



Provided by: CHENG MEI MATERIALS TECHNOLOGY CORPORATION

SEQ_NO	4	Date of announcement	2021/03/12	Time of announcement	17:13:20
Subject	The Board of Directors of the Company resolved to issue Restricted Stock Awards(RSA) for employees				
Date of events	2021/03/12	To which item it meets	paragraph 11		
Statement	1.Date of the board of directors resolution:2021/03/12				
	2.Expected issue price:The shares are issued at price of NT\$0 per share, and are granting to selected employees at no cost.				
	3.Expected total amount (shares) of issuance: The par value per share is NT\$10, a total ammount of 20,000,000 common shares will be issued.				
	4.Vesting conditions: The selected employees who have been granted Restricted Stock Awards in compliance with the Measurement, continued to work on the following vested terms from the record date of grant (the record date of cash capital increase), and had met the performance criteria will receive new shares respectively on the basis of the following schedule and the proportion of shares subscribed.				
	performance criteria				
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		A+	A	B+	B and below
	6 months after granting	10%	80%of10%	50%10%	0
	1 year after granting	20%	80%of20%	50%20%	0
	2 years after granting	30%	80%of30%	50%30%	0
3 years after granting	40%	80%of40%	50%40%	0	
1.Upon failure to meet the vesting conditions of Restricted Stock Awards, after the vesting effective date, such shares will be redeemed by the Company without compensation and will be canceled.					
2.The abovementioned granting shares are calculated by rounding and in units of shares.					

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5.Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:

(1)Resignation, termination of employment contract

in accordance with article 11 and 12 of the Labor Standards Act,

Death: Failure to meet the vesting conditions of Restricted Stock Awards causes void of the grant from the effective date or the day when cause occurs depending on whichever date is arrived earlier.

(2)Retirement:

In the latest period after the effective date,fail to meet the vesting conditions which shall be fulfills, still follow the schedule to calculate the proportion of share in accordance with article 3 of the Measurement.

(3)leave with salary suspended:

In the latest term set forth on the vesting schedule after the effective date, failure to meet the vesting conditions, still follow the schedule to calculate the proportion of shares in accordance with article 3 of the Measurement. article 1 of the Measurement will be conducted, when reinstatement after the ending of the leave with salary suspended.

(4)Disability or death caused by work injury, or death

A.Employees who cannot continue to work due to physical disabilities caused by work or work related activities.

In the latest term set forth on the vesting schedule after the effective date, fail to meet the vesting conditions, still follow the schedule to calculate the proportion of shares in accordance with article 3 of the Measurement.

B. Death due to work and work related activities,in accordance with article 3 of the Measurement, and the heir will inherit the grant vested.

(5)Transfer:

A. When employees are transfered to an affiliated company or other subsidiary, and fail to meet the vesting conditions, such employees shall be treated in the same manner as those who leave the company.

B. If, due to the company's operations,an employee is transferred to an affiliated company or other subsidiary, the employee's rights RSA scheme will not be affected.

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(6)An employee declares in writing to waive the RSA, the grant will be redeemed without compensation by the Company and canceled.

(7)An employee violates company's regulations and has been marked as a major demerit, RSA will be redeemed by the Company and canceled.

6.Other issuance criteria:nil

7.Qualification criteria for employees:

1.Official Employees starts working before the record date of grant.

2.The grant of RSA will be based on seniority, job level, position, job performance, overall contribution,special achievement or other conditions required as the basis for management. The number of shares granted shall be approved by the Chairman and submitted to the Board of Directors for resolution.

Any employee who holds a managerial position shall be subject to the approval of the Remuneration Committee.

3. The company 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 RSA 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 regulator, the total amount of a single employee' s employee share option certificate and RSA may not be limited by the percentage of issued shares as mentioned above.

8.The necessary reason of the current issuance of RSA:

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:

The Company shall measure the fair value of the shares on the record date of grant and recognize the related expenses by year during the vesting period.Under the circumstance where all the vesting conditions have been met,the total estimated calculated expense amount at NT\$11.6, the closing price of the Company' s common stock on

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March 3, 2021, is NT\$232,000 thousand. The estimated calculated expense amounts for 2021 to 2024 respectively are NTD 80,342 thousand, NTD 88,488 thousand, NTD 48,000 thousand, and NTD 15,170 thousand.

10. Dilution of the Company's earnings per share (EPS):

Calculated on the basis of 665,728,500, the number of the Company's outstanding common shares on March 3, 2021, the dilution on Company's EPS is estimated in the amount of NTD 0.12, NTD 0.13, and NTD 0.07, and NTD 0.02 for 2021 to 2024, respectively.

11. Other matters affecting shareholder's equity: No significant impact

12. Restrictions before employees meet the vesting conditions once the RSA are received or subscribed for:

(1) Before the vesting conditions are fulfilled, the employee shall not sell, pledge, transfer, donate, set, or otherwise dispose of RSA that they subscribe to in accordance with the Measurement.

(2) During the vesting period, the RSA can participate in a distribution of share or cash dividends.

(3) During the vesting period, if the company carried out a capital reduction, RSA 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 vesting 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) The RSA shall be delivered to the trust immediately after issuance. Employees may not ask the trustee to return the RSA for any reasons or by any method prior to the fulfillment of vesting conditions.

(5) Before the vesting conditions are fulfilled, an employee violate article 8 of the Measurement or termination the contract, such shares will be repurchased by the Company without compensation.

13. Other important terms and conditions (including stock trust custody, etc.):

Employees who subscribe to RSA 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,

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sign, amend, extend, terminate, terminate, and transfer the trust custody contract (shares and cash), and other behaviors pursuant to this measurement.

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 Measurement, and then he would issue the approval of Board of Directors.

(2) If there are any contingent matters in this measurement, 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.