

Provided by: CHI MEI MATERIALS TECHNOLOGY CORP.

Subject	Announcement: The Board of Directors of the Company resolved to issue New Restricted Employee Shares
Date of events	2018/05/04
Statement	1. Resolution date of the board of directors: 107/05/04 2. Expected issue price: NTD 6 per share, paid issuance 3. Expected total amounts (shares) of issuance: NT\$10 par value, a total of 20,000,000 common shares issued 4. Vesting conditions: Employees who subscribed to New Restricted Employee Shares in accordance with the Measures continued to work on the following vested terms from the date of grant, made good service codes, had not violated the company's labor contract, work rules or internal regulations, and had their terms expire before the vested deadline expires and with annual individual performance appraisal graded B and above. New shares will be received respectively on the basis of the following schedule and the proportion of shares subscribed. (1) One year vested: 30% of shares subscribed (2) Two year vested: 30% of shares subscribed (3) Three year vested: 40% of shares subscribed For managers, in addition to the requirements of the preceding paragraph, the vested ratio must also be determined by their prior year performance upon vested period according to the following conditions: (1) Achieve profit target: ratio of subscribed shares of each vested term x100% (2) Less than profit target and no loss: ratio of subscribed shares of each vested term x 80% (3) Loss of profit target and loss: ratio of subscribed shares of each vested term x 50% 5. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance: (1) For employees who subscribe to New Restricted Employee Shares pursuant to the present Measures, or have fully vested complying with Article 5(3) but failed to meet the performance appraisal criteria, all of their shares purchased pursuant to these Measures shall be purchased by the Company at the original subscription price and shall be cancelled. (2) Leave without pay: For employees who subscribe to New Restricted Employee Shares pursuant to the present Measures applied for parental leave, injury/sick leave and military service leave shall be deducted from the actual number of days of work and shall be deferred to calculate the number of shares granted in accordance with these Measures. During the term of office, if the calculated period of service has reached the vested period specified in Article 5, the outcome of the latest performance is used to decide whether to achieve vested conditions. Those who have not achieved the vested conditions of performance or have stayed for other reasons are to comply with condition (1) of this article. (3) Voluntary resignation: For employees who subscribe to New Restricted Employee Shares pursuant to the present Measures voluntarily apply for resignation and the resignation does not reach the vested conditions set out in Article 5. From the effective date of the resignation, all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price and shall all be cancelled. (4) Lay-off (or dismissal): For employees who subscribe to New Restricted Employee Shares pursuant to the present Measures subsequently were laid-off (or dismissed) in accordance with the relevant provisions of the Labor Standards Act, and the lay-off (or dismissal) effective date does not meet the vested condition defined by article 5, from the effective date of the lay-off (or dismissal), all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price and shall all be cancelled. (5) Retirement: For employees who subscribe to New Restricted Employee Shares pursuant to the

present Measures subsequently applied for retirement and effective date of retirement does not meet the vested condition defined by article 5, from the effective date of the retirement, all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price and shall all be cancelled.

(6) Death: For employees who subscribe to New Restricted Employee Shares pursuant to the present Measures subsequently died and date of death does not meet the vested condition defined by article 5, from the date of death, all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price and shall all be cancelled.

(7) Employees who cannot continue to work due to physical disabilities caused by occupational hazards: For employees who subscribe to New Restricted Employee Shares pursuant to the present Measures, subsequently stopped working due to physical disabilities caused by occupational hazards on the date they left the jobs and they do not meet the vested condition defined by article 5, all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price and shall all be cancelled.

(8) Death due to occupational hazards: it may be handled as a separate case. The chairman of the board of directors verifies whether the inheritor of the employee inherits the shares granted by him and verifies that the vested period is fulfilled on the date of grant of the employee or at the beginning of the inheritance. The approved successor, immediately after the succession of his legal heirs to the succession, follows the relevant provisions of the inheritance code of the civil law and the “Criteria Governing Handling of Stock Affairs by Public Stock Companies”, completes the necessary statutory procedures, and provides relevant supporting documents to obtain the above described Shares, but their share disposal rights shall still be subject to the limitation of the vested period approved by the chairman of the board of directors.

(9) Transfer: When employees apply for transfer to an affiliated company or other company (except for a subsidiary) on their own, the non-vested portion for New Restricted Employee Shares subscription shall be treated in the same manner as those who leave the company. If, as required by the company's operations, the employee is transferred to a related company or other company (other than a subsidiary company), its rights to subscribe for new shares will not be affected by the transfer; but it still needs to be restricted subject to the third vested conditions. And the employee shall continue to serve the assigned affiliated company, or other companies (except for subsidiaries), and their personal performance evaluation by the company's chairman of the reference to the company's performance assessment to verify whether the vested conditions.

6. Other terms and conditions of issuance: NO

7. Qualification requirements for employees: (1) Official Employees starts working before New Restricted Employee Shares Grant day. The actual implementation of this measure depends on the number of employees who subscribe to New Restricted Employee Shares pursuant to the present Measures, and the factors, such as seniority, position, grade, performance, overall contribution, special merit or other management needs, will be included. Consideration of the company's operational needs and business development strategies are reviewed by the board of directors and submitted to the board of directors for resolution; managers and directors with employee status should first be approved by the Compensation Committee.

(2) The company has issued the employee stock option certificate in accordance with the first paragraph of Article 56(1) of the disposal criteria that cumulative number of shares subscribed by the single option holder, and the total amount of New Restricted Employee Shares obtained by the accumulative shareholder shall not exceed 0.3% of the total number of the issued shares. Also, in accordance with the first paragraph of Article 56(1) of the disposal criteria, the company issued the employee stock option certificate subscribed by the single option holder shall not exceed 1% of the total number of the issued shares. However, if it is approved by the central governing agencies, the total amount of a single employee's employee share option certificate and New Restricted Employee Shares may not be limited by the percentage of issued shares as mentioned above.

8. The reason why it is necessary to issue restricted stocks for employees: to attract and retain the talents required by the company, to motivate employees and to enhance employee co-ordination so as to jointly create the interests of the company and shareholders.

9. Calculated expense amount: Possible expenditure of employee bonus shares was calculated based on NT\$10.90/share (2018/4/25 closing price, i.e. the day before the sending out the board meeting notification.), and the estimated cost of spending is approximately NT\$98,000; based on the defined vest period, and vest condition, apportionment of annualized expenses after issuance in 2018, 2019, and 2020 will be NT\$ 29,400 (Thousand), NT\$ 29,400(Thousand) and NT\$ 39,200(Thousand) respectively.

10. Dilution of EPS: Based on the current number of issued shares of 665,728,500 shares of the Company and the expected 2007 cash inflows to issue common shares to participate in the issuance of overseas depository receipts of 200,000,000 shares, the annual dilution of earnings per share after the issuance is NT\$0.03, NT\$0.03 and NT\$0.04 in 2018, 2019 and 2020 respectively. The dilution of the company's earnings per share for the coming year is still limited, so there is no significant impact on the shareholders' equity.。

11. Other factors affecting shareholder's equity: NO

12. Restricted rights before employees meet the vesting conditions: (1) Before the vested conditions are fulfilled, the employee shall not sell, pledge, transfer, donate, set, or otherwise dispose of New Restricted Employee Shares that they subscribe to in accordance with the Measures.

(2) Restriction on Shareholders (subscription) stock dividends: New Restricted Employee Shares issued by the Measures may participate in allotment, interest-bearing, cash-increment and share-holding prior to the subscription and before reaching the vested conditions.

(3) During the vest period, if the company carried out a capital reduction, New Restricted Employee Shares will be cancelled proportionally. If the capital reduction is done by cash return, the returned cash should be kept under company's custody, and be paid to the employees upon vested condition is fulfilled; if the employee does not meet the vested condition, all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price.

(4) After New Restricted Employee Shares were subscribed but the vest condition has not been fulfilled, the stocks should be entrusted to the trust depository institution. Employees may not request return from the trustee for any reason or method.

(5) Before vest condition is fulfilled, the attendance, proposals, speeches, voting rights and other relevant shareholders' rights and interests of the company's shareholders' meeting were all entrusted to the trust depository institution to exercise.

13. Other important stipulation (including securities trust etc.): Employees who subscribe to New Restricted Employee Shares pursuant to the present Measures during the period of the trust issuance, the discretionary staff of the company and the stock trust institution shall discuss, sign, amend, extend, terminate, terminate, and transfer the trust custody contract (shares and cash), and other behaviors pursuant to this measure

14. Any other matters that need to be specified: (1) This measure was approved by over 1/2 votes out of higher than 2/3 attendance rate. Hereafter, in case of the need to make amendments due to changes in the decree or request of the competent authority to audit, the Chairman will be authorized to amend the Measures, and then he would issue the approval of Board of Directors.

(2) If there are any unfinished matters in this Measure, except as otherwise provided in the Act, the full powers of the Board of Directors or its authorized persons shall be revised or implemented in accordance with the relevant laws and regulations. °