in Thousands)	Weighted- average Exercise Price (NT\$)
\$27.6-\$39.7	34,584	5.15	\$ 35.5	28,351	\$ 35.5
45.1- 52.3	18,230	6.88	47.5	4,390	45.7

52,814

32,741

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No compensation cost was recognized under the intrinsic value method for the years ended December 31, 2006 and 2005. Had the Company used the fair value based method (based on the Black-Scholes model) to evaluate the options granted after January 1, 2004, the assumptions and pro forma results of the Company for the years ended December 31, 2006 and 2005 would have been as follows:

	Years Ended December 31	
	2006	2005
Assumptions:		
Expected dividend yield	1.00%-3.44%	1.00%-3.44%
Expected volatility	43.77%-46.15%	43.77%-46.15%
Risk free interest rate	3.07%-3.85%	3.07%-3.85%
Expected life	5 years	5 years
Net income:		
Net income as reported	\$ 127,009,731	\$ 93,575,035
Pro forma net income	126,889,209	93,458,191
Earnings per share (EPS) after income tax (NT\$):		
Basic EPS as reported	\$ 4.93	\$ 3.63
Pro forma basic EPS	4.92	3.63
Diluted EPS as reported	4.92	3.63
Pro forma diluted EPS	4.92	3.63

20. TREASURY STOCK

(Shares in Thousands)

	Beginning Shares	Stock Dividends	Disposal	Ending Shares
Year ended December 31, 2006				
Parent company stock held by subsidiaries	32,938	988		33,926
Year ended December 31, 2005				
Parent company stock held by subsidiaries	45,521	2,242	14,825	32,938

Proceeds from sales of treasury stock for the year ended December 31, 2005 were NT\$899,489 thousand. As of December 31, 2006 and 2005, the book value of the treasury stock was NT\$918,075 thousand; the market value was NT\$ 2,290,026 thousand and NT\$2,047,126 thousand, respectively. The Company's stock held by subsidiaries is treated as treasury stock and the holders are entitled to the rights of shareholders, except that starting from June 24, 2005, pursuant to the revised Company Law, the holders are no longer entitled to vote in shareholders' meetings.

Table of Contents**21. EARNINGS PER SHARE**

	Years Ended December 31			
	2006		2005	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
Basic EPS (NT\$)				
Income before cumulative effect of changes in accounting principles	\$ 5.22	\$ 4.94	\$ 3.64	\$ 3.63
Cumulative effect of changes in accounting principles	(0.01)	(0.01)		
Income for the year	\$ 5.21	\$ 4.93	\$ 3.64	\$ 3.63
Diluted EPS (NT\$)				
Income before cumulative effect of change in accounting principles	\$ 5.22	\$ 4.93	\$ 3.64	\$ 3.63
Cumulative effect of changes in accounting principles	(0.01)	(0.01)		
Income for the year	\$ 5.21	\$ 4.92	\$ 3.64	\$ 3.63

EPS is computed as follows:

	Amounts (Numerator)		Number of Shares (Denominator) (in Thousands)	EPS (NT\$)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
Year ended December 31, 2006					
Basic EPS					
Income available to common shareholders	\$ 134,478,251	\$ 127,009,731	25,788,555	\$ 5.21	\$ 4.93
Effect of dilutive potential common stock			24,628		
stock options					
Diluted EPS					
Income available to common shareholders (including effect of dilutive potential common stock)	\$ 134,478,251	\$ 127,009,731	25,813,183	\$ 5.21	\$ 4.92
Year ended December 31, 2005					

Basic EPS

Income available to common shareholders	\$ 93,819,423	\$ 93,575,035	25,763,320	\$ 3.64	\$ 3.63
-----------------------------------------	---------------	---------------	------------	---------	---------

Effect of dilutive potential common stock			12,647		
stock options					

Diluted EPS

Income available to common shareholders (including effect of dilutive potential common stock)	\$ 93,819,423	\$ 93,575,035	25,775,967	\$ 3.64	\$ 3.63
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Table of Contents**22. DISCLOSURES FOR FINANCIAL INSTRUMENTS**

a. Fair values of financial instruments were as follows:

	December 31			
	2006			2005
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Financial assets at fair value through profit or loss	\$ 44,601	\$ 44,601	\$ 1,380,905	\$ 818,550
Available-for-sale financial assets	32,614,572	32,614,572	46,452,838	46,452,838
Held-to-maturity financial assets	37,484,318	37,375,517	29,377,817	29,063,831
Investments accounted for using equity method (with market price)	6,371,625	17,044,040	5,419,747	10,991,064
Liabilities				
Financial liabilities at fair value through profit or loss	10,751	10,751	234,279	173
Bonds payable (including current portion)	19,500,000	19,817,149	19,500,000	19,924,923
Other long-term payables (including current portion)	2,981,754	2,981,754	4,174,603	4,174,603

b. Methods and assumptions used in the determination of fair values of financial instruments

- 1) The aforementioned financial instruments do not include cash and cash equivalents, receivables, other financial assets, payables, and payables to contractors and equipment suppliers. The carrying amounts of these financial instruments approximate their fair values.
- 2) Fair values of financial assets/liabilities at fair value through profit or loss were determined using valuation techniques incorporating estimates and assumptions that were consistent with prevailing market conditions.
- 3) Fair values of available-for-sale and held-to-maturity financial assets were based on their quoted market prices; while fair values of structured time deposits were estimated using valuation techniques.
- 4) Fair value of bonds payable was based on their quoted market price.
- 5) Fair value of other long-term payables was based on the present value of expected cash flows, which approximates their carrying amount.

c. Gains recognized for the changes in fair value of derivatives estimated using valuation techniques were NT\$33,850 thousand for the year ended December 31, 2006.

d. As of December 31, 2006 and 2005, financial assets exposed to fair value interest rate risk were NT\$70,143,491 thousand and NT\$77,190,280 thousand, respectively, financial liabilities exposed to fair value interest rate risk were NT\$10,751 thousand and NT\$234,279 thousand, respectively, and financial assets exposed to cash flow interest rate risk were NT\$7,171,120 thousand and NT\$7,227,000 thousand, respectively.

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- e. The Company recognized an unrealized gain of NT\$242,248 thousand in shareholders' equity for the changes in fair value of available-for-sale financial assets for the year ended December 31, 2006. The Company also recognized an unrealized gain of NT\$319,367 thousand in shareholders' equity for the changes in available-for-sale financial assets held by equity method investees for the year ended December 31, 2006.
- f. Information about financial risks
- 1) Market risk. The derivative financial instruments categorized as financial assets/liabilities at fair value through profit or loss are mainly used to hedge the exchange rate fluctuations of foreign-currency-denominated assets and liabilities. Therefore, the market risk of derivatives will be offset by the foreign exchange risk of these assets and liabilities. Available-for-sale financial assets held by the Company are mainly fixed-interest-rate debt securities. Therefore, the fluctuations in market interest rates would result in changes in fair values of these debt securities.
 - 2) Credit risk. Credit risk represents the potential loss that would be incurred by the Company if the counter-parties or third-parties breached contracts. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk. The counter-parties or third-parties to the foregoing financial instruments are reputable financial institutions, business organizations, and government agencies. Management believes that the Company's exposure to default by those parties is low.
 - 3) Liquidity risk. The Company has sufficient operating capital to meet cash needs upon settlement of derivative financial instruments and bonds payable. Therefore, the liquidity risk is low.
 - 4) Cash flow interest rate risk. The Company mainly engages in investments in fixed-interest-rate debt securities. Therefore, cash flows are not expected to fluctuate significantly due to changes in market interest rates.

23. RELATED PARTY TRANSACTIONS

The Company engages in business transactions with the following related parties:

- a. Industrial Technology Research Institute (ITRI), the chairman of the Company was one of its supervisors, who resigned in October 2006.
- b. Philips, a major shareholder of the Company.
- c. Subsidiaries
 - TSMC-North America
 - TSMC-Shanghai
 - TSMC-Europe
 - TSMC-Japan
 - TSMC-Korea
- d. Investees
 - GUC (with a controlling interest)
 - VIS (accounted for using equity method)
 - SSMC (accounted for using equity method)

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e. Indirect subsidiaries

WaferTech, LLC (WaferTech)

TSMC Technology, Inc. (TSMC Technology)

f. Indirect investee

VisEra, originally an investee over which the Company had a controlling interest; beginning in November 2005,

VisEra became an indirect investee accounted for using the equity method due to changes in investment structure.

Transactions with the aforementioned parties, other than those disclosed in other notes, are summarized as follows:

	2006		2005	
	Amount	%	Amount	%
For the year				
Sales				
TSMC-North America	\$ 190,459,073	60	\$ 153,618,916	57
Philips	4,024,990	1	3,298,770	1
Others	972,872		650,239	
	\$ 195,456,935	61	\$ 157,567,925	58
Purchases				
WaferTech	\$ 12,530,552	27	\$ 11,137,313	28
SSMC	6,820,632	15	5,729,672	15
TSMC-Shanghai	4,405,843	10	1,405,030	4
VIS	3,911,838	8	4,142,457	10
	\$ 27,668,865	60	\$ 22,414,472	57
Manufacturing expenses technical assistance fees				
Philips (Note 25a)	\$ 755,904	1	\$ 581,059	
Marketing expenses commission				
TSMC-Japan	\$ 254,758	16	\$ 243,646	18
TSMC-Europe	236,454	15	221,164	16
TSMC-Korea	9,981			
	\$ 501,193	31	\$ 464,810	34
General and administrative expenses rental expense				
GUC	\$ 14,606		\$ 16,744	
Research and development expenses				
GUC	\$ 39,421		\$ 19,467	

TSMC Technology

37,559

\$ 76,980

\$ 19,467

(Continued)

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	2006		2005	
	Amount	%	Amount	%
Sales of property, plant and equipment				
TSMC-Shanghai	\$ 401,561	44	\$ 125,381	13
VisEra			534,279	52
	\$ 401,561	44	\$ 659,660	65
Non-operating income and gains				
SSMC (primarily technical service income, see Note 25e)	\$ 314,953	3	\$ 316,243	4
TSMC-Shanghai	278,295	2	180,234	3
VIS (primarily technical service income, see Note 25h)	261,237	2	210,720	3
VisEra	246,242	2	308,071	4
	\$ 1,100,727	9	\$ 1,015,268	14
As of December 31				
Receivables				
TSMC-North America	\$ 16,461,956	97	\$ 20,407,621	97
Philips	250,919	2	573,565	3
Others	156,634	1	69,418	
	\$ 16,869,509	100	\$ 21,050,604	100
Other receivables				
TSMC-Shanghai	\$ 123,853	28	\$ 28,593	2
VIS	121,911	27	74,457	4
SSMC	69,568	15	149,251	8
TSMC-North America	59,547	13	198,505	11
VisEra	58,980	13	374,202	21
TSMC Technology	3,785	1	972,563	54
Others	11,622	3	143	
	\$ 449,266	100	\$ 1,797,714	100
Payables				
WaferTech	\$ 864,733	26	\$ 1,133,217	35

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VIS	717,562	22	563,240	17
Philips	688,591	21	693,956	21
TSMC-Shanghai	478,714	14	274,820	9
SSMC	459,305	14	485,873	15
Others	118,011	3	91,091	3
	\$ 3,326,916	100	\$ 3,242,197	100
Other long-term payables				
Philips (Note 25a)	\$ 403,375	100	\$ 1,100,475	100

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	2006		2005	
	Amount	%	Amount	%
Deferred credits				
TSMC-Shanghai	\$ 723,661	61	\$ 641,762	51
VisEra	124,350	11	186,525	15
	\$ 848,011	72	\$ 828,287	66

(Concluded)

The terms of sales to related parties were not significantly different from those of sales to third parties. For other related party transactions, prices were determined in accordance with mutual agreements.

The Company deferred the gains (classified under the deferred credits) derived from sales of property, plant and equipment to TSMC-Shanghai and VisEra, and then recognized such gains (classified under the non-operating income and gains) over the depreciable lives of the disposed assets.

The Company leased part of its office space from GUC with a quarterly rental of NT\$4,186 thousand; beginning from June 2006, the renewed quarterly rental was NT\$3,473 thousand. The Company also leased certain buildings and facilities to VisEra with a monthly rental of NT\$7,684 thousand (classified under the non-operating income and gains).

24. SIGNIFICANT LONG-TERM LEASES

The Company leases several parcels of land from the Science Park Administration. These operating leases expire on various dates from March 2008 to December 2020 and can be renewed upon expiration.

As of December 31, 2006, future lease payments were as follows:

Year	Amount
2007	\$ 291,646
2008	260,249
2009	251,671
2010	204,603
2011	203,089
2012 and thereafter	1,487,039
	\$ 2,698,297

25. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The significant commitments and contingencies of the Company as of December 31, 2006, excluding those disclosed in other notes, were as follows:

- a. On June 20, 2004, the Company and Philips amended the Technical Cooperation Agreement, which was originally signed on May 12, 1997. The amended Technical Cooperation Agreement is for five years beginning from January 1, 2004. Upon expiration, this amended Technical Cooperation Agreement will be terminated and will not be automatically renewed; however, the patent cross license arrangement between the Company and Philips will survive the expiration of the amended Technical Cooperation Agreement. Under this amended Technical Cooperation Agreement, the Company will pay Philips royalties based on a fixed amount mutually agreed-on, rather than under a certain percentage of the Company's annual net sales. The Company and Philips agreed to cross license the patents owned by each party. The Company also obtained through Philips a number of cross patent licenses.

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- b. Under a technical cooperation agreement with ITRI, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC's capacity if TSMC's outstanding commitments to its customers are not prejudiced. The term of this agreement is for five years beginning from January 1, 1987 and is automatically renewed for successive periods of five years unless otherwise terminated by either party with one year prior notice. The agreement was automatically renewed in 1992, 1997, 2002 and on January 1, 2007.
- c. Under several foundry agreements, the Company shall reserve a portion of its production capacity for certain major customers that have guarantee deposits with the Company. As of December 31, 2006, the Company had a total of US\$116,297 thousand of guarantee deposits.
- d. Under a Shareholders Agreement entered into with Philips and EDB Investments Pte Ltd. on March 30, 1999, the parties formed a joint venture company, SSMC, which is an integrated circuit foundry in Singapore. The Company's equity interest in SSMC was 32%. Nevertheless, Philips parted with its semiconductor company which was renamed as NXP B.V. in September, 2006. The Company and NXP purchased all the SSMC shares owned by EDB Investments Pte Ltd. Pro rata according to the Shareholders Agreement on November 15, 2006. After the purchase, the Company and NXP B.V. currently own approximately 39% and 61% of the SSMC shares respectively. The Company and Philips (now NXP) committed to buy specific percentages of the production capacity of SSMC. The Company and Philips (now NXP) are required, in the aggregate, to purchase up to 70% of SSMC's capacity, but the Company alone is not required to purchase more than 28% of the capacity. If any party defaults on the commitment and the capacity utilization of SSMC fall below a specific percentage of its capacity, the defaulting party is required to compensate SSMC for all related unavoidable costs.
- e. The Company provides technical services to SSMC under a Technical Cooperation Agreement (the Agreement) entered into on May 12, 1999. The Company receives compensation for such services computed at a specific percentage of net selling price of all products sold by SSMC. The Agreement shall remain in force for ten years and may be automatically renewed for successive periods of five years each unless pre-terminated by either party under certain conditions.
- f. Under a Technology Transfer Agreement (TTA) with National Semiconductor Corporation (National) entered into on June 27, 2000, the Company shall receive payments for the licensing of certain technology to National. The agreement was to remain in force for ten years and could be automatically renewed for successive periods of two years thereafter unless either party gives written notice for early termination under certain conditions. In January 2003, the Company and National entered into a Termination Agreement whereby the TTA was terminated. Under the Termination Agreement, the Company will be relieved of any further obligation to transfer any additional technology. In addition, the Company granted National an option to request the transfer of certain technologies under the same terms and conditions as the terminated TTA. The option will expire in January 2008.
- g. In December 2003, the Company entered into a Technology Development and License Agreement with Freescale Semiconductor, Inc. to jointly develop 65-nm SOI (silicon on insulator) technology. The Company will also license related 90-nm SOI technology from Freescale Semiconductor, Inc. Any intellectual properties arising out of the co-development project shall be jointly owned by the parties. In accordance with the agreement, the Company will pay royalties to Freescale Semiconductor, Inc. and will share a portion of the costs associated with the joint development project.
- h. The Company provides a technology transfer to VIS under a Manufacturing License and Technology Transfer Agreement entered into on April 1, 2004. The Company receives compensation for such technology transfer in the form of royalty payments from VIS computed at specific percentages of net selling price of certain products

sold by VIS. VIS agreed to reserve its certain capacity to manufacture for the Company certain products at prices as agreed by the parties.

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- i. TSMC, TSMC-North America and WaferTech filed a series of lawsuits in late 2003 and 2004 against Semiconductor Manufacturing International Corporation (SMIC), SMIC (Shanghai) and SMIC Americas. The lawsuits alleged that SMIC companies infringed multiple TSMC patents and misappropriated TSMC's trade secrets. These suits were settled out of court on January 30, 2005. As part of the settlement, SMIC shall pay TSMC US\$175,000 thousand over six years to resolve TSMC's claims. As of December 31, 2006, SMIC had paid US\$ 60,000 thousand in accordance with the terms of this settlement agreement. In August 2006, TSMC, TSMC-North America and Wafertech filed a lawsuit against SMIC in Alameda County Superior Court in California for breach of aforementioned settlement agreement, breach of promissory notes and trade secret misappropriation, seeking injunctive relief and monetary damages. In September 2006, SMIC filed a cross-complaint against TSMC in the same court, alleging TSMC of breach of the settlement agreement and implied covenant of good faith and fair dealing, in response to TSMC's August complaint. The outcome of this litigation cannot be determined at this time.
- j. Amounts available under unused letters of credit as of December 31, 2006 were NT\$6,480 thousand.

26. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the SFB for the Company and its investees:

- a. Financing provided: Please see Table 1 attached;
- b. Endorsement/guarantee provided: Please see Table 2 attached;
- c. Marketable securities held: Please see Table 3 attached;
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Please see Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$100 million or 20% of the paid-in capital: Please see Table 5 attached;
- f. Disposal of individual real estate properties at prices of at least NT\$100 million or 20% of the paid-in capital: None;
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached;
- h. Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 7 attached;
- i. Names, locations, and related information of investees on which the Company exercises significant influence: Please see Table 8 attached;
- j. Information about derivatives of investees over which the Company has a controlling interest:

TSMC-Shanghai entered into forward exchange contracts during the year ended December 31, 2006 to manage exposures due to foreign exchange rate fluctuations.

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Outstanding forward exchange contracts as of December 31, 2006:

	Currency	Maturity Date	Contract Amount (in Thousands)
December 31, 2006			
Buy	US\$/JPY	January 2007	JPY 38,610
Net realized settlement gains arising from TSMC-Shanghai's forward transactions for the year ended December 31, 2006 were NT\$2,543 thousand.			

k. Information on investment in Mainland China

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, equity in the net gain or net loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 9 attached.
- 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: Please see Note 23.

27. SEGMENT FINANCIAL INFORMATION

a. Industry financial information

The Company operates in one industry. Therefore, the disclosure of industry financial information is not applicable to the Company.

b. Export sales

Area	Years Ended December 31	
	2006	2005
Americas	\$ 153,974,683	\$ 119,838,520
Asia	102,121,046	99,594,071
Europe and others	29,109,649	20,041,920
	\$ 285,205,378	\$ 239,474,511

The export sales information is based on the amounts billed to customers within the areas.

c. Major customers representing at least 10% of gross sales

	Years Ended December 31			
	2006		2005	
	Amount	%	Amount	%
Customer A	\$ 190,459,073	60	\$ 153,618,916	57
Customer B	25,214,878	8	29,258,338	11
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Taiwan Semiconductor Manufacturing Company Limited and Investees
FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2006
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Financing No.	Name of Counter-Party	Amount (Thousands of US\$)	Maximum Balance for Ending Financial Statement (US\$ in Thousands)		Interest Rate	Type of Financing (Note 1)	Reasons for Short-term Financing Amount	Allowance for Collateral Bad Debt Item Value	Financing Limit for Each Company	Financing Company's Financing Amount Limits (US\$ in Thousands)
			Balance	Balance						
1	Internal Development TSMC TSMC Other	\$1,140,860 (US \$35,000)	\$		1.50%	2	Operating capital	\$	N/A	\$32,203,805 (US\$987,968) (Note 2)

Note 1: The type

No. 2 represents
necessary for
short-term financing.

Note 2: Not
exceeding the issued
capital of the
Company.

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Taiwan Semiconductor Manufacturing Company Limited
ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2006
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Endorsement/ Guarantee Provider	Counter-party Name	Relationship (Note 2)	Nature of Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Period (US\$ in Thousands)	Collateral/ Financing Balance (US\$ in Thousands)	Ratio of Accumulated Amount of Collateral to Net Equity of Collateral/ Financing Property, at the latest Financial Statement (Note 1)	Maximum Amounts Allowable (Note 1)
0	TSMC	2	Not exceed 10% of the net worth of the Company, and be also limited to the paid-in capital of the endorsement/guarantee company, unless otherwise approved by Board of Directors.	\$1,303,840 (US\$ 40,000)	\$ \$		\$126,995,321
	TSMC Development	3		\$1,955,760 (US\$ 60,000)			

Note 1: 25% of the net worth of the Company as of December 31, 2006.

Note 2: The No. 2 represents a subsidiary in which the Company holds directly over 50% of the equity interest. The No. 3 represents an investee in which the Company holds directly and indirectly over 50% of the equity interest.

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Taiwan Semiconductor Manufacturing Company Limited and Investees
MARKETABLE SECURITIES HELD
DECEMBER 31, 2006
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

December 31, 2006

Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership
Government bond					
04 Government Bond Series B		Available-for-sale financial assets		\$ 999,779	N/A
03 Government Bond Series B				998,288	N/A
06 Government Bond Series D		Held-to-maturity financial assets		3,657,320	N/A
05 Government Bond Series A				3,049,919	N/A
03 Government Bond Series B				1,647,851	N/A
03 Asian Development Bank Govt. bond				835,840	N/A
03 Government Bond Series F				797,299	N/A
04 Kaohsiung Municipal Series A				620,000	N/A
03 Government Bond Series H				401,568	N/A
European Investment Bank Bonds				372,265	N/A
02 Government Bond Series B				350,399	N/A
04 Kaohsiung Municipal Series B				249,998	N/A
03 European Bank for Reconstruction and Development Govt. Bond Series A				88,198	N/A
Open-end mutual funds					
TC Bond Fund		Available-for-sale financial assets	22,219	3,655,939	N/A
BN AMRO Bond Fund			175,156	2,639,459	N/A
n Hwa Bond			125,122	1,667,908	N/A
ega Diamond Bond Fund			139,333	1,602,947	N/A
idential Financial Bond Fund			103,751	1,516,294	N/A
TC Taiwan Bond			93,312	1,314,669	N/A
Taiwan Bond Fund			85,145	1,299,088	N/A
thay Bond			109,720	1,265,092	N/A
Sun Bond Fund			88,165	1,202,901	N/A
esdner Bond DAM Fund			95,553	1,107,206	N/A
BN AMRO Income			63,947	1,012,377	N/A
resident James Bond			65,496	1,010,426	N/A
G Taiwan Bond Fund			78,629	1,002,595	N/A
Taiwan First Bond Fund			66,826	939,082	N/A
ankong Chi Shin Bond Fund			62,183	890,660	N/A

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			December 31, 2006			
Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (in Thousands)	Carrying	Percentage	Ownership
				Value	of	
			(US\$ in	Thousands)	Ownership	Percentage
ABN AMRO Select Bond Fund		Available-for-sale financial assets	76,593	\$ 868,076	NA	\$
Taishin Lucky Fund			78,624	806,386	NA	
Polaris De-Bao Fund			63,273	701,069	N/A	
TIIM High Yield			44,685	554,863	N/A	
HSBC Taiwan Money Management			34,093	506,250	N/A	
Invesco Bond Fund			27,176	403,774	N/A	
Corporate bond						
Hua Nan Bank		Available-for-sale financial assets		1,545,864	N/A	
Cathay Bank				1,159,576	N/A	
Taiwan Power Company				1,046,799	N/A	
Formosa Petrochemical Corporation				397,963	N/A	
Taiwan Power Company		Hold-to-maturity financial assets		4,080,391	N/A	
Formosa Petrochemical Corporation				3,566,946	N/A	
Nan Ya Plastics Corporation				2,773,810	N/A	
Chinese Petroleum Corporation				1,451,378	N/A	
China Steel Corporation				1,000,000	N/A	
Formosa Plastic Corporation				516,663	N/A	
Shanghai commercial & Saving Bank				286,497	N/A	
Formosa Chemicals & Fiber Corporation				66,856	N/A	
Stocks						
TSMC Global	Subsidiary	Invest accounted for using equity method	1	42,496,592	100	4
TSMC International	Subsidiary		987,968	26,593,749	100	2
SSMC	Investee accounted for using equity method		463	7,960,869	39	
VIS	Investee accounted for using equity method		442,262	5,741,870	27	1
TSMC Partners	Subsidiary		300	4,433,819	100	
TSMC-North America	Subsidiary		11,000	2,014,990	100	
GUC	Investee with controlling financial interest		41,263	629,755	38	
TSMC-Japan	Subsidiary		6	95,757	100	
TSMC-Europe	Subsidiary			49,741	100	
TSMC-Korea	Subsidiary		80	14,706	100	
United Industrial Gases Co., Ltd.		Financial assets carried at cost	16,783	193,584	10	
Shin-Etsu Handotai Taiwan Co., Ltd.			10,500	105,000	7	

W.K. Technology Fund IV	4,000	40,000	2
Hontung Venture Capital Co., Ltd.	2,633	26,329	10

(Continued)

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (in Thousands)	December 31, 2006		
				Carrying Value (US\$ in Thousands)	Percentage of Ownership	Net Value (US\$ in Thousands)
on Ventures Fund		Financial assets carried at cost		\$ 280,179	12	\$ 2
son Asia Capital				67,751	1	
al						
C-Shanghai	Subsidiary	Investment accounted for using equity method		9,027,984	100	9,0
ging Alliance	Subsidiary			793,585	99	7
F II	Subsidiary			733,130	98	7
F III	Subsidiary			228,005	98	2
Cheng	Subsidiary			115,507	36	5
Ruey	Subsidiary			114,297	36	5
	Parent Company	Available-for-sale financial assets	16,947	1,143,941	N/A	1,1
	Equity method investee	Investments accounted for using equity method	5,032	107,224		1
	Parent Company	Available-for-sale financial assets	16,979	1,146,085	N/A	1,1
	Equity method investee	Investments accounted for using equity method	3,711	82,661		
Star	Subsidiary	Investments accounted for using equity method	9,207	US\$ 26,185	97	US\$

Star II	Subsidiary		51,300	US\$	46,195	97	US\$
C Development	Subsidiary		1	US\$	659,356	100	US\$
C Technology	Subsidiary		1	US\$	6,058	100	US\$
rTech	Subsidiary	Investments accounted for using equity method		US\$	282,420	100	US\$
mon stock							
ra Holdings	Equity method investee	Investments accounted for using equity method	25,000	US\$	34,000	49	US\$

(Continued)

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006			
			Shares/Units (in thousands)	Carrying Value (US\$ in thousands)	Percentage of Ownership	Net Value
Common stock						
NetLogic Microsystems, Inc.		Financial assets at fair value through profit or loss	84	US\$ 1,828		US\$
Pixim, Inc.		Financial assets carried at cost	1,924	US\$ 512	4	US\$
RichWave Technology Corp.			4,247	US\$ 1,648	13	US\$
Global Investment Holding Inc.			10,800	\$100,000	6	\$
Preferred stock						
Ikanos Communication, Inc.		Available-for-sale financial assets	515	US\$ 4,473	2	US\$
Audience, Inc.		Financial assets carried at cost	1,654	US\$ 250	1	US\$
Axiom Microdevices, Inc.			1,000	US\$ 1,000	3	US\$
Centrality Communications			1,325	US\$ 1,800	3	US\$
Miradia, Inc.			3,040	US\$ 1,000	3	US\$
Mobilygen			1,415	US\$ 750	1	US\$
Mosaic Systems, Inc.			2,481	US\$ 12	6	US\$
Next IO, Inc.			800	US\$ 500	2	US\$
NuCORE Technology Inc.			2,254	US\$ 1,455	2	US\$
Optichron, Inc.			714	US\$ 1,000	4	US\$
Optimal Corporation			582	US\$ 600	4	US\$
Pixim, Inc.			2,193	US\$ 583		US\$
Reflectivity, Inc.			4,848	US\$ 531	4	US\$
Teknovus, Inc.			6,977	US\$ 1,327	3	US\$
Zenasis Technologies, Inc.			2,410	US\$ 1,399	5	US\$
Option						
Pixim, Inc.		Financial assets carried at cost	242	US\$		NA US\$
Common stock						
Beceem Communications		Financial assets carried at cost	650	US\$ 1,600	1	US\$
Leadtrend			1,150	US\$ 660	6	US\$
Yobon			1,675	US\$ 787	13	US\$
Sentelic			1,200	US\$ 2,040	15	US\$
Preferred stock						
5V Technologies, Inc.		Financial assets carried at cost	2,357	US\$ 1,768	11	US\$
Ageia Technologies, Inc.			2,030	US\$ 2,074	2	US\$
Aquantia Corporation			1,264	US\$ 1,150	5	US\$
Audience, Inc.			2,208	US\$ 474	1	US\$
Axiom Microdevices, Inc.			3,015	US\$ 1,466	2	US\$
GemFire Corporation			600	US\$ 68	1	US\$
Impinj, Inc.			257	US\$ 500		US\$

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any	Relationship with the	Shares/Units (in	Carrying Value (US\$ in	Percentage of Ownership (%)	December 31, 2006	
					Thousands)	Thousands)
Marketable Securities Type and Name	Company	Financial Statement Account	Thousands)	Thousands)	Ownership (%)	Value
Miradia, Inc.		Financial assets carried at cost	2,740	US\$ 2,424	3	US\$
Next IO, Inc.		"	216	US\$ 182		US\$
Optichron, Inc.		"	353	US\$ 869	2	US\$
Power Analog Microelectronics		"	2,000	US\$ 1,500	13	US\$
Powerprecise Solutions, Inc.		"	1,445	US\$ 1,400	11	US\$
RichWave Technology Corp.		"	500	US\$ 231	2	US\$
Teknovus, Inc.		"	518	US\$ 119		US\$
Tzero Technologies, Inc.		"	730	US\$ 1,500	2	US\$
Xceive		"	714	US\$ 1,000	2	US\$
Common stock						
M2000, Inc.		Financial assets carried at cost	1,500	US\$ 1,500	4	US\$
Mutual-Pak Limited		"	170	US\$ 52	13	US\$
Quellan, Inc.		"	2,231	US\$ 2,500	7	US\$
SynDiTec, Inc.		"	4,332	US\$ 720	7	US\$
Validity-Pak Limited		"	5,333	US\$ 2,000	7	US\$
Common stock						
Monolithic Power Systems, Inc.		Financial assets at fair value through profit or loss	1,975	US\$ 21,939	7	US\$
Broadtek Electronics Corp.		"	29	US\$ 10		US\$
Broadtek Electronics Corp.		Available-for-sale financial assets	116	US\$ 40		US\$
Capella Microsystems (Taiwan), Inc.		Financial assets carried at cost	530	US\$ 154	2	US\$
Preferred stock						
Integrated Memory Logic, Inc.		Financial assets carried at cost	1,831	US\$ 1,221	9	US\$
IP Unity, Inc.		"	1,008	US\$ 494	1	US\$
Memsic, Inc.		"	2,724	US\$ 1,500	9	US\$
NanoAmp Solutions, Inc.		"	541	US\$ 853	2	US\$
Sonics, Inc.		"	1,843	US\$ 3,530	2	US\$
Common stock						
Monolithic Power Systems, Inc.		Financial assets at fair value through profit or loss	864	US\$ 9,604	3	US\$
RichTek Technology Corp.		"	255	US\$ 2,045		US\$
Geo Vision, Inc.		"	46	US\$ 229		US\$
RichTek Technology Corp.		Available-for-sale financial assets	227	US\$ 1,824		US\$
Geo Vision, Inc.		"	15	US\$ 73		US\$
eChannelOpen Holding, Inc.		Financial assets carried at cost	358	US\$ 251	4	US\$
eLCOS Microdisplay Technology, Ltd.		"	270	US\$ 27	1	US\$
EoNEX Technologies, Inc.		"	55	US\$ 3,048	5	US\$

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			December 31, 2006				
Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying Value		Percentage	Ownership	
			Shares/Units (in thousands)	(US\$ in thousands)	of		
Sonics, Inc.		Financial assets carried at cost	2,220	US\$ 32		US\$	
Epic Communications, Inc.			191	US\$ 37	1	US\$	
EON Technology, Corp.			4,247	US\$ 1,175	7	US\$	
Goyatek Technology, Corp.			2,088	US\$ 545	7	US\$	
Capella Microsystems (Taiwan), Inc.			534	US\$ 210	2	US\$	
Trendchip Technologies Corp.			2,000	US\$ 574	4	US\$	
Ralink Technology (Taiwan), Inc.			1,833	US\$ 791	3	US\$	
Auden Technology MFG Co., Ltd.			953	US\$ 223	4	US\$	
Preferred stock							
eLCOS Microdisplay Technology, Ltd.		Financial assets carried at cost	2,667	US\$ 3,500	8	US\$	
Alchip Technologies Limited			3,531	US\$ 2,950	15	US\$	
FangTek, Inc.			6,930	US\$ 3,250	20	US\$	
Kilopass Technology, Inc.			3,887	US\$ 2,000	6	US\$	
Memsic, Inc.			2,289	US\$ 1,560	7	US\$	
NanoAmp Solutions, Inc.			375	US\$ 1,500	1	US\$	
Sonics, Inc.			2,115	US\$ 3,082	6	US\$	
Open-end mutual funds							
ABN AMRO Bond Fund		Available-for-sale financial assets	2,352	\$ 35,041	N/A	\$	
Ta Chong Bond Fund			2,306	30,037	N/A		
Dresdner Bond DAM Fund			2,592	30,036	N/A		
NITC Taiwan Bond			2,132	30,035	N/A		
AIG Taiwan Bond Fund			2,355	30,031	N/A		
Fuh Hwa You Li Bond Fund			2,018	25,035	N/A		
Stock							
Global Unichip Corporation America	North	Subsidiary	Investments accounted for using equity method	100	6,396	100	
Global Unichip Japan		Subsidiary			2,681	100	
Government bond							
United States Treas Nts		Available-for-sale financial assets		US\$ 151,045	N/A	US\$	
Corporate bonds							
Abbott Labs		Available-for-sale financial assets		US\$ 1,505	N/A	US\$	
Abbott Labs				US\$ 2,547	N/A	US\$	
Ace Ltd.				US\$ 1,001	N/A	US\$	
Aig Sunamerica Global Fing Ix				US\$ 1,000	N/A	US\$	
Allstate Life Global Fdg Secd				US\$ 2,956	N/A	US\$	

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Company	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006			
				Shares/Units (in US\$ in thousands)	Carrying Value (US\$ in thousands)	Percentage of Ownership	Net Value (US\$ in thousands)
	American Express Co.		Available-for-sale financial assets		US\$ 3,452	N/A	US\$
	American Gen Fin Corp.		"		US\$ 1,620	N/A	US\$
	American Gen Fin Corp. Mtn		"		US\$ 3,448	N/A	US\$
	American Gen Fin Corp. Mtn		"		US\$ 1,971	N/A	US\$
	American Gen Fin Corp. Mtn		"		US\$ 1,001	N/A	US\$
	American Honda Fin Corp. Mtn		"		US\$ 3,092	N/A	US\$
	American Honda Fin Corp. Mtn		"		US\$ 801	N/A	US\$
	Ameritech Capital Funding Co.		"		US\$ 483	N/A	US\$
	Amgen Inc.		"		US\$ 2,905	N/A	US\$
	Anz Cap Tr I		"		US\$ 972	N/A	US\$
	Associates Corp. North Amer		"		US\$ 2,541	N/A	US\$
	Axa Finl Inc.		"		US\$ 2,151	N/A	US\$
	Bank New York Inc.		"		US\$ 1,487	N/A	US\$
	Bank One Corp.		"		US\$ 3,365	N/A	US\$
	Bank One Corp.		"		US\$ 2,045	N/A	US\$
	Bank Utd Houston Tx Mtn		"		US\$ 528	N/A	US\$
	Bear Stearns Cos Inc.		"		US\$ 3,379	N/A	US\$
	Beneficial Corp. Mtn Bk Entry		"		US\$ 2,297	N/A	US\$
	Berkshire Hathaway Fin Corp.		"		US\$ 1,486	N/A	US\$
	Chase Manhattan Corp. New		"		US\$ 5,077	N/A	US\$
	Chase Manhattan Corp. New		"		US\$ 2,115	N/A	US\$
	Chubb Corp.		"		US\$ 2,116	N/A	US\$
	Cit Group Hldgs Inc.		"		US\$ 3,027	N/A	US\$
	Citicorp		"		US\$ 1,372	N/A	US\$
	Cogentrix Energy Inc.		"		US\$ 3,751	N/A	US\$
	Colonial Pipeline Co.		"		US\$ 1,494	N/A	US\$
	Consolidated Edison Inc.		"		US\$ 2,910	N/A	US\$
	Countrywide Fdg Corp. Mtn		"		US\$ 2,037	N/A	US\$
	Credit Suisse Fincl Products		"		US\$ 1,500	N/A	US\$
	Credit Suisse First Boston		"		US\$ 734	N/A	US\$
	Credit Suisse First Boston Usa		"		US\$ 2,177	N/A	US\$
	Daimlerchrysler North Amer		"		US\$ 977	N/A	US\$
	Daimlerchrysler North Amer Hld		"		US\$ 751	N/A	US\$
	Dayton Hudson Corp.		"		US\$ 2,020	N/A	US\$
	Deere John Cap Corp.		"		US\$ 4,928	N/A	US\$
	Dell Computer Corp.		"		US\$ 2,820	N/A	US\$
	Den Danske Bk Aktieselskab		"		US\$ 2,019	N/A	US\$
	Diageo Plc		"		US\$ 3,444	N/A	US\$
	Emerson Elec Co.		"		US\$ 3,215	N/A	US\$

European Invt Bk

"

US\$ 3,970 N/A US\$
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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying Value Shares/Units (in US\$ in thousands)	Percentage of Ownership	T
European Invt Bk		Available-for-sale financial assets	US\$ 6,057	N/A	
Federal Home Ln Bks			US\$ 7,937	N/A	
Fifth Third Bk Cincinnati Oh			US\$ 2,427	N/A	
Fleet Boston Corp.			US\$ 2,643	N/A	
Fleet Finl Group Inc. New			US\$ 905	N/A	
Fpl Group Cap Inc.			US\$ 849	N/A	
Ge Global Ins Hldg Corp.			US\$ 1,915	N/A	
General Elec Cap Corp. Mtn			US\$ 3,888	N/A	
General Elec Cap Corp. Mtn			US\$ 8,759	N/A	
General Elec Cap Corp. Mtn			US\$ 8,282	N/A	
General Elec Cap Corp. Mtn			US\$ 2,119	N/A	
General Re Corp.			US\$ 3,292	N/A	
Goldman Sachs Group Inc.			US\$ 4,989	N/A	
Goldman Sachs Group Inc.			US\$ 3,456	N/A	
Greenpoint Finl Corp.			US\$ 968	N/A	
Hancock John Global Fdg Ii Mtn			US\$ 2,896	N/A	
Hancock John Global Fdg Ii Mtn			US\$ 5,132	N/A	
Hancock John Global Fdg Mtn			US\$ 975	N/A	
Hartford Finl Svcs Group Inc.			US\$ 5,037	N/A	
Hartford Finl Svcs Group Inc.			US\$ 1,345	N/A	
Hbos Plc Medium Term Sr Nts			US\$ 3,205	N/A	
Hbos Plc Medium Term Sr Nts			US\$ 2,952	N/A	
Heller Finl Inc.			US\$ 1,929	N/A	
Hershey Foods Corp.			US\$ 1,504	N/A	
Household Fin Corp.			US\$ 2,903	N/A	
Household Fin Corp.			US\$ 501	N/A	
Household Intl Inc.			US\$ 2,851	N/A	
Hsbc Fin Corp.			US\$ 3,028	N/A	
Hsbc Fin Corp. Mtn			US\$ 5,096	N/A	
Huntington National Bank			US\$ 1,886	N/A	
Ing Sec Life Instl Fdg			US\$ 2,483	N/A	
International Business Machs			US\$ 2,217	N/A	
Intl Lease Fin Corp. Mtn			US\$ 2,939	N/A	
Intl Lease Fin Corp. Mtn			US\$ 4,138	N/A	
J P Morgan Chase + Co.			US\$ 3,298	N/A	
Jackson Natl Life Global Fdg			US\$ 1,000	N/A	
Key Bk Na Med Term Nts Bk Entr			US\$ 4,401	N/A	
KeyCorp. Mtn Book Entry			US\$ 3,010	N/A	
Kraft Foods Inc.			US\$ 1,000	N/A	

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying Value Shares/Units (in US\$ in thousands)	Percentage of Ownership T
Lehman Brothers Hldgs Inc.		Available-for-sale financial assets	US\$ 1,626	N/A
Lehman Brothers Hldgs Inc.			US\$ 487	N/A
Lehman Brothers Hldgs Inc.			US\$ 989	N/A
Lehman Brothers Hldgs Inc.			US\$ 3,150	N/A
Lehman Brothers Hldgs Inc.			US\$ 1,077	N/A
Lincoln Natl Corp. In			US\$ 500	N/A
Marshall + Ilsley Corp.			US\$ 8,420	N/A
Mbna America Bank Na Y			US\$ 6,403	N/A
Merita Bk Ltd. Ny Brh			US\$ 501	N/A
Merrill Lynch + Co. Inc.			US\$ 3,453	N/A
Merrill Lynch + Co. Inc.			US\$ 1,985	N/A
Merrill Lynch + Co. Inc.			US\$ 4,865	N/A
Metropolitan Life Global Mtn			US\$ 3,369	N/A
Mgic Invt Corp.			US\$ 1,204	N/A
Monumental Global Fdg Ii			US\$ 1,468	N/A
Monumental Global Fdg Ii 2002a			US\$ 1,000	N/A
Monunmetal Global Fdg Ii			US\$ 1,961	N/A
Mony Group Inc.			US\$ 2,175	N/A
Morgan Stanley			US\$ 1,926	N/A
Morgan Stanley			US\$ 2,126	N/A
National City Corp.			US\$ 3,410	N/A
National Westminster Bk Plc			US\$ 1,323	N/A
Nationwide Bldg Soc			US\$ 3,537	N/A
Nationwide Life Global Fdg I			US\$ 3,501	N/A
Nationwide Life Global Mtn			US\$ 1,485	N/A
Nucor Corp.			US\$ 3,797	N/A
Oracle Corp. / Ozark Hldg Inc.			US\$ 1,973	N/A
Pepsico Inc. Mtn Book Entry			US\$ 3,619	N/A
Pnc Fdg Corp.			US\$ 1,007	N/A
Popular North Amer Inc.			US\$ 2,910	N/A
Praxair Inc.			US\$ 3,138	N/A
Premark Intl Inc.			US\$ 2,729	N/A
Pricoa Global Fdg I Mtn			US\$ 3,401	N/A
Principal Finl Group Australia			US\$ 1,013	N/A
Principal Life Global Fdg I Gl			US\$ 1,165	N/A
Protective Life Secd Trs			US\$ 2,913	N/A
Protective Life Secd Trs Mtn			US\$ 3,390	N/A
Prudential Ins Co. Amer			US\$ 2,629	N/A
Public Svc Elec Gas Co.			US\$ 3,682	N/A
Regions Finl Corp. New			US\$ 2,371	N/A

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying Value Shares/Units (in US\$ in thousands)	Percentage of Ownership T
Safeco Corp.		Available-for-sale financial assets	US\$ 715	N/A
Sbc Communications Inc.			US\$ 1,041	N/A
Sbc Communications Inc.			US\$ 697	N/A
Simon Ppty Group Lp			US\$ 1,009	N/A
Slm Corp. Medium Term Nts			US\$ 8,998	N/A
Sp Powerasests Ltd. Global			US\$ 969	N/A
St Paul Cos Inc. Mtn Bk Ent			US\$ 2,550	N/A
Suntrust Bk Atlanta Ga Medium			US\$ 3,442	N/A
Tiaa Global Mkts Inc.			US\$ 500	N/A
Unitedhealth Group Inc.			US\$ 3,000	N/A
Us Bk Natl Assn Cincinnati Oh			US\$ 2,915	N/A
Vodafone Airtouch Plc			US\$ 4,449	N/A
Wachovia Corp. New			US\$ 2,040	N/A
Washington Mut Bk Fa			US\$ 3,997	N/A
Washington Mut Inc.			US\$ 1,692	N/A
Washington Mut Inc.			US\$ 1,000	N/A
Washington Post Co.			US\$ 3,001	N/A
Wells Fargo + Co. New			US\$ 2,943	N/A
Wells Fargo + Co. New Med Trm			US\$ 4,311	N/A
Westfield Cap Corp. Ltd.			US\$ 2,005	N/A
Wps Resources Corp.			US\$ 1,047	N/A
Corporate issued asset - backed securities				
American Home Mtg Invt Tr		Available-for-sale financial assets	US\$ 116	N/A
Americredit Auto Rec Tr			US\$ 1,004	N/A
Americredit Automobile Rec Tr			US\$ 1,116	N/A
Americredit Automobile Rec Tr			US\$ 2,598	N/A
Americredit Automobile Rec Tr			US\$ 3,269	N/A
Americredit Automobile Receiva			US\$ 4,609	N/A
Americredit Automobile Receivb			US\$ 2,891	N/A
Atlantic City Elc Trns Fdglc			US\$ 420	N/A
Ba Cr Card Tr			US\$ 4,300	N/A
Banc Amer Coml Mtg Inc.			US\$ 2,869	N/A
Banc Amer Fdg 2006 I Tr			US\$ 4,332	N/A
Bank Of Amer Lease Equip Tr			US\$ 1,057	N/A
Bear Stearns Alt A Tr			US\$ 628	N/A
Bear Stearns Arm Tr			US\$ 3,480	N/A
Bear Stearns Arm Tr			US\$ 1,951	N/A
Bear Stearns Coml Mtg Secs Inc.			US\$ 6,358	N/A
Bear Stearns Coml Mtg Secs Inc.			US\$ 3,541	N/A

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying Value (in US\$ in thousands)	Percentage of Ownership
Capital Auto Receivables Asset		Available-for-sale financial assets	US\$ 3,243	N/A
Capital One Auto Fin Tr			US\$ 2,618	N/A
Capital One Auto Fin Tr			US\$ 2,986	N/A
Capital One Auto Fin Tr			US\$ 4,998	N/A
Capital One Multi Asset Execut			US\$ 3,941	N/A
Capital One Multi Asset Execut			US\$ 2,963	N/A
Capital One Prime Auto Rec			US\$ 3,981	N/A
Capital One Prime Auto Receiv			US\$ 2,507	N/A
Caterpillar Finl Asset Tr			US\$ 1,525	N/A
Caterpillar Finl Asset Tr			US\$ 8,142	N/A
Cbass Tr			US\$ 4,262	N/A
Cendant Rent Car Fdg Aesop Llc			US\$ 9,297	N/A
Cit Equip Coll Tr			US\$ 1,899	N/A
Cit Equip Coll Tr			US\$ 3,985	N/A
Citibank Cr Card Issuance Tr			US\$ 9,864	N/A
Citibank Cr Card Issuance Tr			US\$ 2,688	N/A
CitiCorp. Mtg Secs			US\$ 582	N/A
Cnh Equip Tr			US\$ 1,984	N/A
Credit Suisse First Boston Mtg			US\$ 3,740	N/A
Credit Suisse First Boston Mtg			US\$ 3,576	N/A
Credit Suisse First Boston Mtg			US\$ 444	N/A
Cwabs			US\$ 4,261	N/A
Cwabs Inc.			US\$ 224	N/A
Cwmbs Inc.			US\$ 893	N/A
Daimlerchrysler Auto Tr			US\$ 4,315	N/A
Daimlerchrysler Auto Tr			US\$ 1,695	N/A
Deere John Owner Tr			US\$ 2,452	N/A
Drive Auto Receivables Tr			US\$ 3,191	N/A
Fifth Third Auto Tr			US\$ 12	N/A
First Franklin Mtg Ln Tr			US\$ 4,290	N/A
First Horizon Abs Tr			US\$ 528	N/A
First Union Lehman Bros Mtg Tr			US\$ 1,715	N/A
Ford Credit Auto Owner Trust			US\$ 4,324	N/A
Ge Cap Cr Card Master Nt Tr			US\$ 2,846	N/A
Granite Mtgs Plc			US\$ 564	N/A
Gs Mtg Secs Corp.			US\$ 4,145	N/A
Gsamp Tr			US\$ 4,251	N/A
Harley Davidson Motorcycle Tr			US\$ 150	N/A
Harley Davidson Motorcycle Tr			US\$ 5,825	N/A

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying Value Shares/Units (in US\$ in thousands)	Percentage of Ownership	T
Hertz Veh Fing Llc		Available-for-sale financial assets	US\$ 5,319	N/A	
Holmes Fing No 8 Plc			US\$ 5,000	N/A	
Home Equity Mtg Tr 2006 4			US\$ 4,222	N/A	
Hsbc Automotive Tr			US\$ 2,980	N/A	
Hyundai Auto Receivables Tr			US\$ 5,537	N/A	
Hyundai Auto Receivables Tr			US\$ 3,212	N/A	
Hyundai Auto Receivables Tr			US\$ 3,928	N/A	
Impac Cmb Tr			US\$ 308	N/A	
Impac Cmb Tr			US\$ 238	N/A	
Lb Ubs Coml Mtg Tr			US\$ 3,493	N/A	
Long Beach Mtg Ln Tr			US\$ 3,203	N/A	
Mastr Asset Backed			US\$ 4,224	N/A	
Mbna Master Cr Card Tr Ii			US\$ 7,605	N/A	
Merrill Lynch Mtg Invs Inc.			US\$ 5,887	N/A	
Morgan Stanley Ixis Estate Tr			US\$ 4,110	N/A	
National City Auto Receivables			US\$ 41	N/A	
Navistar Finl 2003 A Owner Tr			US\$ 2,956	N/A	
Nissan Auto Receivables			US\$ 72	N/A	
Nissan Auto Receivables			US\$ 3,928	N/A	
Nomura Asset Accep Corp.			US\$ 4,150	N/A	
Onyx Accep Owner Tr			US\$ 3,774	N/A	
Pg+E Energy Recovery Fdg Llc			US\$ 3,997	N/A	
Providian Gateway Owner Tr			US\$ 3,942	N/A	
Reliant Energy Transition Bd			US\$ 2,486	N/A	
Residential Asset Mtg Prods			US\$ 2,484	N/A	
Residential Asset Sec Mtg Pass			US\$ 1,865	N/A	
Residential Asset Sec Mtg Pass			US\$ 2,711	N/A	
Residential Fdg Mtg Secs I Inc.			US\$ 2,014	N/A	
Residential Fdg Mtg Secs I Inc.			US\$ 4,058	N/A	
Sequoia Mtg Tr			US\$ 548	N/A	
Sequoia Mtg Tr			US\$ 496	N/A	
Sequoia Mtg Tr			US\$ 737	N/A	
Structured Adj Rate Mtg Ln Tr			US\$ 1,389	N/A	
Structured Adj Rate Mtg Ln Tr			US\$ 472	N/A	
Terwin Mtg Tr			US\$ 4,065	N/A	
Tw Hotel Fdg 2005 Llc			US\$ 4,103	N/A	
Txu Elec Delivery Transition			US\$ 2,219	N/A	
Usaa Auto Owner Tr			US\$ 4,238	N/A	
Wamu Mtg Pass Thru Ctfs			US\$ 1,002	N/A	
Wamu Tr			US\$ 975	N/A	

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (in thousands)	Carrying Value (in US\$ in thousands)	Percentage of Ownership
Washington Mut Mtg Pass		Available-for-sale financial assets		US\$ 1,759	N/A
Washington Mut Mtg Secs Corp.				US\$ 2,984	N/A
Wells Fargo Finl Auto Owner Tr				US\$ 4,986	N/A
Wells Fargo Finl Auto Owner Tr				US\$ 4,926	N/A
Wells Fargo Mtg Backed Secs				US\$ 4,367	N/A
Wells Fargo Mtg Bkd Secs				US\$ 2,856	N/A
Wells Fargo Mtg Bkd Secs				US\$ 3,399	N/A
Wells Fargo Mtg Bkd Secs Tr				US\$ 2,748	N/A
Wfs Finl				US\$ 620	N/A
Wfs Finl 2004 4 Owner Tr				US\$ 932	N/A
Wfs Finl 2005 2 Oner Tr				US\$ 2,220	N/A
Whole Auto Ln Tr				US\$ 1,219	N/A
Whole Auto Ln Tr				US\$ 2,955	N/A
Agency bond					
Federal Home Ln Bks		Available-for-sale financial assets		US\$ 8,768	N/A
Federal Home Ln Bks				US\$ 4,920	N/A
Federal Home Ln Bks				US\$ 8,743	N/A
Federal Home Ln Bks				US\$ 4,856	N/A
Federal Home Ln Bks				US\$ 5,851	N/A
Federal Home Ln Bks				US\$ 7,952	N/A
Federal Home Ln Bks				US\$ 4,885	N/A
Federal Home Ln Bks				US\$ 2,991	N/A
Federal Home Ln Bks				US\$ 6,099	N/A
Federal Home Ln Bks				US\$ 12,279	N/A
Federal Home Ln Bks				US\$ 6,905	N/A
Federal Home Ln Bks				US\$ 5,898	N/A
Federal Home Ln Bks				US\$ 7,506	N/A
Federal Home Ln Bks				US\$ 2,386	N/A
Federal Home Ln Mtg Corp.				US\$ 1,976	N/A
Federal Home Ln Mtg Corp.				US\$ 5,948	N/A
Federal Home Ln Mtg Corp.				US\$ 6,440	N/A
Federal Home Loan Banks				US\$ 8,049	N/A
Federal Natl Mtg Assn				US\$ 4,365	N/A
Federal Natl Mtg Assn				US\$ 5,915	N/A
Federal Natl Mtg Assn				US\$ 3,943	N/A
Federal Natl Mtg Assn				US\$ 7,868	N/A
Federal Natl Mtg Assn				US\$ 19,766	N/A
Federal Natl Mtg Assn				US\$ 14,973	N/A

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Carrying	Percentage of Ownership
			Shares/Unit Value (in US\$ in thousands)	
Federal Natl Mtg Assn		Available-for-sale financial assets	US\$ 10,467	N/A
Federal Natl Mtg Assn			US\$ 6,511	N/A
Federal Natl Mtg Assn			US\$ 3,000	N/A
Federal Natl Mtg Assn Medium			US\$ 3,415	N/A
Federal Natl Mtg Assn Mtn			US\$ 2,914	N/A
Federal Natl Mtg Assn Mtn			US\$ 2,900	N/A
Federal Natl Mtg Assn Mtn			US\$ 5,318	N/A
Tennessee Valley Auth			US\$ 6,024	N/A
Fed Hm Ln Pc Pool 1H2520			US\$ 3,100	N/A
Fed Hm Ln Pc Pool 1H2524			US\$ 2,354	N/A
Fed Hm Ln Pc Pool 781959			US\$ 6,040	N/A
Fed Hm Ln Pc Pool 847628			US\$ 3,796	N/A
Fed Hm Ln Pc Pool B19205			US\$ 8,560	N/A
Fed Hm Ln Pc Pool E89857			US\$ 1,595	N/A
Fed Hm Ln Pc Pool G11295			US\$ 1,371	N/A
Fed Hm Ln Pc Pool M80855			US\$ 3,287	N/A
Federal Home Ln Mtg			US\$ 3,019	N/A
Federal Home Ln Mtg Corp.			US\$ 2,208	N/A
Federal Home Ln Mtg Corp.			US\$ 3,917	N/A
Federal Home Ln Mtg Corp.			US\$ 3,626	N/A
Federal Home Ln Mtg Corp.			US\$ 3,076	N/A
Federal Home Ln Mtg Corp.			US\$ 4,464	N/A
Federal Home Ln Mtg Corp.			US\$ 1,389	N/A
Federal Home Ln Mtg Corp.			US\$ 3,176	N/A
Federal Home Ln Mtg Corp.			US\$ 3,738	N/A
Federal Home Ln Mtg Corp.			US\$ 3,216	N/A
Federal Home Ln Mtg Corp.			US\$ 1,356	N/A