

Provided by: CHI MEI MATERIALS TECHNOLOGY CORP.

Subject	Announcement resolutions passed by the board of directors of investment in mainland China
Date of events	2017/12/20
Contents:	1.Date of occurrence of the event: 2017/12/20 2. Method of the present increase (decrease) in investment: CMMT proposes to increase capital of sub-subsidiary, KMCMMT, which remain no more than 50% after capital increase. Amount of investment: USD73,000,000 3.Transaction volume, price per unit, and total monetary amount of the transaction: Amount of investment: USD73,000,000 (approx. NTD\$2,188,905,000) 4.Company name of the invested mainland Chinese company: Kunshan Chimei Materials Technology Corp. 5.Paid-in capital of said invested mainland Chinese company: NTD\$.4,695,844,000 6.Amount of new capital increment currently planned by said invested mainland Chinese company: USD\$146 million 7.Main business items of said invested mainland Chinese company: Polarizer 8.Type of CPA opinion issued for the financial statement of said invested mainland Chinese company for the most recent fiscal year: Unqualified Opinion 9.Net worth of said invested mainland Chinese company on the financial statement for the most recent fiscal year: NTD\$ 4,404,670,000 10.Amount of profit/loss of said invested mainland Chinese company on the financial statement for the most recent fiscal year: NTD\$ -9,987,000 11.Amount of actual investment to date in said invested mainland Chinese company: USD\$73,500,000 12.Counterparty to the transaction and its relationship to the Company: Indirect Holding 49% sub-subsidiary 13.Where the counterparty to the transaction is an actual related party, public announcement shall also be made of the reason for choosing the related party as the counterparty and the identity of the previous owner (including its relationship with the company and the trading counterpart), the date of transfer, and the price: Indirect holding 49% sub-subsidiary would propose capita increase; CMMT proposes to remain no more than 50% shareholding after capital increase investment of sub-subsidiary, so not to dilute equity; N/A

14. Where a person who owned the subject matter of the transaction within the past five years has been an actual related party of the company, public announcement shall also be made of the dates and prices of acquisition and disposal by the related party and such party's relationship to the company at those times: [N/A](#)

15. Gain (or loss) on disposal: [N/A](#)

16. Terms of delivery or payment (including payment period and monetary amount), restrictive covenants in the contract, and other important stipulations: [Implementation after MOEAIC approved.](#)

17. The manner of deciding on this transaction, the reference basis for the decision on price and the decision-making department: [Board of directors](#)

18. Broker: [N/A](#)

19. Concrete purpose of the acquisition or disposal:

[To support NO.2 production line capital expenditure of Kunshan Chimei Materials Technology Corp. and the technology licensing fee of Nitto Denko](#)

20. Do the directors have any objection to the present transaction? [N/A](#)

21. Total amount of mainland China area investment (including the present investment) approved by the Investment Commission to date:

[USD\\$86,800,000 \(approx. NTD\\$2,661,810,000\)](#)

22. Ratio of the total amount of investment (including the present investment) in the mainland China area approved by the Investment Commission to date to the paid-in capital on the financial statement for the most recent period: [39.98%](#)

23. Ratio of the total amount of investment (including the present investment) in the mainland China area approved by the Investment Commission to date to the total assets on the financial statement for the most recent period: [11.33%](#)

24. Ratio of the total amount of investment (including the present investment) in the mainland China area approved by the Investment Commission to date to the shareholders' equity on the financial statement for the most recent period: [23.06%](#)

25. Total amount of actual investment in the mainland China area to date:

[USD\\$86,800,000 \(approx. NTD\\$2,661,810,000\)](#)

26. Ratio of the total amount of actual investment in the mainland China area to date to the paid-in capital on the financial statement for the most recent period: [39.98%](#)

27. Ratio of the total amount of actual investment in the mainland China area to date to the total assets on the financial statement for the most recent period: [11.33%](#)

28. Ratio of the total amount of actual investment in the mainland China area to date to the shareholders' equity on the financial statement for the most recent period: [23.06%](#)

29.Amount of recognized profits and losses on investment in the mainland China area for the most recent three fiscal years:

2014, NTD\$ 134,689,000; 2015, NTD\$248,097,000; 2016, NTD\$-544,330,000

30.Amount of profit remitted back to Taiwan for the most recent three fiscal years:0

31.Has the CPA issued an opinion on the unreasonableness of the price of the current transaction?:N/A

32.Any other matters that need to be specified: Amount of investment:

Amount of investment: USD73,000,000 (approx. NTD\$2,188,905,000)

According to Bank of Taiwan exchange rate on 20, December, 2017, USD/TWD: 29.985, to calculate.