

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATIONS CODE (SRC)
AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. January 30, 2015
Date of Report (Date of earliest event reported)
2. 94419 3. 000-409-747-000
SEC Identification Number BIR Tax Identification Number
4. INTEGRATED MICRO-ELECTRONICS, INC.
Exact Name of registrant as specified in its charter
5. PHILIPPINES 6. [REDACTED] (SEC Use Only)
Province, country or other jurisdiction of Industry Classification Code
incorporation
7. 33rd Floor, Tower One, Ayala Triangle, Ayala Avenue, Makati 1226
Address of principal office Postal code
8. (632) 756-6840
Registrant's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>COMMON (net of Treasury Shares)</u>	<u>1,856,899.921</u>

Indicate the item numbers reported herein : Please refer to attached letter

Re: **2014 Annual Summary Report on the Application of Proceeds from
the Initial Public Offering (IPO)**

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**INTEGRATED MICRO-ELECTRONICS,
INC.**

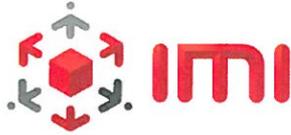
Registrant


JEROME S. TAN

Chief Finance Officer
Signature and Title*

Date : January 30, 2015

* Print name and title of the signing officer under the signature.



Integrated Micro-Electronics, Inc.

North Science Avenue,
Laguna Technopark
Special Processing Zone
Biñan 4024 Laguna

Tel (63 49) 756 6840

Fax (63 49) 544 0322

www.global-imi.com

January 30, 2015

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

Attention: Director Vicente Graciano P. Felizmenio, Jr.
Director, Markets & Securities Regulation Department

Philippine Stock Exchange
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: **2014 Annual Progress Report on the Use of Proceeds**

We are pleased to submit our Progress Report on the application of proceeds certified by our external auditors pursuant to the Undertaking executed by Integrated Micro-Electronics, Inc. (IMI) in relation to its Follow-on Offering covering 215,000,000 common shares listed at the Philippine Stock Exchange last December 5, 2014.

Please be informed that the total proceeds amounting to PHP1.6 billion were initially placed in short-term investments in various banks (PHP 717.4 million Philippine Peso investments and \$20 million US Dollar investments). Part of these proceeds was used for capital expenditures amounting to \$438K to sustain operations of various sites and expenditures amounting to \$366K to support continuous business expansion.

The disclosure is being submitted in compliance with the requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.

Thank you.

Very truly yours,

JEROME S. TAN
Chief Finance Officer

REPORT ON ACTUAL FINDINGS

The Stockholders and the Board of Directors
Integrated Micro-Electronics, Inc.
North Science Avenue
Laguna Technopark
Biñan, Laguna

We have performed the procedures agreed with you and enumerated below with respect to the attached 2014 Annual Progress Report as of December 31, 2014 on the application of proceeds from the offering of the common shares of Integrated Micro-Electronics, Inc. (the "Company") on December 5, 2014. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the application of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services (PSRS) 4400, *Engagement to Perform Agreed-upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements. These agreed-upon procedures and results thereof are summarized as follows:

1. We obtained a copy of the Use of Proceeds (the "Plan") from the offering of the common shares of the Company.
2. We obtained the list of short-term investments earmarked for the planned capital expenditures, business expansion, refinancing of debt and capital requirements of the Company and its subsidiaries (collectively referred to as the "Group"), checked its mathematical accuracy and traced these short-term investments to Letters of Instructions (LOI), which were acknowledged by the banks.
3. We obtained the 2014 Annual Progress Report on the Use of Proceeds (the "Progress Report") and checked its mathematical accuracy. We also agreed the Progress Report to the investment report detailing the capital expenditure investments and business expansion costs incurred by the Group.
4. We obtained the LOI for the pre-termination of the short-term investment, which will cover the capital expenditure investments and business expansion costs incurred by the Group.
5. We selected 10 samples of capital expenditures and business expansion costs incurred by the Group and traced these items to the invoices and Purchase Orders (PO).
6. We obtained the LOI for the placement of the excess cash of \$196 thousand (₱8.77 million) arising from the previously pre-terminated short-term investment.

We report our findings below:

1. With respect to item 1, we obtained a copy of the Plan from the offering of the common shares of the Company. We noted from the Plan that the Company intends to use the net proceeds of ₱1,612,500,000 for capital expenditures, business expansion, refinancing of debt and capital requirements of the Group. No exceptions were noted.
2. With respect to item 2, we obtained the list of short-term investments earmarked for planned capital expenditures, business expansion and refinancing of debt and capital requirements of the Group and checked its mathematical accuracy. This is summarized below:

Bank Name	Original Currency	Local Currency
United States Dollar-denominated short-term investments	\$20,000,000	₱895,150,000
Philippine Peso-denominated short-term investments	₱717,350,000	717,350,000
Total		₱1,612,500,000

These short-term investments were traced to LOI, which were acknowledged by the banks. No exceptions were noted.

3. With respect to item 3, we found the Progress Report to be mathematically correct and the amounts agreed to the investment report. We also noted that the amounts in the investment report amounting to \$804 thousand (₱36.00 million) consist of capital expenditure investments of \$438 thousand (₱19.61 million) and business expansion costs of \$366 thousand (₱16.39 million). No exceptions were noted.
4. With respect to item 4, we obtained the LOI for the pre-termination of the short-term investment amounting to \$1.0 million (₱44.77 million). This short-term investment, which was placed in China Banking Corporation (CBC) account number 385-700141-1, was used to settle the capital expenditure investments and business expansion costs incurred by the Group amounting to \$804 thousand (₱36.00 million). No exceptions were noted.
5. With respect to item 5, we selected 10 samples, and agreed these capital expenditure investments and business expansion costs with the supporting documents. We compared the vendor name, amount paid and PO number with the invoice receipts from the suppliers. No exceptions were noted.
6. With respect to item 6, we obtained the LOI for the placement of the excess cash of \$196 thousand (₱8.77 million) arising from the previously pre-terminated short-term investment. The excess cash was placed in short-term investment in CBC account number 385-700141-1. No exceptions were noted.

The remaining balance of the short-term investments earmarked for the planned capital expenditures, business expansion, refinancing of debt and capital requirements of the Group amounted to ₱1.58 billion.

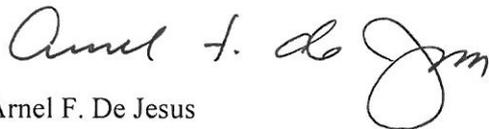
Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the use of proceeds from the offering of common shares based on the said standards.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's application of proceeds from the offering and items specified above do not extend to any financial statements of the Company, taken as a whole.

SYCIP GORRES VELAYO & CO.



Arnel F. De Jesus

Partner

CPA Certificate No. 43285

SEC Accreditation No. 0075-AR-3 (Group A),

February 14, 2013, valid until February 13, 2016

Tax Identification No. 152-884-385

BIR Accreditation No. 08-001998-15-2012,

June 19, 2012, valid until June 18, 2015

PTR No. 4751272, January 5, 2015, Makati City

January 29, 2015