

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD

Form 6-K

August 24, 2007

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 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: ____.)

TSMC Plans to Increase Stake in Vanguard

Hsinchu, Taiwan, R.O.C., August 24, 2007 TSMC's Board of Directors held a special board meeting on Friday and approved a proposal to purchase no more than 11 percent of Vanguard International Semiconductor Corporation (Vanguard) shares via Block Trade, at a price not exceeding NT\$5.55 billion, representing no more than NT\$29.7 per share.

This planned transaction will strengthen our business alliance with Vanguard and is part of our eight-inch wafer strategy, said Ms. Lora Ho, TSMC Spokesperson and Chief Financial Officer. Future purchases of shares in Vanguard, if any, will depend on Vanguard's share price and the semiconductor industry's environment, Ms. Ho said. In addition, TSMC has no intention to merge Vanguard, she said.

TSMC currently owns approximately 26.8 percent of Vanguard's shares.

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TSMC Spokesperson:

Ms. Lora Ho

Vice President and CFO

Tel: 886-3-566-4602

TSMC Acting Spokesperson:

Mr. J.H. Tzeng

Deputy Director, PR Department, TSMC

Tel: 886-3-505-5028

Mobile: 0928-882607

Fax: 886-3-567-0121

E-Mail: jhtzeng@tsmc.com

For further information, please contact:

Michael Kramer

Principal Specialist, TSMC P.R. Dept

Tel: 886-3-505-6216

Mobile: 886-926-026-632

Fax: 886-3-567-0121

E-Mail: pdkramer@tsmc.com

Richard C.Y. Chung

Technical Manager, TSMC

Tel: 886-3-505-5038

Mobile: 886-911-258751

Fax: 886-3-567-0121

E-Mail: cychung@tsmc.com

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: August 24, 2007

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