

CHENG MEI MATERIALS TECHNOLOGY CORP.

Minutes of 2020 Annual General Meeting

Time : April 30, 2020, 9AM

Venue : No.12, Zhongxin E. Rd., Xinshi Dist., Tainan City (Audio Visual Conference Hall at Tree Valley science center)

Total outstanding shares of the company 665,728,500 shares

Total shares represented by shareholder in person or by proxy: 465,250,783 shares
(including the electronic attending shares of 82,936,767shares), accounted for 69.88% of total.

Attended by: J.Y., Ho, (Chairman), W.L., Lu (Director representing Beyond Co., Ltd),
W.T., Liu (INED), G.S., Huang (INED), C.C. Wu, (PWC Taiwan accountant), J.L,
Chen (Attorney)

Chairman: J.Y., Ho (Chairman)

Recorded by: J.R., Li

1. The Chairman Calls the Meeting to order

2. Chairman's Remark : (omitted)

3. Report Items :

Item 1. 2019 business report.

Explanatory note: Please refer to Attachment 1

Item 2. 2019 Auditor Committee's Review Report.

Explanatory note: Please refer to Attachment 2

Summary of shareholder speech:

Shareholder (AC NO.: 00010409): Inquiry about the recent media reports about the proxy fee of 2019 shareholder meeting of the company, please explain.

The inquiry was fully explained and answered by the chairman.

Item 3. Status report of the resolution of the shareholders' meeting of the Company in 2019 of conducting the issuance of public offering or private offering of common shares, or to issue new common shares to sponsor the issuance of global depositary receipts.

Explanatory note:

1. In order to meet future demands from market growth of the company, in 2019 Annual General Meeting resolute to authorized Board of directors meeting to raise capital within the range of less than aggregate of 200,000,000 shares through various financial vehicles including public

offering or private placement.

2. Considering the circumstance of current capital market, on March 18, 2020, the Board of directors meeting resolute not to continue aforementioned motion.

Item 4. 2019 Endorsement & Guarantee status report.

Explanatory note:

1. As of December 31, 2019, the company's endorsement & Guarantee status is as follows, The Board of Directors of Cheng Mei Materials Technology Corp. agreed to make endorsement/guarantee for the bank loan borrowed by Kunshan Chi Materials Technology Corp. subject to the shareholding of 49% and 49.49% on August 10, 2016. The balance on December 31, 2019 was NT\$ 3,444,732 thousand. The actual drawdown was NT\$ 2,342,259 thousand.
2. The Board of Directors of Cheng Mei Materials Technology Corp. agreed to make endorsement/guarantee for the bank loan borrowed by 100% subsidiary, Cheng Huei Trading Co. Ltd on November 6, 2018. The balance on December 31, 2019 was NT\$1,199,200 thousand. The actual drawdown was NT\$ 0.
3. The Board of Directors of Kunshan Chi Mei Materials Technology Corp. agreed to make endorsement/guarantee for the bank loan borrowed by 100% subsidiary, Kunshan Chimei Trading Co. Ltd on Feb 1, 2019. The balance was NT\$861,000 thousand. The actual drawdown was NT\$ 91,609 thousand.

Item 5. Report of shareholders' proposal.

Explanatory note:

1. During submission period of shareholder proposal, (Feb 24, 2020 ~ March 6, 2020), the company received two proposals.
2. Regarding to the liability conflict interest of INED Yen-Sung, Chen and CFO Ken Chen, legal prosecution raised by attorney. Due to the shareholder does not hold at least 1% of the outstanding shares during the submission period; therefore, the proposal not listed.
3. Dismissal of INED Yen-Sung, Chen. Due to INED Chen resigned on March 17, 2020, therefore, the proposal not listed.

4. Ratification Items

Item 1. 2019 Business Report & Financial Statements Report. (Proposed by

the Board of Directors)

Explanatory note :

1. The Company's 2019 annual individual and consolidated financial statements, including the Balance Sheet, Comprehensive Income Statement, Statement of Changes in Equity, and Statement of Cash Flows, has been completed and are commissioned to Independent Auditors Liu, Zhi-Meng and Jian-Zhi Wu from Pierce Water Coopers Taiwan to review and to issue relevant Audit Reports.
2. Please refer to Attachments for the Business Report, Audit Reports issued by Independent Auditors, and the financial statements of the company.
3. Please Recognize and Ratify

Resolution :

Votes presented at the meeting in total : 465,250,783 votes (including by electronic votes 82,936,767 votes)

For : 398,695,095 votes (including by electronic votes 73,930,812 votes)

Against : 51,718votes (including by electronic votes 51,718 votes)

Invalid : 0

Abstain : 66,503,970 votes (including by electronic votes 8,954,237 votes)

The votes cast "For" are of 85.69% of the votes presented at the meeting in total.

The proposal has resolved as proposed.

Item 2. 2019 Appropriation of profit & loss (Proposed by the Board of Directors)

Explanatory Note :

CHENG MEI MATERIALS TECHNOLOGY CORP.

2019 Appropriation of Profit & Loss

In New Taiwan Dollars

Items	Amount
The initial unappropriated retained earnings	\$1,890,165,596
Current net (loss) profits (EPS-1.03/share)	(688,558,502)
Determination of a 10% mandatory reserve	0
Determination of a special reserve (note)	<u>(229,330,401)</u>
other	<u>50,000</u>
Current distributable profits	972,326,693
Items to be allocated	
Shareholders' cash dividend	0

The end unappropriated retained earnings	\$972,326,693 =====

Note: The accumulated balances of the "Exchange Differences on Translation of Foreign Financial Statements" and "Unrealized Gain or Loss on Available-for-sale Financial Assets" have booked the reduction of shareholders' rights and determined a special reserve of NTD229,330,401.

Chairman : J.Y., Ho

President : J.Y. Ho

Accounting Officer : W.C. Lian

1. The net loss in 2019 is NTD 688,558,502 and the Board proposes not to issue shareholder dividends.

2. Please recognize and ratify.

Resolution :

Votes presented at the meeting in total : 465,250,783 votes (including by electronic votes 82,936,767 votes)

For : 399,068,460votes (including by electronic votes 74,304,177 votes)

Against : 55,751votes (including by electronic votes 55,751 votes)

Invalid : 0

Abstain : 66,126,572 votes (including by electronic votes 8,576,839 votes)

The votes cast "For" are of 85.77% of the votes presented at the meeting in total.

The proposal has resolved as proposed.

5. Discussion Items

Item 1: To conduct the issuance of common shares through private placement, the issuance of new common shares through Global depositary receipt, the issuance of overseas, or domestic convertible bonds.

(Proposed by the Board of Directors)

Explanatory Note :

1. In seeking of joint development of polarizer-related technologies and opportunities in strategic alliance with domestic or foreign industry players, and also for raising working capital for the company to meet future demands from market growth, CMMT proposes to raise capital through various financial vehicles including public offering or private placement depending on market environments and CMMT's operation needs in the future. CMMT may elect to issue common shares for cash, to issue common shares as preparation for the issuance of Global Depositary Receipts or to issue convertible corporate bonds in domestic or in overseas (secured/unsecured). CMMT proposes at the Annual Shareholders' meeting that the Board of Directors is authorized from shareholders to render the power of determining the actual issuing price, and the issuing amount of common shares for conversion within the range of less than aggregate of 200,000,000 shares to the Board of Directors.
2. To increase the amount of registered capital of the company via public offering for cash
 - (1) Capital increase in cash via issuing common shares will be conducted by way of either (or both) book building or public subscription.
 - (2) Conducted by way of book building:
 - I. If the underwriting process is conducted by way of book building, except that 10% to 15% of the newly issued shares shall be reserved for subscription by employees of this Company in accordance with Article 267 of the Company Act, the remaining 85% to 90% of the newly issued shares shall be issued to the public by way of book building after the approval at the shareholders' meeting where existing shareholders waive their preemptive right to subscribe the new shares pursuant to Article 28-1 of the Securities and Exchange Act. In case the employees waive their rights or any shares remain unsubscribed, the Chairman is authorized to contact specific persons to subscribe to the remaining shares.
 - II. The issuing price of common shares may not be less than 90% of the

simple arithmetic average of the closing prices of the common shares either one, three or five business days prior to the pricing date, after deduction of bonus shares from dividends (or capital reduction), as required pursuant to Article 7 of the “Bylaws for Assisting Listed Company in Rights Issue by Underwriter Members of Taiwan Securities Association” (“TSA Bylaws”). The Board of Director proposes to authorize chairman negotiating with the lead manager and/or lead investor when determining the actual issuing price based on the above-described price range and the overall situation of book building.

(3) Conducted by way of public subscription

I. If public subscription method is adopted, 10% to 15% of the newly issued shares shall be reserved for subscription by employees of this Company, another 10% will be allocated to the public and the remaining 75% to 80% of the shares shall be subscribed by the existing shareholders based on their shareholding percentage on the record date for subscription. In case the existing shareholders or the employees waive their rights or any shares remain unsubscribed, the Chairman is authorized to engage with specific investor to subscribe to the remaining shares.

II. The issuing price of common share may not be less than 70% of the simple arithmetic average of the closing prices of the common shares either one, three or five business days prior to the pricing date, after deduction of bonus shares from dividends (or capital reduction), as pursuant to Article 6 of the TSA Bylaw. The company proposes to authorize Chairman negotiating with the lead manager and/or lead investor when determining the actual issuance price based on the above-described price range and the overall market situation.

3. Issuance of New Shares (Common Shares or Preferred Shares) as preparation for the Issuance of Global Depository Receipts for Cash

(1) For issuance of new shares to sponsor the issuance of overseas depository receipts (“DR Issuance”) for cash consideration, 10% to 15% of the newly issued shares shall be reserved for subscription by employees of the Company in accordance with Article 267 of the Company Act, the remaining 85% to 90% of the newly issued shares shall be offered to the public pursuant to Article 28-1 of the Securities and Exchange Act as underlying securities to sponsor the DR Issuance. In case the employees waive their rights or any shares remain unsubscribed, the Chairman is

- authorized to contact specific persons to subscribe to the remaining shares.
- (2) The issuance price for common shares sponsoring the DR Issuance may not be less than 90% of the simple arithmetic average of the closing prices of the common shares either one, three or five business days prior to the pricing date, after deducting bonus shares from dividends (or capital reduction), as required pursuant to Article 9 of the TSA Bylaw. It is proposed that the Chairman be authorized to negotiate with the lead manager and determine the actual issuance price based on the above-described price range and the overall market condition.
4. Issuance of common shares or convertible corporate bond through private Placement (Subject to Article 43-6 section VI of the Securities and Exchange Act as well as the Directions for Public Companies Conducting Private Placements of Securities)
 - (1) The necessity and reasonableness of the issuing price of the common share and convertible corporate bond:
 - I. The actual issuing price of the common shares must not less than 80% of the reference price. It is of the possibility that the price of common shares issued may be lower than the face value of the common shares stated. In such occasion, the issuing price shall be deemed reasonable by reference to the relevant laws and regulations. The reference price is determined by the highest price that is calculated through the following methods. A. The issuing price of common share may not be less than 80% of the simple arithmetic average of the closing prices of the common shares either one, three or five business days prior to the pricing date, after deducting bonus shares from dividends (or capital reduction) B. Closing prices in average of the stock in 30 days before the pricing date. On occasion of the price per share of the common shares is lower than the face value due to market conditions in the future, the aggregated loss incurred on the shareholders' equity will be offset depending on the company's business operation going forwards
 - II. The actual issuing price of the convertible corporate bond must not less than 80% of the theoretical price. Such the theoretical price is determined by pricing model established on the basis of each right contained in the issuing terms and conditions. Raising working capital through the issuance of the bond is necessary for CMMT's operation and growth. The actual issuing price should be deemed reasonable because the pricing method

properly reflects market environment and is subject to the relevant laws and regulations. On the occasion of the actual issuing price is lower than the face value due to downturn market environment. The aggregated loss incurred on the shareholders' equity will be offset depending on the company's business operation going forwards.

III. Pricing date, the reference price, the theoretical price, actual issuing price and terms and conditions (including interest rates, price for conversion, period and procedure for conversion) are proposed at the Annual shareholders' meeting seeking authorization from shareholders to render the power of determining the matters mentioned above to the Board of the Directors. The Board of Directors shall consider the market environment, terms and investors in the contemplation of making the determination referred above. Notwithstanding the aforementioned, the lock-up period of the common shares are for three years.

(2) The method of selecting investors: Pursuant to the article 43-6 section 1 of Securities and Exchanges Act, a qualified investor must recognize CMMT's core value and be capable in assisting CMMT to facilitate the development in technologies, to improve quality of production, to reduce cost, to enhance efficiency. A qualified strategic investor is expected to assist CMMT's long-term development. The company proposed at the Annual Shareholders Meeting seeking authorization from shareholders to render the power of selecting strategic investor to the Board of Directors.

(3) Necessity and Reasonableness of private placement

I. In consideration of capital market environment, time and plausibility of raising capital, cost of issuance, strategic investor as well as the 3 years lock-up period on the transferability of the shares, private placement offering pursues the long-term relationship between the company and strategic investor.

II. CMMT may engage in private placement offering once or for several times (not exceed in 3 times) for supplementing working capital, thus enhancing operational efficiency, financial structure and causing positive effects on shareholders equity.

(4) The private placement offering is subject to the article 43-8 of Securities and Exchanges Act and relevant regulations and directions.

5. The Board of Director proposes at the shareholders' meeting approves and authorizes the Board of Directors with full power to decide, adjust, amend

and implement the fund-raising plan, including actual issuing price, volume of shares to be issued, terms of issuance, proposed items, offering size, progress and projected effects, as well as all matters related to the issuance plan. It is also proposed that the shareholders authorize the Chairman or his designated person to approve and sign all documents related to the issuance and handle all relevant matters on behalf of the Company.

6. The Chairman is fully authorized to handle any matters not fully provided for above in accordance with the law
7. Submitted for discussion.

Summary of shareholder speech:

Shareholder (AC NO.: 00010409): The private placement proposal is expected to issue domestic and overseas convertible bonds. In accordance with relevant regulations, major issuance conditions shall be specified in detail.

The inquiry was fully explained and answered by the chairman.

Resolution :

Votes presented at the meeting in total : 465,250,783 votes (including by electronic votes 82,936,767 votes)

For : 326,106,199 votes (including by electronic votes 1,341,916 votes)

Against : 73,017,017 votes (including by electronic votes 73,017,017 votes)

Invalid : 0

Abstain : 66,127,567 votes (including by electronic votes 8,577,834 votes)

The votes cast "For" are of 70.09% of the votes presented at the meeting in total.

The proposal has resolved as proposed

Item 2: Amendment of Procedure of Loan to others.

(Proposed by the Board of Directors)

Explanatory note:

1. For the necessity of the business operation, the company proposes to amend the Procedures for Lending Funds to Other Parties
2. Submitted for discussion. (Please refer to Chinese-language version of handbook for Procedure of Loan to others.)

Resolution :

Votes presented at the meeting in total : 465,250,783 votes (including by electronic votes 82,936,767 votes)

For : 398,882,995votes (including by electronic votes 74,118,712votes)

Against : 85,224votes (including by electronic votes 85,224 votes)

Invalid : 0

Abstain : 66,282,564 votes (including by electronic votes8,732,831 votes)

The votes cast “For” are of 85.73% of the votes presented at the meeting in total.

The proposal has resolved as proposed

Item 3: Amendment of Procedure of Endorsement and Guarantees.

(Proposed by the Board of Directors)

Explanatory note:

1. For the necessity of the business operation, the company proposes to amend Procedures for Endorsement & Guarantee
2. Submitted for discussion. (Please refer to Chinese-language version of handbook for Procedure of Endorsement and Guarantees.)

Resolution :

Votes presented at the meeting in total : 465,250,783 votes (including by electronic votes 82,936,767 votes)

For : 398,884,993votes (including by electronic votes 74,120,710votes)

Against : 83,228votes (including by electronic votes 83,228 votes)

Invalid : 0

Abstain : 66,282,562 votes (including by electronic votes 8,732,829 votes)

The votes cast “For” are of 85.73% of the votes presented at the meeting in total.

The proposal has resolved as proposed

6. Extemporaneous Motions : (Proposed by shareholder Attendance Card No. A0000003)

Item: Appointment of inspector to inspect the liability conflict interest of former INED Yen-Sung, Chen and former CFO Ken Chen of the company.

Explanatory note:

1. To apply in accordance with Article 184-2 of Company Act.
2. The former INED Y.S, Chen, and the former CFO Ken Chen served as director and chairman to operate and make profits at the other company which was disclosed by shareholder. However, there were nor any corrections or countermeasures. It obviously highlights former INED Y.S. Chen has lost the function of supervision and also damaged the internal control and internal audit system of the company. Although INED Y.S. Chen resigned in advance, in order to protect the interests of all shareholders, hereby to propose to appoint attorney H.Z. Ho as the inspector of the company, and to inspect and pursue responsibility for violations of the legal prohibition.
3. In addition, the former INED Y.S. Chen, and former CFO Ken Chen have obstructed in the event of bank negotiations and investment issues in mainland China which caused the loss of business opportunities.
4. After the inspection, Chairman or INED of the company is authorized to raise legal prosecution in accordance with relevant law.
5. Submitted for discussion.

Chairman adjournment: The motions proposed by shareholder (Attendance Card No. A0000003) shall be listed in extemporaneous motions and put into vote section.

Resolution :

Votes presented at the meeting in total : 465, 250, 783 votes

For : 324, 609, 283 votes

Against : 0 votes

Invalid : 0

Abstain : 140, 641, 500 votes (including by electronic votes 82, 936, 767 votes)

The votes cast "For" are of 69. 77% of the votes presented at the meeting in total.

The proposal has resolved as proposed.

7. Adjournment: 9:58 AM of the meeting day, all shareholders presented in the meeting has unanimously resolved to adjourn the shareholder meeting.

(For the convenience of readers and for information purpose only, the Minute of Annual General Meeting has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version, the Chinese-language version shall prevail.