

Provided by: CHI MEI MATERIALS TECHNOLOGY CORP.

2017 Q4 Report GDRs USE OF PROCEEDS

Code of listed company		4960		
Approval date		March 30,2017		
Date of board resolution, Project change		NIL		
Type		GDRs		
Project series NO.		1		
Estimate completion date		July, 20, 2017		
Year		2017		
Quarter		4		
Date of declaration		January, 4 th ,2018		
Use of unexpended balance		NTD\$ 472,581 thousand. Bank savings.		
Use of proceeds				
Anticipated spend amount	0	Cumulative anticipated spend amount	1,950,000,000	100.00%
Actual spend amount	1,349,546,000	cumulative actual spend amount	1,477,419,000	75.76%
Reasons of ahead or delayed; improvement plan	N/A			
Progress				
Anticipated progress	0 %	Cumulative anticipated progress	100.00 %	
Actual progress	69.21 %	Cumulative actual progress	75.77 %	
Reasons of ahead or	N/A °			

delayed; improvement plan	
Anticipated Benefit	
Anticipated benefit and actual achievement	The use of proceeds is for procurement of raw materials overseas. However the fundraising has not been accomplished in 4th quarter, because most procurement orders of overseas raw materials were at the end of Q4, and payment dates were yet due. The unexpended proceeds will be used completely in first quarter, 2018. After evaluation, the progress is reasonable.
Anticipated benefit and actual achievement	Difference: ☐ yes ☒ no
Have underwriter or CPA issued any opinion?	
OPINION from Underwriter: Fubon Securities Co., Ltd. Offshore Securities Unit OR CPA: Deloitte & Touche	1. progress of use of proceeds • normal ☐ abnormal opinion(please state if there is any progress ahead or delayed): The issuance of capital increase through new shares to sponsor the issuance of GDRs, total fundraising is USD\$64,913 thousand) (approx. NTD\$ 1,950,000 thousand). The proceeds will be used for the procurement of raw materials overseas. As of December 31, 2017. Actual spend amount is NTD\$1,477,419 thousand, which the progress is 75.77%. The use of proceeds is for procurement of raw materials overseas and is expected consummation at 2017 4th Quarter. However, most procurement orders of overseas raw materials were at the end of Q4, and payment dates were yet due. The rest of fund will be used completely by first quarter of 2018. After evaluation, the progress is reasonable. 2. Anticipated benefit and achievement: • normal ☐ abnormal Opinion: The issuance of capital increases through new shares to sponsor GDRs have been accomplished by September 12, 2017. The benefit of this project has been appearing gradually with the fund has been vested in accordingly. Cumulative revenue of the year growth over the same period comparing to previous year. Therefore, there is no significant difference of anticipated benefit and

achievement. As of the 4th quarter of 2017, most procurement orders of overseas raw materials were at the end of Q4, and payment dates were yet due which caused the use of proceeds were delayed. Considering above reasons, the progress is reasonable.

3. Use of unexpended proceeds: ● normal ○ abnormal

1. Use: Bank savings.

2. ○ **yes** ● **no: pledged**

Opinion: As of December 31, 2017, unexpended proceeds are NTD\$472,581 thousand and are currently deposited in the bank account not pledged. The use of unexpended proceeds is reasonable.

4. Project change: ○ yes ● no

Opinion:

The motion for the company in capital increase though an issuance of new shares by sponsoring an issuance of GDRs, use of proceed is 75.77%, although, the progress is yet achieved anticipated target, still a reasonable case. Therefore, there is not required for project change.