

CHENG MEI MATERIALS TECHNOLOGY CORP.
2022 1st Extraordinary Shareholders' Meeting Minutes

(English Translation for Reference Only)

Time: 9:00 a.m., December 30, 2022

Place: No.12, Zhongxin E. Rd., Xinshi Dist., Tainan City (Tree Valley science center)

Total shares represented by shareholders present in person or by proxy: 416,670,279 shares (including the electronic attending shares of 36,974,680 shares), accounted for 61.80% of total shares of 674,144,510 shares, the Company's total outstanding shares (deducting non-voting shares as required in Article 179 of the Company Act)

Attended by: J.Y., Ho, (Chairman), W.T, Liu (INED and Convener of Audit Committee), J.E, Chang (INED), Abraham Investment Co., Ltd (Director), Ever Fortunes International Investment Co., Ltd (Director), Leo Huang (Director, representative of Yen Wen Asset Management Consultant Co., Ltd.), Chien Zhi, Wu (PWC Taiwan accountant), J.R, Chen (Attorney), Hermes Kung (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. Discussion Items :**

Item 1: Proposal to process Capital Reduction in Cash. (Proposed by the Board of Directors)

Explanatory Note :

1. In order to increase return on shareholders' equity and adjust the capital structure, the Board of the Company resolved to reduce capital and refund cash to shareholders.
2. Amount of capital reduction is NT\$ 1,012,627,300 and shares to be cancelled are 101,262,730. According to the total shares 675,084,870 issued, capital reduction percentage is 15%. After capital reduction, capital will be NT\$ 5,738,221,400 (573,822,140 shares). Shareholders will be refunded by NT\$ 1.5 per holding share in cash. However, paid-in capital and capital reduction percentage after capital reduction are calculated in accordance with the total shares issued at the record date of the capital reduction and replacement of shares.
3. According to the total shares issued in the preceding paragraph, 850 new shares were issued for each thousand shares. After capital reduction, shareholders may combine shares of common stock less than 1 share with the stock transfer agency of the Company within 5 days prior to the record date of the capital reduction and replacement of shares. For fractional shares of common stock that are still less than 1 share after combination,

cash deducted book-entry transfer and dematerialized registration fees will be distributed at the closing price (rounded down to the nearest integer) on the last trading date at the stock exchange market before the record date for stock conversion; Chairman is authorized to appoint a specific party to subscribe to such fractional shares at the closing price.

4. The new shares to be issued under the capital reduction will be issued without any entity, and the rights and obligations of the new shares will be the same as those of the original shares.
5. After the approval of this capital reduction from the shareholders' meeting and the authorities, the Chairman will be authorized to determine the record date of the capital reduction and replacement of shares.
6. If any matters relevant to the capital reduction need to be amended due to the change of the share capital, the revision of the R.O.C. laws or regulations, market conditions, and other factors before the record date for capital reduction, the Chairman of the Company is authorized to deal with relative matters in accordance with the approval from the shareholders' meeting.
7. Submitted for discussion.

Resolution :

Votes presented at the meeting in total : 416,670,279 votes

For : 380,712,323 votes (including by electronic votes 9,632,565 votes)

Against : 621,505 votes (including by electronic votes 621,505 votes)

Invalid : 0

Abstain : 28,141,971 votes (including by electronic votes 26,720,610 votes)

The votes cast "For" are of 92.97% of the votes presented at the meeting in total.

The proposal has resolved as proposed

Summary of shareholder speech:

Shareholder (AC NO.: 10409):

Referring to letter No.1110381515 on April 8, 2022 by the FSC, the company shall explain the following matters related to the proposal:

- (1) The reasons, necessity and reasonableness for conducting capital deduction in cash.
- (2) The source of funds for the capital deduction in cash, and the impact of the capital deduction in cash on the Company's financial and business operations and on the stability of the capital structure.
- (3) Whether the Company has plans to issue new common shares for cash in the current year and the coming year, and the necessity and reasonableness of such plans.
- (4) Whether the statements of cash flows for the year ended in 2021 was outflow or not?

(5) Whether the Company has conducted financing activities in capital market in 2020 and 2021?

Instructed by the Chairman, above inquiries were explained and answered by the Acting President as follows:

- (1). For the benefit of shareholders' right and to adjust the capital structure, the Company has conducted capital reduction by 15% and refund cash to shareholders. The amount of capital reduction is NT\$ 1,012,627,300.
- (2). The transaction on equity interest of CMMTI was completed in August 2022, and the actual received amount were USD 94,159 thousand and RMB 525,464 thousand. (Please refer to p22 of 2022 Q3 consolidate statements of the Company). The resource of the capital reduction is the above said transaction equity interest. Despite of the capital reduction, the Company has sufficient funds on hand. The proposal of the capital reduction in cash would not negatively impact on the financial, business operation of the Company.
- (3). Depending on operational condition and remuneration plan, the Company will issue Restricted Stock Awards for employees amounting 10 million shares which has been approved by regulatory authority processing in one time or several times next year according to the actual needs. The shares will be issued to employees for free of charge when they meet the vesting conditions. Except the issuance of Restricted Stock Awards for employees, currently the Company has no fund raising or issuance of new shares as stock dividends for the coming year.
- (4). The statements of cash flows for the year ended in 2021 was inflow.
- (5). The Company has no fund raising activities in capital market in 2020 and 2021.

4. Extemporaneous Motions : None

5. Adjournment: 9:15 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 Minutes of extraordinary shareholders' 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.)