



**MACRONIX
INTERNATIONAL Co., LTD.**

2022 Annual Shareholders' Meeting Handbook

(Translation)

May 27, 2022

Location: Lakeshore Hotel Hsinchu Leith Castle B1

(No. 773, Ming-Hu Road, Hsinchu)

-----Disclaimer-----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2022 ANNUAL SHAREHOLDERS' MEETING OF MACRONIX INTERNATIONAL CO., LTD. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

TABLE OF CONTENTS

Meeting Procedure	1
Meeting Agenda	
1. Reports.....	3
2. Ratification, Discussion and Election.....	4
3. Others and Motions	7
Attachment	
1. 2021 Business Report.....	8
2. Audit Committee’s Report of 2021.....	11
3. Independent Auditors’ Report and 2021 Parent Company Only Financial Statements	12
4. Independent Auditors’ Report and 2021 Consolidated Financial Statements.....	22
5. 2021 Distribution Plan.....	32
6. The Comparison Chart for the revised “Procedure Rules for Acquisition or Disposal of Assets”.....	33
7. The Method and Particulars of the Public Offering and/or the Private Placement of Securities	37
8. The Information of Nominated Directors	40
9. The Competitive Activities of the Respective Board of Directors	43
Appendix	
1. Articles of Incorporation.....	44
2. Procedure Rules of Shareholders’ Meeting	49
3. Rules of the Directors/Supervisors Election.....	52
4. Shareholding of All Directors.....	54
5. Others	54

Macronix International Co., Ltd.
2022 Annual Shareholders' Meeting Procedure

1. Announcement of Meeting to Order

2. Chairman's Remarks

3. Reports

4. Ratification, Discussion and Election

5. Others and Motions

6. Meeting Adjourned

Remarks: 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 of such proposals until the timing designated by the Chairman before the end of all agenda hereunder.)

Macronix International Co., Ltd.

2022 Annual Shareholders' Meeting Agenda

Date: 9:00 a.m., May 27, 2022

Location: Lakeshore Hotel Hsinchu Leith Castle B1
(No. 773, Ming-Hu Road, Hsinchu)

Method: In person

Attendants: All shareholders present in person or by proxy

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

- I. Chairman's Remarks
- II. Reports
 1. The 2021 Business Report
 2. Audit Committee's Report of 2021
 3. The 2021 Employees' and/or Directors' Compensation Distributions Report
 4. Others
- III. Ratification, Discussion and Election
 1. Adoption of the 2021 Business Report and Financial Statements
 2. Adoption of the Company's 2021 Distribution Plan
 3. Approval of Amending the "Procedure Rules for Acquisition or Disposal of Assets"
 4. Approval of the Public Offering and/or Private Placement of Securities
 5. Election of the Directors for the 12th term of the Board of Directors
 6. Release of Directors' Non-Competition Obligation

Voting Method/Sequence of the above proposals: Except for those proposals deemed adopted or resolved with no objection after the Chairman's consultation, the Chairman may hold certain and/or all of such proposals until the timing designated by the Chairman before the end of all agenda hereunder.
- IV. Others and Motions
- V. Meeting Adjourned

Reports

ITEM 1 2021 Business Report

Explanation: The 2021 Business Report is attached hereto as Attachment 1.

ITEM 2 Audit Committee's Report of 2021

Explanation: Audit Committee's Report of 2021 is attached hereto as Attachment 2.

ITEM 3 2021 Employees' and/or Directors' Compensation Distributions Report

Explanation: The Board of Directors held on February 25, 2022 approved to distribute NT\$2,396,656,310 as employees' compensation and NT\$319,554,174 as directors' compensation in cash. The employees' compensation will be distributed as installments.

ITEM 4 Others: None

Ratification, Discussion and Election

ITEM 1 (Proposed by the Board of Directors)

Proposal: Adoption of Year 2021 Business Report and Financial Statements

- Explanation: 1. The 2021 Financial Statements (including the Parent Company Only and the Consolidated Financial Statements) have been audited by Deloitte & Touche, the Company's Independent Auditor.
2. Business Report, Independent Auditors' Report and Financial Statements are attached hereto as Attachments 1, 3 and 4.

Resolution:

ITEM 2 (Proposed by the Board of Directors)

Proposal: Adoption of the Company's Year 2021 Distribution Plan

- Explanation: 1. It is hereby proposed to distribute NT\$3,340,758,209 as dividend, i.e., cash dividend for NT\$1.8 per share ("Distribution Plan"). The actual amount to be paid to each shareholder will subtract the fractional amount, i.e., those less than one dollar. Such fractional amount will be saved and recorded as the Company's income.
2. In the event the outstanding common shares vary, it is hereby proposed to fully authorize the Chairman to adjust the dividends to be distributed based on the outstanding common shares on the record date of the distribution.
3. It is hereby proposed to authorize the Chairman to determine the record date of the Distribution Plan after it has been approved by the Annual Shareholders' Meeting ("AGM").
4. The 2021 Distribution Plan is attached hereto as Attachment 5.

Resolution:

ITEM 3 (Proposed by the Board of Directors)

Proposal: Approval of amending the Company's "Procedure Rules for Acquisition or Disposal of Assets."

- Explanation: 1. In compliance with the amended "Procedure Rules Governing the Acquisition and Disposal of Assets by Public Companies" announced by Financial Supervisory Commission on January 28, 2022, it is hereby proposed to amend the Company's "Procedure Rules for Acquisition or Disposal of Assets" ("Procedure").
2. The comparison chart for the "Procedure Rules for Acquisition or Disposal of Assets" is attached hereto as Attachment 6.

Resolution:

ITEM 4 (Proposed by the Board of Directors)

Proposal: Approval of fund raising by issuance of new shares, overseas depositary receipts through cash capital increase, and/or the private placement of common shares and/or 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 domestic and/or overseas convertible bonds, to the extent of 360 million common shares (collectively and/or individually "Offering(s)"). For private placement, the total number of shares shall not exceed 180 million common shares. As to the private placement of convertible bonds, the total number of common shares can be converted within the limit of 180 million common shares shall be calculated in accordance with then current conversion price. It is also hereby proposed to submit to the Shareholders' Meeting to authorize the Board of Directors to select any type and/or all of the Offering(s), or mix certain Offering(s) after taking into consideration then market conditions and/or the Company's business needs. Please refer to the Attachment 7.

2. It is proposed to submit the Shareholders' Meeting to authorize the Board of Directors to determine and finalize the details of the Offering(s), including the number of shares to be offered, the offering plan, the conversion terms, the projected plans, the projected schedule for the use of proceeds, the projected results and related matters, in accordance with applicable laws taking into consideration the market conditions as well as the Company's business need.

3. It is hereby proposed to submit to the Shareholders' Meeting to authorize the Board of Directors with full rights to follow up and/or proceed adjustments, revisions and/or amendments made in connection with amendments of laws, opinions or comments of the authority, and/or market conditions.

4. The price will be set in accordance with the pricing rules resolved by the Shareholders' Meeting and the closing price of the Company's common shares to confirm the reasonableness of it and make sure that there will be no significant impact to the shareholders of the Company. Please refer to the Attachment 7.

Resolution:

ITEM 5 (Proposed by the Board of Directors)

Proposal: To elect the directors of the 12th term.

Explanation: 1. The tenure of the directors of the 11th term will be expired on June 17, 2022.

Considering the 2022 AGM will be held prior to its expiration, it is hereby proposed to the AGM to elect the directors (including independent directors) of the 12th term pursuant to Article 199-1 of the Company Act.

2. According to the Company's Article of Incorporation, the Board of Directors are composed of nine to fifteen directors, including no less than three independent directors with remaining being non-independent directors, elected by the shareholders from duly nominated candidates. As such, it is hereby proposed to elect 15 directors, including 4 independent directors and 11 non-independent directors, at 2022 AGM.

3. The tenure of the directors of the 12th term shall begin from May 27, 2022 to May 26, 2025, and the newly elected directors will be on board immediately after the 2022 AGM is adjourned.

4. The information of Director candidates proposed by law is attached hereto as Attachment 8.

Election results:

ITEM 6 (Proposed by the Board of Directors)

Proposal: Approval of releasing the non-competition obligation of the Directors of the 12th term.

Explanation: 1. Article 209 of Company Act provides that "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. In consideration of the election of the directors of the 12th term and pursuant to Article 209 of Company Act, it's hereby proposed to submit to the AGM for approval of releasing the Directors' competition restriction after the explanation of the competitive activities of the respective Board of Directors. The summary of such activities of the respective director Candidates of the 12th term are as attachment 9.

Resolution:

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

Others and Motions

Meeting Adjourned

Attachment 1

Macronix International Co., Ltd. 2021 Business Report

The impact of COVID-19 on the global economy has not subsided in 2021, but it has accelerated the progress of digitalization and created strong demand in fields of application, such as 5G, data centers, and automotive electronics, which has driven continued price hikes of high quality and high capacity products. Thanks to the collective efforts of all employees, Macronix has become the market leader with its advanced process technology and highest quality, and it has achieved excellent revenue, gross profit, and EPS growth in 2021. Our NOR and NAND Flash revenue increased over 50% compared with 2020, and it drove consolidated revenue to a record high in 2021. We successfully increased our profit margin through strategic adjustments of production capacity and optimization of product portfolio while operating at full capacity. Furthermore, the successful disposal of our 6-inch wafer fab and equipment increased non-operating income, and further improved our profit performance for the year.

The operating performance of 2021 is as follows: consolidated net operating revenue for the year was NT\$50.573 billion; annual consolidated gross profit was NT\$21.05 billion, while annual gross margin increased 7.9% compared with 2020 to 41.6%; net income after tax was NT\$11.963 billion; earnings per share jumped to NT\$6.48; cash generated from operating activities was NT\$16.116 billion; cash expenditures for investment activities was NT\$2.623 billion, with NT\$18.565 billion in cash at the end of the period; debt ratio was 39.1%; book value per share rose to NT\$25.2; return on equity increased to 29%. The steady growth of our free cash flow and book value will continue to increase company value and strengthen our financial position.

Macronix has continuously made improvements through R&D and innovation since it was established, and has secured a crucial position in the world with its outstanding R&D capabilities and patents, while playing a key role in the non-volatile memory market. Our research results were once again recognized by the International Solid-State Circuits Conference (ISSCC) in 2021. We have obtained a total of 334 patents in various countries in Year 2021. As of the end of 2021, Macronix has a total of 8,654 patents worldwide, showing stable growth while providing Macronix with a strong fortress of intellectual property rights, which has allowed us to secure a leading position in the global non-volatile memory market. Furthermore, we continue to collaborate with major international tech companies to develop advanced memory and analog artificial intelligence technologies and actively developing advanced non-volatile memory technologies and applications, in hopes of providing people with better digital lifestyles.

With regard to process and product development, ROM bit shipments grew quarterly in 2021 and accounted for 27% of our overall revenue that year. As for NOR Flash, our 55nm process continues to account for an increasing percentage and accounted for 58% of density shipment in the fourth quarter of 2021; we will develop the 45 nm process and advanced NOR product applications. High density products of 256Mb and above are accounting for an increasing percentage of NOR Flash revenue each year and has reached 42% as of 2021. Macronix has transitioned to applications that are less affected by cyclical fluctuations so as to reduce the impact of cyclical fluctuations in end demand on overall operations. Our revenue from industry grade, medical, and aerospace high quality applications doubled compared with

2020, showing that high quality and high capacity applications will become the main source of Macronix's business growth. With regard to NAND Flash, 19nm SLC NAND Flash products accounted for 59% of overall density shipment in the fourth quarter of 2021. New products and new applications are now entering the verification phase and will gradually make Macronix one of the main suppliers of SLC NAND Flash. As for 3D NAND Flash, our 48-layer 3D NAND Flash products have reached high quality standards and obtained certification from our customers. Mass production of 48-layer 3D NAND Flash products began in the third quarter of 2021 and is expected to contribute to revenue this year (2022). We will continue to develop 192-layer stacking technology to meet customers' need for high capacity products.

Artificial intelligence set off the next industrial revolution, and new applications are driving the continued growth of demand on memory. In the future, we will focus on expanding automotive, medical, industrial, 5G, and server applications, which will become the main source of our business growth. Big data and artificial intelligence are highly dependent on data extraction and processing so the bandwidth of memory storage will become a major challenge. In the future, memory will transform from simple data storage to a part of the calculating function and form a new memory-centric processing framework. This new solution can be combined with logic chips for more diverse applications and thoroughly transform memory from a supporting role to a leading role. Hence, Macronix's development strategy will also transition from pure memory to system applications and from 2D to 3D structures as we actively develop the next generation of memory products. Macronix has always been widely recognized in the industry for its excellent product stability, reliability and for focusing on the development of high quality and large capacity memory with low power consumption. For example, Macronix NOR Flash products have been employed in Low Earth orbit satellites because they can meet the strict temperature requirements of space. We also launched 1.2V NOR Flash products with low power consumption, which conforms to the trend of low carbon applications. Our new generation Internet security solution ArmorFlash™ has been employed in new generation automated driving platforms, and has been recognized with the Taiwan Excellence Award–Gold Award. These achievements show that Macronix has captured the market's attention with its excellent innovation capabilities and is thus able to secure a place in the highly competitive memory market.

As the world turning its attention on ESG (environmental, social and governance) issues, being the world's leading manufacturer of non-volatile memory, Macronix not only focuses on its business operations, but also sets sustainable development as a target and establishes management procedures and puts this target into practice gradually. Macronix continued to maintain excellent performance in the domestic Corporate Governance Evaluation in 2021 and won the National Occupational Safety and Health Award—the Enterprise Benchmarking Award from the Ministry of Labor, which shows that Macronix has achieved excellent performance in safety and health management, friendly workplace, and corporate social responsibility. With regard to talent cultivation, Macronix actively contributes to society through Macronix Education Foundation, a foundation focuses on science education and fostering scientific innovation capabilities in the younger generation in Taiwan, which was awarded the Social Education Contribution Award from the Ministry of Education. Furthermore, School of Computing, which was donated and established by Macronix, helps the long-term cultivation of interdisciplinary and AI talent in Taiwan then will foster and consolidate the human capital for technological development.

We uphold the business philosophy of “honesty” and resolutely pursue innovation and

quality, which enabled us to successfully develop the 3D generation and once again fulfill our commitment to provide customers with the highest quality products and service support. Looking to the future, 3D NAND and advanced NOR production capacity will be important support for Macronix's business growth. Hence, the management team will adopt a stable strategy with a cautious attitude when implementing the 12-inch wafer fab capacity expansion project launched in 2021. We hope that all employees could work together to accelerate the development of next generation key technologies and memory products also actively expand new customers and fields for high-end applications, to allow us to reach new heights and share the achievements of our efforts with employees, shareholders, and customers!

Attachment 2

Audit Committee's Report of 2021

To: 2022 Annual Shareholders' Meeting of Macronix International Co., Ltd.

The 2021 Financial Statements of the Company (including the parent company only financial statements), the 2021 Business Report and the proposed 2021 Distribution Plan have been duly reviewed and concluded by the undersigned as accurate. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, it is hereby reported as above.

Independent director: Yan-Kuin Su

Independent director: Tyzz-Jiun Duh

Independent director: Chiang Kao

Independent director: John C.F. Chen

Dated: February 25, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Macronix International Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2021 are stated as follows:

Valuation of inventory

The Company manufactures and sells ROM products, NOR Flash, and NAND Flash, which are widely used in consumer electronics. As of December 31, 2021, inventory was NT\$13,134,844 thousand, accounting for 17% of the total assets. With the current rapid changes in technology and the improvements in manufacturing technologies, market demand for memory chip could change significantly and result in inventory obsolescence. Since inventory valuation and estimates of net realizable value of inventory are subject to management's judgment, they are considered as

accounting estimates with relatively high uncertainty. Therefore, valuation of inventory has been identified as a key audit matter. Refer to Notes 4(e), 5(a) and 9 to the financial statements for the details of accounting policy, accounting judgment, key sources of estimation uncertainty and the related information about the valuation of inventory.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and assessed the adequacy of the policy and procedures for the inventory valuation adopted by the management.
2. We obtained data on the assessment of inventory at the lower of cost or net realizable value and selected sample data, and we tested the reasonableness of net realizable value by comparing inventory carrying amounts to recent selling prices; we tested the reasonableness of allowance for inventory loss by comparing net realizable value with carrying amounts. We obtained the inventory aging report, and we tested the accuracy and completeness of the report by agreeing the age interval, quantity and amount to the supporting documents of inbound inventory. We assessed the reasonableness of allowance for inventory loss by recalculating the amount in accordance with the stated valuation policy for the inventory.
3. We performed a retrospective review of inventory movements to evaluate the reasonableness of inventory obsolescence reserve policy and policy on scrapping of inventories.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tung Hui Yeh and Kuo Tyan Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2022

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 auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 16,199,817	21	\$ 10,297,465	16
Notes receivable and trade receivables, net (Notes 4, 8 and 30)	4,639,208	6	2,875,021	4
Receivables from related parties, net (Notes 4, 30 and 31)	2,788,113	4	2,333,551	4
Other receivables (Notes 4, 8, 25, 30 and 31)	359,611	1	110,939	-
Inventories (Notes 4, 5 and 9)	13,134,844	17	12,912,017	20
Other current assets (Note 15)	180,189	-	99,553	-
Total current assets	<u>37,301,782</u>	<u>49</u>	<u>28,628,546</u>	<u>44</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4, 7 and 30)	2,493,384	3	1,779,044	3
Investments accounted for using equity method (Notes 4 and 10)	2,927,848	4	2,522,146	4
Property, plant and equipment (Notes 4, 11, 16, 28, 32 and 33)	31,792,537	42	31,016,511	47
Right-of use assets(Notes 4 and 12)	751,927	1	938,081	1
Intangible assets (Notes 4 and 13)	95,108	-	54,629	-
Deferred tax assets (Notes 4 and 25)	644,213	1	658,310	1
Other financial assets - non-current (Notes 4, 14, 30 and 32)	212,295	-	161,767	-
Other non-current assets (Note 15)	333,147	-	-	-
Total non-current assets	<u>39,250,459</u>	<u>51</u>	<u>37,130,488</u>	<u>56</u>
TOTAL	<u>\$ 76,552,241</u>	<u>100</u>	<u>\$ 65,759,034</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Note 23)	\$ 34,963	-	\$ 87,155	-
Notes payable and trade payables (Notes 17 and 30)	3,403,530	5	2,940,247	5
Payables to related parties (Notes 30 and 31)	4,509,196	6	4,161,427	6
Accrued employees' compensation and remuneration of directors (Notes 24, 30 and 31)	3,134,490	4	1,403,624	2
Payables for purchases of equipment (Note 30)	755,900	1	552,400	1
Other payables (Notes 18 and 30)	1,619,880	2	1,366,096	2
Other payables to related parties (Notes 30 and 31)	157,772	-	136,825	-
Current tax liabilities (Notes 4 and 25)	640,237	1	38,349	-
Provisions - current (Notes 4 and 20)	3,282	-	3,283	-
Lease liabilities - current (Notes 4 and 12)	63,287	-	79,341	-
Current portion of long-term borrowings (Notes 4, 16, 28, 30 and 32)	3,094,739	4	5,412,007	8
Other current liabilities (Note 19)	337,162	-	323,549	1
Total current liabilities	<u>17,754,438</u>	<u>23</u>	<u>16,504,303</u>	<u>25</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 16, 28, 30 and 32)	9,250,335	12	10,736,875	17
Deferred tax liabilities (Notes 4 and 25)	644,213	1	-	-
Lease liabilities - non-current (Notes 4 and 12)	706,487	1	873,701	1
Net defined benefit liabilities (Notes 4 and 21)	1,405,996	2	1,431,153	2
Other non-current liabilities (Notes 4, 19 and 28)	65,981	-	19,410	-
Total non-current liabilities	<u>12,073,012</u>	<u>16</u>	<u>13,061,139</u>	<u>20</u>
Total liabilities	<u>29,827,450</u>	<u>39</u>	<u>29,565,442</u>	<u>45</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 22 and 27)				
Share capital				
Ordinary shares	18,560,178	24	18,563,017	28
Share capital to be cancelled	(410)	-	(1,153)	-
Total share capital	<u>18,559,768</u>	<u>24</u>	<u>18,561,864</u>	<u>28</u>
Capital surplus	399,210	1	384,772	1
Retained earnings				
Legal reserve	2,271,266	3	1,741,857	3
Special reserve	291,361	-	621,195	1
Unappropriated earnings	24,532,500	32	15,408,584	23
Total retained earnings	<u>27,095,127</u>	<u>35</u>	<u>17,771,636</u>	<u>27</u>
Other equity	829,747	1	(365,619)	(1)
Treasury shares	(159,061)	-	(159,061)	-
Total equity	<u>46,724,791</u>	<u>61</u>	<u>36,193,592</u>	<u>55</u>
TOTAL	<u>\$ 76,552,241</u>	<u>100</u>	<u>\$ 65,759,034</u>	<u>100</u>

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 23 and 31)	\$ 49,598,199	100	\$ 38,995,968	100
OPERATING COSTS (Notes 4, 9, 21, 24 and 31)	<u>29,509,886</u>	<u>59</u>	<u>26,381,126</u>	<u>68</u>
GROSS PROFIT	20,088,313	41	12,614,842	32
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES (Note 4)	<u>(20,298)</u>	<u>-</u>	<u>16,242</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>20,068,015</u>	<u>41</u>	<u>12,631,084</u>	<u>32</u>
OPERATING EXPENSES (Notes 4, 21, 24 and 31)				
Selling and marketing expenses	1,117,311	2	935,687	2
General and administrative expenses	2,570,991	5	1,879,075	4
Research and development expenses	<u>5,677,962</u>	<u>12</u>	<u>4,125,219</u>	<u>11</u>
Total operating expenses	<u>9,366,264</u>	<u>19</u>	<u>6,939,981</u>	<u>17</u>
INCOME FROM OPERATIONS	<u>10,701,751</u>	<u>22</u>	<u>5,691,103</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	17,689	-	20,466	-
Other income (Notes 4, 7, 12, 24 and 28)	155,627	-	116,840	-
Other gains and losses (Note 24)	(162,561)	-	71,425	-
Gains on disposal of property, plant and equipment (Notes 4, 11, 24 and 35)	2,505,176	5	-	-
Finance costs (Notes 4, 24 and 28)	(232,632)	(1)	(242,735)	(1)
Share of profit of subsidiaries, associates and joint ventures (Notes 4 and 10)	<u>276,449</u>	<u>1</u>	<u>153,899</u>	<u>1</u>
Total non-operating income and expenses	<u>2,559,748</u>	<u>5</u>	<u>119,895</u>	<u>-</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	13,261,499	27	5,810,998	15
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(1,298,547)</u>	<u>(3)</u>	<u>(484,915)</u>	<u>(1)</u>
NET INCOME FOR THE YEAR	<u>11,962,952</u>	<u>24</u>	<u>5,326,083</u>	<u>14</u>

(Continued)

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (153,365)	-	\$ (2,737)	-
Unrealized gain on investments in equity instruments at FVTOCI (Notes 22 and 30)	714,340	1	338,470	-
Share of other comprehensive gain of subsidiaries accounted for using the equity method	230,165	-	102,496	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 22)	<u>(112,962)</u>	<u>-</u>	<u>(150,210)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>678,178</u>	<u>1</u>	<u>288,019</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 12,641,130</u>	<u>25</u>	<u>\$ 5,614,102</u>	<u>14</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 6.48</u>		<u>\$ 2.90</u>	
Diluted	<u>\$ 6.25</u>		<u>\$ 2.84</u>	

(Concluded)

MACRONIX INTERNATIONAL CO., LTD.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Share Capital			Capital Surplus	Retained Earnings			Other Equity				Total Equity
	Shares (In Thousands)	Ordinary Shares	Share Capital to be Cancelled		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Unearned Compensation of Employees	Treasury Shares	
BALANCE AT JANUARY 1, 2020	1,839,927	\$ 18,399,271	\$ (182)	\$ 543,920	\$ 1,440,661	\$ 1,007,052	\$ 12,237,717	\$ (235,880)	\$ (299,040)	\$ (443,066)	\$ (159,061)	\$ 32,491,392
Legal reserve	-	-	-	-	301,196	-	(301,196)	-	-	-	-	-
Special reserve	-	-	-	-	-	(385,857)	385,857	-	-	-	-	-
Cash dividends distributed by the Company - \$1.20 per share	-	-	-	-	-	-	(2,207,891)	-	-	-	-	(2,207,891)
Net income for the year ended December 31, 2020	-	-	-	-	-	-	5,326,083	-	-	-	-	5,326,083
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	(2,737)	(150,210)	440,966	-	-	288,019
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	5,323,346	(150,210)	440,966	-	-	5,614,102
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(29,100)	-	29,100	-	-	-
Issuance of restricted shares for employees	16,400	164,002	-	(164,002)	-	-	-	-	-	-	-	-
Compensation cost of restricted shares for employees	-	-	-	1,300	-	-	(149)	-	-	292,511	-	293,662
Retirement of restricted shares for employees	(25)	(256)	(971)	1,227	-	-	-	-	-	-	-	-
Dividends paid to subsidiaries to adjust capital surplus	-	-	-	2,327	-	-	-	-	-	-	-	2,327
BALANCE AT DECEMBER 31, 2020	1,856,302	18,563,017	(1,153)	384,772	1,741,857	621,195	15,408,584	(386,090)	171,026	(150,555)	(159,061)	36,193,592
Legal reserve	-	-	-	-	529,409	-	(529,409)	-	-	-	-	-
Special reserve	-	-	-	-	-	(329,834)	329,834	-	-	-	-	-
Cash dividends distributed by the Company - \$1.20 per share	-	-	-	-	-	-	(2,227,424)	-	-	-	-	(2,227,424)
Net income for the year ended December 31, 2021	-	-	-	-	-	-	11,962,952	-	-	-	-	11,962,952
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	(153,365)	(112,962)	944,505	-	-	678,178
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	11,809,587	(112,962)	944,505	-	-	12,641,130
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(258,672)	-	258,672	-	-	-
Compensation cost of restricted shares for employees	-	-	-	9,994	-	-	-	-	-	105,151	-	115,145
Retirement of restricted shares for employees	(284)	(2,839)	743	2,096	-	-	-	-	-	-	-	-
Dividends paid to subsidiaries to adjust capital surplus	-	-	-	2,348	-	-	-	-	-	-	-	2,348
BALANCE AT DECEMBER 31, 2021	1,856,018	\$ 18,560,178	\$ (410)	\$ 399,210	\$ 2,271,266	\$ 291,361	\$ 24,532,500	\$ (499,052)	\$ 1,374,203	\$ (45,404)	\$ (159,061)	\$ 46,724,791

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,261,499	\$ 5,810,998
Adjustments for:		
Depreciation expense	4,190,129	3,663,325
Amortization expense	43,860	31,076
Expected credit loss (reversed) recognized on trade receivables	(63)	223
Finance costs	232,632	242,735
Interest income	(17,689)	(20,466)
Dividend income	(118,914)	(95,559)
Compensation cost of employee restricted shares	115,145	293,662
Share of gain of subsidiaries and associates	(276,449)	(153,899)
Gain on disposal of property, plant and equipment	(2,566,139)	(6,994)
Unrealized (realized) gain on transactions with associates and joint ventures	20,298	(16,242)
Net loss on foreign currency exchange	263,506	46,184
Gain from lease modifications	(2,213)	-
Amortization of government grants deferred revenue	(1,357)	-
Changes in operating assets and liabilities		
Notes receivable and trade receivables	(1,754,057)	62,395
Receivables from related parties	(482,755)	(454,857)
Other receivables	(72,588)	14,164
Inventories	(222,827)	(143,700)
Prepayments	(333,147)	-
Other current assets	(80,636)	126,562
Contract liabilities	(52,192)	(9,946)
Notes payable and trade payables	461,598	796,250
Payables to related parties	653,355	(582,175)
Payables for employees' compensation and director's remuneration	1,730,866	117,850
Other payables	259,513	42,656
Other payables to related parties	23,156	(15,681)
Provisions	(1)	(1,573)
Other current liabilities	172,612	(59,578)
Net defined benefit liabilities	(178,522)	(182,159)
Cash generated from operations	15,268,620	9,505,251
Interest received	14,099	21,450
Dividend received	118,914	95,559
Interest paid	(238,073)	(265,996)
Income tax paid	(37,277)	(838)
Net cash generated from operating activities	<u>15,126,283</u>	<u>9,355,426</u>

(Continued)

MACRONIX INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investment properties	\$ (30,000)	\$ -
Payments for property, plant and equipment	(4,696,428)	(6,024,071)
Proceeds from disposal of property, plant and equipment	2,415,981	7,574
Increase in refundable deposits	-	(62)
Decrease in refundable deposits	67	98
Payments for intangible assets	(84,339)	(42,146)
Increase in other financial assets	<u>(50,603)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,445,322)</u>	<u>(6,058,607)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(1,550,000)
Proceeds from long-term borrowings	3,330,000	7,300,000
Repayments of long-term borrowings	(7,077,225)	(4,192,648)
Proceeds from guarantee deposits received	2,094	193,799
Refund of guarantee deposits received	(177,656)	(16,946)
Repayment of leased liabilities	(82,504)	(79,586)
Distribution of cash dividends	<u>(2,227,424)</u>	<u>(2,207,891)</u>
Net cash used in financing activities	<u>(6,232,715)</u>	<u>(553,272)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(545,894)</u>	<u>(78,030)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,902,352	2,665,517
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>10,297,465</u>	<u>7,631,948</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 16,199,817</u>	<u>\$ 10,297,465</u>

(Concluded)

Attachment 4

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel: +886 (2) 2725-9988
Fax: +886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Macronix International Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance 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 and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Valuation of inventory

The Group manufactures and sells ROM products, NOR Flash, and NAND Flash, which are widely used in consumer electronics. As of December 31, 2021, inventory was NT\$13,156,387 thousand, accounting for 17% of the total assets in the consolidated balance sheet. With the current rapid changes in technology and the improvements in manufacturing technologies, market demand for memory chip could change significantly and result in inventory obsolescence. Since inventory valuation and estimates of net realizable value of inventory are subject to management's judgment, they are considered as accounting estimates with relatively high uncertainty. Therefore, valuation of inventory has been identified as a key audit matter. Refer to notes 4 (f), 5 (a), and 11 to the consolidated financial statements for the details of accounting policy, accounting judgment, key sources of estimation uncertainty and the related information about the valuation of inventory.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and assessed the adequacy of the policy and procedures for the inventory valuation adopted by the management.
2. We obtained data on the assessment of inventory at the lower of cost or net realizable value and selected sample data, and we tested the reasonableness of net realizable value by comparing inventory carrying amounts to recent selling prices; we tested the accuracy of allowance for inventory loss by comparing net realizable value with carrying amounts. We obtained the inventory aging report, and we tested the accuracy and completeness of the report by agreeing the age interval, quantity, and amount to the supporting documents of inbound inventory. We assessed the reasonableness of allowance for inventory loss by recalculating the amount in accordance with the stated valuation policy for the inventory.
3. We performed a retrospective review of inventory movements to evaluate the reasonableness of inventory obsolescence reserve policy and policy on scrapping of inventories.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance 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 and issued into effect by the Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tung Hui Yeh and Kuo Tyan Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2022

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 DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 32)	\$ 18,565,221	24	\$ 11,879,299	18
Notes receivable and trade receivables, net (Notes 4, 10 and 32)	5,690,688	8	3,454,719	5
Receivables from related parties, net (Notes 4, 32 and 33)	961,722	1	1,647,427	3
Other receivables (Notes 4, 10, 27 and 32)	366,048	1	116,930	-
Inventories (Notes 4, 5 and 11)	13,156,387	17	12,945,267	20
Other current assets (Note 17)	192,189	-	118,182	-
Total current assets	<u>38,932,255</u>	<u>51</u>	<u>30,161,824</u>	<u>46</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 32)	153,840	-	-	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4, 8 and 32)	3,223,593	4	2,336,074	3
Financial assets measured at amortized cost - non-current (Notes 4, 9 and 32)	43,440	-	-	-
Property, plant and equipment (Notes 4, 13, 18, 30, 34 and 35)	32,218,383	42	31,462,800	48
Right-of-use assets (Notes 4 and 14)	837,427	1	1,042,394	2
Intangible assets (Notes 4 and 15)	96,873	-	57,280	-
Deferred tax assets (Notes 4 and 27)	648,077	1	660,294	1
Other financial assets - non-current (Notes 4, 16, 32 and 34)	221,113	-	171,552	-
Other non-current (Note 17)	333,147	1	-	-
Total non-current assets	<u>37,775,893</u>	<u>49</u>	<u>35,730,394</u>	<u>54</u>
TOTAL	<u>\$ 76,708,148</u>	<u>100</u>	<u>\$ 65,892,218</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Note 25)	\$ 36,263	-	\$ 92,195	-
Notes payable and trade payables (Notes 19 and 32)	3,403,696	4	2,940,531	5
Payables to related parties (Notes 32 and 33)	4,509,196	6	4,161,427	6
Accrued employees' compensation and remuneration of directors (Notes 26, 32 and 33)	3,134,490	4	1,403,624	2
Payables for purchases of equipment (Note 32)	757,658	1	554,266	1
Other payables (Notes 20 and 32)	1,773,716	2	1,481,794	2
Other payables to related parties (Notes 32 and 33)	360	-	-	-
Current tax liabilities (Notes 4 and 27)	686,210	1	63,359	-
Provisions - current (Notes 4 and 22)	23,290	-	22,687	-
Lease liabilities - current (Notes 4 and 14)	90,092	-	104,598	-
Current portion of long-term borrowings (Notes 4, 18, 30, 32 and 34)	3,094,739	4	5,412,007	8
Other current liabilities (Note 21)	350,960	1	332,270	1
Total current liabilities	<u>17,860,670</u>	<u>23</u>	<u>16,568,758</u>	<u>25</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 18, 30, 32 and 34)	9,250,335	12	10,736,875	16
Deferred tax liabilities (Notes 4 and 27)	644,221	1	-	-
Lease liabilities - non-current (Notes 4 and 14)	753,991	1	940,302	2
Net defined benefit liabilities (Notes 4 and 23)	1,407,473	2	1,432,473	2
Other non-current liabilities (Notes 4, 21 and 30)	65,981	-	19,418	-
Total non-current liabilities	<u>12,122,001</u>	<u>16</u>	<u>13,129,068</u>	<u>20</u>
Total liabilities	<u>29,982,671</u>	<u>39</u>	<u>29,697,826</u>	<u>45</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 4, 24 and 29)				
Share capital				
Ordinary shares	18,560,178	24	18,563,017	28
Share capital to be cancelled	(410)	-	(1,153)	-
Total share capital	<u>18,559,768</u>	<u>24</u>	<u>18,561,864</u>	<u>28</u>
Capital surplus	399,210	1	384,772	1
Retained earnings				
Legal reserve	2,271,266	3	1,741,857	3
Special reserve	291,361	-	621,195	1
Unappropriated earnings	24,532,500	32	15,408,584	23
Total retained earnings	<u>27,095,127</u>	<u>35</u>	<u>17,771,636</u>	<u>27</u>
Other equity	829,747	1	(365,619)	(1)
Treasury shares	(159,061)	-	(159,061)	-
Equity attributable to shareholders of the parent	<u>46,724,791</u>	<u>61</u>	<u>36,193,592</u>	<u>55</u>
NON-CONTROLLING INTERESTS (Note 24)	<u>686</u>	<u>-</u>	<u>800</u>	<u>-</u>
Total equity	<u>46,725,477</u>	<u>61</u>	<u>36,194,392</u>	<u>55</u>
TOTAL	<u>\$ 76,708,148</u>	<u>100</u>	<u>\$ 65,892,218</u>	<u>100</u>

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 25, 33 and 38)	\$ 50,572,991	100	\$ 39,800,947	100
OPERATING COSTS (Notes 4, 11, 23, 26 and 33)	<u>29,523,012</u>	<u>58</u>	<u>26,391,592</u>	<u>66</u>
GROSS PROFIT	<u>21,049,979</u>	<u>42</u>	<u>13,409,355</u>	<u>34</u>
OPERATING EXPENSES (Notes 4, 23, 26 and 33)				
Selling and marketing expenses	1,789,142	4	1,538,615	4
General and administrative expenses	2,581,068	5	1,888,419	5
Research and development expenses	<u>5,615,664</u>	<u>11</u>	<u>4,115,844</u>	<u>10</u>
Total operating expenses	<u>9,985,874</u>	<u>20</u>	<u>7,542,878</u>	<u>19</u>
INCOME FROM OPERATIONS	<u>11,064,105</u>	<u>22</u>	<u>5,866,477</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	25,730	-	30,858	-
Other income (Notes 4, 8, 14, 26 and 30)	174,215	-	130,386	-
Other gains and losses (Note 26)	(204,967)	-	60,281	-
Gains on disposal of property, plant and equipment (Notes 4, 13, 26 and 37)	2,505,176	5	-	-
Finance costs (Notes 4, 26 and 30)	<u>(236,570)</u>	<u>-</u>	<u>(246,956)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>2,263,584</u>	<u>5</u>	<u>(25,431)</u>	<u>(1)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	13,327,689	27	5,841,046	14
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(1,364,850)</u>	<u>(3)</u>	<u>(515,434)</u>	<u>(1)</u>
NET INCOME FOR THE YEAR	<u>11,962,839</u>	<u>24</u>	<u>5,325,612</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(153,365)	(1)	(2,737)	-
Unrealized gain on investments in equity instruments at FVTOCI (Notes 24 and 32)	944,505	2	440,966	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 24)	<u>(112,963)</u>	<u>-</u>	<u>(150,215)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>678,177</u>	<u>1</u>	<u>288,014</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 12,641,016</u>	<u>25</u>	<u>\$ 5,613,626</u>	<u>14</u>

(Continued)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 11,962,952	24	\$ 5,326,083	13
Non-controlling interests	<u>(113)</u>	<u>-</u>	<u>(471)</u>	<u>-</u>
	<u>\$ 11,962,839</u>	<u>24</u>	<u>\$ 5,325,612</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 12,641,130	25	\$ 5,614,102	14
Non-controlling interests	<u>(114)</u>	<u>-</u>	<u>(476)</u>	<u>-</u>
	<u>\$ 12,641,016</u>	<u>25</u>	<u>\$ 5,613,626</u>	<u>14</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 6.48</u>		<u>\$ 2.90</u>	
Diluted	<u>\$ 6.25</u>		<u>\$ 2.84</u>	

(Concluded)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							Other Equity					Non-controlling Interests	Total Equity
	Share Capital			Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Unearned Compensation of Employees	Treasury Shares	Total		
	Shares (Thousands)	Ordinary Shares	Share Capital to be Cancelled		Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2020	1,839,927	\$ 18,399,271	\$ (182)	\$ 543,920	\$ 1,440,661	\$ 1,007,052	\$ 12,237,717	\$ (235,880)	\$ (299,040)	\$ (443,066)	\$ (159,061)	\$ 32,491,392	\$ 1,276	\$ 32,492,668
Legal reserve	-	-	-	-	301,196	-	(301,196)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(385,857)	385,857	-	-	-	-	-	-	-
Cash dividends distributed by the Company - \$1.20 per share	-	-	-	-	-	-	(2,207,891)	-	-	-	-	(2,207,891)	-	(2,207,891)
Net income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	5,326,083	-	-	-	-	5,326,083	(471)	5,325,612
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	(2,737)	(150,210)	440,966	-	-	288,019	(5)	288,014
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	5,323,346	(150,210)	440,966	-	-	5,614,102	(476)	5,613,626
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(29,100)	-	29,100	-	-	-	-	-
Issuance of restricted shares for employees	16,400	164,002	-	(164,002)	-	-	-	-	-	-	-	-	-	-
Compensation cost of restricted shares for employees	-	-	-	1,300	-	-	(149)	-	-	292,511	-	293,662	-	293,662
Retirement of restricted shares for employees	(25)	(256)	(971)	1,227	-	-	-	-	-	-	-	-	-	-
Dividends paid to subsidiaries to adjust capital surplus	-	-	-	2,327	-	-	-	-	-	-	-	2,327	-	2,327
BALANCE AT DECEMBER 31, 2020	1,856,302	18,563,017	(1,153)	384,772	1,741,857	621,195	15,408,584	(386,090)	171,026	(150,555)	(159,061)	36,193,592	800	36,194,392
Legal reserve	-	-	-	-	529,409	-	(529,409)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(329,834)	329,834	-	-	-	-	-	-	-
Cash dividends distributed by the Company - \$1.20 per share	-	-	-	-	-	-	(2,227,424)	-	-	-	-	(2,227,424)	-	(2,227,424)
Net income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	11,962,952	-	-	-	-	11,962,952	(113)	11,962,839
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	(153,365)	(112,962)	944,505	-	-	678,178	(1)	678,177
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	11,809,587	(112,962)	944,505	-	-	12,641,130	(114)	12,641,016
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(258,672)	-	258,672	-	-	-	-	-
Compensation cost of restricted shares for employees	-	-	-	9,994	-	-	-	-	-	105,151	-	115,145	-	115,145
Retirement of restricted shares for employees	(284)	(2,839)	743	2,096	-	-	-	-	-	-	-	-	-	-
Dividends paid to subsidiaries to adjust capital surplus	-	-	-	2,348	-	-	-	-	-	-	-	2,348	-	2,348
BALANCE AT DECEMBER 31, 2021	1,856,018	\$ 18,560,178	\$ (410)	\$ 399,210	\$ 2,271,266	\$ 291,361	\$ 24,532,500	\$ (499,052)	\$ 1,374,203	\$ (45,404)	\$ (159,061)	\$ 46,724,791	\$ 686	\$ 46,725,477

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,327,689	\$ 5,841,046
Adjustments for:		
Depreciation expense	4,238,607	3,713,338
Amortization expense	45,625	32,989
Expected credit loss (reversed) recognized on trade receivables	(63)	223
Net loss on fair value changes of financial assets at fair value through profit or loss	12,280	-
Finance costs	236,570	246,956
Interest income	(25,730)	(30,858)
Dividend income	(124,741)	(101,174)
Compensation cost of employee restricted shares	115,145	293,662
Gain on disposal of property, plant and equipment	(2,566,001)	(6,822)
Net loss on foreign currency exchange	205,944	8,608
Gain from lease modifications	(2,213)	-
Amortization of government grants deferred revenue	(1,357)	-
Changes in operating assets and liabilities		
Trade receivables	(2,225,842)	519,076
Receivables from related parties	657,512	(637,329)
Other receivables	(71,905)	21,095
Inventories	(211,120)	(134,830)
Prepayments	(333,147)	-
Other current assets	(93,518)	130,401
Contract liabilities	(55,932)	(6,362)
Notes payable and trade payables	461,480	795,312
Payables to related parties	653,350	(582,175)
Payables for employees' compensation and director's remuneration	1,730,866	117,850
Other payables	300,009	7,663
Other payables to related parties	4,038	(3,098)
Provisions	603	2,227
Other current liabilities	177,693	(58,591)
Net defined benefit liabilities	<u>(178,365)</u>	<u>(181,826)</u>
Cash generated from operations	16,277,477	9,987,381
Interest received	20,716	31,167
Dividend received	124,741	101,174
Interest paid	(242,011)	(270,217)
Income tax (paid) return	<u>(64,692)</u>	<u>5,714</u>
Net cash generated from operating activities	<u>16,116,231</u>	<u>9,855,219</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through other comprehensive income	(84,006)	-
Proceeds from the disposal of financial assets at fair value through other comprehensive income	95,880	8,626
Purchase of financial assets at amortized cost	(43,840)	-
Financial assets at amortized cost after maturity	-	20,955
Acquisition of financial assets at fair value through profit or loss	(168,645)	-
Payments for property, plant and equipment	(4,706,096)	(6,036,935)
Proceeds from disposal of property, plant and equipment	2,418,597	7,623
Increase in refundable deposits	-	(71)

(Continued)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Decrease in refundable deposits	\$ 171	\$ 98
Payments for intangible assets	(84,339)	(43,201)
Increase in other financial assets	<u>(50,603)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,622,881)</u>	<u>(6,042,905)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(1,550,000)
Proceeds from long-term borrowings	3,330,000	7,300,000
Repayments of long-term borrowings	(7,077,225)	(4,192,648)
Proceeds from guarantee deposits received	2,094	193,798
Payments of guarantee deposits received	(177,656)	(16,946)
Repayment of leased liabilities	(111,824)	(107,963)
Distribution of cash dividends	<u>(2,227,424)</u>	<u>(2,205,564)</u>
Net cash used in financing activities	<u>(6,262,035)</u>	<u>(579,323)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(545,393)</u>	<u>(78,781)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,685,922	3,154,210
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>11,879,299</u>	<u>8,725,089</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 18,565,221</u>	<u>\$ 11,879,299</u>

(Concluded)

Attachment 5**Macronix International Co., Ltd.
2021 Distribution Plan**

Units: NT\$

Items	Amount
Net Income of 2021	11,962,951,571
Plus: Undistributed earnings of previous years	12,981,585,691
Less: Remeasurement of defined benefit plans	(153,365,532)
Disposal of investments in equity instruments designated as at FVTOCI	(258,672,185)
Appropriated for 10% Legal Reserve	(1,155,091,385)
Plus: Reversal of Special Reserve	214,868,745
Retained Earnings Available for Distribution as of December 31, 2021	23,592,276,905
Distribution Item:	
Cash Dividend to Shareholders (NT\$1.8 per share)	(3,340,758,209)
Unappropriated Retained Earnings, End of Year	20,251,518,696

Note: The dividend per share was based on the outstanding common shares on February 25, 2022, i.e., 1,855,976,783 shares.

Attachment 6

The Comparison Chart for the revised “Procedure Rules for Acquisition or Disposal of Assets”

Article	Revised	Original
Chapter 2	Acquisition or Disposal of Real Property, Equipment, or Right-of-Use Assets Thereof	Acquisition or Disposal of Real Property, Equipment, or Right-of-Use Assets Thereof
Article 8	<p>3.Appraisal report</p> <p>Where the Company acquires or disposes of real property, equipment, and right-of-use assets thereof and the transaction amount reaches 20% of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment or right-of-use assets thereof for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall comply with the following provisions:</p> <p>(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 to the Board of Directors for approval in advance; the same procedure shall be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from at least 2 professional appraisers shall be obtained.</p> <p>(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 and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of 2 or more professional appraisers is 10% or more of the transaction amount.</p>	<p>3.Appraisal report</p> <p>Where the Company acquires or disposes of real property, equipment, and right-of-use assets thereof and the transaction amount reaches 20% of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment or right-of-use assets thereof for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall comply with the following provisions:</p> <p>(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 to the Board of Directors for approval in advance; the same procedure shall be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from at least 2 professional appraisers shall be obtained.</p> <p>(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 R.O.C. Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of 2 or more professional appraisers is 10% or more of the transaction amount.</p>

Article	Revised	Original
Chapter 3	Acquisition or Disposal of Securities	Acquisition or Disposal of Securities
Article 9	<p>3.Expert opinions</p> <p>Where the Company acquires or disposes of securities and the transaction amount reaches 20% 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.</p>	<p>3.Expert opinions</p> <p>Where the Company acquires or disposes of securities and the transaction amount reaches 20% 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; where the CPA requires the use of expert reports, it shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>
Chapter 4	Acquisition or Disposal of Intangible Assets, Right-of-Use Assets Thereof, or Memberships	Acquisition or Disposal of Intangible Assets, Right-of-Use Assets Thereof, or Memberships
Article 10	<p>3.Expert opinions</p> <p>If the transaction amount of the intangible asset, right-of-use asset thereof, or membership reaches 20% of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.</p>	<p>3.Expert opinions</p> <p>If the transaction amount of the intangible asset, right-of-use asset thereof, or membership reaches 20% of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; the CPA shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF.</p>
Chapter 5	Related Party Transactions	Related Party Transactions
Article 11	<p>2.When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of paid-in capital, 10% of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, 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>(1) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof 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.When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of paid-in capital, 10% of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, 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>(1) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13.</p>

Article	Revised	Original
Article 11	<p>(4) The date and price at which the related party originally acquired the assets, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(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>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The Company or subsidiary that is a non- domestic public company intend to enter into the transactions of the preceding paragraphs and the transaction amount reaches 10% of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the related documentation of the preceding paragraphs have been approved by the shareholders' meeting. But this shall not apply by the transactions between the Company and its parent or subsidiaries or between its subsidiaries.</u></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 that have been approved by the <u>shareholders' meeting</u>, Board of Directors and recognized by the Supervisors need not be counted toward the transaction amount.</p>	<p>(4) The date and price at which the related party originally acquired the assets, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(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>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</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 that have been approved by the Board of Directors and recognized by the Supervisors need not be counted toward the transaction amount.</p>
Chapter 8	Public Disclosure of Information	Public Disclosure of Information
Article 22	<p>Public announcement and reporting procedures</p> <p>1. When acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the designated website in the appropriate format as prescribed by regulations of the competent authority of securities within 2 days of the event, inclusive of the date of occurrence, under any of the following circumstances:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% of paid-in capital, 10% of the Company's total assets, or NT\$300 million or more; this shall not</p>	<p>Public announcement and reporting procedures</p> <p>1. When acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the designated website in the appropriate format as prescribed by regulations of the competent authority of securities within 2 days of the event, inclusive of the date of occurrence, under any of the following circumstances:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% of paid-in capital, 10% of the Company's total assets, or NT\$300 million or more; this shall not</p>

Article	Revised	Original
Article 22	<p>apply to the trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives transactions reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. Where the Company's paid-in capital is less than NT\$10 billion and the transaction amount reaches NT\$500 million or more.</p> <p>B. Where the Company's paid-in capital is NT\$10 billion or more and the transaction amount reaches NT\$1 billion or more.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the Company's own land or leased land, joint construction and allocation of housing units or of ownership percentages, or joint construction and separate sale, the transaction counterparty is not a related party, and the transaction amount the Company expects to invest in reaches NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, or an investment in the mainland China area reaches 20% of paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than our country's sovereign rating.</u></p> <p>B. Trading of bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p>	<p>apply to the trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives transactions reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. Where the Company's paid-in capital is less than NT\$10 billion and the transaction amount reaches NT\$500 million or more.</p> <p>B. Where the Company's paid-in capital is NT\$10 billion or more and the transaction amount reaches NT\$1 billion or more.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the Company's own land or leased land, joint construction and allocation of housing units or of ownership percentages, or joint construction and separate sale, the transaction counterparty is not a related party, and the transaction amount the Company expects to invest in reaches NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, or an investment in the mainland China area reaches 20% of paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Trading of bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p>

Attachment 7

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 or competitive auction.
 - 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 the nearest whole share and register the share within five 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.
 - C. "Competitive Auction" 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 to authorize 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 to authorize the Chairman to approach and/or designate a certain person for the subscription of such shares at the Price.
- (4) It is hereby proposed to the AGM to fully authorize 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 Depository 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 Depository Receipts.
- (2) The price of the above overseas Depository Receipts ("DR Price") will be set in accordance with the Rule. It is hereby proposed to the AGM to authorize 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 impact on 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 to authorize the Chairman to approach and/or designate a 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

Depository 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% of the higher of the following:
- A. The average 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 average 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 market conditions at that time. 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 individuals 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 mechanisms. 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 to authorize 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% of the higher of the following:
- A. The average 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 average 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 mechanism. 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 security of the financial structure, 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 or the reasons for not adopting other fund raising methods in the nature of liabilities are reasonable.

Attachment 8

The Information of Nominated Directors

1. Director Candidates

Shareholders Account Number	Name - Representative of Juristic Person	Shareholdings (shares)	Education	Working Experience	Position
21	Miin-Chyou Wu	13,200,809	M.S. degree in Material Science and Engineering from Stanford University	<ul style="list-style-type: none"> • Chairman & President of Macronix International Co., Ltd. 	<ul style="list-style-type: none"> • Chairman & CEO of Macronix International Co., Ltd. • Managing Director of Eastern Electronics Co., Ltd.
1242496	Chien Hsu Investment Corporation	811,421	-	-	<ul style="list-style-type: none"> • Director of ZOWIE Technology Corporation • Director / supervisor of Homey Consulting Corp.
45641	Chih-Yuan Lu	2,815,766	Ph.D. degree in Physics from Columbia University	<ul style="list-style-type: none"> • Deputy General Director of Electronics Research Lab. of Industrial Technology Research Institute • President of Vanguard International Semiconductor Co. • Senior V.P. of Macronix International Co., Ltd. • Chairman & President of Ardentec Corporation • Academia Sinica Academician • ITRI Laureate • IEEE Fellow • APS Fellow • NAI Fellow 	<ul style="list-style-type: none"> • President of Macronix International Co., Ltd. • Chairman & CEO of Ardentec Corporation
777505	Shun Yin Investment Ltd.: Ikou Yamaguchi	22,587,265	B.S. degree in electronics engineering from Kogakuin University	<ul style="list-style-type: none"> • Executive Director of MegaChips Corporation 	<ul style="list-style-type: none"> • Director of Mega Chips Corporation and Head of ASIC Division 1
1065570	Achi Capital Limited	902,456	-	-	<ul style="list-style-type: none"> • Director of Mxtran Inc.

Shareholders Account Number	Name - Representative of Juristic Person	Shareholdings (shares)	Education	Working Experience	Position
L10156****	Che-Ho Wei	-	Ph. D. in electronic engineering from the University of Washington, Seattle, USA.	<ul style="list-style-type: none"> • Professor, Chairman of EE Department, Dean of EE&CS College, Vice President of National Chiao Tung University • Chairman of National Science Council 	<ul style="list-style-type: none"> • Director of Taipei Medical University • Director of Arcadyan Technology Corporation • Director of Unizyx Holding Corporation • Independent Director of Sunplus Technology Co., Ltd. • Independent Director of Genesis Photonics Inc.
810	Dang-Hsing Yiu	6,657,322	M.S. degree in Electronic Engineering from University of California, Berkeley	<ul style="list-style-type: none"> • Founder & President of Dynasty Technology Inc. • Senior Vice President of Macronix International Co., Ltd. 	<ul style="list-style-type: none"> • Senior V.P. & Chief Marketing Officer of Macronix International Co., Ltd. • Independent Director of Chipbond Technology Corporation
837	Ful-Long Ni	1,983,933	M.S. degree in Electronic Engineering from University of Michigan	<ul style="list-style-type: none"> • Associate V.P. of Macronix International Co., Ltd. 	<ul style="list-style-type: none"> • Vice President of Macronix International Co., Ltd.
280338	Hui Ying Investment Ltd.	1,956,619	-	-	-
E10128****	Yan-Kuin Su	-	Ph.D. in electrical engineering from National Cheng Kung University	<ul style="list-style-type: none"> • IEEE Fellow • SPIE Fellow • Professor & Chair of Electrical Engineering, V.P. for R&D, V.P for Academic Affairs of National Cheng Kung University • Director General of Department of Engineering and Applied Sciences , National Science Council • President of Kun Shan University 	<ul style="list-style-type: none"> • Emeritus Professor of National Cheng Kung University • Independent Director of Himax Technologies, Inc • Independent Director of Universal Cement Corporation • Independent Director of Epileds Technologies.Inc. • Professor of Kun Shan University • Chief Director of Kun Shan University Green Energy Technology Research Center
779945	Sung-Jen Fang	370,159	PhD of Material Science and Engineering from Stanford University	<ul style="list-style-type: none"> • Vice President of United Microelectronics Corporation 	<ul style="list-style-type: none"> • Chairman of Darwin Venture Management

2. Independent Director Candidates

ID	Name	Shareholdings (shares)	Education	Working Experience	Position	Rationale for Nomination
T12036****	Tyzz-Jiun Duh	-	Ph.D. Graduate Institute of Forestry from National Taiwan University	<ul style="list-style-type: none"> • Director General of Department of Commerce, Ministry of Economic Affairs • Director General of Department of Industrial Technology, Ministry of Economic Affairs • Director General of Industrial Development Bureau, Ministry of Economic Affairs • Minister of Ministry of Economic Affairs • Minister of National Development Council • Vice Premier of Executive Yuan 	<ul style="list-style-type: none"> • Policy Advisor of Taiwan Electrical and Electronic Manufacturer's Association • Chief Consultant of Taiwan Transportation Vehicle Manufacturers' Association • Independent Director of CDIB Capital Group • Independent Director of USI Corporation • Independent Director of China Development Financial Holding Corporation • Director of Shinfox Energy Co., Ltd. 	-
A10038****	Chiang Kao	-	Ph.D. degree in Forest Management from Oregon State University	<ul style="list-style-type: none"> • Professor of Department of Computer Science Southwest Texas State University • President of National Cheng Kung University 	<ul style="list-style-type: none"> • Chair Professor of Department of Industrial and Information Management of National Cheng Kung University 	Note 1
D12002****	Cheng-Wen Wu	-	Ph.D. degree in Electrical and Computer Engineering from University of California, Santa Barbara	<ul style="list-style-type: none"> • Dean of College of Electrical Engineering and Computer Science of National Tsing Hua University • Vice President of National Tsing Hua University • Vice President of National Cheng Kung University 	<ul style="list-style-type: none"> • Distinguished Chair Professor of National Tsing Hua University 	-
J10077****	Chien-Kuo Yang	-	B.S. degree in Department of International Trade from Tamkang University	<ul style="list-style-type: none"> • CPA of Ernst & Young Accounting firm • Independent Director of Spirox Corporation • Independent Director of M31 Technology Corporation • Supervisor of Youngtek Electronics Corporation 	<ul style="list-style-type: none"> • CPA of Diwan & Company Accounting Firm. • Chairman of Diwan Management Advisory Services Co., Ltd • Independent Director of Leadtrend Technology Corporation • Independent Director of Andes Technology Corporation • Chairman of Tien Da Investment Co., Ltd. 	-

Note 1: Mr. Chiang Kao has professional capabilities in strategy analysis and management. The Company needs his expertise for guiding its future development by improving the decision-making quality and performance of the Board of Directors. The Board of Directors came to the conclusion that Mr. Kao still has the necessary independence and the ability to make objective judgments to serve as an independent director, contribute value and fulfill the responsibility of supervision.

Attachment 9

The Competitive Activities of the Respective Board of Directors

Name	Title of Other Company	Main Business	Note
Miin-Chyou Wu	Eastern Electronics Co., Ltd.	Managing Director	Engineering Manufacturing Service Permitted
Chien Hsu Investment Corporation	ZOWIE Technology Corporation	Director	Diodes and Discrete Components Permitted
Chih-Yuan Lu	Ardentec Corporation	Chairman & CEO	Wafer Testing Permitted
	Giga Solution Tech. Co., Ltd.	Representative (Chairman)	IC Testing Permitted
	Ardentec Semiconductor Co., Ltd.	Representative (Chairman)	Electronics-related Industry Permitted
	Ardentec Korea Co., Ltd.	Director	Wafer Testing Permitted
	Ardentec Singapore Pte. Ltd.	Director	Wafer Testing Permitted
Hong Tai Electric Industrial Co., Ltd.	Independent Director	Electrical and Cable Permitted	
Shun Yin Investment Ltd. Representative: Ikuo Yamaguchi	MegaChips Corporation	Director	IC Design New
Che-Ho Wei	Arcadyan Technology Corporation	Director	Electronics-related Industry Permitted
	Unizyx Holding Corporation	Director	Investment Holding Company Permitted
	Sunplus Technology Co., Ltd.	Independent Director	IC Design Permitted
	Genesis Photonics Inc.	Independent Director	Optoelectronic Permitted
Yan-Kuin Su	Epileds Technologies, Inc.	Independent Director	Optoelectronic Permitted
	Himax Technologies, Inc.	Independent Director	IC Design Permitted
Sung-Jen Fang	Quantek, Inc.	Chairman	IC Design New
	Scientech Corporation	Independent Director	Semi-conductors Manufacturing New
	TECO Image Systems Co., Ltd.	Director	Computers and Peripheral Equipment New
	TECO Electric & Machinery Co., Ltd.	Director	Electrical machinery New
Dang-Hsing Yiu	Chipbond Technology Corporation	Independent Director	Packaging and Testing Permitted
	SiTime Corporation	Director	MEMS Timing Device Permitted
Ful-Long Ni	Wolley Inc.	Director	IC Design New
Tyzz-Jiun Duh	China Development Financial Holding Corporation	Independent Director	Finance Holding Company Permitted
	CDIB Capital Group	Independent Director	Investment and Asset Management Permitted
Chien-Kuo Yang	Leadtrend Technology Corporation	Independent Director	IC Design New
	Andes Technology Corporation	Independent Director	IC Design New

Appendix 1

Macronix International Co., Ltd. Articles of Incorporation

May 26, 2017
Revised by the regular shareholders' meeting of 2017

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 NT\$65.5 billion 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 3% 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 one (1) 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 (3) years 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 (3) years 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 writting, 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.

CHAPTER 5: ACCOUNTING

- 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.

Article 30: The Company accrued employees' compensation and remuneration of directors at the rates of 15% and no higher than 2%, for each profitable fiscal year after offsetting any cumulative losses.

Employees eligible to receive employees' compensation may include employees from the affiliated companies

The Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve 10% of the remaining profit (until the amount of the legal reserve equals the amount of the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations.

The Company is classified under the capital intensive industry. In accordance with the long-term financial program of the Company, the above shareholders' dividends can be retained as undistributed earnings, and then be distributed in future, as determined by the shareholders at the Annual General Meeting.

Distributions shall be prioritized to take the form of cash dividends. Nevertheless, it still depends on the Company's financial, sales or operating conditions. That no more than 50% of the current year's total amount of distributable earnings can be distributed in the form of share dividends.

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.

SECTION 6: SUPPLEMENTARY PROVISIONS

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

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; twenty-fourth revision on June 18th, 2015; twenty-fifth revision on May 26th, 2017.

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. Rules of the Directors / Supervisors Election

June 29, 2007

Revised by the regular shareholders' meeting of 2007

- Article 1 The directors of this Company shall be elected in accordance with the rules specified herein.
- Article 2 Election of directors of this Company shall be held at the shareholders' meeting.
- Article 3 The candidate nomination system is adopted for election of directors of this Company. All directors shall be elected by shareholders from the candidate list announced by this Company (the "Candidate").
- Article 4 The number of positions for director shall be in compliance with the Company's Articles of Incorporation.
- Article 5 Unless otherwise prescribed by the Company's Articles of Incorporation, Company's directors shall be elected through cumulative voting. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.
- Article 6 During the election, the chairman shall appoint vote inspectors (the "Inspector") and vote counters to take charge of inspecting and counting the votes. The ballot box used for voting shall be prepared by this Company and checked by the Inspector before voting.
- Article 7 Subject to the provisions otherwise provided for the rules specified herein, the candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect (the "Electee"), and such number shall be in compliance with the Articles of Incorporation.
- Article 8 In any of the following events, this Company will notify the original candidate who acquires the number of votes secondarily to substitute for the vacancy position in writing.
- (1) Any discrepancies proved by this Company; or any electee not meet paragraph 3 or paragraph 4 of Article 26-3 of Securities and Exchange Act, or relevant laws;
 - (2) Any electee specified in any subparagraph of Article 30 of the Company Act.
- Article 9 In the event a candidate is elected both director and supervisor for the same term, such candidate may choose either position and notify the Chairman. The candidate who acquires the number of votes secondarily will substitute for the vacancy position. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall follow the sequence decided by the Chairman to draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is

not present.

- Article 10 In the event an audit committee is established, at least one independent director shall be specialized in accounting or finance. If each elected independent director is not specialized in accounting or finance, the independent director candidate who acquires the number of votes secondarily will substitute for the vacancy position.
- Article 11 This Company shall prepare the ballots with a record of the number of attendance card and votes (the “ballots”), and send to attendant shareholders.
- Article 12 If the candidate is (1) a shareholder of this Company, voters shall fill in the “candidate” column the candidate’s name and shareholder’s number; (2) not a shareholder of this Company, voters shall fill in the “candidate” column the candidate’s name, the candidate’s ID number. If the candidate is (1) a government agency or a legal entity, the full name of the government agency or the legal entity should be filled in the column; (2) the representative(s) a government agency or a legal entity, the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column.
- Article 13 Ballots shall be deemed void under the following conditions:
- (1) Ballots not prepared in compliance with this Regulation
 - (2) Blank ballots placed in the ballot box
 - (3) The name filled in the ballot inconsistent with the Candidates
 - (4) Illegible writing;
 - (5) The name of the candidate filled in the ballot is incorrect (e.g. inconsistent with the shareholders’ register)
 - (6) Ballots written inconsistent with this Regulation or with other written characters in addition to Article 12
 - (7) Two or more candidates filled in the same ballot.
- Article 14 The number of votes which are not cast for candidates deem waive the voter’s right.
- Article 15 The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting. Any issue with regard to the ballots or this Regulation, the Chairmen shall has right to adjudicate.
- Article 16 This Company shall issue notifications to the directors elected.
- Article 17 The provisions of this Article, except Article 10, shall apply mutatis mutandis to the election of supervisors.
- Article 18 Where this Regulation does not specifically provide, the Articles of Incorporation and relevant laws shall be applicable.
- Article 19 These rules and any revision thereof shall become effective after approval at the shareholders’ meeting.
- Article 20 These rules were enacted on July 18, 1992; 1st revision on May 30, 2002; 2nd revision on June 30, 2006; 3rd revision on June 29, 2007.

Appendix 4

Macronix International Co., Ltd. Shareholding of All Directors

1. As of the book closure date for the 2022 AGM, the issued shares were 1,855,976,783 shares (including 2,007,619 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., 44,543,443 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 2022 AGM, the shareholding of individual directors and all directors recorded in the shareholders’ register is as follows:

As of March 29, 2022

Position	Name	Shares	Shareholding ratio
Chairman	Miin Chyou Wu	13,200,809	0.71%
Director	Chien Hsu Investment Corporation	811,421	0.04%
Director	Chih-Yuan Lu	2,815,766	0.15%
Director	Shun Yin Investment Ltd. Representative: Ikuo Yamaguchi	22,587,265	1.22%
Director	Cheng-Yi Fang	353,026	0.02%
Director	Achi Capital Limited	902,456	0.05%
Director	Cho-Ho Wei	-	-
Director	Dang-Hsing Yiu	6,657,322	0.36%
Director	Ful-Long Ni	1,983,933	0.11%
Director	Hui Ying Investment Ltd.	1,956,619	0.11%
Independent Director	Tyzz-Jiun Duh	-	-
Independent Director	Chiang Kao	-	-
Independent Director	Yan-Kuin Su	-	-
Independent Director	John C.F. Chen	-	-
Total Shareholding of all Directors		51,268,617	2.76%

Appendix 5 Others

The impact of stock dividend distribution proposed or adopted at the shareholders’ meeting on business performance, EPS, and the return rate of shareholders: Not applicable.