

Motech Inc.
Code:6244



Handbook for the 2022 Annual Meeting of Shareholders

(TRANSLATION)

Meeting Date : June 21 2022

Motech Industries Inc.
Meeting Agenda for 2022 Annual Shareholders’ Meeting
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Motech Industries Inc.
Procedures of 2022 Annual Shareholders' Meeting

- I. Announce the Number of Shares Represented at the Meeting
- II. Call Meeting to Order
- III. Chairman's Opening Remarks
- IV. Report Items
- V. Proposed Resolutions
- VI. Discussion Items
- VII. Election Items
- VIII. Other Proposals
- IX. Special Motions
- X. Meeting Adjourned

Motech Industries Inc.
Meeting Agenda for 2022 Annual Shareholders' Meeting

- I. Type: In-person shareholders' meeting
- II. Date and Time: 10 a.m., June 21, 2022 (Tuesday)
- III. Venue: International Conference Hall at 1st Fl., No. 18, Dashun 9th Rd., Xinshi Dist., Tainan City 744094, Taiwan (Fab 5 of Motech Industries Inc., Science Park Branch)
- IV. Call meeting to order (announce the number of shares represented at the meeting)
- V. Chairman's opening remarks
- VI. Report items
 1. 2021 operation report
 2. Audit Committee's review report on 2021 financial statements
 3. Distribution of 2021 compensation to employees and remuneration to Directors
 4. Other report items
- VII. Proposed resolutions
 1. 2021 operation report and financial statements
 2. 2021 earnings distribution
- VIII. Discussion Items
 1. To amend the Articles of Incorporation
 2. To amend the Procedures for Acquisition or Disposal of Assets
 3. To abolish and reformulate the Rules and Procedures of Shareholders' Meeting
- IX. Election Items
Election of Directors
- X. Other Proposals
Release of the new Directors from non-compete restrictions
- XI. Special motions
- XII. Meeting adjourned

Report Items

Item 1

Subject: To report the 2021 operation report

Explanation: Please refer to Attachment 1 (page 8 to 9) for the 2021 operation report.

Item 2

Subject: To report the Audit Committee's review report on 2021 financial statements

Explanation: Please refer to Attachment 2 (page 10) for the Audit Committee's review report on 2021 financial statements.

Item 3

Subject: Distribution of 2021 compensation to employees and remuneration to Directors

Explanation:

1. Pursuant to Article 19 of the Articles of Incorporation, when the Company makes a profit for the year, the compensation to employees shall not be lower than 1% of the balance and the remuneration to Directors shall not be higher than 5% of the balance. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation.
2. The 2021 compensation to employees and remuneration to Directors were resolved and approved by the Board of Directors and Remuneration Committee at amounts of NT\$6,811,728 and NT\$1,362,346, respectively. The distribution is to be made in the form of cash.
3. The amount of compensation to employees and remuneration to Directors paid is the same as the amount accrued in the financial statements.

Item 4

Other report item.

1. Pursuant to Article 172-1 of the Company Act, the Company would accept proposals submitted by shareholders holding 1% or more of the Company's total number of outstanding shares for 2022 annual shareholders' meeting up till April 21, 2022. The Company did not receive any shareholder proposals.

Proposed Resolutions

Item 1

Subject: To accept the 2021 operation report and financial statements (proposed by the Board of Directors)

Explanation:

1. The Company's 2021 financial statements (including balance sheets and statements of comprehensive income, changes in shareholders' equity and cash flows) were approved by the Board of Directors and audited by independent auditors, Mr. Ming-Hong Huang and Ms Mei-Yan Chen, of KPMG with an unqualified opinion. The aforementioned financial statements together with the operation report and the earnings distribution table were reviewed by the Audit Committee which then issued an Audit Committee's review report.
2. Please refer to Attachment 1 (page 8 to 9) and Attachment 3 (page 11 to 26) for the operation report and financial statements, respectively.

Resolution:

Item 2

Subject: To approve the proposal for 2021 earnings distribution (proposed by the Board of Directors)

Explanation

1. The Company proposes to distribute shareholders' bonus of NT\$71,008,375 in the form of cash from the distributable earnings. Shareholders will be entitled to receive a cash dividend of NT\$0.20 per common share (rounded to the nearest dollar). Dividends to an individual shareholder of fractional dollar amount are recognized as the Company's other incomes.
2. It is proposed that the Chairman of the Board of Directors be authorized to handle relevant matters such as setting the record date and payment date and distributing dividends for the aforementioned earnings distribution.
3. If there are changes in the total number of outstanding shares, it is proposed that the Chairman of the Board of Directors be authorized to adjust the dividend ratio based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.
4. Please refer to Attachment 4 (page 27) for 2021 Earnings Distribution Table.

Resolution:

Discussion Items

Item 1

Subject: To amend the “Articles of Incorporation”

(Proposed by the Board of Directors)

Explanation: 1. It is proposed to amend certain articles within the Company’s “Articles of Incorporation” pursuant to amendments to the Company Act issued in the Presidential Order No. ROC-President-I-MOEA-11000115851 on December 29, 2021.

2. Please refer to Attachment 5 on page 28 for the Comparison Table of Amendments to “Articles of Incorporation”.

Resolution:

Item 2

Subject: To amend the Procedures for Acquisition or Disposal of Assets

(Proposed by the Board of Directors)

Explanation 1. It is proposed to amend certain articles within the Company’s “Procedures for Acquisition or Disposal of Assets” pursuant to amendments to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued in the Official Letter No. Financial-Supervisory-Securities-Corporation-1110380465 on January 28, 2022.

2. Please refer to Attachment 6 on page 29 to 39 for the Comparison Table of Amendments to “Procedures for Acquisition or Disposal of Assets”.

Resolution:

Item 3

Subject: To abolish and reformulate the Rules and Procedures of Shareholders’ Meeting

(Proposed by the Board of Directors)

Explanation: 1. In order to convene shareholders’ meeting virtually and promote corporate governance, the Company proposes to abolish and reformulate the Rules and Procedures of Shareholders’ Meeting by referring to the amended “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” which comes into effect via Public Announcement No. Taiwan-Stock-Governance-1110004250 of the Taiwan Stock Exchange Corporation on March 8, 2022 and is released via Official Letter No. Securities-TPEX-Surveillance-11100543771 on March 11, 2022.

2. Please refer to Attachment 7 (page 40 to 48) for the new Rules and Procedures of Shareholders’ Meeting.

Resolution:

Election Items

Subject: To hold the election of Directors

(Proposed by the Board of Directors)

- Explanation:
1. The term of Directors of the Company expires on June 16, 2022. The Company Act requires the election of Directors to be held in the annual shareholder's meeting.
 2. In accordance with the Articles of Incorporation, the Company proposes to elect seven Directors, among which there are three Independent Directors, in the annual shareholders' meeting on June 21, 2022. Directors are elected by adopting the candidate nomination system. The newly elected Directors shall serve a term of 3 years, which commences immediately upon completion of the election, i.e., from June 21, 2022 to June 20, 2025.
 3. Please refer to Attachment 8 on page 49 to 50 for the list of Director candidates nominated by the Board of Directors and relevant information.

Election result:

Other Proposals

Subject: To release the new Directors from non-compete restrictions

(Proposed by the Board of Directors)

- Explanation: 1. Paragraph 1, Article 209 of the Company Act stipulates that “A director, who does anything for himself or on behalf of another person that is within the scope of the company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval”.
2. Details of non-compete restrictions on Director candidates of the 2022 annual shareholders’ meeting proposed to be released pursuant to the Company Act are as follows:

Type	Name	Concurrent Positions and Companies
Director	Chih-Kaou Lee	Director of Motech (Suzhou) Renewable Energy Co., Ltd. Director of Motech (Maanshan) Renewable Energy Co., Ltd. Director of Motech (Maanshan) Energy Technologies Co., Ltd.
Independent Director	Kin-Tsau Lee	Independent Director of Ingentec Corp.

Resolution:

Special Motions

Meeting Adjourned

Motech Industries Inc. 2021 Operation Report

To all shareholders:

Thank you all for your long-term support and encouragement.

We delivered outstanding performance in 2021. Benefitting from robust demand and competitive product portfolio, we achieved profitability during the year. According to the research institution, InfoLink, Motech ranked among top four in Taiwan in terms of sales volume in 2021. We proactively collaborate with system vendors and continuously develop high-efficient modules, producing well-recognized products in the market.

Financial performance

The Company generated consolidated revenues of NT\$5,873 million in 2021, up 59.7% from NT\$3,678 million in 2020. Gross profit amounted to NT\$551 million, an increase of 35.0% from NT\$408 million in 2020, with a gross margin of 9.4%. Operating income was NT\$168 million compared to net loss of 10 million in the previous year as the Company got out of the red. Profit margin equaled 2.9% and net income attributable to shareholders of the parent company was NT\$107 million, with an earnings per share of NT\$0.30.

Research and development

The Company launches the brand-new next-generation N-type high-efficient masterpiece - MoPower-400 cell, which can achieve a module efficiency over 21.96% once packaged, surpassing the industry average of 20.3%. The power generation efficiency of the product under dim light and scorching sun is superior to general products by more than 3%, allowing more efficient use of land on the densely populated island and making it a perfect solution for the high temperature and high rainfall climate in Taiwan. Also, the MoPower-400 does not experience light induced degradation. Its excellent efficiency would save the construction costs of power plants by 8% and boost power revenue, improving the return of investment in power stations and creating value for customers.

Future prospects

According to the annual renewables market report issued by International Energy Agency (IEA), renewable power capacity is expected to rise by 290GW in 2021, setting a new record. Of the renewable energy sources, solar power is the best option. It accounts for the majority of additions with an increase rate of 17% and creates a new annual record with close to 160GW.

In terms of the domestic market, we face enormous challenges posed by price hikes in raw materials, Covid-19 and labor shortage. It would be difficult to achieve the 2021 target of 8.75GW in cumulative installed capacity announced by the Ministry of Economic Affairs (MOEA). For 2022, MOEA sets the target to a higher level of 11.25GW. To meet the challenge and make up for the gap before, we shall accelerate on the applications of fishery and electricity symbiosis, rooftop PV systems in the industrial zones and ground mount PV systems. The expected price drops of raw materials in 2022, favorable

changes in feed-in tariffs and the movement to take part in RE100 are all driving the market in the right direction.

We continue to focus on downstream power system business by aggressively exploring fishery and electricity symbiosis projects and participating in tenders in 2021. At present, the fishery and electricity symbiosis projects are underway. We plan to have PV systems using the Company's highly efficient modules mounted over the aquaculture ponds to generate stable electricity income. Indoor aquaculture would adopt scientific management measures to improve production. Furthermore, as land and feeder lines become scarce, we would proactively tender for solar power station projects as a new source of projects for our future growth momentum.

After COP26 in 2021, the "net zero emissions by 2050" has become a global consensus. MOEA proposes a framework for the transition to net zero. The short-term priority is to promote mature technology, shifting energy consumption and industries towards a low-carbon state. In the long run, we shall invest in advanced technology to transit from low to zero carbon, which also brings business opportunities to the green energy industry. Motech is a pioneer in the green industry. Our high efficiency cells and modules are green energy products and the power system can further create and store energy. Through our advantages in core technology, we will persistently channel our efforts towards green energy.

Chairman: Yung-Hui Tseng

CEO: Fred Yeh

Accounting Officer: Alan Wu

Motech Industries Inc.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 operation report, financial statements and earnings distribution proposal. Certified public accountants of KPMG, Mr. Ming-Hung Huang and Ms Mei-Yen Chen, were retained by the Board to audit the financial statements and they have issued an audit report. The above-mentioned operation report, financial statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by us. Thus, according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

The 2022 Annual Shareholders' Meeting

Convener of the Audit Committee: Kin-Tsau Lee

March 10, 2022



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors of Motech Industries Inc.

Opinion

We have audited the financial statements of Motech Industries Inc. (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



1. Impairment of long-term non-financial assets

Please refer to Note 4(m)“ Impairment of non-financial assets” , Note 5(a)“ Significant accounting assumptions and judgments, and major sources of estimation uncertainty, Note 6(h)“ Property, plant and equipment” of the financial statements.

The Company operates in an industry where it may experience volatility on sales price in response to the changes in the supply and demand of market and government policies. Also, the recoverable amounts of long-term non-financial assets in cash-generating units have been determined based on the discounted cash flow forecasted by the Company’s management, which involved its professional judgments. Therefore, the impairment of long-term non-financial assets is one of the key matters in our audit.

How the matter was addressed in our audit

Our principal audit procedures included: Challenging the valuation methodologies, which were derived from the management , with the assistance of our own valuation specialists, in order to consider the reasonableness of methodologies; assessing the rationality of method used in measuring the recoverable amount, which is provided by the management of the Company, including evaluation the appropriateness of assumption and estimation on major parameters, such as the forecast of cash flow and discount rate; comparing the historical accuracy of judgments, including inspecting the amount of forecast cash flow in prior year and with reference to actual cash flow to evaluate the appropriateness of the assumptions, and performing the sensitivity analysis on main assumption; reviewing the adequacy of the disclosures in respect of impairment of long-term non-financial assets; performing an inquiry from the management and identifying any event after the balance sheet date if it is able to affect the results of the impairment assessment.

2. Provision of impairment of notes and accounts receivable

Please refer to Note 4(f)“ Financial instruments” , Note 5(b)“ Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(c)“Notes and accounts receivable” of the financial statements.

Notes and accounts receivable of the Company were measured by their recoverability. The Company operates in an industry where it may experience volatility due to changing market conditions. Impairment assessment requires management to exercise subjective judgment in making estimations for impairment allowance on notes and accounts receivable. Therefore, the provision for impairment of notes and accounts receivable is one of the key matters when in our audit.

How the matter was addressed in our audit

Our principal audit procedures included: obtaining the calculation of expected credit loss (ECL) on notes and accounts receivable, and assessing the appropriateness of ECL; examining the aging of notes and accounts receivable to verify the accuracy of the ageing period; assessing the appropriateness and adequacy of provision for doubtful accounts made by the management based on the ECL; reviewing the adequacy of the disclosures in respect of provision for impairment of notes and accounts receivable.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hung Huang and Mei-Yen Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MOTECH INDUSTRIES INC.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,716,708	27	1,661,961	27	2100	Short-term borrowings (notes 6(m) and 6(ab))	\$ 130,000	2	300,000	5
1136	Current financial assets at amortized cost-current (note 6(a))	4,152	-	-	-	2110	Short-term notes and bills payable (note 6(l))	159,954	3	-	-
1170	Notes and accounts receivable, net (notes 6(c) and 6(v))	517,645	8	401,624	7	2130	Current contract liabilities (note 6(v))	74,541	1	52,480	1
1180	Accounts receivable-related parties, net (notes 6(c), 6(v) and 7)	74,835	1	47,394	1	2170	Notes and accounts payable	387,875	6	255,399	4
1200	Other receivables (note 6(d))	20,719	-	5,842	-	2180	Accounts payable-related parties (note 7)	158,396	3	69,966	1
1210	Other receivables-related parties (notes 6(d) and 7)	49,410	1	41,336	1	2200	Other payables (notes 6(w) and 6(ab))	206,678	3	209,827	4
1220	Current tax assets	380	-	887	-	2220	Other payables-related parties (note 7)	59	-	895	-
130x	Inventories (note 6(e))	732,722	12	595,091	10	2230	Current tax liabilities	809	-	-	-
1410	Prepayments (notes 6(k) and 7)	27,877	1	48,267	1	2250	Current provisions (notes 6(p) and 6(ab))	21,514	-	22,549	-
1479	Other current assets (note 6(k))	5,149	-	29,087	-	2280	Current lease liabilities (notes 6(o) and 6(ab))	9,531	-	9,146	-
	Total current assets	<u>3,149,597</u>	<u>50</u>	<u>2,831,489</u>	<u>47</u>	2320	Long-term borrowings, current portion (notes 6(n), 6(ab) and 8)	235,672	4	205,099	3
	Non-current assets:					2399	Other current liabilities	33,863	1	41,555	1
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	45,175	1	-	-		Total current liabilities	<u>1,418,892</u>	<u>23</u>	<u>1,166,916</u>	<u>19</u>
1550	Investments accounted for using equity method (notes 6(f) and 6(g))	1,573,709	25	1,540,581	26		Non-Current liabilities:				
1600	Property, plant and equipment (notes 6(h), 7 and 8)	1,293,653	21	1,404,596	23	2540	Long-term borrowings (notes 6(n), 6(ab) and 8)	1,480,043	23	1,510,678	25
1755	Right-of-use assets (note 6(i))	49,533	1	58,677	1	2550	Non-current provisions (note 6(p))	70,300	1	63,316	1
1780	Intangible assets (note 6(j))	2,012	-	4,249	-	2570	Deferred tax liabilities (note 6(r))	63,011	1	60,769	1
1840	Deferred tax assets (note 6(r))	62,702	1	60,482	1	2580	Non-current lease liabilities (notes 6(o) and 6(ab))	41,003	1	49,992	1
1980	Other non-current financial assets (note 8)	20,364	-	24,663	-	2600	Other non-current liabilities	336	-	60	-
1990	Other non-current assets (notes 6(k) and 6(q))	90,589	1	95,460	2		Total non-current liabilities	<u>1,654,693</u>	<u>26</u>	<u>1,684,815</u>	<u>28</u>
	Total non-current assets	<u>3,137,737</u>	<u>50</u>	<u>3,188,708</u>	<u>53</u>		Total liabilities	<u>3,073,585</u>	<u>49</u>	<u>2,851,731</u>	<u>47</u>
							Equity (notes 6(f), 6(g), 6(q), 6(r), 6(s) and 6(t)):				
						3100	Ordinary share	3,550,419	57	3,550,419	59
						3200	Capital surplus	25,348	-	25,252	-
						3310	Legal reserve	11,081	-	-	-
						3350	Unappropriated retained earnings	135,553	2	110,812	2
						3400	Other equity interest	(508,652)	(8)	(518,017)	(8)
							Total equity	<u>3,213,749</u>	<u>51</u>	<u>3,168,466</u>	<u>53</u>
							Total liabilities and equity	<u>\$ 6,287,334</u>	<u>100</u>	<u>6,020,197</u>	<u>100</u>
	Total assets	<u>\$ 6,287,334</u>	<u>100</u>	<u>6,020,197</u>	<u>100</u>						

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MOTECHE INDUSTRIES INC.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating Revenues (notes 6(v) and 7):					
4110	Sales revenue	\$ 5,568,187	100	3,152,476	100
4170	Less: Sales returns	611	-	2,728	-
4190	Sales discounts and allowances	<u>(57)</u>	-	<u>(545)</u>	-
	Net operating revenue	5,568,741	100	3,154,659	100
5000	Total operating costs (notes 6(e), 6(h), 6(i), 6(j), 6(o), 6(p), 6(q), 6(t), 6(w) and 7)	(5,200,174)	(94)	(2,900,915)	(92)
5910	Realized or unrealized profit and loss from sales	<u>(12,579)</u>	-	<u>(13,318)</u>	-
	Gross profit from operations	<u>355,988</u>	<u>6</u>	<u>240,426</u>	<u>8</u>
Operating expenses (notes 6(c), 6(d), 6(h), 6(i), 6(j), 6(o), 6(q), 6(t), 6(w) and 7):					
6100	Selling expenses	(45,907)	(1)	(36,359)	(1)
6200	Administrative expenses	(201,869)	(3)	(220,150)	(7)
6300	Research and development expenses	(46,953)	(1)	(79,851)	(3)
6450	Expected credit gain (loss)	<u>389</u>	-	<u>(9,249)</u>	-
6000	Total operating expenses	<u>(294,340)</u>	<u>(5)</u>	<u>(345,609)</u>	<u>(11)</u>
	Net operating profit (loss)	<u>61,648</u>	<u>1</u>	<u>(105,183)</u>	<u>(3)</u>
Non-operating income and expenses:					
7100	Interest income (notes 6(x) and 7)	3,885	-	4,335	-
7010	Other income (notes 6(x) and 7)	4,195	-	12,188	-
7020	Other gains and losses (notes 6(g), 6(h), 6(x), 6(y) and 7)	41,400	1	177,858	5
7050	Finance costs (notes 6(o) and 6(x))	(39,619)	(1)	(66,960)	(2)
7070	Share of profit of subsidiaries and associates accounted for using equity method (note 6(f))	<u>36,043</u>	<u>1</u>	<u>87,717</u>	<u>3</u>
	Total non-operating income and expenses	<u>45,904</u>	<u>1</u>	<u>215,138</u>	<u>6</u>
7900	Profit before tax	107,552	2	109,955	3
7950	Less: tax income (expenses) (note 6(r))	<u>(809)</u>	-	<u>42</u>	-
8200	Net profit	<u>106,743</u>	<u>2</u>	<u>109,997</u>	<u>3</u>
8300	Other comprehensive income (notes 6(f), 6(q), 6(r) and 6(s)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	109	-	1,440	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	12,675	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(22)</u>	-	<u>(287)</u>	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>12,762</u>	-	<u>1,153</u>	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(32,329)	(1)	(75,481)	(2)
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(23)	-	74	-
8381	Exchange differences on translation of foreign financial statements of subsidiaries	29,042	1	121,793	4
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	-	<u>-</u>	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(3,310)</u>	-	<u>46,386</u>	<u>2</u>
8300	Other comprehensive income	<u>9,452</u>	-	<u>47,539</u>	<u>2</u>
8500	Total comprehensive income	<u>\$ 116,195</u>	<u>2</u>	<u>157,536</u>	<u>5</u>
Earnings per share (expressed in New Taiwan Dollars) (note 6(u))					
9750	Basic earnings per share	<u>\$ 0.30</u>		<u>0.31</u>	
9850	Diluted earnings per share	<u>\$ 0.30</u>		<u>0.31</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MOTECH INDUSTRIES INC.

Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total other equity interest			Treasury shares	Total equity
						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Others -unearned portion of restricted stock awards	Total other equity interest		
Balance at January 1, 2020	\$ 5,404,704	190,582	-	(2,022,672)	(564,403)	-	(485)	(564,888)	(190)	3,007,536
Net profit for the year ended December 31, 2020	-	-	-	109,997	-	-	-	-	-	109,997
Other comprehensive income	-	-	-	1,153	46,386	-	-	46,386	-	47,539
Total comprehensive income	-	-	-	111,150	46,386	-	-	46,386	-	157,536
Capital surplus used to offset accumulated deficits	-	(168,576)	-	168,576	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	4	-	-	-	-	-	-	-	4
Capital reduction used to offset accumulated deficits	(1,854,095)	-	-	1,854,095	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(337)	-	-	-	-	-	(337)
Changes in ownership interests in subsidiaries	-	1,703	-	-	-	-	-	-	-	1,703
Share based payments	-	1,539	-	-	-	-	485	485	-	2,024
Retirement of treasury shares	(190)	-	-	-	-	-	-	-	190	-
Balance at December 31, 2020	3,550,419	25,252	-	110,812	(518,017)	-	-	(518,017)	-	3,168,466
Net Profit for the year ended December 31, 2021	-	-	-	106,743	-	-	-	-	-	106,743
Other comprehensive income	-	-	-	87	(3,310)	12,675	-	9,365	-	9,452
Total comprehensive income	-	-	-	106,830	(3,310)	12,675	-	9,365	-	116,195
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	11,081	(11,081)	-	-	-	-	-	-
Cash dividends	-	-	-	(71,008)	-	-	-	-	-	(71,008)
Changes in equity of associates accounted for using equity method	-	7	-	-	-	-	-	-	-	7
Other changes in capital surplus	-	89	-	-	-	-	-	-	-	89
Balance at December 31, 2021	\$ 3,550,419	25,348	11,081	135,553	(521,327)	12,675	-	(508,652)	-	3,213,749

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MOTECH INDUSTRIES INC.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 107,552	109,955
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	161,981	156,837
Amortization expense	2,437	2,614
Expected credit loss (gain)	(389)	9,249
Interest expense	39,619	66,960
Interest income	(3,885)	(4,335)
Share-based payments	-	2,024
Share of profit of subsidiaries and associates accounted for using equity method	(36,043)	(87,717)
Loss (gain) on disposal of property, plant and equipment	364	(96,016)
Prepayments for business facility transferred to expenses	-	27
Gain on disposal of investments	-	(2,491)
Unrealized profit from sales	12,579	13,318
Gain on lease modifications	-	(1,136)
Total adjustments to reconcile profit (loss)	<u>176,663</u>	<u>59,334</u>
Changes in operating assets:		
Contract assets	-	7,559
Accounts receivable	(115,632)	(150,553)
Accounts receivable – related parties	(27,441)	300,614
Other receivables	(14,877)	(12,877)
Other receivables – related parties	(1,140)	56,337
Inventories	(140,938)	(268,229)
Prepaid expenses	345	5,864
Prepayments to suppliers	20,043	7,013
Other current assets	23,938	(4,403)
Defined benefit assets	(318)	(1,065)
Total changes in operating assets	<u>(256,020)</u>	<u>(59,740)</u>
Changes in operating liabilities:		
Contract liabilities	22,061	2,076
Notes and accounts payable	132,476	44,643
Accounts payable – related parties	88,430	(107,670)
Other payables	16,450	(23,621)
Other payables – related parties	37	(6,312)
Provisions	5,947	45,599
Other current liabilities	(7,030)	(6,177)
Refund liabilities	(662)	(2,729)
Total changes in operating liabilities	<u>257,709</u>	<u>(54,191)</u>
Total changes in operating assets and liabilities	<u>1,689</u>	<u>(113,931)</u>
Cash inflow generated from operations	285,904	55,358
Income taxes refund (paid)	507	(16,930)
Net cash flows from operating activities	<u>286,411</u>	<u>38,428</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,500)	-
Acquisition of financial assets at amortized cost	(4,152)	-
Acquisition of investments accounted for using equity method	(76,000)	(40,000)
Proceeds from disposal of investments accounted for using equity method	-	60,749
Proceeds from capital reduction of investments accounted for using equity method	26,630	442,289
Acquisition of property, plant and equipment	(47,513)	(115,854)
Proceeds from disposal of property, plant and equipment	260	144,260
Decrease (increase) in refundable deposits	(120)	2,009
Decrease (increase) in other receivables due from related parties	(7,000)	10,000
Acquisition of intangible assets	(200)	(1,352)
Net cash inflows from business combination	-	122,902
Decrease in other financial assets	4,299	10,535
Increase in prepayments for business facilities	(5,520)	(10,938)
Interest received	3,933	4,334
Dividends received	36,403	1,418
Net cash flows from (used in) investing activities	<u>(101,480)</u>	<u>630,352</u>
Cash flows from (used in) financing activities:		
Proceeds from short-term loans	770,000	546,599
Repayments of short-term loans	(940,000)	(296,599)
Increase in short-term notes and bills payable	410,000	-
Repayments of short-term notes and bills payable	(250,000)	-
Proceeds from long-term borrowings	152,200	1,711,310
Repayments of long-term borrowings	(154,782)	(3,256,723)
Increase (decrease) in guarantee deposits received	276	(43)
Payment of lease liabilities	(9,585)	(9,939)
Cash dividends paid	(71,008)	-
Acquisition of ownership interests in subsidiaries	-	(2,678)
Interest paid	(37,374)	(67,602)
Other financing activities	89	-
Net cash flows used in financing activities	<u>(130,184)</u>	<u>(1,375,675)</u>
Net increase (decrease) in cash and cash equivalents	54,747	(706,895)
Cash and cash equivalents at beginning of period	1,661,961	2,368,856
Cash and cash equivalents at end of period	<u>\$ 1,716,708</u>	<u>1,661,961</u>



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Independent Auditors' Report

To the Board of Directors of Motech Industries Inc.

Opinion

We have audited the consolidated financial statements of Motech Industries Inc. (“ the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“ IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“ the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of long-term non-financial assets

Please refer to Note 4(m)“ Impairment of non-financial assets” , Note 5(a)“ Significant accounting assumptions and judgments, and major sources of estimation uncertainty, Note 6(h)“ Property, plant and equipment” of the consolidated financial statements.



The Group operates in an industry where it may experience volatility on sales price in response to the changes in the supply and demand of market and government policies. Also, the recoverable amounts of long-term non-financial assets in cash-generating units have been determined based on the discounted cash flow forecasted by the Group's management, which involved its professional judgments. Therefore, the impairment of long-term non-financial assets is one of the key matters in our audit.

How the matter was addressed in our audit

Our principal audit procedures included: Challenging the valuation methodologies, which were derived from the management, with the assistance of our own valuation specialists, in order to consider the reasonableness of methodologies; assessing the rationality of method used in measuring the recoverable amount, which is provided by the Group's management, including evaluation the appropriateness of assumption and estimation on major parameters, such as the forecast of cash flow and discount rate; comparing the historical accuracy of judgments, including inspecting the amount of forecast of cash flow in prior year and with reference to actual cash flow to evaluate the appropriateness of the assumptions, and performing the sensitivity analysis on main assumption; reviewing the adequacy of the disclosures in respect of impairment of long-term non-financial assets; performing an inquiry from the management and identifying any event after the balance sheet date if it is able to affect the results of the impairment assessment.

2. Provision for impairment of notes and accounts receivable

Please refer to Note 4(g)“ Financial instruments” , Note 5(b)“ Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(c)“Notes and accounts receivable” of the consolidated financial statements.

Notes and accounts receivable of the Group were measured by their recoverability. The Group operates in an industry where it may experience volatility due to changing market conditions. Impairment assessment requires management to exercise subjective judgment in making estimations for impairment allowance on notes and accounts receivable. Therefore, the provision for impairment of notes and accounts receivable is one of the key matters in our audit.

How the matter was addressed in our audit

Our principal audit procedures included: obtaining the calculation of expected credit loss (ECL) on notes and accounts receivable, and assessing the appropriateness of ECL; examining the aging of notes and accounts receivable to verify the accuracy of the aging period; assessing the appropriateness and adequacy of provision for doubtful accounts made by the management based on the ECL; reviewing the adequacy of the disclosures in respect of provision for impairment of notes and accounts receivable.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hung Huang and Mei-Yen Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MOTECHE INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 2,580,611	30	2,343,180	31	2100	Short-term borrowings (note 6(m))	\$ 130,000	1	300,000	4
1136	Current financial assets at amortized cost-current (note 6(a))	8,152	-	-	-	2110	Short-term notes and bills payable (notes 6(l) and 6(ab))	159,954	2	-	-
1170	Notes and accounts receivable, net (notes 6(c) and 6(v))	540,436	6	512,202	7	2130	Current contract liabilities (note 6(v))	77,436	1	53,216	-
1200	Other receivables (note 6(d))	53,559	1	8,572	-	2170	Notes and accounts payable (note 8)	1,703,885	20	664,845	9
1220	Current tax assets	592	-	887	-	2200	Other payables (notes 6(w) and 6(ab))	268,723	3	284,632	4
130x	Inventories (note 6(e))	775,385	9	726,480	10	2230	Current tax liabilities	4,548	-	8,024	-
1410	Prepayments (note 6(k))	35,812	-	84,243	1	2250	Current provisions (note 6(p))	34,019	-	33,342	-
1476	Other current financial assets (note 8)	1,164,507	13	233,380	3	2280	Current lease liabilities (notes 6(o) and 6(ab))	12,834	-	12,947	-
1479	Other current assets (note 6(k))	150,527	2	402,049	5	2320	Long-term borrowings, current portion (notes 6(n), 6(ab) and 8)	308,888	4	271,233	4
	Total current assets	<u>5,309,581</u>	<u>61</u>	<u>4,310,993</u>	<u>57</u>	2399	Other current liabilities (note 8)	107,823	1	103,979	1
							Total current liabilities	<u>2,808,110</u>	<u>32</u>	<u>1,732,218</u>	<u>22</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	45,175	-	-	-	2540	Long-term borrowings (notes 6(n), 6(ab) and 8)	2,342,248	27	2,346,415	31
1550	Investments accounted for using equity method (note 6(f))	140,523	2	118,561	1	2550	Non-current provisions (note 6(p))	114,611	1	105,054	1
1600	Property, plant and equipment (notes 6(h) and 8)	2,648,623	30	2,809,300	37	2570	Deferred tax liabilities (note 6(r))	63,011	1	60,769	1
1755	Right-of-use assets (note 6(i))	148,611	2	162,168	2	2580	Non-current lease liabilities (notes 6(o) and 6(ab))	115,830	1	128,122	2
1780	Intangible assets (note 6(j))	2,012	-	4,249	-	2600	Other non-current liabilities	3,110	-	3,582	-
1840	Deferred tax assets (note 6(r))	62,702	1	60,482	1		Total non-current liabilities	<u>2,638,810</u>	<u>30</u>	<u>2,643,942</u>	<u>35</u>
1980	Other non-current financial assets (note 8)	27,094	-	29,472	-		Total liabilities	<u>5,446,920</u>	<u>62</u>	<u>4,376,160</u>	<u>57</u>
1990	Other non-current assets (note 6(k))	348,896	4	123,000	2		Equity				
	Total non-current assets	<u>3,423,636</u>	<u>39</u>	<u>3,307,232</u>	<u>43</u>	31xx	Equity attributable to owners of parent (notes 6(f), 6(g), 6(r), 6(s) and 6(t)):				
						3100	Ordinary share	3,550,419	41	3,550,419	47
						3200	Capital surplus	25,348	-	25,252	-
						3310	Legal reserve	11,081	-	-	-
						3350	Unappropriated retained earnings	135,553	2	110,812	2
						3400	Other equity interest	(508,652)	(6)	(518,017)	(7)
						31xx	Total equity attributable to owners of parent	<u>3,213,749</u>	<u>37</u>	<u>3,168,466</u>	<u>42</u>
						36xx	Non-controlling interests (note 6(g))	72,548	1	73,599	1
						3xxx	Total equity	<u>3,286,297</u>	<u>38</u>	<u>3,242,065</u>	<u>43</u>
							Total liabilities and equity	<u>\$ 8,733,217</u>	<u>100</u>	<u>\$ 7,618,225</u>	<u>100</u>
	Total assets	<u>\$ 8,733,217</u>	<u>100</u>	<u>7,618,225</u>	<u>100</u>						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2021		2020	
	Amount	%	Amount	%
Operating Revenues (note 6(v)) :				
4110 Sales revenue	\$ 5,872,165	100	3,673,794	100
4170 Less: sales returns	881	-	5,166	-
4190 sales discounts and allowances	(57)	-	(565)	-
Net operating revenue	5,872,989	100	3,678,395	100
5000 Total operating costs (notes 6(e), 6(h), 6(i), 6(j), 6(o), 6(p), 6(q), 6(t) and 6(w))	(5,322,244)	(91)	(3,270,262)	(89)
5900 Gross profit from operations	550,745	9	408,133	11
6000 Operating expenses (notes 6(c), 6(d), 6(h), 6(i), 6(j), 6(o), 6(q), 6(t), 6(w) and 7):				
6100 Selling expenses	(102,129)	(1)	(67,405)	(2)
6200 Administrative expenses	(229,769)	(4)	(280,574)	(8)
6300 Research and development expenses	(51,321)	(1)	(89,302)	(2)
6450 Expected credit gain	831	-	19,183	1
Total operating expenses	(382,388)	(6)	(418,098)	(11)
6900 Net operating profit (loss)	168,357	3	(9,965)	-
7000 Non-operating income and expenses:				
7100 Interest income (note 6(x))	28,687	-	26,015	1
7010 Other income (note 6(x))	4,195	-	11,949	-
7020 Other gains and losses (notes 6(g), 6(h), 6(x) and 6(y))	(50,693)	-	171,023	4
7050 Finance costs (notes 6(o) and 6(x))	(60,318)	(1)	(84,375)	(2)
7060 Share of profit of associates accounted for using equity method (note 6(f))	26,150	-	10,693	-
7671 Total non-operating income and expenses	(51,979)	(1)	135,305	3
7900 Profit before tax	116,378	2	125,340	3
7950 Less: tax expenses (note 6(r))	(9,099)	-	(13,398)	-
Net profit	107,279	2	111,942	3
8300 Other comprehensive income (notes 6(f), 6(q), 6(r) and 6(s)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	109	-	1,440	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	12,675	-	-	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(22)	-	(287)	-
Components of other comprehensive income that will not be reclassified to profit or loss	12,762	-	1,153	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(3,620)	-	46,950	1
8370 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(23)	-	74	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(3,643)	-	47,024	1
8300 Other comprehensive income	9,119	-	48,177	1
Total comprehensive income	\$ 116,398	2	160,119	4
Profit attributable to:				
8610 Owners of parent	\$ 106,743	2	109,997	3
8620 Non-controlling interests	536	-	1,945	-
	\$ 107,279	2	111,942	3
Comprehensive income attributable to:				
8710 Owners of parent	\$ 116,195	2	157,536	4
8720 Non-controlling interests	203	-	2,583	-
	\$ 116,398	2	160,119	4
Earnings per share (expressed in New Taiwan Dollars) (note 6(u))				
9750 Basic earnings per share	\$ 0.30		0.31	
9850 Diluted earnings per share	\$ 0.30		0.31	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Equity attributable to owners of parent										Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Other equity interest			Treasury shares	Total equity attributable to owners of parent		Non-controlling interests
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income						Others-unearned portion of restricted stock awards	Total other equity interest					
Balance at January 1, 2020	\$ 5,404,704	190,582	-	(2,022,672)	(564,403)	-	(485)	(564,888)	(190)	3,007,536	99,261	3,106,797
Net profit for the year ended December 31, 2020	-	-	-	109,997	-	-	-	-	-	109,997	1,945	111,942
Other comprehensive income	-	-	-	1,153	46,386	-	-	46,386	-	47,539	638	48,177
Total comprehensive income	-	-	-	111,150	46,386	-	-	46,386	-	157,536	2,583	160,119
Capital surplus used to offset accumulated deficits	-	(168,576)	-	168,576	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	4	-	-	-	-	-	-	-	4	-	4
Capital reduction to offset accumulated deficits	(1,854,095)	-	-	1,854,095	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(337)	-	-	-	-	-	(337)	-	(337)
Changes in ownership interests in subsidiaries	-	1,703	-	-	-	-	-	-	-	1,703	-	1,703
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(28,245)	(28,245)
Share-based payments	-	1,539	-	-	-	-	485	485	-	2,024	-	2,024
Retirement of treasury shares	(190)	-	-	-	-	-	-	-	190	-	-	-
Balance at December 31, 2020	3,550,419	25,252	-	110,812	(518,017)	-	-	(518,017)	-	3,168,466	73,599	3,242,065
Net Profit for the year ended December 31, 2021	-	-	-	106,743	-	-	-	-	-	106,743	536	107,279
Other comprehensive income	-	-	-	87	(3,310)	12,675	-	9,365	-	9,452	(333)	9,119
Total comprehensive income	-	-	-	106,830	(3,310)	12,675	-	9,365	-	116,195	203	116,398
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	11,081	(11,081)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(71,008)	-	-	-	-	-	(71,008)	-	(71,008)
Changes in equity of associates accounted for using equity method	-	7	-	-	-	-	-	-	-	7	-	7
Other changes in capital surplus	-	89	-	-	-	-	-	-	-	89	-	89
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,254)	(1,254)
Balance at December 31, 2021	\$ 3,550,419	25,348	11,081	135,553	(521,327)	12,675	-	(508,652)	-	3,213,749	72,548	3,286,297

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 116,378	125,340
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	299,296	300,884
Amortization expense	2,437	5,962
Expected credit gain	(831)	(19,183)
Interest expense	60,318	84,375
Interest income	(28,687)	(26,015)
Share-based payments	-	2,024
Share of profit of associates accounted for using equity method	(26,150)	(10,693)
Loss (gain) on disposal of property, plant and equipment	371	(98,436)
Prepayments for business facilities transferred to expenses	61	27
Loss (gain) on disposal of investments	(121)	14,904
Impairment loss (reversal of impairment loss) on non-financial assets	81,997	(5,793)
Gains on lease modifications	-	(1,356)
Total adjustments to reconcile profit (loss)	<u>388,691</u>	<u>246,700</u>
Changes in operating assets:		
Contract assets	-	766
Notes and accounts receivable	(27,814)	517,378
Other receivables	(44,094)	13,966
Inventories	(52,752)	(316,962)
Prepaid expenses	822	13,439
Prepayments to suppliers	47,423	(27,122)
Other current assets	46,427	(9,748)
Defined benefit assets	(318)	(1,065)
Total changes in operating assets	<u>(30,306)</u>	<u>190,652</u>
Changes in operating liabilities:		
Contract liabilities	24,220	965
Notes and accounts payable	1,039,734	(1,097,832)
Other payables	26,849	(95,055)
Provisions	9,943	(32,217)
Other current liabilities	(8,094)	(21,861)
Refund liabilities	(939)	(5,210)
Total changes in operating liabilities	<u>1,091,713</u>	<u>(1,251,210)</u>
Total changes in operating assets and liabilities	<u>1,061,407</u>	<u>(1,060,558)</u>
Cash inflow (outflow) generated from operations	1,566,476	(688,518)
Income taxes paid	(12,280)	(19,629)
Net cash flows from (used in) operating activities	<u>1,554,196</u>	<u>(708,147)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,500)	-
Acquisition of financial assets at amortized cost	(8,152)	-
Proceeds from disposal of subsidiaries	-	10,282
Proceeds from disposal of non-current assets classified as held for sale	-	68,345
Acquisition of property, plant and equipment	(222,731)	(300,718)
Proceeds from disposal of property, plant and equipment	242	166,477
Increase in receipts in advance due to disposal of assets	13,090	-
Decrease (increase) in refundable deposits	(24,350)	3,659
Acquisition of intangible assets	(200)	(1,352)
Acquisition of right-of-use assets	(1,711)	-
Decrease (increase) in other financial assets	(928,677)	370,683
Increase in prepayments for business facilities	(19,365)	(18,447)
Interest received	27,788	26,585
Dividends received	4,172	-
Net cash flows from (used in) investing activities	<u>(1,192,394)</u>	<u>325,514</u>
Cash flows from (used in) financing activities:		
Proceeds from short-term loans	770,000	546,599
Repayments of short-term loans	(940,000)	(356,599)
Proceeds from short-term notes and bills payable	410,000	-
Repayments of short-term notes and bills payable	(250,000)	-
Proceeds from long-term borrowings	329,317	2,264,510
Repayments of long-term borrowings	(298,349)	(3,307,466)
Decrease in guarantee deposits received	(460)	(4,278)
Payment of lease liabilities	(13,386)	(13,128)
Cash dividends paid	(71,008)	-
Acquisition of ownership interests in subsidiaries	-	(2,678)
Interest paid	(57,838)	(84,441)
Change in non-controlling interests	(1,254)	(946)
Other financing activities	89	-
Net cash flows used in financing activities	<u>(122,889)</u>	<u>(958,427)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,482)</u>	<u>(10,410)</u>
Net increase (decrease) in cash and cash equivalents	<u>237,431</u>	<u>(1,351,470)</u>
Cash and cash equivalents at beginning of period	<u>2,343,180</u>	<u>3,694,650</u>
Cash and cash equivalents at end of period	<u>\$ 2,580,611</u>	<u>2,343,180</u>

See accompanying notes to consolidated financial statements.

Motech Industries Inc.
2021 Earnings Distribution Table

(In New Taiwan Dollars)

Item	Amount
Unappropriated earnings, beginning balance	28,722,639
Add (Less):	
Remeasurement of defined benefit plans	87,200
Net income of 2021	106,743,478
Distributable earnings	135,553,317
Appropriation and distribution:	
Legal reserve	(10,683,068)
Special reserve	(28,722,639)
Cash dividends to common shareholders (NT\$0.20 per share)	(71,008,375)
Unappropriated earnings, end of period	25,139,235

Chairman: Yung-Hui Tseng

CEO: Fred Yeh

Accounting Officer: Alan Wu

Motech Industries Inc.**Comparison Table of Amendments to Articles of Incorporation**

Amended Article	Original Article	Note
<p>Article 9-1: <u>The Company's shareholders' meeting may be convened virtually or in other ways announced by the central competent authority.</u></p>	<p>A new article.</p>	<p>The article is added in compliance with the Company Act.</p>
<p>Article 23 These Articles of Incorporation were enacted on April 25, 1981. (Omitted) The 31st amendment was approved on June 13, 2016. The 32nd amendment was approved on June 11, 2018. The 33rd amendment was approved on June 17, 2019. <u>The 34th amendment was approved on June 21, 2022.</u></p>	<p>Article 23 These Articles of Incorporation were enacted on April 25, 1981. (Omitted) The 31st amendment was approved on June 13, 2016. The 32nd amendment was approved on June 11, 2018. The 33rd amendment was approved on June 17, 2019.</p>	<p>The amendment date is added.</p>

Motech Industries Inc.

Comparison Table of Amendments to Procedures for Acquisition or Disposal of Assets

Amended Article	Original Article	Note
<p>Article 3 The evaluation procedures for acquisition or disposal of assets are as follows:</p> <p>1. The means and reference for price determination are listed as follows:</p> <p>(1) Acquisition or disposal of securities traded on centralized exchange markets or over-the-counter markets shall be priced according to the market prices at that time.</p> <p>(2) Acquisition or disposal of securities not traded on centralized exchange markets or over-the-counter markets shall be priced based on the net worth per share, profitability, future prospects and trading prices at that time.</p> <p>(3) Acquisition or disposal of bonds not traded on centralized exchange markets or over-the-counter markets shall be priced based on the market interest rates at that time, coupon rates of the bond and the credit rating of the debtor.</p> <p>(4) Acquisition or disposal of real estate or right-of-use assets thereof shall be priced with reference to the publicly announced current value, assessed value, actual trading price of neighboring real estate and appraisal reports from professional appraisal institutions.</p> <p>(5) Acquisition or disposal of other assets or right-of-use assets thereof shall be priced based on inquiry, bidding, price negotiation or professional appraisal reports.</p>	<p>Article 3 The evaluation procedures for acquisition or disposal of assets are as follows:</p> <p>1. The means and reference for price determination are listed as follows:</p> <p>(1) Acquisition or disposal of securities traded on centralized exchange markets or over-the-counter markets shall be priced according to the market prices at that time.</p> <p>(2) Acquisition or disposal of securities not traded on centralized exchange markets or over-the-counter markets shall be priced based on the net worth per share, profitability, future prospects and trading prices at that time.</p> <p>(3) Acquisition or disposal of bonds not traded on centralized exchange markets or over-the-counter markets shall be priced based on the market interest rates at that time, coupon rates of the bond and the credit rating of the debtor.</p> <p>(4) Acquisition or disposal of real estate or right-of-use assets thereof shall be priced with reference to the publicly announced current value, assessed value, actual trading price of neighboring real estate and appraisal reports from professional appraisal institutions.</p> <p>(5) Acquisition or disposal of other assets or right-of-use assets thereof shall be priced based on inquiry, bidding, price negotiation or professional appraisal reports.</p>	<p>1. Amendments are made in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (hereinafter, the “Regulations”).</p> <p>2. The order of Subparagraphs 4 and 5 is adjusted.</p>

Amended Article	Original Article	Note
<p>2. Opinions from professionals:</p> <p>(1) Regarding the acquisition or disposal of real estate or equipment or right-of-use assets thereof, except for transactions with domestic government institutions, commissioned construction on own land, commissioned construction on leased land or acquisition or disposal of operating equipment or right-of-use assets thereof, when the trading amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, the Company shall obtain an appraisal report produced by a professional appraiser before the date of occurrence and meet the following criteria:</p> <p>A. When a limited price, specific price or special price must be used as reference for the trading price due to special circumstances, such trading shall be submitted to the Board of Directors for approval. The same procedures shall apply for any subsequent changes to the trading terms.</p> <p>B. For transaction with trading amount exceeding NT\$1,000,000,000, appraisal reports from two or more professional appraisers shall be obtained.</p> <p>C. If any of the following situation occurs, unless all of the appraisal values for asset acquisition are higher than the trading amount or all of the appraisal values for asset disposal are lower than the trading price, the Company shall engage CPAs to express specific comments on the reasons for the discrepancy and the fairness of the trading price:</p>	<p>2. Opinions from professionals:</p> <p>(1) Regarding the acquisition or disposal of real estate or equipment or right-of-use assets thereof, except for transactions with domestic government institutions, commissioned construction on own land, commissioned construction on leased land or acquisition or disposal of operating equipment or right-of-use assets thereof, when the trading amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, the Company shall obtain an appraisal report produced by a professional appraiser before the date of occurrence and meet the following criteria:</p> <p>A. When a limited price, specific price or special price must be used as reference for the trading price due to special circumstances, such trading shall be submitted to the Board of Directors for approval. The same procedures shall apply for any subsequent changes to the trading terms.</p> <p>B. For transaction with trading amount exceeding NT\$1,000,000,000, appraisal reports from two or more professional appraisers shall be obtained.</p> <p>C. If any of the following situation occurs, unless all of the appraisal values for asset acquisition are higher than the trading amount or all of the appraisal values for asset disposal are lower than the trading price, the Company shall engage CPAs <u>to take actions in accordance with the Auditing Standards No. 20 published by Accounting Research and Development</u></p>	

Amended Article	Original Article	Note
<p>(a) The difference between the appraisal results and the trading amount exceeds 20% of the trading amount.</p> <p>(b) The difference between the appraisal results from more than two professional appraisers exceeds 10% of the trading amount.</p> <p>D. The date of report issued by a professional appraiser shall not be more than three months earlier than the contract date. However, if the publicly announced current value of the same period is applicable and the report is no earlier than six months, the original professional appraiser may issue an opinion.</p> <p>(2) Regarding the acquisition or disposal of marketable securities, the Company shall, before the date of occurrence, obtain the target company's latest CPA-audited or reviewed financial statements as a reference for assessment of the trading price. Where the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, the Company shall engage CPAs to express an opinion on the reasonableness of the transaction price before the day of occurrence. However, this provision does not apply if such marketable securities have quoted prices in an active market or otherwise regulated by the Financial Supervisory Commission.</p>	<p><u>Foundation (ARDF) and to</u> express specific comments on the reasons for the discrepancy and the fairness of the trading price:</p> <p>(a) The difference between the appraisal results and the trading amount exceeds 20% of the trading amount.</p> <p>(b) The difference between the appraisal results from more than two professional appraisers exceeds 10% of the trading amount.</p> <p>D. The date of report issued by a professional appraiser shall not be more than three months earlier than the contract date. However, if the publicly announced current value of the same period is applicable and the report is no earlier than six months, the original professional appraiser may issue an opinion.</p> <p>(2) Regarding the acquisition or disposal of marketable securities, the Company shall, before the date of occurrence, obtain the target company's latest CPA-audited or reviewed financial statements as a reference for assessment of the trading price. Where the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, the Company shall engage CPAs to express an opinion on the reasonableness of the transaction price before the day of occurrence. <u>If the CPA requires professionals' reports, actions shall be taken in accordance with Auditing Standards No. 20 published by ARDF.</u> However, this provision does not apply if such marketable securities have quoted prices in an active market</p>	

Amended Article	Original Article	Note
<p>(3) Regarding the acquisition or disposal of intangible assets or right-of-use assets thereof or membership certificates where the trading amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, except for transactions with domestic government institutions, the Company shall, before the date of occurrence, contact CPAs to express opinions on the reasonableness of the trading price.</p> <p>(4) The calculation of trading amount shall be conducted in accordance with Paragraph 2, Article 7 of the Procedures. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions in accordance with the Procedures shall not be included.</p> <p>(5) Where the Company acquires or disposes of assets through court auctions, certificates issued by the court may substitute for appraisal reports or CPAs' opinions.</p> <p>(6) The professional appraisers and related appraising personnel from whom the Company obtains appraisal reports and the CPAs, attorneys or securities underwriters from whom the Company acquires opinions shall meet criteria set out in Article 5 of the "Regulations Governing the Acquisition and Disposal of</p>	<p>or otherwise regulated by the Financial Supervisory Commission.</p> <p>(3) Regarding the acquisition or disposal of intangible assets or right-of-use assets thereof or membership certificates where the trading amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, except for transactions with domestic government institutions, the Company shall, before the date of occurrence, contact CPAs to express opinions on the reasonableness of the trading price. <u>The CPA shall act in accordance with the Auditing Standards No. 20 published by ARDF.</u></p> <p>(4) Where the Company acquires or disposes of assets through court auctions, certificates issued by the court may substitute for appraisal reports or CPAs' opinions.</p> <p>(5) The calculation of trading amount shall be conducted in accordance with Paragraph 2, Article 7 of the Procedures. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions in accordance with the Procedures shall not be included.</p> <p>(6) The professional appraisers and related appraising personnel from whom the Company obtains appraisal reports and the CPAs, attorneys or securities underwriters from whom the Company acquires opinions shall meet criteria set out in Article 5 of the "Regulations Governing the Acquisition and Disposal of</p>	

Amended Article	Original Article	Note
Assets by Public Companies” established by the competent securities authority.	Assets by Public Companies” established by the competent securities authority.	
<p>Article 7 Public disclosure of information: If the Company's acquisition or disposal of assets meets the following criteria, the Company shall announce and declare it in the specified format based on the nature of transaction within two days counting inclusively from the date of the occurrence at website designated by the competent authority:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party or assets other than real estate or right-of-use assets thereof from or to a related party with trading amount exceeding 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000. This does not apply to the purchase or sale of domestic government bonds, bonds with repurchase or resale agreements or subscription or redemption of domestic money market funds provided by securities investment trust enterprises. 2. Engagement in a merger, spin off, acquisition or transfer of shares. 3. Engagement in the trading of financial derivative instruments with losses exceeding the upper limit for aggregate or individual contracts as stipulated in relevant procedures. 4. Acquisition or disposal of assets classified as operating equipment from or to a non-related party with trading amount equal to or greater than NT\$500,000,000. 5. Real estate acquired by means of contracting others to construct on the Company’s own land, contracting others to construct on leased land, distributing housing units in a joint construction project, distributing profit in a joint construction project or selling of housing units separately 	<p>Article 7 Public disclosure of information: If the Company's acquisition or disposal of assets meets the following criteria, the Company shall announce and declare it in the specified format based on the nature of transaction within two days counting inclusively from the date of the occurrence at website designated by the competent authority:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party or assets other than real estate or right-of-use assets thereof from or to a related party with trading amount exceeding 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000. This does not apply to the purchase or sale of domestic government bonds, bonds with repurchase or resale agreements or subscription or redemption of domestic money market funds provided by securities investment trust enterprises. 2. Engagement in a merger, spin off, acquisition or transfer of shares. 3. Engagement in the trading of financial derivative instruments with losses exceeding the upper limit for aggregate or individual contracts as stipulated in relevant procedures. 4. Acquisition or disposal of assets classified as operating equipment from or to a non-related party with trading amount equal to or greater than NT\$500,000,000. 5. Real estate acquired by means of contracting others to construct on the Company’s own land, contracting others to construct on leased land, distributing housing units in a joint construction project, distributing profit in a joint construction project or selling of housing units separately 	<p>Amendments are made in accordance with the Regulations.</p>

Amended Article	Original Article	Note
<p>in a joint construction project from a non-related party with expected investment of the Company equal to or greater than NT\$500,000,000.</p> <p>6. Other than transactions listed in the five preceding subparagraphs, any trading of assets, or engagement in investment in China with trading amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000. However, the following situations are excluded:</p> <p>(1) Purchase or sale of domestic government bonds <u>or overseas government bonds with credit ratings equal to or above the sovereign rating of Taiwan.</u></p> <p>(2) Purchase or sale of bonds with repurchase or resale agreements and subscription or redemption of domestic money market funds provided by securities investment trust enterprises.</p> <p>The trading amount in the preceding paragraph shall be calculated using the following methods:</p> <ol style="list-style-type: none"> 1. Amount of every transaction 2. The cumulative amount of acquisition or disposal of subject matters of the same category from the same counterparty within one year 3. The cumulative amount of acquisition or disposal of real estate or right-of-use assets thereof of the same development project within one year (the acquisition and disposal amounts shall be accumulated separately) 4. The cumulative amount of acquisition or disposal of the same securities within one year (the acquisition and disposal amounts shall be accumulated separately) <p>The said "within one year" means one year calculated retrospectively from the trading date, which is considered as the base date. The part which has been publicly announced in accordance with the Procedures shall not be included.</p> <p>The Company shall update the status of</p>	<p>in a joint construction project from a non-related party with expected investment of the Company equal to or greater than NT\$500,000,000.</p> <p>6. Other than transactions listed in the five preceding subparagraphs, any trading of assets, or engagement in investment in China with trading amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000. However, the following situations are excluded:</p> <p>(1) Purchase or sale of domestic government bonds.</p> <p>(2) Purchase or sale of bonds with repurchase or resale agreements and subscription or redemption of domestic money market funds provided by securities investment trust enterprises.</p> <p>The trading amount in the preceding paragraph shall be calculated using the following methods:</p> <ol style="list-style-type: none"> 1. Amount of every transaction 2. The cumulative amount of acquisition or disposal of subject matters of the same category from the same counterparty within one year 3. The cumulative amount of acquisition or disposal of real estate or right-of-use assets thereof of the same development project within one year (the acquisition and disposal amounts shall be accumulated separately) 4. The cumulative amount of acquisition or disposal of the same securities within one year (the acquisition and disposal amounts shall be accumulated separately) <p>The said "within one year" means one year calculated retrospectively from the trading date, which is considered as the base date. The part which has been publicly announced in accordance with the Procedures shall not be included.</p> <p>The Company shall update the status of</p>	

Amended Article	Original Article	Note
<p>derivative trading of the Company and its subsidiaries, which are not domestic public companies, as of the end of previous month in the prescribed format at the information declaration website designated by the competent authority by the tenth of each month.</p> <p>If the Company has to amend errors or omissions in items announced, the Company shall announce and declare all items again within two days counting inclusively from the date it becomes aware of such errors or omissions.</p> <p>Regarding the acquisition or disposal of assets, the Company shall keep related contracts, minutes, memorandum books, appraisal reports and opinions of CPAs, attorneys or securities underwriters available at its office. Unless otherwise provided in other laws and regulations, these documents shall be retained for five years at least.</p>	<p>derivative trading of the Company and its subsidiaries, which are not domestic public companies, as of the end of previous month in the prescribed format at the information declaration website designated by the competent authority by the tenth of each month.</p> <p>If the Company has to amend errors or omissions in items announced, the Company shall announce and declare all items again within two days counting inclusively from the date it becomes aware of such errors or omissions.</p> <p>Regarding the acquisition or disposal of assets, the Company shall keep related contracts, minutes, memorandum books, appraisal reports and opinions of CPAs, attorneys or securities underwriters available at its office. Unless otherwise provided in other laws and regulations, these documents shall be retained for five years at least.</p>	
<p>Article 10 Related party transactions:</p> <ol style="list-style-type: none"> 1. Regarding the acquisition or disposal of assets between the Company and related parties, in addition to carrying out related resolution procedures and reasonableness assessment of the transaction, the Company shall obtain appraisal reports produced by professional appraisers or CPA's opinions in accordance with Article 3 herein for transaction with trading amount exceeding 10% of the Company's total assets. The calculation of trading amount in this subparagraph shall be conducted in accordance with Item 5, Subparagraph 2, Article 3 herein. In judging whether the trading counterparty is a related party, the Company shall consider substantive relations besides legal formalities. 2. Except for the purchase or sale of domestic government bonds, bonds with repurchase or resale agreements or subscription or redemption of domestic money market funds provided by securities investment 	<p>Article 10 Related party transactions:</p> <ol style="list-style-type: none"> 1. Regarding the acquisition or disposal of assets between the Company and related parties, in addition to carrying out related resolution procedures and reasonableness assessment of the transaction, the Company shall obtain appraisal reports produced by professional appraisers or CPA's opinions in accordance with Article 3 herein for transaction with trading amount exceeding 10% of the Company's total assets. The calculation of trading amount in this subparagraph shall be conducted in accordance with Item 5, Subparagraph 2, Article 3 herein. In judging whether the trading counterparty is a related party, the Company shall consider substantive relations besides legal formalities. 2. Except for the purchase or sale of domestic government bonds, bonds with repurchase or resale agreements or subscription or redemption of domestic money market funds provided by securities investment 	<ol style="list-style-type: none"> 1. Amendments are made in accordance with the Regulations. 2. Paragraph numbers are adjusted.

Amended Article	Original Article	Note
<p>trust enterprises, where the Company acquires or disposes of real estate or right-of-use assets thereof from or to a related party or assets other than real estate or right-of-use assets thereof from or to a related party and the trading amount exceeds 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000, before signing the contract and making payments, the following information shall be approved by the majority of Audit Committee members and then submitted to the Board of Directors for approval with mutatis mutandis application of Subparagraphs 5 and 6, Article 4:</p> <ol style="list-style-type: none"> (1) Purpose, necessity and expected benefits of the asset acquisition or disposal. (2) Reasons for choosing the related party as a trading counterparty. (3) Information related to the assessment of reasonableness of preliminary trading terms in accordance with relevant provisions for the acquisition of real estate or right-of-use assets thereof from a related party. (4) Details such as the related party's original acquisition date, price, trading counterparty and the counterparty's relations to the Company and the related party. (5) Monthly cash flow forecasts of the coming year starting from the estimated contract-signing month and the assessments on necessity of trading and reasonableness of fund utilization. (6) Appraisal reports produced by professional appraisers or CPAs' opinions which are obtained in accordance with the Procedures. (7) Restrictions and important covenants of the trading. <p>3. The calculation of the trading amount in the preceding subparagraph shall be conducted in accordance with</p>	<p>trust enterprises, where the Company acquires or disposes of real estate or right-of-use assets thereof from or to a related party or assets other than real estate or right-of-use assets thereof from or to a related party and the trading amount exceeds 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000, before signing the contract and making payments, the following information shall be approved by the majority of Audit Committee members and then submitted to the Board of Directors for approval with mutatis mutandis application of Subparagraphs 5 and 6, Article 4:</p> <ol style="list-style-type: none"> (1) Purpose, necessity and expected benefits of the asset acquisition or disposal. (2) Reasons for choosing the related party as a trading counterparty. (3) Information related to the assessment of reasonableness of preliminary trading terms in accordance with relevant provisions for the acquisition of real estate or right-of-use assets thereof from a related party. (4) Details such as the related party's original acquisition date, price, trading counterparty and the counterparty's relations to the Company and the related party. (5) Monthly cash flow forecasts of the coming year starting from the estimated contract-signing month and the assessments on necessity of trading and reasonableness of fund utilization. (6) Appraisal reports produced by professional appraisers or CPAs' opinions which are obtained in accordance with the Procedures. (7) Restrictions and important covenants of the trading. <p>3. The calculation of the trading amount in the preceding subparagraph shall be conducted in accordance with</p>	

Amended Article	Original Article	Note
<p>Paragraph 2, Article 7 herein. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part for which the Company has submitted to <u>the shareholders' meeting</u>, the Audit Committee and the Board of Directors in accordance with the Procedures shall not be included.</p> <p>4. Regarding the acquisition or disposal of operating equipment and real estate <u>right-of-use assets</u> between the Company and its subsidiaries, the Board of Directors may authorize the Chairman to approve within NT\$300,000,000 and report it afterwards for acknowledgement in the upcoming Board of Directors' meeting.</p> <p>5. When the Company reports the acquisition or disposal transaction to the Board of Directors pursuant to the four preceding subparagraphs, it shall fully consider each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>6. <u>Where the Company or its subsidiaries that are not domestic public companies engage in transaction set forth in Paragraph 2 with a trading amount exceeding 10% of the Company's total assets, the Company shall submit information set out in Paragraph 2 to the shareholders' meeting and obtain its approvals before signing the contract and making payments. This rule, however, does not apply to transactions between the Company and its subsidiaries or between subsidiaries.</u></p> <p>7. For acquisition of real estate or right-of-use assets thereof from related parties, the Company shall assess the reasonableness of trading cost pursuant to the "Regulations</p>	<p>Paragraph 2, Article 7 herein. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part for which the Company has submitted to the Audit Committee and the Board of Directors in accordance with the Procedures shall not be included.</p> <p>4. Regarding the acquisition or disposal of operating equipment between the Company and its subsidiaries, the Board of Directors may authorize the Chairman to approve within NT\$300,000,000 and report it afterwards for acknowledgement in the upcoming Board of Directors' meeting.</p> <p>5. When the Company reports the acquisition or disposal transaction to the Board of Directors pursuant to the four preceding subparagraphs, it shall fully consider each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>6. For acquisition of real estate or right-of-use assets thereof from related parties, the Company shall assess the reasonableness of trading cost pursuant to the "Regulations</p>	

Amended Article	Original Article	Note
<p>Governing the Acquisition and Disposal of Assets by Public Companies” and contact CPAs to review and express specific comments. Any one of the following situations is considered an exception, however, actions shall still be taken in accordance with the <u>six</u> preceding subparagraphs:</p> <p>(1) The related party acquired real estate or right-of-use assets thereof by inheritance or gift.</p> <p>(2) It is more than five years from the time the related party signed the acquisition contract of real estate or right-of-use assets thereof to the date of this trading.</p> <p>(3) The Company acquired real estate by signing a joint construction contract with the related party or commissioning the related party to build the real estate as in commissioned construction on own land or leased land.</p> <p><u>(4) For acquisition of operating real estate right-of-use assets between the Company and its subsidiaries or between subsidiaries whose shares issued or paid-in capital are 100% owned, directly or indirectly, by the Company.</u></p> <p>8. Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if all of the results assessed are lower than the trading price, the following matters shall be carried out:</p> <p>(1) In respect of the difference between trading price and assessed cost of the real estate or right-of-use assets thereof, the Company shall recognize a special reserve, which shall not be distributed or capitalized for share issuance, in accordance with relevant provisions. Where a public company uses the equity method to account for its investment in the Company, a special reserve shall be recognized</p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies” and contact CPAs to review and express specific comments. Any one of the following situations is considered an exception, however, actions shall still be taken in accordance with the five preceding subparagraphs:</p> <p>(1) The related party acquired real estate or right-of-use assets thereof by inheritance or gift.</p> <p>(2) It is more than five years from the time the related party signed the acquisition contract of real estate or right-of-use assets thereof to the date of this trading.</p> <p>(3) The Company acquired real estate by signing a joint construction contract with the related party or commissioning the related party to build the real estate as in commissioned construction on own land or leased land.</p> <p>7. Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if all of the results assessed are lower than the trading price, the following matters shall be carried out:</p> <p>(1) In respect of the difference between trading price and assessed cost of the real estate or right-of-use assets thereof, the Company shall recognize a special reserve, which shall not be distributed or capitalized for share issuance, in accordance with relevant provisions. Where a public company uses the equity method to account for its investment in the Company, a special reserve shall be recognized</p>	

Amended Article	Original Article	Note
<p>in proportion to the shareholding percentage of the investor in the investee company.</p> <p>(2) The Audit Committee shall proceed in accordance with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to Items 1 and 2 shall be reported to the shareholders' meeting and the trading details shall be disclosed in the annual report and prospectus.</p> <p>9. When the Company recognizes a special reserve in accordance with the preceding subparagraph, it may utilize such reserve upon approvals from competent securities authority and when valuation losses have been recognized for the assets purchased or leased at a premium, the said assets have been disposed of, relevant lease agreements have been terminated or the said assets have been compensated appropriately or restored to original status, or there are other evidences indicating the transaction is not unreasonable.</p> <p>10. Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if there are other evidences showing non-compliance of business practices, actions shall be taken in accordance with the two preceding subparagraphs of this Article.</p>	<p>in proportion to the shareholding percentage of the investor in the investee company.</p> <p>(2) The Audit Committee shall proceed in accordance with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to Items 1 and 2 shall be reported to the shareholders' meeting and the trading details shall be disclosed in the annual report and prospectus.</p> <p>8. When the Company recognizes a special reserve in accordance with the preceding subparagraph, it may utilize such reserve upon approvals from competent securities authority and when valuation losses have been recognized for the assets purchased or leased at a premium, the said assets have been disposed of, relevant lease agreements have been terminated or the said assets have been compensated appropriately or restored to original status, or there are other evidences indicating the transaction is not unreasonable.</p> <p>9. Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if there are other evidences showing non-compliance of business practices, actions shall be taken in accordance with the two preceding subparagraphs of this Article.</p>	

Motech Industries Inc.
Rules and Procedures of Shareholders' Meeting (After Amendment)

Article 1 To establish a strong governance system and sound supervisory functions for the Company's shareholders' meetings, and to strengthen management functions, these Rules and Procedures are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The rules and procedures of shareholders' meeting of the Company shall conform to the provisions of the Rules and Procedures herein unless otherwise provided by laws and regulations or the Articles of Incorporation.

Article 3 Unless otherwise provided by laws and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.

Changes to the methods of convening the shareholders' meeting shall be resolved by the Board of Directors and made before sending out the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposed resolutions, discussion items, or the election or dismissal of Directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a general shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the general shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also make the shareholders' meeting agenda and supplemental meeting materials available for review by shareholders at any time and have them displayed at the Company and the professional shareholder services agent designated thereby.

The shareholders' meeting agenda and supplemental meeting materials in the preceding paragraph shall be made available by the Company in the following manners for shareholders to review on the date of the shareholders' meeting:

1. For in-person shareholders' meetings, the documents shall be distributed at the meeting.
2. For hybrid shareholders' meetings, the documents shall be distributed at the meeting and their electronic versions shall be available on the virtual meeting platform.
3. For virtual shareholders' meetings, the electronic versions of documents shall be available on the virtual meeting platform.

The notice and public announcement shall state the reasons for convening the meeting. They may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

Election or dismissal of Directors (include Independent Directors); amendments to the Articles of Incorporation; reduction of capital; application to cease its status as a public company; approval of competing with the Company by Directors; capitalization of earnings or reserve; the dissolution, merger, or spin off of the company; or any matter under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the reasons for convening the shareholders meeting with essential contents explained. They shall not be raised by a special motion.

Where an election of all Directors (including Independent Directors) as well as their inauguration date are stated as the reasons for convening the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any special motion or otherwise in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general shareholders' meeting. The number of items so proposed, however, is limited to one only, and proposal containing more than one item will not be included in the meeting agenda. In addition, when the circumstances of any subparagraph under Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

A shareholder may submit a proposal urging the company to promote public interests or fulfill its fulfill social responsibilities. In accordance with the provisions under Article 172-1 of the Company Act, the number of items so proposed is limited to one only. A proposal containing more than one item will not be included in the meeting agenda.

Prior to the book closure date of a general shareholders' meeting, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission. The period for submission of shareholder proposals may not be less than 10 days.

Proposals submitted by shareholders are limited to 300 words. A proposal contains more than 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the general shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and list in the meeting notice the proposals that conform to the provisions of this Article. For proposals excluded, the Board of Directors shall explain the reasons at the shareholders' meeting.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company with the scope of authority clearly stated.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy form.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronic means, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast by the proxy at the meeting shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting on line, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast by the proxy at the meeting shall prevail.

Article 5 The shareholders' meeting shall be convened at the premises of the Company or an appropriate venue convenient for shareholders to attend. The meeting shall begin no earlier than 9 a.m. or no later than 3 p.m. Full consideration shall be given to the opinions of Independent Directors with respect to the venue and time of meeting.

The constraints on meeting venue do not apply in the case of virtual shareholders' meetings.

Article 6 The Company shall specify in its shareholders' meeting notices the time during which the attendance registrations of shareholders, solicitors and proxies (collectively, "shareholders") will be accepted, the place for attendance registration, and other matters requiring attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place where attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations. For virtual shareholders' meetings, attendance registrations may begin on the virtual meeting platform 30 minutes prior to the time the meeting commences. Shareholders completing the registration will be deemed as attending the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings with the attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall provide the attending shareholders with an attendance book to sign, or attending shareholders may hand in sign-in cards in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors (including Independent Directors), ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf.

For virtual shareholders' meetings, shareholders shall register with the Company two days before the date of the shareholders' meeting if they intend to attend the meeting online.

For virtual shareholders' meetings, the Company shall upload the shareholders' meeting agenda, annual report and other relevant materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences and have the information available until the end of the meeting.

Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the following items in the shareholders' meeting notice:

1. The means for shareholders to attend the virtual meeting and exercise their rights.
2. Actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events. The action plan shall at least cover the following items:
 - A. The time to which the meeting is postponed if the above obstruction cannot be removed or the time the meeting will resume, and the date to which the meeting is postponed or the date the meeting will resume.
 - B. Shareholders who did not register to attend the original virtual shareholders' meeting cannot attend the postponed or resumed session.
 - C. For hybrid shareholders' meetings, if the virtual meeting cannot continue and the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting online, meets the minimum quorum requirement for a shareholders' meeting, the meeting shall continue. For shareholders who attend the virtual meeting online, their shares shall be included in the total number of shares represented by the attending

shareholders, and they are deemed to have waived their rights with respect to all proposals of that shareholders' meeting.

- D. Actions to be taken if the outcome of all proposals has been announced and special motions have not been carried out.
3. For virtual shareholders' meetings, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 7 The shareholders' meeting is presided by the Chairman of the Board of Directors if convened by the Board. If the Chairman is on leave or unable to exercise power, the Vice Chairman of the Board shall stand proxy. If there is no Vice Chairman or the Vice Chairman is also on leave or unable to exercise power, the Chairman may appoint one of Managing Directors to stand proxy. If there is no Managing Director, the Chairman may appoint one Director to stand proxy. If the Chairman does not appoint a proxy, the Managing Directors or Directors shall elect one person from among themselves to preside at the meeting.

When a Managing Director or Director serves as chair, as referred to in the preceding paragraph, he/she shall have held that position for six months or more and understand the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board in person and attended by a majority of the Directors, at least one Supervisor, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by an eligible party other than the Board, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.

The Company may appoint the retained attorneys, certified public accountants or related persons to participate in a shareholder meeting as observers.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

For virtual shareholders' meetings, the Company shall keep records of the shareholder registration, sign-in, check-in, question time, and voting as well as the vote counting by the Company, and make an uninterrupted audio and video recording of the entire proceedings of the virtual meetings.

The records and audio and video recording in the preceding paragraph shall be properly retained throughout the life of the Company. Copies of the audio and video recording shall be given to the party engaged by the Company to handle the virtual meetings for safekeeping.

Article 9 The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated in accordance with the shares indicated by the attendance book or the attendance cards handed in and the shares of shareholders whose attendances are registered at the virtual meeting platform, plus the number of shares with voting rights exercised by correspondence or electronic means.

The chair shall call the meeting to order at the scheduled time and announce the number of non-voting shares and the number of shares present at the same time.

When the majority of the total number of issued shares are not represented by the attending shareholders, the chair may announce to postpone the meeting. The postponement is limited to two times with a combined duration of less than one hour. If the quorum is not met after two postponements and the attending shareholders do not represent one-third or more of the total number of issued shares, the chair shall announce the adjournment of meeting. For virtual shareholders' meetings, the Company shall also announce the adjournment of meeting at the virtual meeting platform.

If the quorum is not met after two postponements as mentioned in the preceding paragraph, but one-third or more of the total number of issued shares are represented by the attending shareholders, tentative resolutions may be made pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolutions and the shareholders' meeting shall be convened within one month. For virtual shareholders' meetings, shareholders shall re-register with the Company pursuant to Article 6 herein if they intend to attend the meeting online.

If the attending shareholders represent a majority of the total number of issued shares before the conclusion of meeting, the chair may resubmit the tentative resolutions for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Relevant proposals (including special motions and amendments to the original proposals) shall be resolved by voting on a proposal-by-proposal basis. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.

The preceding paragraph apply mutatis mutandis to shareholders' meetings convened by any party, other than the Board of Directors, entitled to convene such meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the two preceding paragraphs (including special motions), except by a resolution of the shareholders' meeting. If the chair announces the adjournment in violation of the Rules and Procedures, other members of the Board shall promptly assist the attending shareholders in electing a chair pursuant to the statutory procedures with the consent of the majority of voting rights represented by the attending shareholders to continue the meeting.

The chair shall give ample opportunity for explanation and discussion of the proposals and the amendments or special motions proposed by the shareholders. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair shall announce the discussion closed and call for a vote. He/she shall also allow ample time for voting.

Article 11 Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the number of attendance card) and account name. The sequence of speeches shall be determined by the chair.

If the attending shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.

The shareholder shall not make a speech concerning the same proposal for more than two times without the consent of chair, and the duration of each speech shall not exceed five minutes. If the shareholders speaks in violation of the provisions or beyond the scope of agenda item, the chair may stop the speech.

When the attending shareholder speaks, other shareholders shall not interrupt the speech unless they are permitted by the chair and the speaking shareholder. Otherwise, the chair shall stop such interruption.

If a juristic person shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.

After the attending shareholder has spoken, the chair may respond in person or appoint an appropriate person to respond.

For virtual shareholders' meetings, shareholders attending online may raise questions in writing at the virtual meeting platform after the chair calls the meeting to order and before he/she announces the meeting adjourned. Shareholders cannot raise more than two questions concerning the same proposal and each question shall be limited to 200 words. Paragraphs 1 to 5 do not apply.

- Article 12 Voting at shareholders' meetings shall be calculated based on the numbers of shares. Shares held by shareholders with no voting rights shall not be included in the total number of issued shares with respect to resolutions of the shareholders' meeting. Shareholders shall not participate in voting on agenda items of which they have a personal interest and may impair the interest of the Company, and shall not exercise the voting rights as proxy for other shareholders. The shares held by shareholders with no voting rights in the preceding paragraph shall not be included in the calculation of voting rights of attending shareholders. With the exception of trust enterprises or shareholder service agents approved by the competent securities authority, when one person is appointed as proxy by two or more shareholders concurrently, the voting rights represented by such proxy shall not exceed 3% of the voting rights represented by the total number of issued shares. The voting rights in excess of the percentage shall not be calculated.

- Article 13 Shareholders are entitled to one vote for each share held, but the case shall not apply to restricted shares and non-voting shares specified in Paragraph 2, Article 179 of the Company Act. When the Company convenes a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the special motions and amendments to original proposals of that meeting. Therefore, it is advisable for the Company to avoid the submission of special motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or on line, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means as the voting rights were exercised, two days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the proposals at the shareholders' meeting shall be resolved by a majority vote of the shareholders attending the meeting. When voting, shareholders would cast their votes on a proposal-by-proposal basis. After the conclusion of the meeting, the results for each proposal, i.e., the numbers of votes for and against and the number of abstentions, shall be uploaded into the MOPS on the same day as the shareholders' meeting.

When there is an amendment or an alternative to a proposal, the chair shall present the amendment or alternative together with the original proposal and decide their voting orders. If one proposal among them has been adopted, the others shall be deemed overruled and no further voting is required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded in the meeting minutes.

For virtual shareholders' meetings, when the meeting is called to order, shareholders attending the meeting online shall cast votes on proposals and elections via the virtual meeting platform before the chair announces the end of the voting session. Otherwise, they are deemed to have waived their rights.

For virtual shareholders' meetings, all votes are counted after the chair announces the end of the voting session. Results of the voting and elections shall be announced immediately.

For hybrid shareholders' meetings, shareholders who intend to attend the in-person shareholders' meeting in person after registering to attend the meeting online in accordance with Article 6 herein shall retract their registrations two days before the shareholders' meeting by the same means as their original registration. If their registrations are retracted after that time, they can only attend the shareholders' meeting online.

When voting rights have been exercised by correspondence or electronic means, unless the shareholders withdraw their declarations of intent and attend the shareholders' meeting online, they cannot exercise voting rights on the original proposals, make any amendments to the original proposals or exercise voting rights on amendments to the original proposals, except for special motions.

Article 14 The election of Directors (including Independent Directors) at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors (including Independent Directors) as well as the numbers of votes with which they were elected and the names of those who were not elected as well as the numbers of votes with which they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 The resolutions of the shareholders' meeting shall be recorded in the minutes. The meeting minutes shall be signed or sealed by the chair of the meeting with a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The minutes may be prepared and distributed by electronic means.

The distribution of meeting minutes in the preceding paragraph may be done by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the statistical tallies of the numbers of votes). In the event of an election of Directors (including Independent Directors), the number of voting rights won by each candidate shall be disclosed. The minutes shall be properly retained throughout the life of the Company.

For virtual shareholders' meetings, besides items set forth in the preceding paragraph, the time the shareholders' meeting start and end, method for convening the meeting, names of the chair and recorder, and actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events as well as the outcomes thereof shall be included in the minutes.

For virtual shareholders' meetings, besides complying with requirements set forth in the preceding paragraph, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified in the meeting minutes.

Article 16 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. For virtual shareholders' meetings, the Company shall upload the aforementioned information to the virtual meeting platform at least 30 minutes prior to the time the meeting commences and have the information available until the end of the meeting.

For virtual shareholders' meetings, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under regulations of Taipei Exchange, the Company shall upload the content of such resolution to the MOPS within the prescribed period.

Article 17 The personnel involved in the shareholders' meeting affairs shall wear identification certificates or armbands.

The chair may direct patrol personnel or security personnel to assist in maintaining the order of the meeting. Such patrol personnel or security personnel shall wear armbands marked "Patrol Personnel" while assisting in maintaining the order of the meeting.

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the Rules and Procedures and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the patrol personnel or security personnel to escort the shareholder from the meeting.

Article 18 When the meeting is in progress, the chair may announce a break at his/her discretion. If force majeure events occur, the chair may decide to temporarily suspend the meeting and announce the time to resume the meeting depending on the situation.

If the meeting venue becomes unavailable before meeting agenda (including special motions) has been completed, another venue can be used to resume the meeting upon resolution at the shareholders' meeting.

It may be resolved at the shareholders' meeting to defer or resume the meeting within five days pursuant to Article 182 of the Company Act.

- Article 19 For virtual shareholders' meetings, the Company shall disclose the results of voting and elections promptly after the end of the voting session on the virtual meeting platform as required. The disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- Article 20 When convening a virtual shareholders' meeting, the chair and the recorder shall be at the same location in Taiwan. The chair shall announce the address of their location when the meeting is called to order.
- Article 21 When convening a virtual shareholders' meeting, where the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events before the chair announces the meeting adjourned and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days and in which case, Article 182 of the Company Act shall not apply.
For postponed or resumed meetings described in the preceding paragraph, shareholders who did not register to attend the original virtual shareholders' meeting cannot attend the postponed or resumed session.
For meetings postponed or resumed in accordance with Paragraph 1, the number of shares represented by and the voting rights and election rights exercised by the shareholders, who register to attend and complete the attendance registration of the original shareholders' meeting but do not take part in the postponed or resumed meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed meeting.
For meetings postponed or resumed in accordance with Paragraph 1, discussions and resolutions are not required for proposals with votes cast and counted as well as results announced, or concerning the list of elected Directors (including Independent Directors).
For hybrid shareholders' meetings where the virtual meeting cannot continue, if the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting online, meets the minimum quorum requirement for a shareholders' meeting, the meeting shall continue. Rules of postponement or resumption under Paragraph 1 shall not apply.
When the meeting continues as described in the preceding paragraph, shares represented by shareholders attending the meeting online shall be included in the total number of shares represented by attending shareholders. However, these shareholders are deemed to have waived their rights with respect to all proposals of that shareholders' meeting.
When the Company postpones or resumes the shareholders' meeting in accordance with Paragraph 1, preliminary works shall be done according to the date of the original shareholders' meeting and the requirements set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
For dates or periods set forth in the second half of Article 12, and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as well as Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed based on the date of shareholders' meeting postponed or resumed in accordance with Paragraph 1.
- Article 22 When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending the virtual shareholders' meeting online.
- Article 23 The Rules and Procedures and any amendment hereto shall take effect after adoption by the shareholders' meeting.

Motech Industries Inc.

List of Director Candidates: (nominated by the Board of Directors)

No	Name	Shareholding	Education / Work Experience	Note	Been Elected as an Independent Director for Three Consecutive Terms / Reasons
1	Yung-Hui Tseng	10,582,717	Master of Electronics Engineering, China Institute of Technology Work experiences: Chairman of Motech Industries Inc. Chairman of Cheng Fu-Tien Culture & Education Foundation	Director candidate	N/A
2	Chih-Kaou Lee	4,022,716	Bachelor in Physics, Tamkang University Work experiences: President of Consumer Product Resources International Corp. Director of Motech's subsidiaries Director of C-Tech. United Corp. Director of inergy Technology Inc.	Director candidate	N/A
3	Ming-Shiaw Lu	2,579,827	Department of Mechanical Engineering, National Taipei Institute of Technology Work experiences: Supervisor of Motech's subsidiaries Vice President of Yung Loong Engineering Corp. Director of Mildef Crete Inc. Director of inergy Technology Inc.	Director candidate	N/A
4	George Huang	0	Bachelor in Communication Engineering, National Chiao Tung University Work experiences: Chairman of Acer Incorporated Director of Apacer Technology Inc. Director of Les enphants Co., Ltd. Independent Director of PChome Online Inc. Independent Director of Bionet Corp.	Director candidate	N/A
5	San-Boh Lee	135,328	Ph.D. in Material Science and Engineering, University of Rochester, USA Work experiences: Visiting professor of National Institute of Standards and Technology Supervisor of the Alumni Association of the Dep. of Physics of Fu Jen Catholic University	Independent Director candidate	Yes. Mr. San-Boh Lee has vast industrial knowledge and his insights are needed to guide the Company. The Board of Directors believes that he continues to maintain necessary independence and fair judgement when carrying out his duties.

No	Name	Shareholding	Education / Work Experience	Note	Been Elected as an Independent Director for Three Consecutive Terms / Reasons
6	Kin-Tsau Lee	0	Master of Science in Management Studies, MIT Sloan School of Management Work experiences: Chairman of China Steel Express Corporation Vice President of China Steel Corporation Independent Director of Ingentec Corp.	Independent Director candidate	No
7	Chia-Hsin Chang	0	Master of Accounting, Soochow University Work experiences: Partner, KPMG Taiwan Independent Director of Getac Holdings Corporation	Independent Director candidate	No

**Motech Industries Inc.
Articles of Incorporation (Before Amendment)**

Chapter I General Provisions

Article 1: The Company shall be incorporated under the Company Act and its name shall be 茂迪股份有限公司 in the Chinese language, and Motech Industries Inc. in the English language.

Article 2: The scope of business of the Company shall be as follows:

1. CE01010 instruments manufacturing;
2. CC01010 electric power supply, electric transmission and power distribution machinery manufacturing;
3. CC01060 wired communication equipment and apparatus manufacturing;
4. CC01070 wireless communication equipment and apparatus manufacturing;
5. CC01080 electronic parts and components manufacturing;
6. CC01090 batteries manufacturing;
7. CC01110 computers and computing peripheral equipment manufacturing;
8. D101060 self-usage power generation equipment utilizing renewable energy industry;
9. D401010 heat energy supplying;
10. FF113030 wholesale of precision instruments;
11. F213040 retail sale of precision instruments;
12. F113110 wholesale of batteries;
13. F213110 retail sale of batteries;
14. F113050 wholesale of computing and business machinery equipment;
15. F213030 retail sale of computing and business machinery equipment;
16. F119010 wholesale of electronic materials;
17. F219010 retail sale of electronic materials;
18. F113070 wholesale of telecom instruments;
19. F213060 retail sale of telecom instruments;
20. IG03010 energy technical services;
21. F401010 international trade; and
22. ZZ99999 Other than those requiring special approval, the Company may enter into other business not prohibited or limited by applicable laws and regulations.

Article 3: The Company has its head office in New Taipei City. The Company may, if necessary, set up branch offices domestically and abroad pursuant to the resolutions of the Board of Directors (the Board). The Company may provide guarantee for the outside parties due to business needs.

Article 4 Deleted

Article 4-1 The Company might invest in other companies due to business needs and act as a shareholder of limited liability pursuant to the resolutions of the Board. The total amount of the investment is not subject to the restriction on total investment amount stipulated in Article 13 of the Company Act.

Chapter II Capital Stock

Article 5 The total authorized capital of the Company shall be in the amount of NT\$10,000,000,000, divided into 1,000,000,000 common shares, at a par value of NT\$10 each. The Board is

authorized to issue the unissued shares by multiple installments.

A total amount of NT\$200,000,000 divided into 20,000,000 common shares at a par value of NT\$10 each among the above total capital stock shall be reserved for exercising share subscription warrants, preferred shares with warrants or corporate bonds with warrants. The Board is authorized to issue by multiple installments.

Article 6: Parties eligible to be transferred of repurchased treasury stocks of the Company shall include employees in the controlling or affiliated companies who met certain conditions. Parties eligible to receive employees' stock options of the Company shall include employees in the controlling or affiliated companies who met certain conditions. Parties eligible to subscribe new shares issued by the Company shall include employees in the controlling or affiliated companies who met certain conditions. Parties eligible to receive restricted stocks of the Company shall include employees in the controlling or affiliated companies who met certain conditions. The Board are authorized to set the above-mentioned conditions.

Article 7: The Company's share certificates shall be registered share certificates. They are issued after being signed or sealed by no less than three Directors of the Company and certified pursuant to laws and regulations. After the Company goes public, shares may be exempted from being printed, however, they shall be registered in the central securities depository. In addition, the central securities depository may request the Company to consolidate the shares issued into larger denomination share certificates.

Article 8: Registration for transfer of shares shall be suspended sixty (60) days before the general meeting of shareholders, thirty (30) days before the extraordinary meeting of shareholders or five (5) days before the base date on which the Company decides to distribute the dividend and bonus or other benefits. Affairs concerning shareholder services need to be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

Chapter III Shareholders' Meeting

Article 9: The shareholders' meetings of the Company are classified into two types. The general meeting shall be annually convened by the Board within six months from the end of each fiscal year in accordance with the relevant laws and regulations. The extraordinary meeting shall be convened when necessary in accordance with the relevant laws and regulations.

Article 10: If a shareholder cannot attend a shareholders' meeting for any reason, he/she may designate a proxy to attend by submitting a power of attorney that is printed by the Company with the scope of authority clearly stated. The situation shall be handled in accordance with Article 177 of the Company Act as well as the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authorities.

Article 10-1: The shareholders' meeting is presided by the Chairman of the Board if convened by the Board. If the Chairman is on leave or unable to exercise his/her power, the Vice Chairman of the Board shall stand proxy. If the Vice Chairman is also on leave or unable to exercise his/her power, the Chairman may appoint one of Directors to stand proxy. If the Chairman does not appoint a proxy, the Directors shall elect one person from among themselves to preside at the meeting. If the shareholders' meeting is

convened by any other party entitled to convene the meeting, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.

Article 10-2: When the Company convenes the shareholders' meeting, the shareholders may exercise their voting rights in writing or by electronic transmission. A shareholder who exercises his/her voting right in writing or by electronic transmission is deemed to have attended the shareholders' meeting in person. However, he/she shall be deemed to have waived his/her voting right in respect of any special motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by such shareholders shall be handled according to Article 177-2 of the Company Act.

Article 11: Unless otherwise provided for in applicable laws and regulations, shareholders of the Company are entitled to one vote for each share held.

Article 12: Unless otherwise provided for in applicable laws and regulations, resolutions of the shareholders' meeting shall be adopted by a majority vote at the meeting attended by shareholders who represent a majority of the total issued shares.

Article 12-1: The resolutions of the shareholders' meeting shall be recorded in the minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy shall be distributed to each shareholder within twenty (20) days after the conclusion of the meeting.

The aforementioned distribution may be done via public announcement.

Chapter IV Directors and Audit Committee

Article 13: The Company shall have seven (7) to nine (9) Directors, among which should contain at least three (3) Independent Directors. The Directors have a term of three (3) years. They shall be elected at the meeting of shareholders from among the individuals of legal capacity. All Directors shall be eligible for re-election. The total shareholding ratio of all Directors shall be in compliance with relevant regulations of competent securities authority.

Article 13-1: Directors shall be elected by the meeting of shareholders adopting the candidate nomination system from among the candidates of Directors. The professional qualifications, restrictions on shareholdings and concurrent positions held, methods of nomination and election, and other matters of Independent Directors shall be handled in compliance with relevant regulations of competent securities authority.

Article 13-2: In compliance with the Securities and Exchange Act, the Company established an Audit Committee, which consists of all Independent Directors. The Audit Committee or the members of Audit Committee shall be responsible for the responsibilities of Supervisors specified under the Company Act, the Securities and Exchange Act and other relevant regulations. The Board shall stipulate rules for Audit Committee to perform its responsibilities and other relevant tasks according to relevant laws and regulations.

Article 14: The Board is composed of Directors. The Directors shall elect a Chairman from among themselves with the consent of the majority of Directors in the Board meeting attended by Directors who represent more than two-thirds of all Directors. The Vice Chairman shall be elected with the same method. The Chairman of the Board represents the Company.

Article 15: When the Chairman is on leave or unable to exercise his/her powers for any reason, his/her proxy shall be determined in accordance with Article 208 of the Company Act.

Article 15-1: A Director may, by a power of attorney, specify the scope of authorization and appoint another Director to attend on his/her behalf any meeting of the Board. However, no Director may act as proxy for more than one other Director.

Any Director attending the meeting via video conference shall be deemed to attend the meeting in person.

The notification to convene the Board meeting should state the reasons for the meeting and be delivered to Directors seven (7) days prior to the meeting. The notification may be served to each Director via writing, e-mail, or facsimile. In case of emergency, the meeting may be convened at any time.

Article 16: Directors of the Company shall be entitled to remuneration for the performance of duties no matter whether the Company is in a loss or not. The remuneration of Directors shall take into account the value of Directors' contribution to the Company and the standard generally adopted by the enterprises of same trade, and be proposed and submitted to the Board meeting by the Remuneration Committee for discussion and approval.

If the Company makes a profit, the remuneration will be appropriated according to Article 19 herein.

Article 16-1 If a Director concurrent serves in other position of the Company, the Chairman is authorized by the shareholders' meeting to determine the remuneration for such position pursuant to internal management rules of the Company.

Article 16-2: The Company may purchase liability insurance for all Directors during their term of office to protect Directors from any potential legal liabilities arising from the performance of their duties and lower the Company's operation risk.

Chapter V Managerial Officers

Article 17 The Company may appoint a President. The appointment, dismissal and compensations of the President shall be conducted in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 18: After the close of each fiscal year, the following reports shall be prepared by the Board and submitted to the annual shareholders' meeting for acceptance:

1. Operation report;
2. Financial statements; and
3. Proposal concerning earnings distribution of deficit compensation.

Article 19: When the Company makes a profit for the year, the compensation to employees shall not be lower than 1% of the balance and the remuneration to Directors shall not be higher than 5% of the balance. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation.

The compensation to employees can be made in the form of stock or cash. Parties eligible to receive the said compensation shall include employees in the controlling or affiliated companies who met certain conditions. The Board are authorized to set those conditions.

The distribution of compensation to employees and remuneration to Directors and related matters shall comply with the relevant laws and regulations. The distribution plan shall be approved in the Board meeting with the consent of majority of attending Directors which represents more than two-thirds of all Directors and be submitted to the shareholders' meeting for its approval.

Article 20: Upon the annual closing of accounts, if there is profit, the Company shall make distribution of such profit in the following sequence:

1. pay applicable taxes;
2. make up the losses for the preceding years;
3. set aside a legal reserve of 10% of the net profit, however, this shall not apply when the legal reserve amounts to the authorized capital; and
4. set aside a special reserve as required by the Securities and Exchange Act.

The Board shall make a proposal concerning appropriation of remaining amount, along with the undistributed accumulated profit from previous years, and such proposed amount for appropriation should be no less than 25% of the total amount eligible for appropriation, and submit the proposal to meeting of the shareholders for its approval.

Article 20-1: The distribution ratio within the dividend policy is determined based on the capital needs for capital expenditure budget, financial structure and future operation plans.

The Company shall not pay dividends when there is no profit. Profits of the Company may be distributed as dividends in the form of stock or cash; however, stock dividends shall not exceed 50% of the total distribution.

In the event that the Company's earnings are far below the distributed amount in the previous year, or in consideration of the financial, business and operational conditions of the Company, the Company may distribute all or part of the reserves in accordance with applicable laws and regulations or rules of the competent authorities.

Chapter VII Supplemental Provisions

Article 21: Rules governing the organization and the procedures of the Company shall be separately stipulated by the Board.

Article 22: Matters not set forth in the Articles of Incorporation shall be subject to the Company Act and relevant laws and regulations.

Article 23: These Articles of Incorporation were enacted on April 25, 1981.

The 1st amendment was approved on October 2, 1982.

The 2nd amendment was approved on November 16, 1982.

The 3rd amendment was approved on December 15, 1982.

The 4th amendment was approved on April 22, 1983.

The 5th amendment was approved on March 2, 1984.

The 6th amendment was approved on March 12, 1987.

The 7th amendment was approved on March 25, 1988.

The 8th amendment was approved on June 30, 1990.

The 9th amendment was approved on December 1, 1990.

The 10th amendment was approved on November 4, 1993.

The 11th amendment was approved on August 28, 1997.

The 12th amendment was approved on February 3, 1998.

The 13th amendment was approved on June 20, 1999.
The 14th amendment was approved on January 8, 2000.
The 15th amendment was approved on November 6, 2001.
The 16th amendment was approved on June 10, 2002.
The 17th amendment was approved on June 23, 2003.
The 18th amendment was approved on June 18, 2004.
The 19th amendment was approved on June 17, 2005.
The 20th amendment was approved on June 9, 2006.
The 21st amendment was approved on June 13, 2007.
The 22nd amendment was approved on May 27, 2008.
The 23rd amendment was approved on June 16, 2009.
The 24th amendment was approved on January 26, 2010.
The 25th amendment was approved on May 26, 2010.
The 26th amendment was approved on May 30, 2011.
The 27th amendment was approved on June 6, 2012.
The 28th amendment was approved on June 11, 2013.
The 29th amendment was approved on June 26, 2014.
The 30th amendment was approved on June 15, 2015, among which, Article 13 which amends the number of Directors to 7 to 9 shall take effect upon the approval by the shareholders at the 2015 annual shareholders' meeting, while the remaining amendments shall take effect upon the expiration of the office term of the current Directors and Supervisors in June 2016.
The 31st amendment was approved on June 13, 2016.
The 32nd amendment was approved on June 11, 2018.
The 33rd amendment was approved on June 17, 2019.

Motech Industries Inc.
Procedures for Acquisition or Disposal of Assets (Before Amendment)

Article 1 Purpose:

For acquisitions or disposals of assets, the Company shall follow the Procedures for Acquisition or Disposal of Assets (Procedures). Matters not set forth in the Procedures shall be dealt with in accordance with applicable laws and regulations.

Article 2 Definitions:

1. "Assets" in the Procedures refer to the following items:
 - (1) Investments such as stocks, government bonds, corporate bonds, bank debentures, marketable securities representing interest in a fund, depositary receipts, call (put) warrants, beneficiary securities and asset-backed securities.
 - (2) Real estate (including land, houses and buildings, investment property, inventories in construction industry) and equipment.
 - (3) Membership certificates.
 - (4) Intangible assets such as patents, copyrights, trademarks and licenses
 - (5) Right-of-use assets.
 - (6) Financial institutions' claims (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - (7) Derivative instruments.
 - (8) Assets acquired or disposed of through legal mergers, spin off, acquisitions or transfers of shares.
 - (9) Other important assets.
2. The "date of occurrence" in the Procedures means the contracting date, payment date, transaction date, title transfer date, date of relevant Board resolutions or other dates on which the transaction counterparty and transaction amount can be ascertained, whichever is earlier. However, for investments which need to be approved by the competent authority, it shall mean the aforementioned dates or the date on which approval from the competent authority is received, whichever is earlier.
3. Professional appraisers refer to real estate appraisers or other lawful appraisers of real estate and equipment.
4. The "related parties and subsidiaries" in the Procedures are as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. The "latest financial statements" in the Procedures refer to the Company's financial statements which are audited or reviewed by certified public accountants (CPAs) and disclosed in accordance with applicable regulations before the acquisition or disposal of assets.
6. Terms not defined in the Procedures shall be subject to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" stipulated by the competent securities authority.

Article 3 The evaluation procedures for acquisition or disposal of assets are as follows:

1. The means and reference for price determination are listed as follows:
 - (1) Acquisition or disposal of securities traded on centralized exchange markets or over-the-counter markets shall be priced according to the market prices at that time.
 - (2) Acquisition or disposal of securities not traded on centralized exchange markets or over-the-counter markets shall be priced based on the net worth per share, profitability, future prospects and trading prices at that time.

- (3) Acquisition or disposal of bonds not traded on centralized exchange markets or over-the-counter markets shall be priced based on the market interest rates at that time, coupon rates of the bond and the credit rating of the debtor.
 - (4) Acquisition or disposal of real estate or right-of-use assets thereof shall be priced with reference to the publicly announced current value, assessed value, actual trading price of neighboring real estate and appraisal reports from professional appraisal institutions.
 - (5) Acquisition or disposal of other assets or right-of-use assets thereof shall be priced based on inquiry, bidding, price negotiation or professional appraisal reports.
2. Opinions from professionals:
- (1) Regarding the acquisition or disposal of real estate or equipment or right-of-use assets thereof, except for transactions with domestic government institutions, commissioned construction on own land, commissioned construction on leased land or acquisition or disposal of operating equipment or right-of-use assets thereof, when the trading amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, the Company shall obtain an appraisal report produced by a professional appraiser before the date of occurrence and meet the following criteria:
 - A. When a limited price, specific price or special price must be used as reference for the trading price due to special circumstances, such trading shall be submitted to the Board of Directors for approval. The same procedures shall apply for any subsequent changes to the trading terms.
 - B. For transaction with trading amount exceeding NT\$1,000,000,000, appraisal reports from two or more professional appraisers shall be obtained.
 - C. If any of the following situation occurs, unless all of the appraisal values for asset acquisition are higher than the trading amount or all of the appraisal values for asset disposal are lower than the trading price, the Company shall engage CPAs to take actions in accordance with the Auditing Standards No. 20 published by Accounting Research and Development Foundation (ARDF) and to express specific comments on the reasons for the discrepancy and the fairness of the trading price.
 - (a) The difference between the appraisal results and the trading amount exceeds 20% of the trading amount.
 - (b) The difference between the appraisal results from more than two professional appraisers exceeds 10% of the trading amount.
 - D. The date of report issued by a professional appraiser shall not be more than three months earlier than the contract date. However, if the publicly announced current value of the same period is applicable and the report is no earlier than six months, the original professional appraiser may issue an opinion.
 - (2) Regarding the acquisition or disposal of marketable securities, the Company shall, before the date of occurrence, obtain the target company's latest CPA-audited or reviewed financial statements as a reference for assessment of the trading price. Where the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, the Company shall engage CPAs to express an opinion on the reasonableness of the transaction price before the day of occurrence. If the CPA requires professionals' reports, actions shall be taken in accordance with Auditing Standards No. 20 published by ARDF. However, this provision does not apply if such marketable securities have quoted prices in an active market or otherwise regulated by the Financial Supervisory Commission.

- (3) Regarding the acquisition or disposal of intangible assets or right-of-use assets thereof or membership certificates where the trading amount exceeds 20% of the Company's paid-in capital or NT\$300,000,000, except for transactions with domestic government institutions, the Company shall, before the date of occurrence, contact CPAs to express opinions on the reasonableness of the trading price. The CPA shall act in accordance with the Auditing Standards No. 20 published by ARDF.
- (4) Where the Company acquires or disposes of assets through court auctions, certificates issued by the court may substitute for appraisal reports or CPAs' opinions.
- (5) The calculation of trading amount shall be conducted in accordance with Paragraph 2, Article 7 of the Procedures. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions in accordance with the Procedures shall not be included.
- (6) The professional appraisers and related appraising personnel from whom the Company obtains appraisal reports and the CPAs, attorneys or securities underwriters from whom the Company acquires opinions shall meet criteria set out in Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent securities authority.

Article 4 The procedures for acquisition or disposal of assets:

1. For acquisition or disposal of assets, the execution unit shall submit the reasons, objects, transaction counterparts, transfer prices, collection/payment terms and appraisal outcomes from professionals or evaluation reports to the authorized decision-making units for approval in accordance to rules below and then take actions pursuant to the Procedures or relevant internal control system depending on the nature of the assets:
 - (1) The acquisition or disposal of long-term equity investment and real estate by the Company shall be resolved at the Board meetings.
 - (2) Equipment:
 - A. Acquisition: Unless otherwise provided in Articles 3 and 10, acquisitions included in the annual budget shall be dealt with in accordance with relevant internal rules. For acquisitions not in the budget or exceeding the budget, the Board of Directors shall either approve the use of budget or increase the budget before transactions can be dealt with in accordance with relevant internal rules. However, the Board may authorize the Chairman to approve the transaction and report it afterwards for acknowledgement in the Board meeting.
 - B. Disposal: Unless otherwise provided in Articles 3 and 10, disposals shall be dealt with in accordance with relevant internal rules.
 - (3) Unless otherwise provided in the Company Act, the Enterprises Mergers and Acquisitions Act, other laws and regulation, the Company's Articles of Incorporation and the Procedures, the Chairman and President are fully authorized to deal with the acquisition or disposal of other assets.
2. Matters regarding the acquisition or disposal of assets shall be handled in accordance with the Procedures and the relevant rules of the Company's internal control system. If a material violation is identified, relevant personnel would be penalized according to their offenses.

3. When the Company submits the acquisition or disposal of assets to the Board of Directors for discussion in accordance with Subparagraph 1, opinions of Independent Directors shall be fully considered. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.
4. Material assets or derivative transactions of the Company shall be approved by the majority of Audit Committee members and be resolved at the Board meeting.
5. If transactions set out in the preceding subparagraph failed to be approved by the majority of Audit Committee members, it shall be approved by two-thirds of all Directors before it can be executed. The resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.
6. The terms "Audit Committee members" and "all Directors" in the two preceding subparagraphs refer to persons who currently hold those positions.

Article 5 Execution unit:

For the acquisition or disposal of long- and short-term securities, the execution units are the finance department and other related units. For the acquisition or disposal of real estate, equipment or right-of-use assets thereof and other assets, the execution units are the finance department, user units or other related units.

Article 6: Scopes and limits of asset acquisitions:

Assets defined in the Procedures can all be objects of acquisitions. However, they are subject to the following limits:

1. The total amount of non-operating real estate acquired by the Company shall not exceed 15% of the shareholders' equity. The total amount of non-operating real estate acquired by subsidiaries of the Company shall not exceed 5% of the Company's shareholders' equity.
2. The total amount of investments in long- and short-term securities by the Company shall not exceed 70% of the shareholders' equity. The total amount of investments in long- and short-term securities by subsidiaries of the Company shall not exceed 30% of the Company's shareholders' equity.
3. The Company's investments in individual securities, except for long-term equity investments, shall not exceed 20% of the shareholders' equity. The total amount of investments by the Company and its subsidiaries shall not exceed 30% of the Company's shareholders' equity. The investments in individual securities by each subsidiary of the Company shall not exceed 10% of the Company's shareholders' equity.

Article 7 Public disclosure of information:

If the Company's acquisition or disposal of assets meets the following criteria, the Company shall announce and declare it in the specified format based on the nature of transaction within two days counting inclusively from the date of the occurrence at website designated by the competent authority:

1. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party or assets other than real estate or right-of-use assets thereof from or to a related party with trading amount exceeding 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000. This does not apply to the purchase or sale of domestic government bonds, bonds with repurchase or resale agreements or subscription or redemption of domestic money market funds provided by securities investment trust enterprises.

2. Engagement in a merger, spin off, acquisition or transfer of shares.
3. Engagement in the trading of financial derivative instruments with losses exceeding the upper limit for aggregate or individual contracts as stipulated in relevant procedures.
4. Acquisition or disposal of assets classified as operating equipment from or to a non-related party with trading amount equal to or greater than NT\$500,000,000.
5. Real estate acquired by means of contracting others to construct on the Company's own land, contracting others to construct on leased land, distributing housing units in a joint construction project, distributing profit in a joint construction project or selling of housing units separately in a joint construction project from a non-related party with expected investment of the Company equal to or greater than NT\$500,000,000.
6. Other than transactions listed in the five preceding subparagraphs, any trading of assets, or engagement in investment in China with trading amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000. However, the following situations are excluded:
 - (1) Purchase or sale of domestic government bonds.
 - (2) Purchase or sale of bonds with repurchase or resale agreements and subscription or redemption of domestic money market funds provided by securities investment trust enterprises.

The trading amount in the preceding paragraph shall be calculated using the following methods:

1. Amount of every transaction
2. The cumulative amount of acquisition or disposal of subject matters of the same category from the same counterparty within one year
3. The cumulative amount of acquisition or disposal of real estate or right-of-use assets thereof of the same development project within one year (the acquisition and disposal amounts shall be accumulated separately)
4. The cumulative amount of acquisition or disposal of the same securities within one year (the acquisition and disposal amounts shall be accumulated separately)

The said "within one year" means one year calculated retrospectively from the trading date, which is considered as the base date. The part which has been publicly announced in accordance with the Procedures shall not be included.

The Company shall update the status of derivative trading of the Company and its subsidiaries, which are not domestic public companies, as of the end of previous month in the prescribed format at the information declaration website designated by the competent authority by the tenth of each month.

If the Company has to amend errors or omissions in items announced, the Company shall announce and declare all items again within two days counting inclusively from the date it becomes aware of such errors or omissions.

Regarding the acquisition or disposal of assets, the Company shall keep related contracts, minutes, memorandum books, appraisal reports and opinions of CPAs, attorneys or securities underwriters available at its office. Unless otherwise provided in other laws and regulations, these documents shall be retained for five years at least.

Article 8 After the Company announces and declares transactions in accordance with the preceding article, the Company shall, under any of the following circumstances, announce and declare related information on the website designated by the competent authority within two days counting inclusively from the date of the occurrence:

1. The contract signed in relation to the original transaction is changed, terminated or cancelled.
2. The merger, spin off, acquisition or transfer of shares fails to be completed as scheduled.
3. Details of the original announcement and declaration have been changed.

Article 9 Control procedures for acquisition or disposal of assets by subsidiaries:

1. Acquisition or disposal of assets by subsidiaries shall be in compliance with Articles 3 and 4 of the Procedures.
2. Where the subsidiary is not a domestic public company and its asset acquisition or disposal meets the standards for announcement and declaration as stipulated in Articles 7 and 8 of the Procedures, the Company shall make public announcement, declaration and transcription on behalf of the subsidiary.
3. In the subsidiary's standards for announcement and declaration, provisions concerning paid-in capital or total assets are based on the paid-in capital or total assets of the Company.
4. The Company shall urge subsidiaries that are public companies to establish and execute procedures for acquisition or disposal of assets in accordance with relevant laws and regulations.
5. For subsidiaries that are not public companies, they may establish and execute procedures for acquisition or disposal of assets in accordance with relevant laws and regulations if necessary. For ones without relevant procedures in place, they shall adopt the same procedures as the Company.
6. The Company shall urge subsidiaries to conduct self-assessments on whether their procedures for acquisition or disposal of assets are in compliance with laws and regulations and their asset acquisition or disposal transactions are conducted in accordance with their own procedures.
7. The Company's internal audit shall include regular reviews on subsidiaries' self-assessment reports.

Article 10 Related party transactions:

1. Regarding the acquisition or disposal of assets between the Company and related parties, in addition to carrying out related resolution procedures and reasonableness assessment of the transaction, the Company shall obtain appraisal reports produced by professional appraisers or CPA's opinions in accordance with Article 3 herein for transaction with trading amount exceeding 10% of the Company's total assets. The calculation of trading amount in this subparagraph shall be conducted in accordance with Item 5, Subparagraph 2, Article 3 herein. In judging whether the trading counterparty is a related party, the Company shall consider substantive relations besides legal formalities.
2. Except for the purchase or sale of domestic government bonds, bonds with repurchase or resale agreements or subscription or redemption of domestic money market funds provided by securities investment trust enterprises, where the Company acquires or disposes of real estate or right-of-use assets thereof from or to a related party or assets other than real estate or right-of-use assets thereof from or to a related party and the trading amount exceeds 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000, before signing the contract and making payments, the following information shall be approved by the majority of Audit Committee members and then submitted to the Board of Directors for approval with mutatis mutandis application of Subparagraphs 5 and 6, Article 4:

- (1) Purpose, necessity and expected benefits of the asset acquisition or disposal.
 - (2) Reasons for choosing the related party as a trading counterparty.
 - (3) Information related to the assessment of reasonableness of preliminary trading terms in accordance with relevant provisions for the acquisition of real estate or right-of-use assets thereof from a related party.
 - (4) Details such as the related party's original acquisition date, price, trading counterparty and the counterparty's relations to the Company and the related party.
 - (5) Monthly cash flow forecasts of the coming year starting from the estimated contract-signing month and the assessments on necessity of trading and reasonableness of fund utilization.
 - (6) Appraisal reports produced by professional appraisers or CPAs' opinions which are obtained in accordance with the Procedures.
 - (7) Restrictions and important covenants of the trading.
3. The calculation of the trading amount in the preceding subparagraph shall be conducted in accordance with Paragraph 2, Article 7 herein. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part for which the Company has submitted to the Audit Committee and the Board of Directors in accordance with the Procedures shall not be included.
 4. Regarding the acquisition or disposal of operating equipment between the Company and its subsidiaries, the Board of Directors may authorize the Chairman to approve within NT\$300,000,000 and report it afterwards for acknowledgement in the upcoming Board of Directors' meeting.
 5. When the Company reports the acquisition or disposal transaction to the Board of Directors pursuant to the four preceding subparagraphs, it shall fully consider each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.
 6. For acquisition of real estate or right-of-use assets thereof from related parties, the Company shall assess the reasonableness of trading cost pursuant to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and contact CPAs to review and express specific comments. Any one of the following situations is considered an exception, however, actions shall still be taken in accordance with the five preceding subparagraphs:
 - (1) The related party acquired real estate or right-of-use assets thereof by inheritance or gift.
 - (2) It is more than five years from the time the related party signed the acquisition contract of real estate or right-of-use assets thereof to the date of this trading.
 - (3) The Company acquired real estate by signing a joint construction contract with the related party or commissioning the related party to build the real estate as in commissioned construction on own land or leased land.
 7. Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if all of the results assessed are lower than the trading price, the following matters shall be carried out:
 - (1) In respect of the difference between trading price and assessed cost of the real estate or right-of-use assets thereof, the Company shall recognize a special reserve, which shall not be distributed or capitalized for share issuance, in accordance with relevant provisions. Where a public company uses the equity method to account for its investment in the Company, a special reserve shall be recognized in proportion to the shareholding percentage of the investor in the investee company.

- (2) The Audit Committee shall proceed in accordance with Article 218 of the Company Act.
 - (3) Actions taken pursuant to Items 1 and 2 shall be reported to the shareholders' meeting and the trading details shall be disclosed in the annual report and prospectus.
8. When the Company recognizes a special reserve in accordance with the preceding subparagraph, it may utilize such reserve upon approvals from competent securities authority and when valuation losses have been recognized for the assets purchased or leased at a premium, the said assets have been disposed of, relevant lease agreements have been terminated or the said assets have been compensated appropriately or restored to original status, or there are other evidences indicating the transaction is not unreasonable.
 9. Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if there are other evidences showing non-compliance of business practices, actions shall be taken in accordance with the two preceding subparagraphs of this Article.

Article 11 Derivative instruments:

When the Company engages in financial derivatives transactions, it shall comply with the "Procedures for Financial Derivatives Transactions" and carry out risk management and audits for the implementation of internal control system.

Article 12 Merger, spin off, acquisition or transfer of shares:

1. For mergers, spin off, acquisitions or transfer of shares, the Company shall retain CPAs, attorneys or securities underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders before convening a Board meeting for resolution. The said opinions on reasonableness from professionals are not required when the Company merges a subsidiary whose shares issued or paid-in capital are 100% owned, directly or indirectly, by the Company or the merger occurs between subsidiaries whose shares issued or paid-in capital are 100% owned, directly or indirectly, by the Company.
2. Regarding the important terms in the contracts and relevant matters of the merger, spin off or acquisition, the Company shall compile a public report to shareholders before the shareholders' meeting. This together with the expert opinions referred to in the preceding subparagraph and the shareholders' meeting notice shall be delivered to shareholders as reference materials in deciding whether to approve the merger, spin off or acquisition. The rule does not apply where under other laws and regulations it is not required to convene the shareholders' meeting for resolution on merge, spin off or acquisition.
3. If any of the companies participating in the merger, spin off or acquisition is unable to convene the shareholders' meeting, make a resolution or have the motion passed by the shareholders' meeting due to lack of a quorum, insufficient voting rights or other legal restrictions, the companies shall immediately and publicly explain the reasons, subsequent actions and the date scheduled to convene the shareholders' meeting.
4. Unless otherwise provided in other laws and regulations or where there are special circumstances that have already been reported to and approved by the competent securities authority, the Company and companies participating in the merger, spin off or acquisition shall convene the Board meeting and shareholders' meeting on the same day to resolve matters related to the merger, spin off or acquisition.

5. Unless otherwise provided in other laws and regulations or where there are special circumstances that have already been reported to and approved by the competent securities authority, companies participating in the transfer of shares shall convene the Board meeting on the same day.
6. Stock conversion ratio or acquisition price for merger, spin off, acquisition or transfer of shares shall not be changed arbitrarily except for circumstances set out below and these circumstances shall be stipulated in the contracts of merger, spin off, acquisition or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, distribution of bonus shares or issuance of corporate bonds with warrants, preferred shares with warrants, stock option certificates and other equity-type marketable securities.
 - (2) Actions that affect the Company's financial operations, such as a disposal of the Company's material assets.
 - (3) Occurrence of major disasters or significant changes in technology that affect shareholders' equity or share price of the Company.
 - (4) Adjustment due to treasury share buyback pursuant to relevant laws and regulations by one of the companies participating in the merger, spin off, acquisition or transfer of shares.
 - (5) Changes in the entities or the number of companies participating in the merger, spin off, acquisition or transfer of shares.
 - (6) Other conditions which allow changes as stipulated in the contract and have been publicly disclosed.
7. The contract for the merger, spin off, acquisition or transfer of shares shall stipulate all relevant items pursuant to laws and regulations to protect the rights of participating companies.
8. When the Company engages in the merger, spin off, acquisition or transfer of shares, it shall prepare a complete written record detailing the following information and retain it for five years:
 - (1) Basic information of the personnel: including the job title, name and identification card number (or passport number for a foreign national) of everyone who participates in or executes the merger, spin off, acquisition or transfer of shares before the news is disclosed to the public.
 - (2) Dates of important events: including the dates for signing the letter of intent or the memorandum, engaging financial or legal consultants, signing contracts, and convening the Board meetings.
 - (3) Important documents and meeting minutes: including plans, letters of intent or memorandums, important contracts and Board meeting minutes for the merger, spin off, acquisition or transfer of share.
9. When the Company engages in the merger, spin off, acquisition or transfer of shares, it shall declare the information referred to in Items 1 and 2 of the preceding subparagraph in the prescribed format to the competent securities authority through internet-based information system within two days counting inclusively from the day the resolution is made in the Board meeting.
10. The Company shall sign an agreement with non-listed or non-OTC companies participating in the merger, spin off, acquisition or transfer of shares and actions shall be taken in accordance with the two preceding subparagraphs.
11. All personnel who participate in or are aware of the merger, spin off, acquisition or transfer of shares plan of the Company shall sign written confidentiality agreements. Before information become public, they shall neither disclose the project contents nor buy or sell, in their own or other people's names, the shares and other equity-type marketable securities of any of the companies associated with the merger, spin off, acquisition or transfer of shares.

12. For acquisition or disposal of assets due to merger, spin off, acquisition or transfer of shares, besides the Procedures, the Company shall comply with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” stipulated by the competent securities authority, the Enterprises Mergers and Acquisitions Act and other relevant laws and regulations.

Article 13 The threshold of 10% of total assets in the Procedures is calculated based on the total assets in the latest parent company only or individual financial statements prepared pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For companies whose shares have no par value or a par value other than NT\$10, the threshold of 20% of paid-in capital in the Procedures is calculated as 10% of equity attributable to shareholders of the parent company.

Article 14 The Procedures and amendments thereof shall be approved by the majority of Audit Committee members and submitted to the Board for a resolution before it can be proposed to the shareholders' meeting for approval. If any Director expresses objections on the recorded or in writing, the Company shall submit such Director's objections to the Audit Committee.

When the Company submits the Procedures to the Board of Directors for discussion, it shall fully consider each Independent Director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.

If Paragraph 1 failed to be approved by the majority of Audit Committee members, it shall be approved by two-thirds of all Directors. The resolution of Audit Committee shall be recorded in the minutes of the Board meeting.

The "Audit Committee members" and "all Directors" in the preceding paragraph refer to persons who currently hold those positions.

Motech Industries Inc.
Rules and Procedures of Shareholders' Meeting (Before Amendment)

- Article 1 Unless otherwise provided for in applicable laws and regulations, the Company shall duly convene the shareholders' meeting in accordance with the Rules specified herein.
- Article 2 The term "shareholders" used in the Rules refers to shareholders and their appointed proxies.
- Article 3 When the shareholders attend the shareholders' meeting, they shall sign on the attendance booklet or hand in the attendance cards in lieu of signing in. The number of shares in attendance shall be calculated based on the number of shares indicated by the attendance book or attendance cards handed in.
- Article 4 The attendance and voting at the shareholders' meeting shall be calculated based on the number of shares. Unless otherwise provided for in applicable laws and regulations, shareholders of the Company are entitled to one vote for each share held.
- Article 5 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 6 The shareholders' meeting is presided by the Chairman of the Board of Directors (the Board) if convened by the Board. If the Chairman is on leave or unable to exercise his/her power, the Vice Chairman of the Board shall stand proxy. If the Vice Chairman is also on leave or unable to exercise his/her power, the Chairman may appoint one of Directors to stand proxy. If the Chairman does not appoint a proxy, the Directors shall elect one person from among themselves to preside at the meeting.
If the shareholders' meeting is convened by any other party entitled to convene the meeting, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.
- Article 7 The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholder meeting as an observer. The staff involved in the shareholders' meeting affairs shall wear identification certificates or armbands.
- Article 8 The process of shareholders' meeting shall be tape-recorded or videotaped and kept for at least one year.
- Article 9 The chairman shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairman may announce a postponement of the meeting, however, there may not be more than two (2) postponements in total and the total time accumulated in the postponement(s) shall not exceed one (1) hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two (2) postponements, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act. In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairman may bring

the tentative resolution(s) so adopted into the shareholders' meeting to be duly resolved in accordance with Article 174 of the Company Act.

- Article 10 The Board shall formulate the meeting agenda if the shareholders' meeting is convened by the Board. Relevant proposals (including special motions and amendments to the original proposals) shall be resolved by voting on a proposal-by-proposal basis. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.
- The preceding Paragraph shall apply mutatis mutandis to meetings convened by any party, other than the Board, entitled to convene such meeting.
- The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extempore motions) stated in the preceding two Paragraphs, except by a resolution of the shareholders' meeting. After the meeting is adjourned, the shareholders shall not elect another chairman to resume such meeting at the same location or seek an alternative venue.
- Article 11 An attending shareholder shall submit a speaker's slip before speaking at the shareholder meeting. The speaker's slip shall expressly describe the subject of his or her speech as well as his/her shareholder account number (or the attendance card number) and account name. The order of speaking is determined by the chairman. An attending shareholder who submits a speaker's slip but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of shareholder's speech and those recorded on the slip, the contents of shareholder's speech shall prevail.
- When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chairman and such speaking shareholder. The chairman shall stop any such violations.
- Article 12 Each shareholder may only make a speech on the same proposal once. However, with the consent of chairman, he/she can make a speech again. The duration of each speech shall not exceed five (5) minutes. If the shareholder speaks in violation of the said rules or beyond the scope of agenda item, the chairman may stop the speech.
- Article 13 In the event that a juristic person is designated to participate in a shareholders' meeting, that juristic person may appoint only one representative to participate in the meeting. In the event that a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak for the same proposal.
- Article 14 After the attending shareholder has spoken, the chairman may respond in person or appoint an appropriate person to respond.
- Article 15 Where the chairman believes an issue has been discussed in the meeting up to the level for voting, the chairman may announce discontinuance of the discussion process and bring that issue to a vote.
- Article 16 The ballot inspectors and counters for voting processes are designated by the chairman, provided that the ballot inspectors shall be shareholders. The voting results shall be announced at the meeting, and be recorded in the meeting minutes.
- Article 17 When the meeting is in progress, the chairman may announce a break at his/her discretion.
- Article 18 Unless otherwise provided for in the Company Act and the Articles of Incorporation, proposals at the shareholders' meeting shall be resolved by a majority vote of the shareholders attending the meeting. The proposal shall be deemed adopted if all attending

shareholders are solicited by the chairman and no objection is voiced. Its validity is the same as voted by casting ballots.

- Article 19 When there is an amendment or an alternative to a proposal, the chairman shall present the amendment or alternative together with the original proposal and decide their voting orders. When one among them is duly resolved, others are deemed to have been vetoed and no voting process is required.
- Article 20 The chairman may direct patrol personnel (or security personnel) to assist in maintaining the order of the meeting. Such patrol personnel (or security personnel) shall wear armbands marked "Patrol Personnel" while assisting in maintaining the order of the meeting.
- Article 21 When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights as a proxy for any other shareholder.
- Article 22 If the shareholders' meeting cannot be convened on the scheduled date or the meeting is interrupted and cannot be resumed, the Board is authorized to defer or resume the meeting within five days pursuant to Article 182 of the Company Act. The meeting deferred or resumed as stipulated in the preceding paragraph is not subject to the procedures for convening the shareholders' meeting under Article 172 of the Company Act.
- Article 23 With respect to the resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. The number of shares with voting rights that cannot be exercised shall not be counted as part of the voting rights represented by attending shareholders.
- Article 24 When the meeting is in progress, if force majeure events occur, the chairman may decide to temporarily suspend the meeting. Once the situation is resolved, the meeting may be resumed.
- Article 25 The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

Appendix 4

Motech Industries Inc. Director Election Procedures

- Article 1 Unless otherwise provided in the Company Act, the Securities and Exchange Act, and the Company's Articles of Incorporation, the election of Directors of the Company shall be in compliance with the Procedures.
- Article 2 Directors of the Company shall be elected by the shareholders' meeting among persons with legal capacity to serve a term of three years. Directors are eligible for re-election.
- Article 3 For the election of Directors, unless otherwise provide in laws and regulations, each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or divided to vote for several persons.
- Article 4 For the number of seats set forth in the Articles of Incorporation, candidates who acquire more votes shall win the seats of Directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified available seats, such persons acquiring the same votes shall draw lots to decide who shall win the seats, and the Chairman shall draw lots on behalf of the candidate who is not present. The Company adopts the candidate nomination system set forth in Article 192-1 of the Company Act for the election of Directors. The election for Independent and non-Independent Directors shall be held at the same time with the number of elected Directors calculated separately. Candidates who acquire more votes shall win the seats.
- Article 5 When Directors are dismissed for any reason, resulting in there being less than five Directors, the Company shall hold an election in the upcoming shareholders' meeting to fill the vacancies. However, if the voted vacancies of the Board equals to one-third of the total number of Directors stipulated in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting within 60 days from the date of occurrence to elect new Directors to fill the vacancies.
- Article 6 The Company shall prepare the same number of ballots as Directors to be elected and the number of voting rights shall be specified on the ballots, which would be distributed to shareholders attending the shareholders' meeting.
- Article 7 At the beginning of the election, the Chairman shall appoint several vote monitoring and counting persons to carry out relevant tasks. The monitoring personnel shall be appointed from attending shareholders.
- Article 8 The ballot box used for voting shall be prepared by the Company and examined in public by the monitoring personnel before voting.
- Article 9 Voters shall fill in the "candidate" column the candidate's name and shareholder number. If the candidate is a juristic person shareholder, the "candidate" column shall be filled in with the name of the juristic person. If the candidate is a representative of a juristic person shareholder, the "candidate" column shall be filled in with the names of the juristic person and the representative.

Article 10 Ballots shall be deemed void in any of the following circumstances:

1. Ballots not prepared by the Company.
2. Blank ballots.
3. Illegible writing or modification.
4. If the candidate is a shareholder, the name or shareholder number of the candidate written on the ballot is inconsistent with the information on the shareholder register. If the candidate is not a shareholder, the name or ID number of the candidate written on the ballot is incorrect.
5. Ballots with written characters in addition to candidate's name and shareholder number (ID number).
6. The name of the candidate written on the ballot is the same as another candidate's name and the shareholder number or ID number is not provided for identification.
7. The same ballot has been filled in with two or more candidates.

Article 11 The ballots shall be calculated in the meeting right after the vote casting and the results of the election shall be announced by the chair or the master of ceremonies at the meeting.

Article 12 The Board will issue elected notices to elected Directors.

Article 13 The Procedures and amendments thereof shall become effective after approval at the shareholders' meeting.

Motech Industries Inc.
Shareholding Details of Directors

Book Closure Date: April 23, 2022

Title	Name	Date Elected	Shareholding on the Date Elected		Shareholdings on Register of Shareholders as of the Book Closure Date	
			No. of Shares	Shareholding %	No. of Shares	Shareholding %
Chairman	Yung-Hui Tseng	2019.06.17	16,109,212	2.98%	10,582,717	2.98%
Director	Chih-Kaou Lee	2019.06.17	6,123,454	1.13%	4,022,716	1.13%
Director	George Huang	2019.06.17	0	0.00%	0	0.00%
Director	Ming-Shiaw Lu	2019.06.17	3,927,062	0.73%	2,579,827	0.73%
Independent Director	Cheng-Ching Wu	2019.06.17	0	0.00%	0	0.00%
Independent Director	Kin-Tsau Lee	2019.06.17	0	0.00%	0	0.00%
Independent Director	San-Boh Lee	2019.06.17	206,000	0.04%	135,328	0.04%
Shareholdings of all Directors (Note)					17,185,260	4.84%
Minimum shareholdings of all Directors					14,201,675	4.00%

Note:

- Pursuant to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the shareholdings of Independent Directors elected by a public company shall not be included in the calculation of total registered shares owned by all Directors. If the public company has elected two or more Independent Directors, the shareholding of all Directors, excluding the Independent Directors, calculated at the statutory rate shall be decreased to 80%.
- The minimum shareholdings of all Directors shall be 14,201,675 shares. As of April 23, 2022, the total shareholdings of all Directors, excluding the Independent Directors, was 17,185,260 shares.
- The Company has established the Audit Committee. The provision on the minimum percentage requirements for the shareholding of Supervisors does not apply.