

Motech and AE Polysilicon sign Strategic Supply Agreement.

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Motech and AE Polysilicon Sign Strategic Supply Agreement Motech and Affiliates Invest In AE Polysilicon

Motech Industries Inc. (Motech), a leading Taiwan-based manufacturer of crystalline silicon solar cells, today announced that it has entered into a strategic five-year supply agreement with AE Polysilicon Corporation ("AE"), a US-based, development-stage company that is developing a new and innovative process for the production of polycrystalline silicon feedstock for the solar energy and semiconductor sectors. Motech and affiliates have simultaneously made an equity investment in AE, and have acquired certain additional equity investment and equity conversion rights that will afford Motech the opportunity to participate in the AE business and further cement the strategic relationship between Motech and AE.

Under the Strategic Supply Agreement, polysilicon delivery from AE to Motech is expected to begin as early as 2008, and the annual delivery quantity will be up to 2,400 metric tons. Under the terms of the Strategic Supply Agreement, AE receives certain upfront prepayments and purchase commitments, and Motech is granted certain equity investment and conversion rights, and certain rights to purchase polysilicon at pre-negotiated, formula-based prices rather than market prices.

AE intends to develop and utilize an innovative method of polysilicon production based on a closed-loop, fluidized-bed-reactor technology. This method is expected to be more cost-effective than current production technology and to yield more high-purity polysilicon than current production technology. Motech believes that the technology to be utilized by AE will prove highly effective, and will benefit Motech both as a customer and as an investor; however, the technology has not yet been proven, so there are significant technology and implementation risks inherent in this arrangement. Because AE is a development stage company implementing new technology, there can be no assurance that AE will be able to fulfill its polysilicon delivery commitments, and, as with any new technology, unforeseen issues may arise.

Motech has also made a direct equity investment in AE and has authorized certain officers and directors of Motech to make parallel direct investments in AE with personal funds. Motech also notes that the CEO of its solar division, Dr. Simon Tsuo, is the brother of the founder of AE, Dr. York Tsuo; and that Simon Tsuo also owns shares in AE. While Motech believes that such arrangements serve to strengthen the strategic ties between Motech and AE, and indeed have facilitated the recent negotiations between Motech and AE, Motech has also implemented certain procedures to avoid potential conflicts. Those procedures include approval of all Motech-AE transactions by an independent Board member of Motech, which was obtained in this case.

The timing of this agreement fits in well with Motech's plan to begin making polycrystalline silicon wafers in a newly completed factory (Motech Solar's Fab. 2) in Tainan, Taiwan. This new factory is designed to have an ingot growth capacity of 240 MW/year and cell manufacturing capacity of 320 MW/year. At the present time, an 80-MW/year cell line has been installed in Fab. 2. In addition, Motech Solar's Fab. 1, which is also located in Tainan and has been in operation for six years, has a

cell manufacturing capacity of 160 MW/year. Motech plans to continue purchase polysilicon, ingots and wafers also from other sources because the expected supply of polysilicon from AE will only meet less than half of Motech's overall needs for silicon materials.

Dr. York Tsuo, founder and President of AE, stated, "We are honored that Motech has chosen AE to be one of its main suppliers of polysilicon feedstock. This is a tremendous vote of confidence in our groundbreaking technologies and an important step towards elevating our profile in the global marketplace. We are confident that our relationship with Motech will assist AE to implement its worldwide strategic objectives".

Mr. Leo Cheng, Chairman of the Board of Directors of Motech, stated, "We are excited to partner with AE to enable the introduction of a new, more cost effective process for producing high purity silicon. The most important issue facing the solar power sector today is a drastic shortage of polysilicon that is driving up prices across the entire industry. Our partnership with AE has the potential of alleviating that shortage through the introduction of new technologies, as well as assuring Motech of a long-term, stable source of polysilicon that will reduce the cost and improve the quality of its solar cells".

About AE Polysilicon Corporation

AE was founded by Dr. York Tsuo in 2006 with an experienced management/engineering team. Dr. Tsuo is a leading expert in fluidized-bed technologies and power generation. AE, with headquarters in Chatham, New Jersey, is developing a capital-efficient and energy-efficient manufacturing process for the production of polycrystalline feedstock from metallurgical-grade silicon that uses a closed-loop, trichlorosilane, and fluidized-bed deposition reactor technology proprietary to AE together with patented technologies licensed from a third party. AE believes, although there can be no assurance, that its production process will ultimately yield higher quality, lower cost silicon and significantly increase the availability of high grade purified polysilicon feedstock for the global solar power and semiconductor industries.

About Motech

Motech Industries, Inc. was founded in 1981. Mr. Leo Cheng, the Chairman of the Board of Motech, was one of the co-founders. Dr. Simon Tsuo is the founding CEO of Motech's Solar Division, which was established in 1999. Motech Solar was ranked the ninth largest solar cell manufacturer in the world in 2005 by Photon Magazine. In addition to solar cells, Motech also manufactures polycrystalline silicon ingots and wafers in Motech Solar's newly completed Fab. 2. Motech's Instrument Division recently began mass production of inverters for the solar industry. Motech's Power Division is the largest installer of solar photovoltaic systems in Taiwan. Motech is listed in Taiwan's OTC market under the code number 6244.

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