



C-TECH UNITED CORP.

2023 Annual Shareholders' Meeting Notice

1. The company will hold the 2023 Annual Shareholders' Meeting at 9:00am on June 30, 2023 (Friday) in the meeting room on the 2nd floor, No. 665, Zhongzheng Rd., Xinzhuang Dist., New Taipei City. (At 8:30 am, the registration place is the same as the meeting room.), and the agenda for the Meeting is as follows : (1)Report Items: 1. 2022 Business Report. 2. Audit Committee's Review Report on the 2022 Financial Statements. 3. Amendment of Rules of Procedure for the Board's Meeting. 4. Remuneration Received by the Directors, Including the Policy of Remuneration, Individual Remuneration Content, and the Remuneration Amount Report. 5. The Report - The Company did not process the private placement of common shares approved by the 2021 Annual Shareholders' Meeting. 6. The Countermeasures for the Company's Accumulated Loss Reaching One-half of the Company's Paid-in Capital.(2)Ratification Items: 1. 2022 Business Report and Financial Statements. 2. 2022 Loss Cover Proposal. (3) Discussion and Elections Items: 1. Amendment to the Articles of Incorporation. 2. Amendment to the Process of Endorsements and Guarantees. 3. Proposal of Reshuffling the Board (Including Independent Directors). 4. Proposal of Releasing the Prohibition on Directors and Their Representatives from Participation in Competitive Business. 5. Proposal of Conducting Private Placement of Common Shares or Domestic Convertible Bonds (including secured and unsecured convertible corporate bonds). (4) Questions and Motions.
2. Check the attendance card of your shareholder and a copy of the power of attorney. If you decide to attend in person, please sign or seal the attendance card and report to the venue on the day of the meeting. Sign or seal and fill in the name, ID number and address of the agent in person, and send (deliver) it to the stock agency department of Mega Securities Co., Ltd. (Zhongzheng District, Taipei City) five days before the shareholders' meeting. 1st Floor, No. 95, Section 2, Zhongxiao East Road), Bili will attend the registration.
3. If there is a letter of solicitation from shareholders at this shareholders' meeting, the company will prepare a general list of solicitors soliciting materials on the 30th of the ordinary shareholders' meeting / 15 days before the extraordinary shareholders' meeting and disclose it on the website of the Securities and Foundation. If investors want to inquire, they can directly Type (website <https://free.sfi.org.tw>) into the "Free Enquiry System for Appointments".
4. According to Article 172 of the Company Law, Articles 26-1 and 43-6 of the Securities and Exchange Law and relevant laws and regulations, the main content of the shareholders' meeting proposal can be found in the public information observatory (website: <https://mops.twse.com.tw>) Select "E-book/Annual Report and Shareholders' Meeting Related Information" or click "Basic Information/Company Basic Information/Company Website" to link to the company's website.

5. It shall be handled in accordance with Article 13-1 of the Rules for the Use of Power of Attorney by Public Issuing Companies to Attend Shareholders' Meeting.
6. In this shareholders' meeting, shareholders can exercise their voting rights electronically. The period is: from May 31, 2023 to June 27, 2023. Please log in to the "Shareholders e-Vote Pass" of the Taiwan Central Depository and Clearing House (Shares) Division ” page, and vote according to the relevant instructions (website: <https://www.stockvot.com.tw>).
7. For souvenirs (manicure set), please refer to the instructions for souvenir collection.

Adjournment

Sincerely,

Board of Directors
C-TECH UNITED CORP.

Attachment 1

It is proposed to issue common shares or domestic convertible bonds (including secured or unsecured convertible bonds) by conducting private placement.

Explanation:

- (1) The Board has approved on November 10th and December 29th, 2022 at the Board's meeting to issue common shares or domestic convertible bonds (including secured or unsecured convertible bonds) by conducting private placement.
- (2) In response to the fund needed for the purposes such as business development, improvement of financial structure, and enrichment of the operational funds, it is proposed to introduce strategic investors to raise funds through private placements, to conduct private placements of common shares or domestic convertible corporate bonds (including secured or unsecured convertible bonds) in one or a combination of ways. The issued shares or the convertible common shares shall be conducted within the quota of 50,000,000.
- (3) To conduct (according to Section 6, Article 43-6, Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities) the private placement of marketable securities, the instructions are stated as follows:
 - i. The basis and rationality for the price setting
 - a. The real issued price per common share conducted by private placement shall be set at no less than 80% of the reference price. The reference price shall be determined by the higher of the two following calculations: 1. The simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. In the future, it is not ruled out that the private placement price may be lower than the par value of the share, which is formulated according to the current laws and is reasonable. Where the price of each common share is affected by the market and is still lower than the par value of the share, the impact on shareholders' equity would be the accumulated loss produced by the difference between the actual private placement price and the par value. And this accumulated loss would be eliminated depending on the Company's operating condition. The actual date of determination and the actual price of private placement shall be submitted to the shareholders' meeting to authorize the Board to set within the percentage which is determined at the shareholders' meeting and shall be set according to the conditions of the market and the Company and the selection of strategic investors. The aforementioned basis of private placement's price setting shall not only comply with the relevant regulation of Directions for Public Companies Conducting Private Placement of Securities but also be formulated with the regulation that within three years from the acquisition date of the private placement, there exist restrictions on the object and quantity of transferring the private placement of securities and that private placement of securities delivered within three years are forbidden to apply for public listing and offering to the competent authority. Therefore, the basis is reasonable.

- b. The issue price of the private placement of convertible bonds shall be no less than 80% of the theoretical price. The theoretical price shall be calculated based on an appropriate pricing model that is selected in consideration of the various right under the term of issuance. Where the actual issue price of the share is lower than the par value of the share due to the effect of factors in the security market, the fundraising would be regarded successful as the par value of the share has reflected the price in the market and has been conducted according to the basis for the price setting of laws and regulations. Where the value of the share is lower than the par value of the share that causes accumulated loss affecting the equity of shareholders, it shall, depending on the Company's operating condition and the market situation, be reported to the Board for a resolution to cover the loss by capital reduction, legal reserve, or capital reserve.
- c. To maintain the best issue resilience, the detailed conditions such as price determination date, actual reference price, theoretical price, actual issue price, and the issue conditions (including the coupon rate, the conversion price of convertible bonds, the conversion period, and the conversion method) are yet to be determined. The shareholders' meeting is proposed to authorize the Board to set the conditions base on the situation of the capital market and the situation of selecting strategic investors. The aforementioned basis of private placement's price setting shall not only comply with the relevant regulation of Directions for Public Companies Conducting Private Placement of Securities but also be formulated with the regulation that within three years from the acquisition date of the private placement, there exist restrictions on the object and quantity of transferring the private placement of securities and the private placement of securities delivered within three years are forbidden to apply for public listing and offering to the competent authority. Therefore, the basis is reasonable.
- ii. The means of selecting the specified persons: The specified persons shall be selected from the strategic investors who agree with the Company's business philosophy and meet the qualification stated in Paragraph 1, Article 43-6, Securities and Exchange Act. The purpose, necessity, and expected benefit of seeking strategic investors who meet the conditions mentioned above are to assist the Company with techniques, knowledge, or access in response to the Company's long-term development. The relevant matters of seeking the specified persons are proposed to submit to the shareholders' meeting to grant the Board full authorization.
- iii. The reasons necessitating the private placement
 - a. The reason for not adopting a public offering: the Company considers the conditions of the capital market, timeliness and feasibility of fundraising, the issuance cost, and the actual need of introducing strategic investors; in addition, considering that private placement is rather rapid and simple and that securities issued by private placement are in principle subject to a three-year restriction on share transfer so that a long-term partnership between the Company and strategic investors can be better secured while authorizing the Board to conduct private placement in tranches and at appropriate timing according to the actual need of Company's business will also effectively improve the

Company's mobility and flexibility in fundraising, the Company intends to issue common shares by private placement instead of adopting a public offering.

- b. Within the limit of no more than 50,000,000 shares, the private placement of common shares shall be issued in three tranches within one year from the date of the resolution of the shareholders' meeting.
 - c. The use and schedule of the fund raised by the private placement and the anticipated benefits: depending on market status and the situation of selecting specified investor, the fund raised from tranches of issued private placement of common shares will be used in full amount to enrich the Company's operating capital. The private placement fundraising is expected to improve the Company's competitiveness and operational efficiency, and it will also be beneficial to shareholders' equity.
 - iv. The relevant restrictions on securities in this private placement are conducted according to Article 43-8, the Securities and Exchange Act, and relevant decrees of the competent authorities.
 - v. The essential content of this case, including but not limited to the issued price, the number of shares issued, the condition of issue, the amount raised, the plan for capital use, the scheduled progress, the estimated benefits, and other unfinished matters shall be submitted to the shareholders' meeting to fully authorize the Board. The same applies when it is approved by the competent authorities or when it is necessary to amend due to other circumstances.
- (4) To achieve the private placement of common shares or issuing domestic convertible bonds (including secured or unsecured convertible bonds), it is proposed that the shareholders' meeting authorize the Chair of the Board or his designated person to represent the Company to execute and negotiate all the contracts and documentation of the private placement and complete all necessary procedures regarding the private placement for the Company.
- (5) Taishin Securities Co., Limited has issued the report— The Evaluation of the Necessity and Rationality of Conducting Private Placement of Common Shares and Convertible Bonds— in response to the Company's conducting private placement of common shares or domestic convertible bonds. Attachment 2.

Attachment 2

C-TECH UNITED CORP.

The Evaluation of the Necessity and Rationality of Conducting Private Placement of Common Shares and Convertible Corporate Bonds

To enrich the C-TECH UNITED CORP.'s (hereinafter referred to as the Company) operating capital, improve the financial structure, and seize the timeliness and convenience of fundraising, according to the Securities Exchange Act and Directions for Public Companies Conducting Private Placement of Securities, the Company has conducted matters related to the private placement of securities under Article 43-6 of the Securities Exchange Act. The Board has resolved on November 10th and December 29th, 2022 that the Company shall issue shares within the quota of 50,000,000(including the number of the private placement of convertible corporate bonds converted from the conversion price at the beginning of the period) to raise funds by either or both means of the private placement of common shares or private placement of convertible corporate bonds and that the private placement shall be issued in three tranches within one year from the date of shareholders' meeting' resolution. According to Directions for Public Companies Conducting Private Placement of Securities, if there has been, is, or will be any significant change in managerial control during the period from 1 year preceding the day on which the Board resolves on the private placement of securities to 1 year from the delivery date of those privately placed securities, the Company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement and shall state the opinion in the notice to convene the shareholders' meeting to serve as a reference for the shareholders to decide whether to agree. According to the proposal materials of the Board meeting, the quota of this private placement shall not exceed 50,000,000. If all the private placements are issued, the percentage of the private placements would take up to 30.46% of the issued common shares after the capital increase. In addition, the Board of the Company will have a reshuffle after the previous office term is ended on June 9, 2023; therefore, it can not be concluded whether conducting the private placement would cause major changes in management rights. The evaluation opinions are stated as follows:

1. About the Company

C-TECH was established on May 23rd, 1996, and has been a listed company since October 28th, 2009. The business of the Company includes R&D, manufacture, and sales of products such as laptop battery module, power protection board of battery module, and power bank which are mainly applied to products such as laptops, pads, smartphones, digital cameras, digital video recorders, gaming consoles, and handtool machine, with the improvement of the battery module series parallel technology in recent years, the application of lithium batteries has been gradually broadened to non-IT products such as electric bicycles and electric tools. The current paid-in capital of the Company is NT\$1,141,314 thousands, and the brief financial data for the recent 3 years is as follows:

Consolidatd Income Statement

Unit: NT\$ thousand

Item	2020	2021	2022
Business Revene	2,223,818	2,175,627	1,467,651
Gross Profit	188,272	240,975	174,767
Operating Income (Loss)	(110,026)	(78,964)	(136,321)
Non-operating Revenue and Expenses	(30,407)	(46,512)	(278,381)
Pre-tax Profit (Loss)	(140,433)	(125,476)	(414,702)
Net Profit (Loss) for the Period	(164,158)	(168,496)	(492,767)

Material Resource: the consolidated financial statement of the Company audited and certified by the accountants for each year

2. Content of the Private Placement

To enrich the Company's operating capital, strengthen the Company's competitiveness, enhance the business operation efficiency, reinforce the financial structure, improve the financial structure, and seize the timeliness and convenience of fundraising, according to the Securities Exchange Act and Directions for Public Companies Conducting Private Placement of Securities, in consideration of the situation of the capital market, the timeliness and the feasibility of fundraising and the actual demand of issuing cost and introducing strategic investors, it is proposed to conduct a private placement of marketable securities for fundraising by either or both means of the private placement of common shares or convertible corporate bonds which shall be limited within the quota of 50,000,000 shares (including the number of the private placement of convertible corporate bonds converted from the conversion price at the beginning of the period). The private placement shall be issued in three tranches within one year from the date of the shareholders' meeting' resolution.

The determined price of the private placement of commons shares shall be set higher than 80% of the following two calculations of which the price is higher before the Company's price-determined date:

- (1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- (2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The issue price of the private placement of convertible bonds shall be no less than 80% of the theoretical price. The theoretical price shall be calculated based on an appropriate pricing model that is selected in consideration of the various right under the term of issuance. The conversion price shall be set higher than 80% of the following two calculations of which the price is higher:

- (1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- (2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The actual price determined date and the actual issued price shall be submitted to the shareholders' meeting to set, within the scope of the shareholders' meeting's resolution and according to the situation of the future capital market, the Company's business operation and the situation of selecting strategic investors

3. The Evaluation of the Necessity and Rationality of Conducting Private Placement

The Company proposes to increase domestic cash capital by conducting a private placement of common shares or convertible corporate bonds. The capital of each tranche and the achieved benefits are used for enriching capital and improving the financial structure. The issued quota is limited to 50,000,000, and the Board shall be authorized to conduct the private placement by the shareholders' meeting's resolution after the shareholder's meeting on June 30th, 2023. The Evaluation of the Necessity and Rationality of Conducting private placement is stated as follows:

(1) The necessity of conducting private placement

Considering the capital demanded for business operations mainly relied on bank loans from 2020 to 2022 which led to the debt ratio increasing year by year to 65.36%, 70.15%, and 74.37% respectively. If the Corporation continues borrowing capital from banks for capital demand, the debt ratio and interest expenses will be increased, which will raise the financial risk and affect the Corporation's profits. Further considering that the Company was still in a state of loss in the first three years of the private placement, if the fund is raised through public offerings, it would be difficult to obtain the favor of general investors, and not be supportive of obtaining the required funds in a short period of time, which leaves uncertainties to fulfill the fundraising. If the fundraising is conducted by private placement, it would have better timeliness, avoid over-relying

on borrowing from financial institutions, and enhance the fund-using's resilience, which is beneficial to the Company's future business operation. Therefore, there exists a necessity for the Company to adopt private placement.

(2) The rationality of conducting private placement

The Board of the Company has resolved the private placement on November 10th and December 29th, 2022, and has submitted the resolution to the annual shareholders' meeting of 2023 held on June 30th. After examining the Board meeting's material proposed by the Company of which the discussions, issue procedure, price setting method, and the selected target of the private placement are all in conformity with the Security Exchange Act and relevant laws, it is determined that the private placement has no material irregularity.

The fund-using of the Company's private placement is to enrich the operating fund and improve financial structure. Besides the enrichment of the operational funds and the improvement of the financial structure, it can also reduce the interest burden caused by debt financing, which is beneficial to the overall business operation and the financial structure. Since the Company was still in a state of loss in the first three years of the private placement, judging from its business operations and financial structure, it may not be easy to obtain favorable conditions for loans. If the fundraising is conducted by private placement, it can not only reduce the interest burden from the bank loan in the future but also obtain the required funds in the short term and maintain financial resilience. In addition, compared to a public offering, a private placement is limited to the regulation that it cannot be transferred within three years, which is beneficial to the long-term cooperation of the Company and the subscriber of securities or strategic investors and helpful for the future development of the Company. Based on these considerations, the conducting of the Company's private placement is rational.

4. The evaluation of significant change in security subscribers and managerial control

(1) The evaluation of feasibility and necessity in selecting security subscribers.

i. The selection of security subscribers

According to the proposal material provided by C-TECH's Board meeting on November 10th and December 29th, 2022, the security subscribers of the Company's private placement shall be limited to certain persons who are qualified by Article 43-6, Security Exchange Act and expected to be beneficial directly or indirectly to the Company's future business operation. However, until the issued day of this evaluation report, the Company has not found security subscribers

ii. The feasibility and the necessity of the security subscribers

For the Company's purposes of business development, improving financial structure, and enriching operational funds, it is proposed to enhance the Company's overall competitiveness by learning the techniques and the industrial operation ability from security subscriber's experience and recognition of the market. Compared private placement to the public offering, with the regulation that private placement cannot be transferred within three years, it can further ensure C-TECH has long-term cooperation with investors or security subscribers, which is helpful to stabilize the Company's business operation and beneficial to the Company's business, financial affairs, and shareholders' equity. Therefore, the feasibility and necessity are reasonable to introduce strategic investors for this private placement.

(2) The examination of the Board's resolution on the significant change of managerial control one year prior to the private placement

After examining the record of the 2022 shareholder's annual report and looking up to the MOPS, it is confirmed that there was no Director change during the period from 1 year preceding the day on which the Board resolve the private placement. Therefore, there has no circumstance regarding significant changes in managerial control within 1 year period preceding the day on which the Board resolves the private placement stated in Article 4-3, Directions for Public Companies Conducting Private Placement of Securities.

(3) The evaluation of whether introducing strategic investors for the private placement would cause significant changes in managerial control.

The quota of this private placement of common shares is limited to 50,000,000. The percentage of the private placements would take up to 30.46% of the issued common shares after the capital increase. In addition, the Directors of the Board will be reshuffled after the office term of the Board is due on June, 9th, 2023. Therefore, it has not been concluded whether introducing strategic investors for the private placement would cause significant changes in managerial control

(4) The impact of conducting private placement on the Company's business, financial affairs, and shareholders' equity.

i. The impact on Company's business operation

In response to the business development, financial structure improvement, and operational funds enrichment, the Company proposed to conduct fundraising by private placement. By introducing security subscribers or strategic investors who may be directly or indirectly beneficial to the Company's future business operation, it can ensure the long-term cooperation of the Company and the investing partners. It is expected to strengthen the overall competitiveness by enhancing industrial integration, technique research, quality improvement, and broadening or cultivating common markets and products. Therefore, it is determined to be beneficial to the Company's business development.

ii. The impact on Coporation's financial affairs

This private placement is conducted according to Article 43-6, Securities Exchange Act by either or both means of the private placement of common shares or convertible corporate bonds, within the issued quota of 50,000,000 (including the number of private placements of convertible corporate bonds converted from the conversion price at the beginning of the period). This private placement shall be issued in three tranches within one year from the date of the shareholders' meeting' resolution. The fund raised by private placement can raise the ratio of the Company's equity fund and strengthen the Company's financial structure. Therefore, the private placement is beneficial to the Company's financial affairs.

iii. The impact on shareholders' equity

The fund raised by this private placement is to enrich the operational funds, repay the bank loan, and is helpful to strengthen the financial structure, reduce the interest expenditure and improve the Company's business performance. Therefore, this private placement is beneficial to enhance the shareholders' equity

5. Conclusion

In summary, this private placement of common shares or convertible corporate bonds issued by C-TECH UNITED CORP. in response to the future long-term business development is expected to reinforce the Company's financial structure, strengthen the Company's competitiveness, and improve business performance, which is beneficial to the Company's business, financial affairs, and shareholders' equity. This Security Underwriter has evaluated the Company's private placement according to Directions for Public Companies Conducting Private Placements of Securities and has determined it to be necessary and rational.

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Taishin Securities Co., Limited

Principal: Kuo, Jia-hong

Month/ Date/ 2023

Statement of Independence

The Corporation has been entrusted by C-TECH UNITED Corp. (hereinafter referred to as C-TECH) to evaluate the necessity and rationality of conducting a private placement of common shares or convertible corporate bonds in 2023. And the reports of the evaluation have been issued.

The Corporation has executed the above-mentioned business, and hereby declares that there are no following circumstances:

1. The Corporation is not an investee corporation invested by C-TECH with the equity method.
2. The Corporation is not an investor to invest in C-TECH with the equity method.
3. The Chair or the General Manager of the Corporation is not the same as the Chair or the General Manager of C-TECH, nor do they have a relationship within the spouse or second degree.
4. The Corporation is not a Director or a Supervisor of C-TECH.
5. C-TECH is not a Director or a Supervisor of the Corporation.
6. The Corporation and C-TECH, besides the circumstances stated above, do not have any relationship specified in Article 18, Regulations Governing the Preparation of Financial Reports by Securities Issuers between two parties.

To evaluate the necessity and rationality of conducting a private placement of common shares and convertible corporate bonds for C-TECH, the evaluation reports issued by the Corporation maintain the spirit of detachment and independence.

Taishin Securities Co., Ltd.

Principal: Kuo, Jia-hong

May, 2nd, 2023

(The evaluation reports are only subjected to C-TECH UNITED Corp. for securities underwriters conducting the private placement of common shares or convertible corporate bonds in 2023.)