

CMMT MATERIALS TECHNOLOGY CORP.

Notice for 2018 Annual General Meeting (AGM)

- I. It is hereby notified that the 2018 AGM is scheduled to be held at No.12, Zhongxin E. Rd., Xinshi Dist., Tainan City (Multimedia auditorium, Tree Valley Life Science Museum), at 9:00 am on Wednesday, June 22, 2018. The acceptance of attendance registration will start from 8:30 am at the meeting venue.
- II. Agenda: (I) Reports Items : 1. 2017 business report. 2. 2017 Auditor's report by the Audit Committee. (II) Ratification Items : 1. 2017 Business Report & Financial Statements Report. 2. 2017 Appropriation of profit & loss. (III) Discussion Items : 1. To conduct the issuance of cash capital increase through new common shares to sponsor the issuance of global depositary receipts. 2. To conduct the issuance of Restricted Employee shares. 3. Company Act amendment. (IV) Election Item : By-election of Directors. (V) Other Proposals : 1. To release the directors from the non-competition restrictions. (VI) Extemporaneous Motions.
- III. The Board of Directors has reached resolution of not distributing the shareholders dividends.
- IV. The removal of Director's competition restraints discussed herein is based on regulation under Article 209 of Company Act, where proposal will be made in the AGM for consent of removing competition restraints on new Director and his/her representative of this Term. Regarding proposal for removing competition restraints, please refer to Page 3.
- V. As per regulation under Article 165 of the Company Act, the transfer of shares ceased from April 24, 2018 to June 22, 2018.
- VI. In case of shareholder's solicitation, a compiled summary of solicitor and information of solicitation will be produced and published on the website of the Securities and Futures Institute (SFI) before May 22, 2018. The investor wish to search may directly enter the URL of "http://free.sfi.org.tw" and enter the condition of search. The Department of Shareholders Service under Taishin International Bank is acting as the statistics and verification facility for the CMTC proxy solicitation.
- VII. In this AGM, In this AGM, a total of 2 Directors will be elected (including 1 independent Directors). The names of candidates nominated are as follows : Director Ms, Yeh- Mei Li ; Independent Directors Mr. Tsai- Shih Chuan . Should the shareholders wish to learn relevant information on candidates' academic achievements and work experiences, please visit the "Announcements" page under official website of the Market Observation Post System (Website: <http://mops.twse.com.tw>).
- VIII. To conduct the issuance of Restricted Employee shares , The related instructions are as follows : (I) Expected issue price : NTD 6 per share, paid issuance. (II) Issue conditions : 1. Employees who subscribed to New Restricted Employee Shares in accordance with the Measures continued to work on the following vested terms from the date of grant, made good service codes, had not violated the company's labor contract, work rules or internal regulations, and had their terms expire before the vested deadline expires and with annual individual performance appraisal graded B and above. New shares will be received respectively on the basis of the following schedule and the proportion of shares subscribed. (1) One year vested: 30% of shares subscribed (2) Two year vested: 30% of shares subscribed (3) Three year vested: 40% of shares subscribed For managers, in addition to the requirements of the preceding paragraph, the vested ratio must also be determined by their prior year performance upon vested period according to the following conditions: (1) Achieve profit target: ratio of subscribed shares of each vested term x 100% (2) Less than profit target and no loss: ratio of subscribed shares of each vested term x 80% (3) do not meet the aforementioned two statements, but EBITDA is positive 50%: ratio of subscribed shares of each vested term x 50% 2. Issue Items : Common shares. 3. Restricted rights before employees meet the vesting conditions: (1) Before the vested conditions are fulfilled, the employee shall not sell, pledge, transfer, donate, set, or otherwise dispose of New Restricted Employee Shares that they subscribe to in accordance

with the Measures.(2) Restriction on Shareholders (subscription) stock dividends: New Restricted Employee Shares issued by the Measures may participate in allotment, interest-bearing, cash-increment and share-holding prior to the subscription and before reaching the vested conditions.(3)During the vest period, if the company carried out a capital reduction, New Restricted Employee Shares will be cancelled proportionally. If the capital reduction is done by cash return, the returned cash should be kept under company's custody, and be paid to the employees upon vested condition is fulfilled; if the employee does not meet the vested condition, all shares the employees subscribed in accordance with the Measures shall be bought back by the company based on the original subscription price. (4) After New Restricted Employee Shares were subscribed but the vest condition has not been fulfilled, the stocks should be entrusted to the trust depository institution. Employees may not request return from the trustee for any reason or method. (5)Before vest condition is fulfilled, the attendance, proposals, speeches, voting rights and other relevant shareholders' rights and interests of the company's shareholders' meeting were all entrusted to the trust depository institution to exercise. (III) Qualification requirements for employees and Number of shares subscribed : 1. Qualification requirements for employees (1) Official Employees starts working before New Restricted Employee Shares Grant day. The actual implementation of this measure depends on the number of employees who subscribe to New Restricted Employee Shares pursuant to the present Measures, and the factors, such as seniority, position, grade, performance, overall contribution, special merit or other management needs, will be included. Consideration of the company's operational needs and business development strategies are reviewed by the board of directors and submitted to the board of directors for resolution; managers and directors with employee status should first be approved by the Compensation Committee.(2) The company has issued the employee stock option certificate in accordance with the first paragraph of Article 56(1) of the disposal criteria that cumulative number of shares subscribed by the single option holder, and the total amount of New Restricted Employee Shares obtained by the accumulative shareholder shall not exceed 0.3% of the total number of the issued shares. Also, in accordance with the first paragraph of Article 56(1) of the disposal criteria, the company issued the employee stock option certificate subscribed by the single option holder shall not exceed 1% of the total number of the issued shares. However, if it is approved by the central governing agencies, the total amount of a single employee's employee share option certificate and New Restricted Employee Shares may not be limited by the percentage of issued shares as mentioned above. (IV) The reason why it is necessary to issue restricted stocks for employees : to attract and retain the talents required by the company, to motivate employees and to enhance employee co-ordination so as to jointly create the interests of the company and shareholders. (V) Possible expenditure of employee bonus shares was calculated based on NT\$10.90/share (2018/4/25 closing price, i.e. the day before the sending out the board meeting notification.), and the estimated cost of spending is approximately NT\$98,000; based on the defined vest period, and vest condition, apportionment of annualized expenses after issuance in 2018, 2019, and 2020 will be NT\$ 29,400 (Thousand), NT\$ 29,400(Thousand) and NT\$ 39,200(Thousand) respectively. 2. Dilution of EPS : Based on the current number of issued shares of 665,728,500 shares of the Company and the expected 2007 cash inflows to issue common shares to participate in the issuance of overseas depository receipts of 200,000,000 shares, the annual dilution of earnings per share after the issuance is NT\$0.03, NT\$0.03 and NT\$0.04 in 2018, 2019 and 2020 respectively. The dilution of the company's earnings per share for the coming year is still limited, so there is no significant impact on the shareholders' equity.

- IX. In addition to announcement on the Market Observation Post System, designated letter will be delivered with attachment of attendance notification and proxy solicitation at one copy each. Should the shareholders decided to attend in person, signature or stamp can be made on the "Attendance Notification" that can be brought along to the venue on the day of meeting for admission (please do not mail back). In case of attendance by proxy, the shareholder shall sign or stamp on the proxy solicitation after filling in relevant data of such proxy, and ensure its delivery reaching the Department of Shareholders Service under Taishin International Bank as the service provider for CMTC by 5 days prior to the meeting at latest.
- X. In this AGM, the shareholders may vote electronically and the duration of execution is from 23th May 2018 till 19th June 2018. Please log into the "Shareholder's e-vote" under Taiwan Depository and Clearing Corporation (TDCC) and cast the vote according to relevant explanation. 【Website: <https://www.stockvote.com.tw>】
- XI. To attend the meeting, please bring identification document along for verification.

XII. Please note and act accordingly, thank you.

Name list for early removal of competition restraints on Director candidates

Name	Removal of competition restraints lists
Yeh- Mei Li	1. CEO, Polaris Asset Management Corp. 2. Chairman, JieYang investment Corp. 3. Chairman, B&V Biopharma Co., Ltd. 4. Director, Chinese International Investment and Finance Association