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Provided by: CHENG MEI MATERIALS TECHNOLOGY CORPORATION

SEQ_NO	4	Date of announcement	2019/03/07	Time of announcement	16:42:03
Subject	The audit committee of the Company had agreed with the motion submitted by an Independent Director WT, Liu resolved to institute legal actions against subsidiaries				
Date of events	2019/03/07	To which item it meets	paragraph 51		
Statement	1.Date of occurrence of the event:2019/03/07 2.Company name: (1)Mao Fong Trading Co., Ltd. (2)Mao Yu Investment Co., Ltd. 3.Relationship to the Company (please enter " head office" or " subsidiaries"):subsidiaries 4.Reciprocal shareholding ratios:both are 100% subsidiaries 5.Cause of occurrence: On 29th of January 2019, the Independent Director of the Company Mr "Liu, Wei-Ting" had been informed by the Taiwan Stock Exchange Corporation on the suspicious activities involving at least two non-arm length transactions engaged by the wholly owned subsidiary Mao Fong Trading Co., Ltd. 6.Countermeasures: The Company' s audit committee therefore initiated an internal investigation pursuant to relevant laws and regulations. In consideration of the necessity for protecting the Company and its shareholders, the committee was convinced after reviewing an internal audit report as well as all relevant materials that legal actions are appropriated to be instituted. The audit committee had resolved that reporting the likely non-arm length transactions to the law enforcements and public prosecutor				

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with internal materials aforementioned as well as filing criminal charge over the suspicious activities referred hereof.

7.Any other matters that need to be specified:nil