

CENG MEI MATERIALS TECHNOLOGY CORP.

Notice for 2019 Annual General Meeting (AGM)

- I. It is hereby notifying that the 2019 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 Friday, June 28, 2019. The registration process for attending the AGM will be started from 8:30 am at the meeting venue.
- II. Agenda: (I) Reports Items : 1. 2018 business report .2. 2018 Auditor’s report by the Audit Committee. 3. Current status report of 2018 AGM resolution, cash capital increase of the Global Depository Receipt issuance. (II) Ratification Items : 1. 2018 Business Report & Financial Statements Report.2. 2018 Appropriation of profit & loss. (III) Discussion Items : 1. To conduct the issuance of common shares through private placement, the issuance of new common shares through Global depository receipt, the issuance of overseas, or domestic convertible bonds. 2. Company Act amendment. 3. Regulations of governing Loaning of Funds amendment. 4. Regulations of making of endorsements/guarantees. 5. To release the directors from the non-competition obligations. (IV) 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 30, 2019 to June 28, 2019.
- 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 28, 2019. An investor wishes to search relevant materials, 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 CMMT proxy solicitation.
- VII. CMMT plans to conduct a private placement of securities within 200,000,000 shares, the content states as follows:
 - I. The basis and reasonableness of the pricing method
 - A. The price per share fixed for privately placed common shares may not be lower than 80 percent of the reference price. The reference price is determined by any of the following: a. The simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. b. The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - B. Private placement of convertible bond may not be lower than 80 percent of the reference price. The theoretical price calculated based on an appropriate pricing model that is selected in consideration of the various rights under the terms of issuance.

- C. The price determination date, the actual reference price, and the determination of the theoretical price(including converting price for private placement of corporate bond) shall be in conformity with laws and regulations, and by reference to the aforementioned reference price or the theoretical price in addition to the 3-year constraint on transferring imposed by the Securities Law.
- II. The method for selecting the specific persons:
In compliance with the Section 1 of the Article 43-6 of the Securities Laws, and for the purpose of increasing the profit of the investee company, provides assistance to the investee company in terms of enhanced skills, improved quality, reduced cost, increased efficiency, enlarged market, or other benefits, achieved through vertical or horizontal integration in the industry or joint effort in product or market development or otherwise, and using the individual's or legal person's own experience, skills, knowledge, brand, or channels. The matters are proposed at the AGM asking shareholders to fully authorize the Board of Directors in selecting the specific persons.
- III. Reasons for the necessity for conducting the private placement
- A. Reason for not to raise fund publicly
In consideration of the current environment of capital market, the cost and the practicability as well as the time needed for raising fund, private placement ensures the long term partnership with the strategic investors due to the securities transacted in a private placement are not transferable in 3 years.
- VIII. Purpose and efficacy: CMMT may raise the planed amount of capital by 1 to 3 times of private placement depending on the market environment as well as the appetite of strategic investors. The capital raised will be fully contributed as working capital of the company. The private placements are expected to strengthen the company's survivability and finance structure, thus beneficial to shareholders.
- IX. In addition to announcement on the Market Observation Post System, designated letter will be sent out with the attachment of attendance notification and proxy solicitation at one copy each. Should the shareholders decided to attend in person, signature or stamp can be affixed to the "Attendance Notification" that can be brought along with the shareholder 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 CMMT 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 29th May 2019 till 25th June 2019. 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.