



**MACRONIX
INTERNATIONAL CO., LTD.**

2014 Annual General Shareholders' Meeting

MEETING AGENDA

(Translation)

June 18, 2014

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MEETING AGENDA

Time : 9:00 a.m., June 18, 2014

Place : Room 101, Association of Industries in Science Parks
(No. 2, Prosperity Rd. 1, Hsinchu Science Park)

Attendants : All attendant shareholders in person or by proxy

Chairman : Chairman of the Board of Directors , Miin Chyou Wu

I. Chairman's Address

II. Report Items

1. 2013 Business Report
2. Audit Committee's Report of 2013
3. Others

III. Ratification and Discussion Items

1. Adoption of 2013 Business Report and Financial Statements
2. Adoption of the proposed 2013 deficit compensation
3. Approval of amending internal rules
 - A. Procedures for Acquisition or Disposal of Assets
 - B. Procedures for Financial Derivatives Transactions
4. Approval of public offering and/or private placement of securities
5. Approval of issuance of new shares for employee Restricted Stock Awards
6. Approval for removing the competition restrictions of the directors

IV. Others and Motions

Voting Method/Sequence:

(Except for those proposals deemed adopted or resolved with no objection after the Chairman's consultation, the Chairman may hold certain and/or all votes of such proposals until the timing designated by the Chairman before the end of all agenda hereunder.)

V. Meeting Adjourned

Report Items

ITEM 1 2013 Business Report (Attachment 1)

ITEM 2 Audit Committee's Report of 2013 (Attachment 2)

ITEM 3 Others: None

Ratification and Discussion Items

ITEM 1 (Proposed by the Board of Directors)

Proposal : Adoption of 2013 Business Report and Financial Statements

Explanation : 1. The 2013 Consolidated Financial Statements (including the parent company only Financial Statements) have been audited by Deloitte & Touche, the Company's Independent Auditor.

2. Business Report, Independent Auditors' Report and Financial Statements are as attached. (Attachment 1, 3 and 4)

Resolution :

ITEM 2 (Proposed by the Board of Directors)

Proposal : Adoption of the proposal of 2013 deficit compensation

Explanation : 1. The Company's net loss after tax of 2013 is NT\$6,305,646,595 and the deficit yet to be compensated is NT\$7,178,843,135. There will be no dividends to be distributed.

2. The proposal of 2013 deficit compensation statement is as attached (Attachment 5)

Resolution :

ITEM 3 (Proposed by the Board of Directors)

Proposal : In response to the applicable regulations, it is proposed to amend the "Procedures for Acquisition or Disposal of Assets" and the "Procedures for Financial Derivatives Transactions".

Explanation : 1. In compliance with the amended "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" announced on December 30, 2013, it is hereby proposed to amend the Company's "Procedures for Acquisition or Disposal of Assets" and the "Procedures for Financial Derivatives Transactions".
("Procedures")

2. The amended rules and the comparison chart of such Procedures are as attached.
(Attachment 6 and 7)

Resolution :

ITEM 4 (Proposed by the Board of Directors)

Proposal : Approval of fund raising by issuance of new shares, and/or issuance of overseas depositary receipts through cash capital increase, and/or the private placement of common shares, and/or the private placement of domestic or overseas convertible bonds.

Explanation : 1. For the Company's future business needs, it is hereby proposed for the capital increase, including domestic rights offering(s), the issuance of new shares for the depositary receipts through cash capital increase, the private placement of common shares; and/or the private placement of domestic and/or overseas convertible bonds, to the extent of 1.5 billion common shares (collectively and/or individually "Offering(s)"). For issuance of the private placement of convertible bonds, the number of common shares can be converted within the limit of 1.5 billion common shares shall be calculated in accordance with the conversion price determined at the time of issuance of the privately placed convertible bonds. It is also hereby proposed to submit to the AGM for authorizing the Board of Directors to select any and/or all of the Offering(s), or mix certain of the Offering(s) taking into consideration then market conditions and/or the Company's needs. Please refer to the attachments. (Attachment 8)

2. It is proposed to the AGM for authorizing the Board of Directors to determine the details of the Offering(s), including the number of shares to be issued, the offering plan, the conversion rules, the projected items, the projected schedule for the use of proceeds, the projected results and related matters, in accordance with applicable government rules taking into consideration the market conditions as well as the Company's business need.

3. It is hereby proposed to AGM for authorizing the Board of Directors with full rights to follow-up and/or handle any adjustment, revisions and/or amendments which may be triggered by the amendment of law, the opinion or comments of the authority, and/or then market conditions.

4. The price will be set in accordance with the resolution of the AGM and then market price of our common shares to confirm the reasonableness of price offered and no significant impact to our shareholders. Please refer to the attachments. (Attachment 8)

Resolution :

ITEM 5 (Proposed by the Board of Directors)

Proposal : Approval of the issuance of new shares for employee Restricted Stock Awards ("RSA")

Explanation : 1. In order to attract and retain employees, it is proposed to issue and/or grant RSA pursuant to Article 267 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" . ("Plan")

2. The Plan includes the following matters :
 - 2-1 Total numbers of shares : To the extent not exceeding 123,251,000 common shares
 - 2-2 Terms and conditions :
 - 2-2-1 Price : NT\$0
 - 2-2-2 Types of shares : Common shares of the Company
 - 2-2-3 Vesting Conditions : Conditions precedents, such as seniority of employee, achievements, etc., as specified under the Offering Rules of the RSA.
 - 2-2-4 Fail to meet the vesting conditions, the Company will redeem and cancel the RSA granted there under.
 - 2-3 Qualifications of employees and the numbers of shares to be granted :

The qualified employee of RSA is limited to those employees on such shares issuance date. The employees and shares granted will be in accordance with applicable laws and taking into consideration their respective position, performance, contribution(s) or achievement(s) to the Company, and/or others.
 - 2-4 Approximated expenses, dilution of EPS and/or others which will affect the shareholders' interests :

Based on the closing price of NT\$6.52 on March 14, 2014 (one business day prior to the Board of Directors) and the outstanding common shares of the Company (i.e.3,521,473,020shares), if the RSA were fully vested and issues, the approximated expenses from 2014 to 2018 will be around NTD\$803,597 thousand, and the dilution of the Company's EPS will be approximately NTD\$0.23, hence it shall not have material impacts to the shareholders.
 - 2-5 Restricted rights before RSA vested :

The RSA granted shall not be sold, transferred, pledged or as a gift to a third party or otherwise dispose.
 - 2-6 The necessity of the RSA :

In order to attract and retain employees required for the Company's development so as to enhance the competitiveness of the Company for the mutual interests of the Company and shareholders.
 - 2-7 Other important arrangements :

The RSA to be issued shall be held in Trust.
3. It is hereby proposed to AGM for authorizing the Board of Directors with full rights to follow-up and/or handle any adjustment, revisions and/or amendments which may be triggered by the amendment of law, the opinion or comments of the authority, and/or then market conditions.
4. With respect to the RSA Plan, the relevant restrictions, material arrangements and any other matters not set forth here will be follow up in accordance with the applicable laws and/or regulations as well as the RSA Rules of the Company.

Resolution :

ITEM 6 (Proposed by the Board of Directors)

Proposal : Approval of removing the competition restrictions of the directors

Explanation : 1. In compliance with Article 209 of Company Act, i.e. “A director who does anything for himself or on behalf of another person that is within the scope of the Company’s business, shall explain to the meeting of shareholders the essential contents of such acts for the approval”.

2. It is proposed to comply with Article 209 of Company Act to explain to the Company’s shareholders the potential competitive works of the respective on board directors. The directors who serve a position which may be deemed as within the scope of the Company’s business are as attached. (Attachment 9)

Resolution :

Others and Motions

Voting Method/Sequence:

(Except for those proposals deemed adopted or resolved with no objection after the Chairman’s consultation, the Chairman may hold certain and/or all votes of such proposals until the timing designated by the Chairman before the end of all agenda hereunder.)

Meeting Adjourned

Attachment 1

2013 Business Report

Looking back on 2013, the drivers of global economic growth were insufficient, and Macronix felt the impact of the large devaluation of the Yen, as well as pressure from price declines for products and depreciation, so that overall results did not meet expectations. But thanks to the hard work of all our employees, our NOR Flash increased market share over the previous year, and revenue from automotive electronics products doubled, showing the results of our overall efforts in aggressive product integration and opening up new product applications. In addition, our 12 inch wafer fab also broke through the bottleneck of using a mix of old and new equipment, resulting in greatly improved quality and productivity.

The operating results for 2013 were as follows. Total annual operating revenue was NT\$22.204 billion, down 8% year-on-year, net loss after tax was NT\$6.358 billion, and loss-per-share was NT\$1.79. Annual capacity utilization rate was about 89%, average gross profit margin was 9%, and debt-to-equity ratio was 47%. Annual depreciation and amortization costs were NT\$7.744 billion, EBITDA was NT\$1.726 billion, end-of-period cash equivalent was NT\$11.979 billion, and inventory level was NT\$8.795 billion.

Macronix has made significant long-term investments in R&D. We remain committed to development of advanced non-volatile memory technologies and of our own products, and we secure intellectual property protection for our innovations. In 2013, we obtained 381 patents, bringing our accumulated total stock of IP to 5,280 international key technology patents. Patent positioning is drawing increasing international attention, and our strength in this area is a concrete demonstration of the global competitiveness of Macronix in the field of advanced memory.

In terms of process and product improvements and innovations, in the area of ROM, in the 4th quarter last year 45nm products accounted for 57% of ROM revenue, and this year production will advance to 32nm. Regarding NOR Flash memory, 75nm products accounted for 26% of Flash revenue in the 4th quarter, and this year production is advancing to 55nm. Macronix has independently developed Hybrid Memory, successfully integrating ROM and NAND Flash chips to satisfy diverse customer needs, with samples already sent for certification in the 4th quarter. Production of newly-developed low capacity high-efficiency NAND Flash, which is mainly applied in set-top boxes, network products, smart TVs and cell phones, will progress this year from 75nm to 36nm, and shipment volume is expected to show explosive growth.

Macronix is a world-class leading producer of non-volatile memory. All of our efforts, whether R&D investments or social philanthropy activities, are based on considerations such as long-term impact, fulfilling our corporate social responsibility, nurturing talent and promoting science education. Internally, we have established the 'Learning Map', to guide employees' development direction,

provide diverse education and training resources, and encourage staff to continuously learn. Externally, we set up the 'Macronix Educational Foundation' to provide a long-term and systematic incentive program encouraging local students to explore science and create inventions. Last year for the first time this program was evaluated and awarded by the Ministry of Education as an 'outstanding' educational foundation.

Looking forward to the new year, we continue to stabilize production, upgrade our technology and lower costs, with the result that we have solidified our position and this year we will get back on the growth track. Planned capital spending is about NT\$2.5 billion, mainly for upgrading from old equipment to new in order to raise production. To improve capacity utilization, we will continue to convert part of our 8-inch wafer fab capacity to open wafer foundry. In terms of product applications, we will continue to expand from consumer electronics, information and communications, and computers into markets such as automotive electronics and mobile devices, which will help to increase revenue and raise market share. As far as new products such as the release of NAND Flash and promotion of high-density NOR Flash, production will be focused in our 12-inch wafer fab, and this will be an important breakthrough for operations.

To provide Integrated System Solutions for our industrial partners is the long-term commitment of Macronix Group, and it is our ultimate goal as a company. Macronix and its subsidiaries are continuously refining our developments in areas such as mobile payment platforms, chips for e-book systems, smart phone baseband chips, and chips for smart TV remote controls. It is expected that in the future, Macronix can integrate products from across the Group, to create optimal system architectures that will provide our customers with integrated solutions, thus satisfying market needs for diverse product applications.

Facing the challenges of domestic and international competition, we will respond prudently and seek opportunities for growth. We will continue to accelerate the timeline for production process development, and lower costs, so as to raise product competitiveness. At the same time we will aggressively open up new customer bases and new products, and expand our territory of operations, to spur revenue growth, quickly surpass our profit-loss goals, and create additional value for our shareholders.

Finally, we appreciate the support and encouragement of our shareholders towards Macronix, and our entire dedicated workforce will continue to work even harder to produce excellent operating results.

Attachment 2

Audit Committee's Report

To: 2014 Annual General Shareholders Meeting of Macronix International Co., Ltd.

The 2013 consolidated financial statements of the Company (including the parent company only financial statements), the 2013 business report, and the proposed 2013 deficit compensation have been review and determined to be correct and accurate by the undersigned. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Law, it is hereby submitted this report.

Audit Committee of Macronix International Co., Ltd.

Independent director: Chiang Kao

Independent director: Yan-Kuin Su

Independent director: John C.F. Chen

Dated : March 17, 2014

Attachment 3

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
Macronix International Co., Ltd.

We have audited the accompanying parent company only balance sheets of Macronix International Co., Ltd. (the "Company") as of December 31, 2013 and 2012, and January 1, 2012 and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These parent company only 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 parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of Macronix International Co., Ltd. as of December 31, 2013 and 2012, and January 1, 2012, and its financial performance and its cash flows for the years ended December 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

March 17, 2014

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditor's 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 independent auditor's report and financial statements shall prevail.

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012		LIABILITIES AND EQUITY	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 10,032,019	19	\$ 17,793,410	29	\$ 17,726,603	26	Short-term borrowings (Notes 17 and 30)	\$ 566,577	1	\$ 88,406	-	\$ 1,800,488	3
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	1,358	-	6,199	-	-	-	Notes payable and trade payables (Notes 18 and 30)	1,996,384	4	1,819,749	3	2,136,388	3
Notes receivable and trade receivables, net (Notes 4, 10 and 30)	2,403,641	4	2,473,375	4	2,421,492	4	Payables to related parties (Notes 30 and 31)	186,927	-	226,007	-	146,858	-
Receivables from related parties, net (Notes 4, 30 and 31)	872,298	2	823,432	1	1,340,244	2	Other payables (Notes 19 and 30)	2,128,022	4	2,517,231	4	2,072,686	3
Other receivables (Notes 10, 30 and 31)	133,658	-	100,136	-	111,958	-	Salary and bonus payable (Note 22)	-	-	-	-	530,775	1
Inventories (Notes 4 and 11)	8,743,122	16	6,797,915	11	6,398,789	9	Payable for purchase of equipment (Note 30)	428,987	1	389,782	1	869,773	1
Other current assets (Note 16)	480,627	1	425,577	1	407,057	1	Current tax liabilities (Notes 4 and 25)	352,048	1	336,591	1	335,135	1
Total current assets	<u>22,666,723</u>	<u>42</u>	<u>28,420,044</u>	<u>46</u>	<u>28,406,143</u>	<u>42</u>	Provisions - current (Notes 4 and 20)	117,876	-	70,818	-	65,386	-
							Current portion of long-term borrowings (Notes 17, 30 and 32)	7,656,919	14	5,233,718	8	1,527,718	2
NON-CURRENT ASSETS							Other current liabilities	48,839	-	70,592	-	61,240	-
Available-for-sale financial assets - non-current (Notes 4, 8 and 30)	764,239	1	663,384	1	646,558	1	Total current liabilities	<u>13,482,579</u>	<u>25</u>	<u>10,752,894</u>	<u>17</u>	<u>9,546,447</u>	<u>14</u>
Financial assets measured at cost - non-current (Notes 4, 9 and 30)	82,698	-	91,473	-	117,556	-	NON-CURRENT LIABILITIES						
Investment accounted for using equity method (Notes 4, 12 and 30)	2,926,238	5	2,319,232	4	3,037,580	5	Long-term borrowings (Notes 17, 30 and 32)	10,942,978	20	15,799,897	26	16,078,614	24
Property, plant and equipment (Notes 4, 13 and 32)	26,132,425	49	29,274,321	47	34,855,166	51	Accrued pension liabilities (Notes 4 and 21)	825,606	2	718,614	1	623,503	1
Intangible assets (Notes 4 and 14)	272,958	1	315,870	1	71,050	-	Other non-current liabilities	600	-	130	-	1,797	-
Deferred tax assets (Notes 4 and 25)	905,612	2	905,612	1	544,075	1	Total non-current liabilities	<u>11,769,184</u>	<u>22</u>	<u>16,518,641</u>	<u>27</u>	<u>16,703,914</u>	<u>25</u>
Other financial assets - non-current (Notes 4, 15, 30 and 32)	172,075	-	177,251	-	167,543	-	Total liabilities	<u>25,251,763</u>	<u>47</u>	<u>27,271,535</u>	<u>44</u>	<u>26,250,361</u>	<u>39</u>
Other non-current assets (Note 16)	7,572	-	16,258	-	25,226	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)						
Total non-current assets	<u>31,263,817</u>	<u>58</u>	<u>33,763,401</u>	<u>54</u>	<u>39,464,754</u>	<u>58</u>	Ordinary shares	35,214,730	65	35,214,623	57	33,847,486	50
							Capital surplus	344,166	-	343,869	-	346,489	-
TOTAL	<u>\$ 53,930,540</u>	<u>100</u>	<u>\$ 62,183,445</u>	<u>100</u>	<u>\$ 67,870,897</u>	<u>100</u>	Retained earnings	-	-	2,695,275	5	2,407,003	3
							Legal reserve	-	-	-	-	-	-
							Unappropriated earnings (accumulated deficit)	(7,178,843)	(13)	(3,528,992)	(6)	4,776,572	7
							Other equity	457,785	1	346,196	-	402,047	1
							Treasury shares	(159,061)	-	(159,061)	-	(159,061)	-
							Total equity	<u>28,678,777</u>	<u>53</u>	<u>34,911,910</u>	<u>56</u>	<u>41,620,536</u>	<u>61</u>
							TOTAL	<u>\$ 53,930,540</u>	<u>100</u>	<u>\$ 62,183,445</u>	<u>100</u>	<u>\$ 67,870,897</u>	<u>100</u>

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

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2013		2012	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 23 and 31)	\$ 21,870,599	100	\$ 23,888,847	100
OPERATING COSTS (Notes 4, 11, 21, 24 and 31)	<u>20,089,829</u>	<u>92</u>	<u>21,656,168</u>	<u>91</u>
GROSS PROFIT	1,780,770	8	2,232,679	9
REALIZED (UNREALIZED) GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES (Note 4)	<u>(1,408)</u>	<u>-</u>	<u>1,664</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,779,362</u>	<u>8</u>	<u>2,234,343</u>	<u>9</u>
OPERATING EXPENSES (Notes 4, 21, 24 and 31)				
Selling and marketing expenses	833,280	4	907,948	4
General and administrative expenses	1,542,549	7	1,513,406	6
Research and development expenses	<u>5,070,260</u>	<u>23</u>	<u>4,546,195</u>	<u>19</u>
Total operating expenses	<u>7,446,089</u>	<u>34</u>	<u>6,967,549</u>	<u>29</u>
LOSS FROM OPERATIONS	<u>(5,666,727)</u>	<u>(26)</u>	<u>(4,733,206)</u>	<u>(20)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 24 and 31)	209,759	1	269,203	1
Other gains and losses (Note 24)	128,739	1	(101,308)	-
Finance costs (Notes 4 and 24)	(334,896)	(2)	(302,953)	(1)
Share of loss of subsidiaries (Notes 4 and 24)	<u>(642,647)</u>	<u>(3)</u>	<u>(646,763)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>(639,045)</u>	<u>(3)</u>	<u>(781,821)</u>	<u>(3)</u>
LOSS BEFORE INCOME TAX	(6,305,772)	(29)	(5,515,027)	(23)
INCOME TAX BENEFIT (Notes 4 and 25)	<u>(125)</u>	<u>-</u>	<u>(77,011)</u>	<u>-</u>
NET LOSS FOR THE YEAR	<u>(6,305,647)</u>	<u>(29)</u>	<u>(5,438,016)</u>	<u>(23)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations (Notes 4 and 22)	53,644	-	(72,737)	-
Unrealized gain on available-for-sale financial assets (Notes 4 and 22)	<u>57,945</u>	<u>1</u>	<u>16,886</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>111,589</u>	<u>1</u>	<u>(55,851)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (6,194,058)</u>	<u>(28)</u>	<u>\$ (5,493,867)</u>	<u>(23)</u>

(Continued)

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
LOSS PER SHARE (Note 26)				
Basic	<u>\$ (1.79)</u>		<u>\$ (1.55)</u>	
Diluted	<u>\$ (1.79)</u>		<u>\$ (1.55)</u>	

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

MACRONIX INTERNATIONAL CO., LTD.

SEPARATE STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	Total Equity
			Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain from Available-for-sale Financial Assets		
BALANCE AT JANUARY 1, 2012	\$ 33,847,486	\$ 346,489	\$ 2,407,003	\$ 4,776,572	\$ (30,048)	\$ 432,095	\$ (159,061)	\$ 41,620,536
APPROPRIATION OF 2011 EARNINGS								
Legal reserve	-	-	288,272	(288,272)	-	-	-	-
Cash dividends distributed by the Company - NT\$0.38 per share	-	-	-	(1,288,408)	-	-	-	(1,288,408)
Stock dividends distributed by the Company - NT\$0.38 per share	1,288,408	-	-	(1,288,408)	-	-	-	-
Net loss for the year ended December 31, 2012	-	-	-	(5,438,016)	-	-	-	(5,438,016)
Other comprehensive income (loss) for year ended December 31, 2012, net of income tax	-	-	-	-	(72,737)	16,886	-	(55,851)
Total comprehensive income (loss) for the year ended December 31, 2012	-	-	-	(5,438,016)	(72,737)	16,886	-	(5,493,867)
Issue of ordinary shares under employee share options	78,729	(4,160)	-	-	-	-	-	74,569
Differences between the fair value and carrying amount from equity transactions of subsidiaries	-	-	-	(2,460)	-	-	-	(2,460)
Changes in capital surplus from subsidiaries accounted for by using equity method	-	113	-	-	-	-	-	113
Company dividends received by its subsidiary	-	1,427	-	-	-	-	-	1,427
BALANCE AT DECEMBER 31, 2012	35,214,623	343,869	2,695,275	(3,528,992)	(102,785)	448,981	(159,061)	34,911,910
Legal reserve used to offset accumulated deficit	-	-	(2,695,275)	2,695,275	-	-	-	-
Net loss for the year ended December 31, 2013	-	-	-	(6,305,647)	-	-	-	(6,305,647)
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	53,644	57,945	-	111,589
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	(6,305,647)	53,644	57,945	-	(6,194,058)
Issue of ordinary shares under employee share options	107	(13)	-	-	-	-	-	94
Differences between the fair value and carrying amount from equity transactions of subsidiaries	-	-	-	(39,479)	-	-	-	(39,479)
Changes in capital surplus from subsidiaries accounted for by using equity method	-	310	-	-	-	-	-	310
BALANCE AT DECEMBER 31, 2013	<u>\$ 35,214,730</u>	<u>\$ 344,166</u>	<u>\$ -</u>	<u>\$ (7,178,843)</u>	<u>\$ (49,141)</u>	<u>\$ 506,926</u>	<u>\$ (159,061)</u>	<u>\$ 28,678,777</u>

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

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (6,305,772)	\$ (5,515,027)
Adjustments for:		
Depreciation expense	7,464,994	7,657,143
Amortization expense	181,605	122,971
Impairment loss recognized on trade receivables	2,151	49,533
Finance costs	334,896	302,953
Share of loss of subsidiaries	642,647	646,763
Interest income	(109,274)	(154,349)
Dividend income	(57,415)	(56,840)
Loss on disposal of property, plant and equipment	7,970	138,361
Gain on disposal of investments	-	(229)
Impairment loss recognized on financial assets	-	6,583
Unrealized (realized) gain on the transactions with subsidiaries	1,408	(1,664)
Loss on foreign currency exchange	83,762	5,031
Changes in operating assets and liabilities		
Decrease (increase) in financial assets held for trading	4,841	(6,199)
Decrease (increase) in notes receivable and trade receivables	118,507	(104,130)
Decrease (increase) in receivables from related parties	(58,254)	488,863
Decrease (increase) in other receivables	(23,097)	11,547
Increase in inventories	(1,945,207)	(399,126)
Increase in other current assets	(54,760)	(18,914)
Increase (decrease) in notes payable and trade payables	177,070	(286,537)
Increase (decrease) in payables to related parties	(43,837)	79,573
Increase (decrease) in other payables	(392,110)	457,654
Increase in provisions	47,058	5,432
Increase (decrease) in other current liabilities	(21,776)	9,352
Increase in accrued pension liabilities	106,992	95,111
Decrease in other operating liabilities	-	(530,775)
Cash generated from operations	162,399	3,003,080
Interest received	114,405	154,624
Dividend received from subsidiaries	57,415	56,840
Interest paid	(334,617)	(309,042)
Income tax paid	-	(283,070)
Net cash generated from (used in) operating activities	<u>(398)</u>	<u>2,622,432</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	-	(150,000)
Proceeds from disposal of available-for-sale financial assets	-	150,229
Proceeds from return of capital by financial assets measured at cost	8,775	19,500
Payments to acquire investment accounted for by using equity method	(1,279,496)	-
Payments for property, plant and equipment	(4,293,167)	(2,749,224)
Proceeds from disposal of property, plant and equipment	3,704	55,715
Decrease in refundable deposits	223	222
Payments for intangible assets	(138,693)	(367,766)
Decrease (increase) in other financial assets	2,815	(59,611)

(Continued)

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2013	2012
Decrease in other non-current assets	<u>8,259</u>	<u>8,611</u>
Net cash used in investing activities	<u>(5,687,580)</u>	<u>(3,092,324)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,724,911	624,730
Repayments of short-term borrowings	(1,214,336)	(2,251,433)
Proceeds from long-term borrowings	2,800,000	6,200,000
Repayments of long-term borrowings	(5,233,718)	(2,772,717)
Proceeds from guarantee deposits received	470	5,553
Refund of guarantee deposits	-	(7,047)
Cash dividends	-	(1,288,408)
Proceeds from exercise of employee stock options	<u>94</u>	<u>74,569</u>
Net cash generated from (used in) financing activities	<u>(1,922,579)</u>	<u>585,247</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(150,834)</u>	<u>(48,548)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,761,391)	66,807
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>17,793,410</u>	<u>17,726,603</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 10,032,019</u>	<u>\$ 17,793,410</u>

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

Attachment 4

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
Macronix International Co., Ltd.

We have audited the accompanying consolidated balance sheets of Macronix International Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2013 and 2012, and January 1, 2012 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2013 and 2012, and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Macronix International Co., Ltd. as of and for the years ended December 31, 2013 and 2012 on which we have issued an unqualified report.

March 17, 2014

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 audit such consolidated financial statements are those generally applied in the Republic of China

For the convenience of readers, the independent auditors' 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 auditors' report and consolidated financial statements shall prevail.

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012		LIABILITIES AND EQUITY	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 11,978,574	22	\$ 19,096,662	30	\$ 19,727,097	29	Short-term borrowings (Notes 17 and 30)	\$ 566,577	1	\$ 88,406	-	\$ 1,800,488	3
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	1,358	-	6,199	-	-	-	Notes payable and trade payables (Notes 18 and 30)	2,004,696	4	1,834,141	3	2,154,754	3
Notes receivable and trade receivables, net (Notes 4, 10 and 30)	2,822,661	5	2,911,980	5	2,901,450	4	Payables to related parties (Notes 30 and 31)	90,584	-	136,005	-	82,244	-
Receivables from related parties, net (Notes 4, 10, 30 and 31)	458,302	1	427,453	1	918,063	1	Other payables (Notes 19 and 30)	2,226,702	4	2,619,846	4	2,176,649	3
Other receivables (Notes 10 and 30)	147,208	-	106,203	-	121,198	-	Salary and bonus payable (Note 22)	-	-	-	-	530,775	1
Inventories (Notes 4 and 11)	8,795,383	17	6,859,892	11	6,468,003	10	Payable for purchase of equipment (Note 30)	432,797	1	394,986	1	875,833	1
Other financial assets - current (Notes 4, 15, 30 and 32)	-	-	41,106	-	-	-	Current tax liabilities (Notes 4 and 25)	355,427	1	339,661	1	348,966	1
Other current assets (Notes 14 and 16)	534,645	1	479,392	1	475,483	1	Provisions - current (Notes 4 and 20)	143,399	-	94,169	-	88,488	-
Total current assets	24,738,131	46	29,928,887	48	30,611,294	45	Current portion of long-term borrowings (Notes 17, 30 and 32)	7,656,919	14	5,233,718	8	1,527,718	2
							Other current liabilities	71,689	-	99,347	-	85,504	-
							Total current liabilities	13,548,790	25	10,840,279	17	9,671,419	14
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 30)	-	-	-	-	39,357	-	Long-term borrowings (Notes 17, 30 and 32)	10,942,978	20	15,799,897	26	16,078,614	24
Available-for-sale financial assets - non-current (Notes 4, 8 and 30)	951,333	2	888,685	1	879,392	1	Accrued pension liabilities (Notes 4 and 21)	825,606	2	717,793	1	622,566	1
Financial assets measured at cost - non-current (Notes 4, 9 and 30)	114,888	-	97,862	-	154,491	-	Other non-current liabilities	3,087	-	1,694	-	3,766	-
Property, plant and equipment (Notes 4, 12 and 32)	26,728,291	49	29,883,778	48	35,496,832	52	Total non-current liabilities	11,771,671	22	16,519,384	27	16,704,946	25
Intangible assets (Notes 4 and 13)	316,358	1	360,936	1	148,475	-	Total liabilities	25,320,461	47	27,359,663	44	26,376,365	39
Deferred tax assets (Notes 4 and 25)	910,037	2	909,843	2	553,198	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)						
Other financial assets - non-current (Notes 4, 15, 30 and 32)	185,715	-	192,921	-	201,741	1	Ordinary shares	35,214,730	65	35,214,623	56	33,847,486	50
Other non-current assets (Notes 14 and 16)	101,506	-	67,776	-	51,042	-	Capital surplus	344,166	-	343,869	-	346,489	-
Total non-current assets	29,308,128	54	32,401,801	52	37,524,528	55	Retained earnings	-	-	2,695,275	4	2,407,003	3
							Legal reserve	-	-	-	-	-	-
							Unappropriated earnings (accumulated deficit)	(7,178,843)	(13)	(3,528,992)	(5)	4,776,572	7
							Other equity	457,785	1	346,196	1	402,047	1
							Treasury shares	(159,061)	-	(159,061)	-	(159,061)	-
							Equity attributable to owners of the Company	28,678,777	53	34,911,910	56	41,620,536	61
							NON-CONTROLLING INTERESTS (Note 22)	47,021	-	59,115	-	138,921	-
							Total equity	28,725,798	53	34,971,025	56	41,759,457	61
TOTAL	<u>\$ 54,046,259</u>	<u>100</u>	<u>\$ 62,330,688</u>	<u>100</u>	<u>\$ 68,135,822</u>	<u>100</u>	TOTAL	<u>\$ 54,046,259</u>	<u>100</u>	<u>\$ 62,330,688</u>	<u>100</u>	<u>\$ 68,135,822</u>	<u>100</u>

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

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2013		2012	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 23 and 31)	\$ 22,204,420	100	\$ 24,228,738	100
OPERATING COSTS (Notes 11, 21, 24 and 31)	<u>20,253,610</u>	<u>91</u>	<u>21,823,165</u>	<u>90</u>
GROSS PROFIT	<u>1,950,810</u>	<u>9</u>	<u>2,405,573</u>	<u>10</u>
OPERATING EXPENSES (Notes 21, 24 and 31)				
Selling and marketing expenses	1,096,303	5	1,174,486	5
General and administrative expenses	1,758,269	8	1,720,759	7
Research and development expenses	<u>5,452,567</u>	<u>25</u>	<u>4,972,261</u>	<u>21</u>
Total operating expenses	<u>8,307,139</u>	<u>38</u>	<u>7,867,506</u>	<u>33</u>
LOSS FROM OPERATIONS	<u>(6,356,329)</u>	<u>(29)</u>	<u>(5,461,933)</u>	<u>(23)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 24)	209,395	1	291,428	1
Other gains and losses (Note 24)	128,678	1	(105,443)	-
Finance costs (Notes 4 and 24)	<u>(334,896)</u>	<u>(2)</u>	<u>(302,953)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>3,177</u>	<u>-</u>	<u>(116,968)</u>	<u>-</u>
LOSS BEFORE INCOME TAX	(6,353,152)	(29)	(5,578,901)	(23)
INCOME TAX EXPENSE (BENEFIT) (Note 25)	<u>5,087</u>	<u>-</u>	<u>(61,385)</u>	<u>-</u>
NET LOSS FOR THE YEAR	<u>(6,358,239)</u>	<u>(29)</u>	<u>(5,517,516)</u>	<u>(23)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations (Notes 4 and 22)	53,790	-	(72,850)	-
Unrealized gain on available-for-sale financial assets (Notes 4 and 22)	<u>57,945</u>	<u>1</u>	<u>16,886</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>111,735</u>	<u>1</u>	<u>(55,964)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (6,246,504)</u>	<u>(28)</u>	<u>\$ (5,573,480)</u>	<u>(23)</u>
NET LOSS ATTRIBUTABLE TO:				
Owner of the Company	\$ (6,305,647)	(29)	\$ (5,438,016)	(23)
Non-controlling interests	<u>(52,592)</u>	<u>-</u>	<u>(79,500)</u>	<u>-</u>

(Continued)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	<u>\$ (6,358,239)</u>	<u>(29)</u>	<u>\$ (5,517,516)</u>	<u>(23)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owner of the Company	\$ (6,194,058)	(28)	\$ (5,493,867)	(23)
Non-controlling interests	<u>(52,446)</u>	<u>-</u>	<u>(79,613)</u>	<u>-</u>
	<u>\$ (6,246,504)</u>	<u>(28)</u>	<u>\$ (5,573,480)</u>	<u>(23)</u>
LOSS PER SHARE (Note 26)				
Basic	<u>\$ (1.79)</u>		<u>\$ (1.55)</u>	
Diluted	<u>\$ (1.79)</u>		<u>\$ (1.55)</u>	

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

(Concluded)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company									
	Retained Earnings				Other Equity			Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain from Available-for-sale Financial Assets	Treasury Shares			
BALANCE AT JANUARY 1, 2012	\$ 33,847,486	\$ 346,489	\$ 2,407,003	\$ 4,776,572	\$ (30,048)	\$ 432,095	\$ (159,061)	\$ 41,620,536	\$ 138,921	\$ 41,759,457
APPROPRIATION OF 2011 EARNINGS										
Legal reserve	-	-	288,272	(288,272)	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$0.38 per share	-	-	-	(1,288,408)	-	-	-	(1,288,408)	-	(1,288,408)
Stock dividends distributed by the Company - NT\$0.38 per share	1,288,408	-	-	(1,288,408)	-	-	-	-	-	-
Net loss for the year ended December 31, 2012	-	-	-	(5,438,016)	-	-	-	(5,438,016)	(79,500)	(5,517,516)
Other comprehensive income (loss) for the year ended December 31, 2012, net of income tax	-	-	-	-	(72,737)	16,886	-	(55,851)	(113)	(55,964)
Total comprehensive income (loss) for the year ended December 31, 2012	-	-	-	(5,438,016)	(72,737)	16,886	-	(5,493,867)	(79,613)	(5,573,480)
Company's dividends received by its subsidiary	-	1,427	-	-	-	-	-	1,427	-	1,427
Difference between the fair value and carrying amount from equity transactions of subsidiaries	-	-	-	(2,460)	-	-	-	(2,460)	2,460	-
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	978	978
Issue of ordinary shares under employee share options	78,729	(4,160)	-	-	-	-	-	74,569	-	74,569
Increase (decrease) in non-controlling interests	-	113	-	-	-	-	-	113	(3,631)	(3,518)
BALANCE AT DECEMBER 31, 2012	35,214,623	343,869	2,695,275	(3,528,992)	(102,785)	448,981	(159,061)	34,911,910	59,115	34,971,025
Legal reserve used to offset accumulated deficit	-	-	(2,695,275)	2,695,275	-	-	-	-	-	-
Net loss for the year ended December 31, 2013	-	-	-	(6,305,647)	-	-	-	(6,305,647)	(52,592)	(6,358,239)
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	53,644	57,945	-	111,589	146	111,735
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	(6,305,647)	53,644	57,945	-	(6,194,058)	(52,446)	(6,246,504)
Difference between the fair value and carrying amount from equity transactions of subsidiaries	-	-	-	(39,479)	-	-	-	(39,479)	39,479	-
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	411	411
Issue of ordinary shares under employee share options	107	(13)	-	-	-	-	-	94	-	94
Increase in non-controlling interests	-	310	-	-	-	-	-	310	462	772
BALANCE AT DECEMBER 31, 2013	\$ 35,214,730	\$ 344,166	\$ -	\$ (7,178,843)	\$ (49,141)	\$ 506,926	\$ (159,061)	\$ 28,678,777	\$ 47,021	\$ 28,725,798

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

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (6,353,152)	\$ (5,578,901)
Adjustments for:		
Depreciation expense	7,521,836	7,719,454
Amortization expense	222,073	192,837
Impairment loss recognized on trade receivables	4,127	49,533
Finance costs	334,896	302,953
Interest income	(122,360)	(166,316)
Dividend income	(60,821)	(60,825)
Compensation cost of employee share options	411	978
Loss on disposal of property, plant and equipment	7,923	138,308
Gain on disposal of investments	(2,973)	(1,411)
Impairment loss recognized on financial assets	-	6,583
Impairment loss recognized on non-financial assets	122	-
Loss (gain) on foreign currency exchange	86,271	(164,785)
Changes in operating assets and liabilities		
Decrease (increase) in financial assets held for trading	4,841	(6,199)
Decrease (increase) in notes receivable and trade receivables	136,131	(62,846)
Decrease (increase) in receivables from related parties	(40,385)	462,648
Decrease (increase) in other receivables	(27,788)	23,787
Increase in inventories	(1,935,491)	(391,889)
Increase in other current assets	(54,945)	(4,308)
Increase (decrease) in notes payable and trade payables	170,953	(290,322)
Increase (decrease) in payables to related parties	(50,175)	54,194
Increase (decrease) in other payables	(396,110)	445,338
Increase in provisions	49,230	18,215
Increase (decrease) in other current liabilities	(27,831)	14,081
Increase in accrued pension liabilities	107,813	95,227
Decrease in other operating liabilities	-	(530,775)
Cash generated from (used in) operations	(425,404)	2,265,559
Interest received	124,708	157,524
Dividend received	60,821	60,825
Interest paid	(334,616)	(309,042)
Income tax paid	(5,097)	(304,565)
Net cash generated from (used in) operating activities	<u>(579,588)</u>	<u>1,870,301</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets designated as at fair value through profit or loss	-	38,916
Acquisition of available-for-sale financial assets	-	(150,000)
Proceeds from disposal of available-for-sale financial assets	-	150,229
Acquisition of financial assets measured at cost	(9,538)	-
Proceeds from disposal of financial assets measured at cost	9,538	-
Proceeds from return of capital by financial assets measured at cost	15,928	48,540
Increase in prepayment for investments	-	(29,040)
Payments for property, plant and equipment	(4,318,034)	(2,806,019)

(Continued)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2013	2012
Proceeds from disposal of property, plant and equipment	3,766	57,978
Increase in refundable deposits	(419)	(2,025)
Decrease in refundable deposits	805	3,286
Payments for intangible assets	(177,199)	(418,968)
Decrease (increase) in other financial assets	46,020	(83,711)
Decrease (increase) in other non-current assets	<u>(63,197)</u>	<u>25,860</u>
Net cash used in investing activities	<u>(4,492,330)</u>	<u>(3,164,954)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,724,911	624,730
Repayments of short-term borrowings	(1,214,336)	(2,251,433)
Proceeds from long-term borrowings	2,800,000	6,200,000
Repayments of long-term borrowings	(5,233,718)	(2,772,717)
Proceeds from guarantee deposits received	220	3,354
Refund of guarantee deposits	-	(4,848)
Increase (decrease) in other non-current liabilities	823	(510)
Cash dividends	-	(1,286,981)
Proceeds from exercise of employee stock options	94	74,569
Increase (decrease) in non-controlling interests	<u>772</u>	<u>(3,518)</u>
Net cash generated from (used in) financing activities	<u>(1,921,234)</u>	<u>582,646</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(124,936)</u>	<u>81,572</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,118,088)	(630,435)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>19,096,662</u>	<u>19,727,097</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 11,978,574</u>	<u>\$ 19,096,662</u>

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

(Concluded)

Attachment 5**MACRONIX INTERNATIONAL CO., LTD.
2013 Deficit Compensation Statement**

Units : NT\$

Items	Amount
Deficit to be compensated—at the beginning of 2013	(525,087,251)
Plus : Adjustment arising from the adoption of IFRS	(308,630,192)
Adjusted deficit to be compensated—at the beginning of 2013	(833,717,443)
Plus : Adjustment of retained earnings from changes in ownership of investees	(39,479,097)
Net loss of 2013	(6,305,646,595)
Deficit yet to be compensated	(7,178,843,135)

Attachment 6

The comparison chart of the Procedures for Acquisition or Disposal of Assets

Article	Original	Revised
Chapter 1	General Principles	General Principles
Article 2	<p>The range of assets.</p> <ol style="list-style-type: none"> 1. The term "assets" as used in these Regulations includes the following: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including <u>inventories of construction enterprises</u>) and <u>other fixed assets</u>. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. <u>Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables)</u>. 6. Derivatives. 7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law 8. Other major assets. 	<p>The range of assets.</p> <p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including <u>land, houses and buildings, investment property and rights to use land</u>) and <u>equipment</u>. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law 7. Other major assets.
Article 3	<p>Definition</p> <p>Terms used in <u>these Regulations</u> are defined as follows:</p> <ol style="list-style-type: none"> 1. "Derivatives": Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 	<p>Definition</p> <p>Terms used in <u>the Procedures</u> are defined as follows:</p> <ol style="list-style-type: none"> 1. "Derivatives": Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

Article	Original	Revised
Article 3	<p>2."Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law": Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, <u>Financial Holding Company Act, Financial Institution Merger Act</u> and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph 6 of the Company Act.</p> <p>3."Related party": <u>As defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (hereinafter "ARDF").</u></p> <p>4."Subsidiary": <u>As defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.</u></p> <p>5."Professional appraiser": Refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or <u>other fixed assets.</u></p> <p>6."Date of occurrence": Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.</p> <p>7."Mainland area investment": Refers to investments in China approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	<p>2."Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law": Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.</p> <p>3."Related party" <u>or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>4."Professional appraiser": Refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or <u>equipment.</u></p> <p>5."Date of occurrence": Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.</p> <p>6."Mainland area investment": Refers to investments in China approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>

Article	Original	Revised
Chapter 2	Acquire or dispose real property or <u>other fixed assets</u>	Acquire or dispose real property or <u>equipment</u>
Article 8	<p>Procedures for acquisition or disposal real property or <u>other fixed assets</u>:</p> <p>1. Appraisal procedures:</p> <p>1-1 the means of price determination The responsible unit shall inquire, compares and discusses the price, and prepare the analysis report which shall be approved by the degree of authority delegated and the levels to which authority is delegated.</p> <p>1-2 supporting reference material Refer to the publicly announced value, evaluated value, the actual trading price of near real property, and the appraisal report issued when conditions in paragraph 3 are met.</p> <p>2. Operating procedures:</p> <p>2-1 degree of authority delegated, the levels to which authority is delegated: The responsible unit shall prepare budget and resolved by Board of Directors, under the limit of the budget, president is authorized to handle all the related affairs. If out of the budget, the amount of acquisition or disposal of the assets (the Amount) under NT\$30 millions shall be authorized by the president, if the Amount above NT\$ 30 millions but under NT\$100 millions shall be authorized by the Chairman of the Board of Directors, if the Amount is above NT\$100 millions, it should be resolved by the Board of the Directors.</p> <p>2-2 the units responsible for implementation: The units responsible for implementation of real property and <u>other fixed assets</u> are the users and related authorized and responsible units.</p>	<p>Procedures for acquisition or disposal real property or <u>equipment</u>:</p> <p>1. Appraisal procedures:</p> <p>1-1 the means of price determination The responsible unit shall inquire, compares and discusses the price, and prepare the analysis report which shall be approved by the degree of authority delegated and the levels to which authority is delegated.</p> <p>1-2 supporting reference material Refer to the publicly announced value, evaluated value, the actual trading price of near real property, and the appraisal report issued when conditions in paragraph 3 are met.</p> <p>2. Operating procedures:</p> <p>2-1 degree of authority delegated, the levels to which authority is delegated: The responsible unit shall prepare budget and resolved by Board of Directors, under the limit of the budget, president is authorized to handle all the related affairs. If out of the budget, the amount of acquisition or disposal of the assets (the Amount) under NT\$30 millions shall be authorized by the president, if the Amount above NT\$ 30 millions but under NT\$100 millions shall be authorized by the Chairman of the Board of Directors, if the Amount is above NT\$100 millions, it should be resolved by the Board of the Directors.</p> <p>2-2 the units responsible for implementation: The units responsible for implementation of real property and <u>equipment</u> are the users and related authorized and responsible units.</p>

Article	Original	Revised
Article 8	<p>2-3 transaction procedures</p> <p>2-3-1 the acquisition of assets: the responsible unit prepares the capital expenditure proposal in advance, and evaluate the feasibility, then forward to the finance units to arrange the capital expenditure budget and execution and control afterward.</p> <p>2-3-2 the disposal of assets: the user shall apply for it stating the reason and method of disposition, and implement after getting approval.</p> <p>3. Appraisal report: In acquiring or disposing real property or <u>other fixed assets</u> where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of <u>business machinery and equipment</u>, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>3-1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>3-2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p>	<p>2-3 transaction procedures</p> <p>2-3-1 the acquisition of assets: the responsible unit prepares the capital expenditure proposal in advance, and evaluate the feasibility, then forward to the finance units to arrange the capital expenditure budget and execution and control afterward.</p> <p>2-3-2 the disposal of assets: the user shall apply for it stating the reason and method of disposition, and implement after getting approval.</p> <p>3. Appraisal report: In acquiring or disposing real property or <u>equipment</u> where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of <u>equipment for business use</u>, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>3-1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>3-2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p>

Article	Original	Revised
Article 8	<p>3-3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>3-3-1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>3-3-2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>3-4 No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser. The calculation of the transaction amounts shall be done in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser has been obtained need not be counted toward the transaction amount.</p>	<p>3-3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the <u>ROC Accounting Research and Development Foundation</u> (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>3-3-1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>3-3-2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>3-4 No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser. The calculation of the transaction amounts shall be done in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser has been obtained need not be counted toward the transaction amount.</p>

Article	Original	Revised
Chapter 3	Acquire or dispose Securities	Acquire or dispose Securities
Article 9	<p>Procedures for acquisition or disposal of securities</p> <p>3. Professional opinion</p> <p>In acquiring or disposing securities where the transaction amount reaches 20 percent of more of paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. The calculation of the transaction amounts shall be done in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>Procedures for acquisition or disposal of securities</p> <p>3. Professional opinion</p> <p>In acquiring or disposing securities where the transaction amount reaches 20 percent of more of paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. The calculation of the transaction amounts shall be done in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>
Chapter 4	Acquire or dispose of memberships or intangible assets	Acquire or dispose of memberships or intangible assets
Article 10	<p>1. Appraisal procedures:</p> <p>1-1 the means of price determination</p> <p>The responsible unit prepares the analysis report which shall be approved by the degree of authority delegated and the levels to which authority is delegated.</p> <p>1-2 supporting reference material</p> <p>1-2-1 memberships: Refer to the market value.</p> <p>1-2-2 intangible assets: Refer to market value or expert opinion described in paragraph 3.</p>	<p>1. Appraisal procedures:</p> <p>1-1 the means of price determination</p> <p>The responsible unit prepares the analysis report which shall be approved by the degree of authority delegated and the levels to which authority is delegated.</p> <p>1-2 supporting reference material</p> <p>1-2-1 memberships: Refer to the market value.</p> <p>1-2-2 intangible assets: Refer to market value or expert opinion described in paragraph 3.</p>

Article	Original	Revised
Chapter 5	Related Party Transactions	Related Party Transactions
Article 11	<p>Acquisition or Disposal of Assets From a Related party</p> <p>1.The Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolution are adopted the reasonableness of the transaction terms is appraised, and other relevant matters are carried out, in compliance with the Second, Third, Fourth <u>Chapter of this procedure</u> and this Chapter , if the transaction amount reaches 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the provisions of the Second, Third and Fourth Chapter.</p> <p>The calculation of the transaction amounts shall be done in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. The Company that intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent of the company's total assets, or NT\$300 million or more, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p>	<p>Acquisition or Disposal of Assets From a Related party</p> <p>1.The Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolution are adopted the reasonableness of the transaction terms is appraised, and other relevant matters are carried out, in compliance with the Second, Third, Fourth and this Chapter <u>of the Procedures</u>, if the transaction amount reaches 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the provisions of the Second, Third and Fourth Chapter.</p> <p>The calculation of the transaction amounts shall be done in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. The Company that intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent of the company's total assets, or NT\$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p>

Article	Original	Revised
Article 11	<p>2-1 The purpose, necessity and anticipated benefit of the acquisition or disposal of asset.</p> <p>2-2 The reason for choosing the related party as a trading counterparty.</p> <p>2-3 With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13.</p> <p>2-4 The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>2-5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>2-6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>2-7 Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be made in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. Where the position of independent director has been established in accordance with the provisions of the Act, when an acquisition of real property from a related party is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>2-1 The purpose, necessity and anticipated benefit of the acquisition or disposal of asset.</p> <p>2-2 The reason for choosing the related party as a trading counterparty.</p> <p>2-3 With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13.</p> <p>2-4 The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>2-5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>2-6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>2-7 Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be made in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. Where the position of independent director has been established in accordance with the provisions of the Act, when an acquisition of real property from a related party is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>

Article	Original	Revised
Article 11	Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 2 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of the provisions of Article 4, paragraphs 3 and 4.	Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 2 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of the provisions of Article 4, paragraphs 3 and 4.
Article 12	<p>1. The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>1-1 Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>1-2 Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p> <p>2. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p>	<p>1. The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>1-1 Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>1-2 Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p> <p>2. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p>

Article	Original	Revised
Article 12	<p>3.The Company that acquires real property from a related party and appraises the cost of the real property in accordance with the provisions of paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>4.The Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions of Article 11 and the provisions of the preceding three paragraphs do not apply:</p> <p>4-1 The related party acquired the real property through inheritance or as a gift.</p> <p>4-2 More than five years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>4-3 The real property is acquired through signing of a joint development contract with the related party.</p>	<p>3.The Company that acquires real property from a related party and appraises the cost of the real property in accordance with the provisions of paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>4.The Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions of Article 11 and the provisions of the preceding three paragraphs do not apply:</p> <p>4-1 The related party acquired the real property through inheritance or as a gift.</p> <p>4-2 More than five years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>4-3 The real property is acquired through signing of a joint development contract with the related party, <u>or through engaging a related party to build real property, either on the company's own land or on rented land.</u></p>
Chapter 8	Public and Disclosure of Information	Public and Disclosure of Information
Article 22	<p>Procedures for Public and Disclosure of Information</p> <p>1.Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days commencing immediately from the date of occurrence of the fact:</p> <p>1-1 The Company that intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent of the company's total assets, or NT\$300 million or more. This shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</p>	<p>Procedures for Public and Disclosure of Information</p> <p>1.Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days commencing immediately from the date of occurrence of the fact:</p> <p>1-1 The Company that intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent of the company's total assets, or NT\$300 million or more. This shall not apply to trading of government bonds or bonds under repurchase and resale agreements, <u>or subscription or redemption of domestic money market funds.</u></p>

Article	Original	Revised
Article 22	<p>1-2 Merger, demerger, acquisition, or transfer of shares.</p> <p>1-3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the Company.</p> <p>1-4 Where an asset transaction other than any of those referred to in the preceding three subparagraphs, or investment in the mainland area, reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>1-4-1 Trading of government bonds</p> <p>1-4-2 Trading of bonds under repurchase/resale agreements.</p> <p>1-4-3 Where the type of asset acquired or disposed is equipment/<u>machinery</u> for operational use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>1-4-4 Where land is acquired under an arrangement for commissioned construction on self-owned land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p> <p>2. The amount of transactions above shall be calculated as follows:</p> <p>2-1 The amount of any individual transaction.</p> <p>2-2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>2-3 The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.</p>	<p>1-2 Merger, demerger, acquisition, or transfer of shares.</p> <p>1-3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the Company.</p> <p>1-4 Where an asset transaction other than any of those referred to in the preceding three subparagraphs, or investment in the mainland area, reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>1-4-1 Trading of government bonds</p> <p>1-4-2 Trading of bonds under repurchase/resale agreements, <u>or subscription or redemption of domestic money market funds.</u></p> <p>1-4-3 Where the type of asset acquired or disposed is equipment for operational use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>1-4-4 Where land is acquired under an arrangement for commissioned construction on self-owned land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p> <p>2. The amount of transactions above shall be calculated as follows:</p> <p>2-1 The amount of any individual transaction.</p> <p>2-2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>2-3 The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.</p>

Article	Original	Revised
Article 22	<p>2-4 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>Within one year as used in the paragraph refers to the year preceding the base date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be entered.</p> <p>3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the 2 paragraph above, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days commencing immediately from the date of occurrence of the fact:</p> <p>3-1 Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>3-2 The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>3-3 Change to the originally publicly announced and reported information.</p>	<p>2-4 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>Within one year as used in the paragraph refers to the year preceding the base date of occurrence of the current transaction. Items duly announced in accordance with <u>the Procedures</u> need not be entered.</p> <p>3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the 2 paragraph above, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days commencing immediately from the date of occurrence of the fact:</p> <p>3-1 Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>3-2 The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>3-3 Change to the originally publicly announced and reported information.</p>
Article 25	<p>Informations reservation</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, <u>log books</u>, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for five years except where another act provides otherwise.</p>	<p>Informations reservation</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for five years except where another act provides otherwise.</p>

Article	Original	Revised
Chapter 11	Supplementary	Supplementary
Article 30	The Company shall comply with the <u>regulations</u> when making acquisition or disposal of assets, where another act provides otherwise, the provisions of such act shall prevail.	For the calculation of 10 percent of total <u>assets under the Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</u> <u>In the case of the Company shares par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under the Procedures, 10 percent of equity attributable to owners of the parent shall be substituted.</u>
<u>Article 31</u>		The Company shall comply with the <u>Procedures</u> when making acquisition or disposal of assets, where another act provides otherwise, the provisions of such act shall prevail.

Attachment 7

The comparison chart of the Procedures for Financial Derivatives Transactions

Article	Original	Revised
Article 2	Definition of the subsidiary "Subsidiary": As defined in <u>Statements of Financial Accounting Standards Nos. 5 and 7</u> published by the ARDF.	Definition of the subsidiary "Subsidiary": As defined in <u>the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u>
Article 10	Supervision and management 1. The board of directors should really supervise and manage in accordance with the following principles: 1-1 Appoint the high-level officer in charge to pay attention to the supervision and control of the derivative trading risk from time to time. 1-2 Assess whether the performance engaged in the derivative goods trade accords with the set management tactics and risk undertaken and is within the capability of the Company. 2. The high-level management in charge that the board of directors authorizes should assess regularly whether the risk control measure used at present is proper and really implement in conformity with the Procedures.	Supervision and management 1. The board of directors should really supervise and manage in accordance with the following principles: 1-1 Appoint the high-level officer in charge to pay attention to the supervision and control of the derivative trading risk from time to time. 1-2 Assess whether the performance engaged in the derivative goods trade accords with the set management tactics and risk undertaken and is within the capability of the Company. 2. The high-level management in charge that the board of directors authorizes should assess regularly whether the risk control measure used at present is proper and really implement in conformity with the Procedures. <u>And shall report the execution result to the soonest meeting of the board of directors.</u>

Attachment 8

The method and particulars of the public offering and/or the private placement of securities

I • Cash capital increase by issuance of new shares

- (1) Pursuant to the Article 267 of the Company Act, it is hereby proposed to reserve 10% of the offered shares for the subscription of employees, with the remaining to be offered in public in accordance with Article 28-1 of the Securities and Exchange Act and through public subscription or book building.
 - A. “Public Subscription” Approach: 10% of the newly offered shares (“Shares”) will be through public offering, with the remaining 80% of the Shares to be subscribed by shareholders recorded on the record date of such Offering. The shareholders concerned may arrange for pooling together their fractional shares to form one share and register the share within 5 days after the record date of said Offering.
 - B. “Book Building” Approach : 90% of the Shares will be offered to the public, and therefore, existing shareholders shall waive their preemptive rights for the Shares.
- (2) The price of the Shares (“Price”) will be set in accordance with the “Self Discipline Rules of the Chinese Securities Association Governing Securities Underwriters for Offering and Issuance of Securities by Securities Issuers” (“Rule”) and relevant regulations of the authorities. It is hereby proposed to the AGM for authorizing the Chairman to negotiate with the underwriters and determine the Price taking into consideration of then current market conditions.
- (3) With respect to the shares not yet subscribed during the specified period, it is proposed to the AGM for authorizing the Chairman to approach and/or designate certain person for the subscription of such shares at the Price.
- (4) It is hereby proposed to the AGM for fully authorizing the Board of Directors or its designee to determine the record date of the Offering(s), the record date of the new shares issued, and fully authorized to handle related affairs after obtaining the approval from government authority.

II • Issuance of overseas Depositary Receipts through cash capital increase

- (1) Pursuant to Article 267 of the Company Act, it is hereby proposed to reserve 10% of the shares to be offered for the subscription of the employees, with the remaining 90% of the shares to be offered to public in accordance with Article 28-1 of the Securities and Exchange Act as the underlying common shares of overseas Depositary Receipts.
- (2) The price of the above overseas Depositary Receipts (“DR Price”) will be set in accordance with the Rule. It is hereby proposed to the AGM for authorizing the Chairman to negotiate with the underwriters and determine the DR Price taking into consideration of then current international market conditions, as well as the market price of common shares. (The basis

of the above price setting arrangement is reasonable).

- (3) Although shareholders' interests will be diluted by the additional new shares issued, it shall have positive impacts to the shareholders since the capital increase may strengthen the financial structure of the Company or the costs of business operation, and/or respond in time to the changes of then current industry environment. In sum, the capital increase will enhance the Company's competitiveness and profit, and indirectly benefit the shareholders.
- (4) It is proposed to the AGM for authorizing the Chairman to approach and/or designate certain person for the subscription of the reserved shares for the employee not yet subscribed, and/or included such unsubscribed shares to the underlying common shares of the overseas Depositary Receipts taking into consideration of then current market conditions.
- (5) It is hereby proposed to the AGM for fully authorizing the Chairman or his designee to handle the related affairs and to represent the company to sign any contract and/or related documents.

III • The private placement of common shares

- (1) The basis and rationality of the private placement price : The price of the private placement shares shall be no less than 80 percent of the higher of the following:
 - A. The averaged closing price of the Company's common shares for one, three, or five business days immediately preceding its price determination date, and adjusted by the applicable stock dividends, cash dividends and/or capital reduction.
 - B. The averaged closing price of the Company's common shares for the thirty business days immediately preceding its price determination date, and adjusted by the applicable stock dividends, cash dividends, and/or capital reduction.

It is hereby proposed to AGM to authorize the Board of Directors to determine the price based on the resolution of the AGM and then market conditions. Considering that the privately placed shares have a three-year transfer restriction as required by Securities and Exchange Act and that the price will be set by referring to the market price of common shares, the price setting arrangement shall be reasonable.

- (2) The method of selecting the specified subscribers : The Company will select the specified subscribers in accordance with Article 43-6 of Securities and Exchange Act. If a strategic investor is targeted, only those individual and/or legal entities which may help the Company in improving its technologies, developing products, reducing cost, enlarging market shares, and/or strengthen customers relationships, etc. will be selected to enhance the Company's competitiveness, business operation, and/or profitability through the strategic investors' experience, technology, knowledge, brand, or distribution channels.
- (3) The necessity of private placement : In consideration of market conditions, fund raising efficiency, costs of the offering(s) as well as equity stabilizing, private placement may be adopted as a fund raising mechanizes. If the private placement is for the strategic investors, it is to maintain long-term relations with such strategic investors through the transfer restriction of shares subscribed. Also, the use of proceeds thereof shall be for the

Company's business operation and/or development; and it shall be for the steadily operation of the Company as well as the interests of the shareholders.

- (4) Except for the transfer restriction as provided under Article 43-8 of Securities and Exchange Act, the rights and obligations of the privately placed common shares is the same as the outstanding common shares.

IV • The private placement of domestic and/or overseas convertible bonds

- (1) The term of the privately placed convertible bonds shall not be more than seven years.
- (2) It is hereby proposed to AGM for authorizing the Board of Directors to determine the coupon rate of the privately placed convertible bonds.
- (3) The basis and rationality of the private placement price : The issuance price of the privately placed convertible bonds shall be no less than 80% of the theoretical price and that the conversion price shall be no less than 80 percent of the higher of the following:
 - A. The averaged closing price of the Company's common shares for one, three, or five business days immediately preceding its price determination date, and adjusted by applicable stock dividends, cash dividends and/or capital reduction.
 - B. The averaged closing price of the Company's common shares for the thirty business days immediately preceding its price determination date, and adjusted by applicable stock dividends, cash dividends, and/or capital reduction.

It is hereby proposed to AGM to authorize the Board of Directors to determine the price based on the resolution of the AGM and then market conditions. Considering that the privately placed securities have a three-year transfer restriction as required by Securities and Exchange Act and that the price will be set by referring to the market price of common shares, the conversion price setting arrangement shall be reasonable.

- (4) The method of selecting the specified subscribers : The Company will select the specified subscribers in accordance with Article 43-6 of Securities and Exchange Act. If a strategic investor is targeted, only those individual and/or legal entities which may help the Company in improving its technologies, developing products, reducing cost, enlarging market shares, and/or strengthen customer relationships, etc. will be selected to enhance the Company's competitiveness, business operation, and/or profitability through the strategic investors' experience, technology, knowledge, brand, or distribution channels.
- (5) The necessity of private placement : In consideration of market conditions, fund raising efficiency, costs of the offering(s) as well as equity stabilizing, private placement may be adopted as a fund raising mechanizes. If the private placement is for the strategic investors, it is to maintain long-term relations with such strategic investors through the transfer restriction of shares subscribed. Also, the use of proceeds thereof shall be for the Company's business operation and/or development; and it shall be for the steadily operation of the Company as well as the interests of the shareholders.
- (6) The transfer restriction of the privately placed convertible bonds is in accordance with Article 43-8 of Securities and Exchange Act.
- (7) It is hereby proposed to the AGM for fully authorizing the Chairman or his designee to

handle and follow-up related affairs and to represent the company to sign any contract and/or related documents.

V • The issuance price (“Price”)

When the Price over the par value of the shares (“Par value”), the premium triggered by the difference between the issue price and the Par value will be transferred to capital surplus. When the Price under the Par value, the loss triggered by the difference between the Price and the Par value will be covered according to relevant regulations.

The Price will be set according to relevant regulations (for example: the privately placed shares have a three-year transfer restriction as required by Securities and Exchange Act etc.) and the resolution of the AGM. Also, it shall be in consideration of the steadily operation of the Company, the urgency of the capital needs, as well as the feasibility of the fund raising, and the analysis of the significant impact to our shareholders. Therefore, the price setting is reasonable.

Attachment 9

The directors who serve a position which may be deemed as within the scope of the Company's business

Name	Title of other company	Note	Main business
Miin Chyou Wu	Eastern Electronics Co., Ltd. Managing Director	Permitted	Engineering Manufacturing Service
	* Magic Pixel Inc. Chairman	Permitted	IC Design
	* Infomax Communication Co., Ltd. Chairman	Permitted	IC Design
	* Mxtran Inc. Chairman&President	Permitted	IC Design
Champion Investment Corporation	Giga Solution Tech. Co., Ltd. Director	New	IC Testing
	Chien Hsu Investment Corporation Director	Permitted	Investment
	Unizyx Holding Corporation Director	Permitted	Investment Holding Company
	WEB POINT CO., LTD. Director	Permitted	Data Processing Services
Representative : Ding-Hua Hu	Personal Genomics, Inc. Chairman	Permitted	Biotechnology Services
	Ti-Shiue Biotech, Inc. Representative (Chairman)	Permitted	Biotechnology Services
	Chien Hsu Investment Corporation Chairman	Permitted	Investment
	ZOWIE Technology Corporation Representative (Director)	Permitted	Diodes and Discrete Components
	Champion Consulting Corporation Chairman	Permitted	Venture Investment
	Giga Solution Tech. Co., Ltd. Representative (Chairman)	Permitted	IC Testing
	Chien Pang Vacuum Capital Corporation Representative (Chairman)	Permitted	Venture Investment
	Honpang Venture Capital Corporation Representative (Chairman)	Permitted	Venture Investment
	Industrial Technology Investment Corporation Representative (Director)	Permitted	Venture Investment
	Ming Li Investment Corporation Director	Permitted	Investment
Champion Investment Corporation Chairman	Permitted	Investment	
H. C. Chen	Hung Chih Investment Corporation Chairman	Permitted	Investment
	Eastern Electronics Co., Ltd. Director	Permitted	Engineering Manufacturing Service
	Technology Associates Corp. Representative (Chairman)	Permitted	Venture Investment
	Tech Alliance Corp. Representative (Chairman)	Permitted	Venture Investment
	Technology Associates Development Corp. Chairman	Permitted	Investment Consultancy
	Chin Ho Fa Steel & Iron Co., Ltd. Chairman	Permitted	Iron and Steel Rolls over Extends and Crowding
	Shiong Yek Steel Corporation Chairman	Permitted	Iron and Steel Rolls over Extends and Crowding

Name	Title of other company	Note	Main business
Chih-Yuan Lu	Ardentec Corporation Chairman & CEO	Permitted	Wafer Testing
	Ardentec Korea Co., Ltd. Director	Permitted	Wafer Testing
	Ardentec Singapore Pte. Ltd. Director	Permitted	Wafer Testing
	Sheng Tang Investment Co., Ltd. Representative (Chairman)	Permitted	Investment
	Feng Chia University Director	Permitted	Education
Shui Ying Investment Representative : Shigeki Matsuoka	MegaChips Taiwan Corporation Representative (Chairman)	New	IC Sales and Services
	MegaChips Corporation Director & Executive Vice President	Permitted	IC Design
	MegaChips Technology America Corporation Director	Permitted	Sales and develop of system LSIs and systems products
Chung-Laung Liu	DRAMeXchange Tech. Inc. Chairman	Permitted	Data Processing Services
	United Microelectronics Corp. Independent Director	Permitted	Wafer Foundry
	Powerchip Technology Corporation Independent Director	Permitted	DRAM Manufacture
	Richtek Technology Corporation Independent Director	Permitted	IC Design
Achi Capital Limited	* Mxtran Inc. Director	Permitted	IC Design
Representative : Stacey Lee	* Mxtran Inc. Representative of Director	Permitted	IC Design
	* Magic Pixel Inc. Representative of Director	Permitted	IC Design
Dang-Hsing Yiu	MegaChips Corporation Outside Director	New	IC Design
	MegaChips Taiwan Corporation Representative (Director)	New	IC Sales and Services
	* Magic Pixel Inc. Representative (Director)	Permitted	IC Design
	* Infomax Communication Co., Ltd. Director&President	Permitted	IC Design
	* Infomax Holding Co., Ltd. (Note2) Director	Permitted	Investment Holding Company
	* Infomax Holding Company Limited (Note2) Director	Permitted	Investment Holding Company
	* Infomax Communication (Suzhou) Co., Ltd. Executive Director&President	Permitted	Design, maintenance and test of IC systems and rendering of related technical consultation and services
* Mxtran Inc. Representative (Director)	Permitted	IC Design	
Ful-Long Ni	* Infomax Communication Co., Ltd. Representative (Director)	Permitted	IC Design
Yan-Kuin Su	Himax Technologies, Inc. Independent Director	Permitted	IC Design
John C.F. Chen	Chen Chow Investment Inc. Director	Permitted	Investment
	Chan Chun Investment Inc. Representative (Director)	Permitted	Investment
	Diwan Investment Inc. Chairman	Permitted	Investment

Note1 : * Affiliated enterprises of Macronix International Co., Ltd.

Note2 : Infomax Holding Co., Ltd is located in Samoa. Infomax Holding Company Limited is located in Hong Kong.

Appendix 1

MACRONIX INTERNATIONAL CO., LTD. ARTICLES OF INCORPORATION

June 10, 2011

Revised by the regular shareholders' meeting of 2011

CHAPTER 1: GENERAL PROVISIONS

- Article 1: The Company is incorporated under those provisions of the Company Law relating to companies limited by shares, and is named as "Macronix International Co. Ltd."
- Article 2: The businesses engaged in by this Company shall be as follows:
The research & development, design, manufacture, testing, sale and consultation of the following products:
- I. Parts and modules for integrated circuit and semi-conductors, and system application products (including integrated circuit cards (boxes) and circuit modules, etc.)
 - (1) IC products for telecommunication systems;
 - (2) IC products for personal computers and peripheral devices;
 - (3) Products for consumable electronic systems;
 - (4) Multi-media computer products;
 - (5) Automatic electro-mechanical integrated products.
 - II. Light and electric components, parts and modules.
 - III. Design of software and process of computer data.
 - IV. To engage in the import and export trading business related to this Company's businesses.
- Article 3: Upon consent of the board of directors, the Company may provide guarantees for third parties in accordance with its Operational Measures Governing Guarantees and Endorsements which shall be separately enacted.
- Article 4: The Company's principal executive offices shall be located in the Science-Based Industrial Park in Hsinchu, Taiwan, R.O.C. The Company may, upon approval of the board of directors and competent authority, establish branch offices in Taiwan or abroad.
- Article 5: The total amount of investment made by this Company shall be exempted from the restriction provided in Article 13 of the Company Law.

CHAPTER 2: CAPITAL STOCKS

- Article 6: The Company's authorized capital is 65.5 billion NT dollars to be divided into 6.55 billion shares, with par value of NT\$10 per share; shares not yet issued will be issued pursuant to the decision of the Board of Directors.
650 million shares will be reserved from the above authorized capital for employee stock option to be issued pursuant to the decision of the Board of Directors.
- Article 7: The share certificate of this Company shall be issued in registered form and signed by or affixed with the seal of at least three directors and numbered accordingly. The shares won't be effective until the authentication of the competent authority or the agencies of issuance and registration under their approval.
When issuing new shares, this Company may print collaborately the total amount of the issuance, but may be exempted from printing the share certificates, including the issuance of security other than shares.

- Article 8: The handling of stock affairs of this Company shall be in accordance to the "Guidelines for Handling of Stock Affairs by Public Companies" and other relevant laws and regulations.
- Article 9: For any new shares to be issued by the Company, except those set aside to be issued for purchase by employees and others pursuant to relevant laws and regulations, the shareholders shall have the preemptive right to subscribe to the new shares in proportion to their shareholdings.

CHAPTER 3: SHAREHOLDERS' MEETINGS

- Article 10: Shareholders' meetings shall be convened as follows:
1. General shareholders' meetings shall be convened by the board of directors within six (6) months following the end of each fiscal year.
 2. Special shareholders' meetings may be convened according to the laws whenever it is necessary.
- Article 11: The chairman of the board shall preside at shareholders' meetings if the shareholders' meeting is convened by the board of directors. When the chairman of the board is unable to preside at a meeting, the directors present shall elect one from among themselves as proxy.
- If the shareholders' meeting is convened by others with legitimate right, the one who convenes it shall preside at the meeting. When more than one conveners are present, they shall elect one from among themselves to preside.
- Article 12: Notice shall be provided to each shareholder at least thirty (30) days prior to a general shareholders' meeting. Notice shall be provided to each shareholder at least ten (10) days prior to an extraordinary shareholders' meeting. The notice shall state the date and venue of the meeting and the purpose or purposes for which the meeting is called.
- Article 13: Except as otherwise provided by the laws and regulations, shareholders of the Company are entitled to one vote for each capital stock.
- Article 14: Except as otherwise provided by the laws and regulations, a resolution may be adopted by the shareholders or proxy of a simple majority of the votes of the issued and outstanding capital stocks represented at a shareholders' meeting at which the shareholders of a majority of issued and outstanding capital are present or by proxy.
- Article 15: When a shareholder of the Company is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a representative to attend such shareholders' meeting by presenting a written proxy form, which shall specify the scope of proxy. Where one person is acting as proxy for more than two shareholders, unless such person is engaged in the trust business or other proxy institutions of stock affairs approved by the competent authority, the votes exercised by such person shall not exceed three percent of all the issued and outstanding capital stocks, and the portion in excess thereof shall not be counted.
- Article 16: The resolution adopted at the shareholders' meeting shall, pursuant to the laws, be recorded in the minutes of the meetings which shall be signed or sealed by the chairman of the board and kept forever at the Company during its existence.
- The roster of attendance and the written proxy forms shall be kept for at least a year; provided, however, that shareholder file a litigation in accordance with Article 189 of the Company Law, the minutes shall be kept till the end of such litigation.
- Article 16-1: When Powerchip Semiconductor Corp. and its affiliates (individually and/or collectively "PSC") itself serves or designates others to serve the director of this company (individually and/or collectively "PSC Director"), neither PSC nor PSC Director shall use information of this company on matters other than the operation of this company, or disclose such information to any third party. The transaction between this company and each PSC ("Transaction") shall obtain the prior approval of more

than one half of the shareholders (other than PSC) attending the shareholders' meeting of this company. However, in the event the Transaction merely grants rights to this company, it can be proceeded if more than one half of the directors of this company (other than PSC Director) approve said Transaction and its details are reported to the following shareholders' meeting. The president of this company shall report the progress of the Transaction to the supervisor from time to time, and the negotiation and conclusion of any and all Transaction shall be represented by non-PSC supervisor(s) of this company. The Transaction is invalid if the foregoing is violated.

CHAPTER 4: DIRECTORS, SUPERVISORS AND MANAGERS

Article 17: The Company shall have nine to fifteen directors (including at least three independent directors with the remaining being non-independent directors) to be elected by the Shareholders from nomination list, with a term of three-year and renewable upon re-election. Corporate shareholders may appoint representative to serve the directorship and may appoint new representative to take over as director for the remaining term of the directorship.

Compensation for the chairman, non-independent directors and independent directors shall be determined by the Board of Directors in accordance with their respective participation and contribution to the operations of the business, and the domestic and international business standards. The Company shall purchase liability insurance for the directors (including independent and non-independent).

Article 18: The Company shall have three to four supervisors to be elected by the shareholders from a nomination list, with a term of three-year and renewable upon re-election. In the event an audit committee, i.e., a committee to be formed by at least three independent directors with at least one independent director specialized in accounting or finance) is established, the Company is not required to elect supervisor. In the case that supervisors have been elected, they will be terminated immediately upon the formation of the audit committee and the provisions relating to Supervisor hereof shall become void.

Compensation for supervisors shall be determined in accordance with their participation and value of contribution, and the domestic and international business standards. The Company shall purchase liability insurance for the supervisors. Corporate shareholders may appoint representative to be elected as supervisors and may appoint new representatives or supervisor to take over as supervisors for the remaining term.

Article 19: The Directors shall elect from among themselves a board chair acting as the representative of the Company, by a majority in a meeting attended by over two-thirds of the Directors.

Article 20: The directors' meeting shall be convened by the chairman of the board. The initial directors' meeting of each term shall be convened by the director who receives the number of ballots representing the largest number of votes. If a director is unable to attend a directors' meeting, the director may appoint another director to attend the meeting as proxy; provided, however, that the proxy shall accept the appointment of one director only. A director who lives abroad may appoint in written form another shareholder domiciled within the territory of R.O.C. to attend regularly by proxy any directors' meeting. Such appointment of proxy shall be registered with the competent authority.

If the directors' meeting is conducted in a manner of digital videoconference, the directors who participate in such conference via digital video shall be deemed be present in person.

Article 21: The notice of directors' meeting shall specify the purposes for which the meeting is

convened and the agenda. Notice shall be provided to the directors and supervisors by writing, fax or email, etc. at least seven (7) days prior to a directors' meeting, provided, however, that a special directors' meeting and a managing directors' meeting may be convened without any notice in written form as deemed necessary.

Article 22: The chairman of the board shall preside at directors' meeting. The chairman of the board shall appoint a managing director as proxy to preside at such meetings when the chairman of the board is unable to preside. In the absence of such appointment, the directors shall elect one from amongst themselves.

Article 23: When passing upon any resolution, each director shall have one vote. Unless the laws, regulations or articles of incorporation specifically provide otherwise, a directors' meeting at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present votes in favor of such a resolution. Minutes of directors' meetings shall be prepared to record the businesses transacted at a directors' meeting.

Article 24: Responsibility of the Board of Directors.

1. Approve the operation directives and the long term as well as short term development plans.
2. Review, implement and supervise the annual business plan.
3. Approve the budget and annual financial report.
4. Propose the increase and decrease of capital.
5. Propose distributions of earning and/or offset of losses.
6. Discuss and approve material agreements.
7. Approve the purchase and disposal of material assets.
8. Approve the distributions for technology shares.
9. Propose amendments to these Articles of incorporation.
10. Approve bylaws and internal rules.
11. Approve establishment, restructure or dissolution of branch offices.
12. Approve material capital expenditure.
13. Hiring and dismissing managers.
14. Convene shareholders meeting and report on the operations of the business.
15. Establish functional committees and approve rules regarding said committee.
16. Other authority imposed by law or shareholders' meeting.

Article 25: In the event the supervisor ship is established, the responsibility of such supervisor are as the following:

1. Investigate the business and financial status of the Company.
2. Audit company documents.
3. Supervise business implementations.
4. Other authority imposed by law or by shareholders' meeting.

Article 26: This Company shall have several managers (including CEO). The appointment, removal and remuneration of such managers shall be subject to relevant laws and regulations and determined by a resolution of a directors' meeting which is attended by a majority of directors and where a majority of those present votes are in favor of such a resolution.

Article 27: The manager of this Company, within his powers and authorities, shall have the authority to manage the affairs of this Company and to sign on behalf of the said Company. The relevant authorization measures shall be stipulated by the board of directors.

Article 28: The fiscal year of this Company shall commence on the first day of January each year and shall end on the thirty-first day of December. A year-end accounting statement shall be prepared at the end of each fiscal year.

Article 29: At the end of the year, the Board of Directors shall deliver the following documents to the annual shareholders' meeting for approval in accordance with applicable laws, and

submitted to the relevant government agency:

1. Business reports.
2. Financial statements.
3. Plan to distribute surplus or to appropriate fund in case of loss.

CHAPTER 5: ACCOUNTING

Article 30: In the case that the annual final audit results in surplus, funds shall be appropriated first for income tax payments and to compensate for losses from the previous year; 10% of the surplus shall then be appropriated for the legal reserve (except where legal reserve has exceeded total capital) and to reserve certain surplus in accordance with applicable laws. 2% of the balance will be distributed in cash as compensation for directors and supervisors. The remaining shall be added to the undistributed surplus from previous year and distributed in the following manner: 1) 85% as shareholder dividends; 2) 15% for employee bonus. The employee bonus can be distributed in form, i.e., cash or dividend, similar to shareholders' dividend.

The aforementioned dividends (including shareholder dividends and employee bonus) may be reserved in whole or in part as undistributed surplus to be distributed in the subsequent year.

Distributions shall be made in cash dividends or in stock dividends. Shareholders dividend and employee bonus shall first be issued in cash dividends, however, the Company may, if necessitated by financial, business, or administrative needs, issue stock dividends, to the extent it does not exceed 50% of the current year's distribution. Employees eligible to receive stock dividends may include employees from the affiliated companies if they meet the criteria set by the Board of Directors.

Article 31: Dividends and bonuses to shareholders shall be distributed to those shareholders whose names are listed on the registrar of shareholders as of the record date set for purposes of the distribution.

Article 32: Any rules or measures related to the articles of incorporation shall be stipulated separately by the board of directors.

SECTION 6: SUPPLEMENTARY PROVISIONS

Article 33: Matters not provided for in this articles of incorporation shall be undertaken in accordance with relevant laws and regulations.

Article 34: This chapter is first enacted on August 21st, 1989; first revised on April 21st, 1990; second revision on September 9th, 1990; third revision on April 27th, 1991; fourth revision on November 9th, 1991; fifth revision on July 18th, 1992; sixth revision on June 19th, 1993; 7th revision on November 27th, 1993; eighth revision on May 28th, 1994; ninth revision on June 5th, 1995; tenth revision on January 24th, 1996; eleventh revision on June 22nd, 1996; twelfth revision on May 31st, 1997; thirteenth revision on June 29th, 1998; fourteenth revision on May 3rd, 2000; sixteenth revision and seventeen revisions on May 30th, 2002; eighteenth revision on June 27th, 2003; nineteenth revision on June 18th, 2004; twentieth revision on June 30th, 2006; twenty-first and twenty-second revision on June 29th, 2007; twenty-third revision on June 10th, 2011.

Appendix 2

MACRONIX INTERNATIONAL CO., LTD. Procedure Rules of Shareholders' Meeting

June 6, 2012

Revised by the regular shareholders' meeting of 2012

- Article 1: Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures, unless the law provides otherwise.
- Article 2: A sign-in booklet has been installed for shareholders (or their respective representatives) to sign in. Shareholders (or their respective representatives).The number of shares in attendance shall be based on the sign-book or the number of sign-in cards submitted. Where votes are taken in written or electronic means, unless the law requires otherwise, ballots submitted in writing or by electronic means shall be included in the aforementioned shares in attendance.
Shareholders (or their respective representatives) are required to bring their attendance certification to attend the meeting. Sign-in cards or proof of appointment shall be preserved for at least one year.
- Article 3: Attendance and votes of Shareholders' Meetings shall be counted based upon the number of shares in attendance.
- Article 4: The location of Shareholders' Meetings shall be either where the Company is located, or any other place deemed convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meetings shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date.
- Article 5: The Board of Directors shall call the Shareholders' Meetings. The chairman of the Board of Directors shall preside over the meeting. If the chairman of the Board of Directors is not available for the meeting then the vice-chairman of the Board of Directors shall act on his/her behalf to preside over the meeting. If neither the chairman nor the vice-chairman of the Board of Directors is available for the meeting, the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman's behalf if the chairman appoints no designee. Other than the Board of Directors, a person entitled by law to call a Shareholders' Meeting shall preside over the meeting, if and when such meeting is called, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 6: The Company may designate legal attorneys, certified-public-accountants, or other related persons to attend the meetings. Persons handling affairs of the Meeting shall wear identification cards or badges.
- Article 7: Shareholders' meeting shall be taped or recorded, and any tape or recording shall be preserved in accordance to the law. Recording of the deliberations shall be preserved for as long as the business remains in operation.
- Article 8: Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the

Company Law of the Republic of China. If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

Article 9: The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The chairman may announce to go into voting after the discussion of any resolution or hold certain and/or all votes of such proposals until the preceding of Motions. Such votes are not deemed to change the agenda.

The above provision applies to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

Article 10: When a shareholder (or their respective representatives) present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder (or their respective representatives) present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder (or their respective representatives) in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 11: Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes).

Except for the prior consent of the chairman, the shareholder shall speak after all the report items listed in the agenda are reported by the chairman or his designated person.

In case the speech of any shareholder violates all the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Article 12: Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

Article 13: After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 14: The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.

Article 15: If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 16: Unless otherwise provided for in the Company Law or Company Rules, a motion approved by more than one-half of the votes constitutes final approval. The chairman

rules that a resolution may be decided by either a vote or by asking for objections. In the case that there was no objection when asked by the chairman, the issue is resolved as if approved by voting, except in the case for elections of directors or supervisors, which shall be governed by company rules regarding elections for directors or supervisors and by applicable laws.

The chairman shall appoint ballot inspectors and calculation officials, and the inspectors must possess shareholder status.

Article 17: The chairman shall appoint ballot inspectors and calculation officials, and the inspectors must possess shareholder status.

Ballots (including those for the elections) will not be announced on by one, but the result shall be announced and recorded in the meeting.

Article 18: During the Meeting, the chairman may, at his discretion, set time for intermission.

Article 19: The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.

Article 20: If an air-raid warning is declared during the meeting, the chairman may announce that the meeting will be terminated and dissolved to be reconvened one hour after the warning has been lifted (or at other times announced by the chairman).

Article 21: Where this Regulation does not specifically provide, relevant laws shall be applicable.

Article 22: These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Appendix 3

MACRONIX INTERNATIONAL CO., LTD. Shareholding of all Directors

1. As of April 20, 2014, the book closure date for the 2014 AGM, the issued shares were 3,521,473,020 shares (including 3,899,382 shares without voting rights pursuant to Article 179 of the Company Act).
2. Pursuant to Article 26 of the Securities and Exchange Act and the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the total shareholding of all directors shall not be less than 2.4% of the total issued shares, i.e. 84,515,352 shares.
3. The Company has established Audit Committee, and therefore the minimum shareholding requirements for supervisors do not apply.
4. As of the book closure date for the 2014 AGM, the shareholding of individual director and all directors recorded in the shareholders' register is as follows:

As of April 20, 2014

Position	Name	Shares	Shareholding ratio (%)
Chairman	Miin Chyou Wu	20,179,050	0.57%
Director	Champion Investment Corporation	1,307,935	0.04%
Director	H. C. Chen	1,349,374	0.04%
Director	Chih-Yuan Lu	1,570,346	0.04%
Director	Shui Ying Investment Representative : Shigeki Matsuoka	59,140,572	1.68%
Director	Cheng-Yi Fang	703,552	0.02%
Director	Chung-Laung Liu	130,909	0.00%
Director	Achi Capital Limited	1,421,862	0.04%
Director	Dang-Hsing Yiu	12,255,893	0.35%
Director	Ful-Long Ni	1,313,206	0.04%
Director	Wen-Sen Pan	308,818	0.01%
Director	Hui Ying Investment Ltd.	3,899,382	0.11%
Independent Director	Chiang Kao	-	-
Independent Director	Yan-Kuin Su	-	-
Independent Director	John C.F. Chen	-	-
Total Shareholding of all Directors		103,580,899	2.94%

Appendix 4 **Other Matters**

1. Employee bonus and compensation for directors: N/A
2. The impact of stock dividend distribution proposed or adopted at the shareholders' meeting on business performance, EPS, and the return rate of shareholders: N/A