



Provided by: CHENG MEI MATERIALS TECHNOLOGY CORPORATION

SEQ_NO	1	Date of announcement	2021/07/30	Time of announcement	14:59:08
Subject	Announcing improvement plan of endorsements and guarantees policy for invested company.				
Date of events	2021/07/30	To which item it meets	paragraph 51		
Statement	1.Date of occurrence of the event:2021/07/30 2.Company name:Cheng Mei Materials Technology Corp. 3.Relationship to the Company (please enter " head office" or " subsidiaries"):head office 4.Reciprocal shareholding ratios:N/A 5.Cause of occurrence: 1. Pursuant to Jing-Kuan-Cheng-Shen-Tzu-Di No. 100349384 by the Financial Supervisory Commission, the Company announces the improvement plan. 2. The Company' s endorsement/guarantee amount to Hengmei Optoelectronic Co., Ltd. is calculated based on the shareholding ratio at the time of endorsement/guarantee provided. Owing to Hengmei Optoelectronic Co., Ltd. has been increased its capital in cash and the Group did not participate in the capital increase proportionately to ownership, the Company' s shareholding ratio was diluted and the amount of endorsement/guarantee undertaken therefore exceeds the limit. 6.Countermeasures: 1. The improvement plan has been submitted to and approved by the Audit committee and Board of Directors of the Company, which was to replace				

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the guarantee by new Syndicated loan in order to relieve the original guarantee liability.

2. The Company thereby entered into a credit counter-guarantee agreement with Hangzhou Jinjiang Group Co., Ltd. With regard to the amount of

endorsement/guarantee provided by the Company to Hengmei Optoelectronic

Co., Ltd., Hangzhou Jinjiang Group Co., Ltd. agreed to provide the

counter-guarantee for the amount exceeding the Company' s current

shareholding ratio and ensure that Hengmei Optoelectronic Co., Ltd. will

repay the main loan based on the repayment schedule.

3. The implementation of improvement plan will be reported to Audit

Committee and Board of Directors Meeting quarterly, announced quarterly

and reported to the shareholder' s meeting in order to ensure the

following transactions will be complied with relevant regulations.

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