

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD  
Form 6-K  
August 14, 2017

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 August 2017**

**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: .)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Taiwan Semiconductor Manufacturing Company Ltd.

Date: Aug 14, 2017

By /s/ Lora Ho  
Lora Ho  
Senior Vice President & Chief Financial Officer

**Taiwan Semiconductor Manufacturing  
Company Limited and Subsidiaries  
Consolidated Financial Statements for the  
Six Months Ended June 30, 2017 and 2016 and  
Independent Accountants Review Report**

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders

Taiwan Semiconductor Manufacturing Company Limited

We have reviewed the accompanying consolidated balance sheets of Taiwan Semiconductor Manufacturing Company Limited and subsidiaries (the Company) as of June 30, 2017 and 2016 and the related consolidated statements of comprehensive income for the three months ended June 30, 2017 and 2016 and for the six months ended June 30, 2017 and 2016, as well as the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with Statement on Auditing Standards No. 36, Review of Financial Statements, issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, Interim Financial Reporting, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche

Taipei, Taiwan

Republic of China

August 8, 2017

### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent accountants' review report and the accompanying consolidated 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 independent accountants' review report and consolidated financial statements shall prevail.*



**Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries**
**CONSOLIDATED BALANCE SHEETS**
**(In Thousands of New Taiwan Dollars)**

	June 30, 2017 (Reviewed)		December 31, 2016 (Audited)		June 30, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 570,466,958	29	\$ 541,253,833	29	\$ 622,359,302	35
Financial assets at fair value through profit or loss (Note 7)	4,995,251		6,451,112		1,820,907	
Available-for-sale financial assets (Notes 8 and 14)	76,252,652	4	67,788,767	4	36,322,049	2
Held-to-maturity financial assets (Note 9)	7,210,380		16,610,116	1	7,362,302	
Hedging derivative financial assets (Notes 4 and 10)	24,517		5,550			
Notes and accounts receivable, net (Note 11)	109,893,282	6	128,335,271	7	111,300,187	6
Receivables from related parties (Note 29)	436,001		969,559		424,210	
Other receivables from related parties (Note 29)	1,532,321		146,788		1,546,979	
Inventories (Notes 12 and 33)	61,010,525	3	48,682,233	3	60,705,814	4
Other financial assets (Notes 30 and 33)	2,450,135		4,100,475		7,419,643	
Other current assets (Note 17)	3,777,530		3,385,422		3,263,678	
<b>Total current assets</b>	<b>838,049,552</b>	<b>42</b>	<b>817,729,126</b>	<b>44</b>	<b>852,525,071</b>	<b>47</b>
<b>NONCURRENT ASSETS</b>						
Held-to-maturity financial assets (Note 9)	20,529,204	1	22,307,561	1	27,266,867	2
Financial assets carried at cost (Note 13)	4,313,269		4,102,467		4,066,621	
Investments accounted for using equity method (Note 14)	18,976,025	1	19,743,888	1	22,064,632	1
Property, plant and equipment (Note 15)	1,077,626,759	54	997,777,687	53	875,870,205	49
Intangible assets (Note 16)	14,118,892	1	14,614,846	1	14,066,562	1
Deferred income tax assets (Note 4)	10,010,278	1	8,271,421		6,643,607	
Refundable deposits	742,707		407,874		441,447	
Other noncurrent assets (Note 17)	2,067,091		1,500,432		1,546,548	
<b>Total noncurrent assets</b>	<b>1,148,384,225</b>	<b>58</b>	<b>1,068,726,176</b>	<b>56</b>	<b>951,966,489</b>	<b>53</b>

<b>TOTAL</b>	<b>\$ 1,986,433,777</b>	<b>100</b>	<b>\$ 1,886,455,302</b>	<b>100</b>	<b>\$ 1,804,491,560</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term loans (Note 18)	\$ 54,745,200	3	\$ 57,958,200	3	\$ 38,739,600	2
Financial liabilities at fair value through profit or loss (Note 7)	82,552		191,135		178,704	
Hedging derivative financial liabilities (Notes 4 and 10)	19				4,217	
Accounts payable	24,509,899	1	26,062,351	2	22,117,148	1
Payables to related parties (Note 29)	1,101,776		1,262,174		1,037,116	
Salary and bonus payable	10,042,918	1	13,681,817	1	9,843,554	1
Accrued profit sharing bonus to employees and compensation to directors and supervisors (Notes 22 and 27)	33,376,142	2	22,894,006	1	30,365,818	2
Payables to contractors and equipment suppliers	50,376,846	2	63,154,514	3	48,102,264	3
Cash dividends payable (Note 22)	181,626,763	9			155,696,382	9
Income tax payable (Note 4)	33,463,459	2	40,306,054	2	31,168,780	2
Provisions (Note 19)	13,818,216	1	18,037,789	1	9,495,889	
Long-term liabilities - current portion (Note 20)	79,865,605	4	38,109,680	2	22,010,000	1
Accrued expenses and other current liabilities (Notes 21 and 29)	40,497,750	2	36,581,553	2	29,979,582	2
<b>Total current liabilities</b>	<b>523,507,145</b>	<b>27</b>	<b>318,239,273</b>	<b>17</b>	<b>398,739,054</b>	<b>23</b>
<b>NONCURRENT LIABILITIES</b>						
Bonds payable (Note 20)	99,300,000	5	153,093,557	8	181,276,211	10
Long-term bank loans	16,940		21,780		26,300	
Deferred income tax liabilities (Note 4)	160,709		141,183		3,631	
Net defined benefit liability (Note 4)	8,556,640		8,551,408		7,456,666	
Guarantee deposits (Note 21)	10,818,377	1	14,670,433	1	17,950,414	1
Others	1,708,321		1,686,542		1,708,306	
<b>Total noncurrent liabilities</b>	<b>120,560,987</b>	<b>6</b>	<b>178,164,903</b>	<b>9</b>	<b>208,421,528</b>	<b>11</b>
<b>Total liabilities</b>	<b>644,068,132</b>	<b>33</b>	<b>496,404,176</b>	<b>26</b>	<b>607,160,582</b>	<b>34</b>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>						
Capital stock (Note 22)	259,303,805	13	259,303,805	14	259,303,805	14
Capital surplus (Note 22)	56,282,780	3	56,272,304	3	56,263,141	3
Retained earnings (Note 22)						
Appropriated as legal capital reserve	241,722,663	12	208,297,945	11	208,297,945	12



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Unappropriated earnings	802,672,760	40	863,710,224	46	667,701,172	37
	1,044,395,423	52	1,072,008,169	57	875,999,117	49
Others (Note 22)	(18,296,511)	(1)	1,663,983		4,888,074	
Equity attributable to shareholders of the parent	1,341,685,497	67	1,389,248,261	74	1,196,454,137	66
NONCONTROLLING INTERESTS	680,148		802,865		876,841	
Total equity	1,342,365,645	67	1,390,051,126	74	1,197,330,978	66
TOTAL	\$ 1,986,433,777	100	\$ 1,886,455,302	100	\$ 1,804,491,560	100

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

**Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**
**(Reviewed, Not Audited)**

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>NET REVENUE</b>								
(Notes 23, 29 and 35)	\$ 213,855,212	100	\$ 221,809,846	100	\$ 447,769,612	100	\$ 425,305,207	100
<b>COST OF REVENUE</b> (Notes 12, 27, 29 and 33)	105,101,969	49	107,468,601	48	217,530,703	49	219,593,495	52
<b>GROSS PROFIT BEFORE UNREALIZED GROSS PROFIT ON SALES TO ASSOCIATES</b>	108,753,243	51	114,341,245	52	230,238,909	51	205,711,712	48
<b>UNREALIZED GROSS PROFIT ON SALES TO ASSOCIATES</b>	(44,589)		(7,009)		(40,619)		(39,898)	
<b>GROSS PROFIT</b>	108,708,654	51	114,334,236	52	230,198,290	51	205,671,814	48
<b>OPERATING EXPENSES</b> (Notes 27 and 29)								
Research and development	19,057,456	9	16,903,540	8	38,469,849	8	32,522,503	7
General and administrative	4,927,159	2	4,667,198	2	10,174,762	2	8,512,133	2
Marketing	1,382,199	1	1,436,902	1	2,878,686	1	2,852,001	1
<b>Total operating expenses</b>	25,366,814	12	23,007,640	11	51,523,297	11	43,886,637	10

<b>OTHER OPERATING INCOME AND EXPENSES, NET</b>								
(Note 27)	(86,439)		(5,595)		(67,202)		3,138	
<b>INCOME FROM OPERATIONS</b>								
(Note 35)	83,255,401	39	91,321,001	41	178,607,791	40	161,788,315	38
<b>NON-OPERATING INCOME AND EXPENSES</b>								
Share of profits of associates								
	618,451		892,266		1,285,261		1,733,161	
Other income	2,626,210	1	1,792,766	1	4,731,189	1	3,125,355	1
Foreign exchange loss, net (Note 34)								
	(551,533)		(807,218)		(451,738)		(1,900,836)	
Finance costs								
	(839,913)		(821,425)		(1,656,577)		(1,672,005)	
Other gains and losses (Note 24)								
	1,008,851		1,029,001		1,424,040		2,588,300	
<b>Total non-operating income and expenses</b>								
	2,862,066	1	2,085,390	1	5,332,175	1	3,873,975	1
<b>INCOME BEFORE INCOME TAX</b>								
	86,117,467	40	93,406,391	42	183,939,966	41	165,662,290	39
<b>INCOME TAX EXPENSE (Notes 4 and 25)</b>								
	19,846,815	9	20,878,112	9	30,048,406	7	28,341,414	7
<b>NET INCOME</b>								
	66,270,652	31	72,528,279	33	153,891,560	34	137,320,876	32
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>								
(Notes 4, 22 and 25)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations								
	1,353,774	1	(353,467)		(19,889,820)	(4)	(6,946,520)	(1)
Changes in fair value of available-for-sale financial assets								
	28,397		(30,018)		(65,073)		21,276	

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Cash flow hedges	18,997			18,997			
Share of other comprehensive income (loss) of associates	3,027	(17,528)		(58,630)		8,629	
Income tax benefit related to items that may be reclassified subsequently	6,041	10,200		52,441		27,640	

Other comprehensive income (loss) for the period, net of income tax	1,410,236	1	(390,813)	(19,942,085)	(4)	(6,888,975)	(1)
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<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>\$ 67,680,888</b>	<b>32</b>	<b>\$ 72,137,466</b>	<b>33</b>	<b>\$ 133,949,475</b>	<b>30</b>	<b>\$ 130,431,901</b>	<b>31</b>
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NET INCOME (LOSS) ATTRIBUTABLE TO:

Shareholders of the parent	\$ 66,271,019	31	\$ 72,506,321	33	\$ 153,899,917	34	\$ 137,287,814	32
Noncontrolling interests	(367)		21,958		(8,357)		33,062	

	\$ 66,270,652	31	\$ 72,528,279	33	\$ 153,891,560	34	\$ 137,320,876	32
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TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:

Shareholders of the parent	\$ 67,680,017	32	\$ 72,117,547	33	\$ 133,954,807	30	\$ 130,401,775	31
Noncontrolling interests	871		19,919		(5,332)		30,126	

	\$ 67,680,888	32	\$ 72,137,466	33	\$ 133,949,475	30	\$ 130,431,901	31
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<b>For the Three Months Ended June 30 2017</b>	<b>Income Attributable to Shareholders of</b>	<b>For the Six Months Ended June 30 2017</b>	<b>Income Attributable to Shareholders of</b>
<b>2016</b>	<b>Shareholders of</b>	<b>2016</b>	<b>Shareholders of</b>

	<b>the Parent</b>	<b>the Parent</b>	<b>the Parent</b>	<b>Shareholders of the Parent</b>
<b>EARNINGS PER SHARE (NT\$, Note 26)</b>				
Basic earnings per share	\$ 2.56	\$ 2.80	\$ 5.94	\$ 5.29
Diluted earnings per share	\$ 2.56	\$ 2.80	\$ 5.94	\$ 5.29

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



		153,899,917	153,899,917	(19,947,752)	(14,089)	16,731		(19,945,110)
7,715							(15,384)	(15,384)
2,761								
56,282,780	\$ 241,722,663	\$ 802,672,760	\$ 1,044,395,423	\$ (18,286,515)	\$ (11,448)	\$ 16,836	\$ (15,384)	\$ (18,296,511)
56,300,215	\$ 177,640,561	\$ 716,653,025	\$ 894,293,586	\$ 11,039,949	\$ 734,771	\$ (607)	\$	\$ 11,774,113
	30,657,384	(30,657,384)						
		(155,582,283)	(155,582,283)					
	30,657,384	(186,239,667)	(155,582,283)					
	137,287,814	137,287,814						
				(6,958,514)	72,190	285		(6,886,039)

	137,287,814	137,287,814	(6,958,514)	72,190	285	(6,886,039)
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(56,169)

19,095

56,263,141	\$ 208,297,945	\$ 667,701,172	\$ 875,999,117	\$ 4,081,435	\$ 806,961	\$ (322)	\$ 4,888,074	\$
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The accompanying notes are an integral part of the consolidated financial statements.



## Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Six Months Ended June 30</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 183,939,966	\$ 165,662,290
Adjustments for:		
Depreciation expense	116,099,116	109,352,892
Amortization expense	2,065,459	1,769,157
Finance costs	1,656,577	1,672,005
Share of profits of associates	(1,285,261)	(1,733,161)
Interest income	(4,588,686)	(2,987,896)
Gain on disposal of property, plant and equipment, net	(15,343)	(6,828)
Impairment loss on financial assets	12,032	30,872
Loss (gain) on disposal of available-for-sale financial assets, net	59,311	(89,669)
Gain on disposal of financial assets carried at cost, net	(4,753)	(20,009)
Loss on disposal of investments accounted for using equity method, net		259,960
Loss from liquidation of subsidiaries		36,105
Unrealized gross profit on sales to associates	40,619	39,898
Loss (gain) on foreign exchange, net	(6,377,351)	308,122
Dividend income	(142,503)	(137,459)
Loss arising from fair value hedges, net	23,494	841
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	1,159,461	(1,708,787)
Notes and accounts receivable, net	15,263,197	(29,118,721)
Receivables from related parties	533,558	81,512
Other receivables from related parties	8,492	(19,200)
Inventories	(12,328,292)	6,346,456
Other financial assets	1,844,118	(3,053,635)
Other current assets	(143,032)	269,691
Other noncurrent assets	(433,328)	
Accounts payable	(1,398,358)	