

XAC Automation Corporation

Notice of 2024 General Shareholders' Meeting

(Summary Translation)

1. The 2024 General Shareholders' Meeting will be held at 9:00 am. on June 12, 2024 (Wednesday) at 2F., No.1, Industrial East Second Road, Hsinchu Science Park (Einstein Hall Conference Room of Technology Life Building). Registration for shareholders will begin at 8:30 a.m. at the same place in the first floor. Main contents of the meeting:
 - I. Reports:
 - (1) 2023 business report
 - (2) Audit Committee's review report
 - (3) Indirect investment in mainland China
 - (4) Extension of loans to others in 2023
 - (5) Formulation of the Ethical Corporate Management Best Practice Principles
 - (6) Handling of private-placement ordinary shares
 - (7) Results of shareholders' proposals
 - II. Matters for ratification:
 - (1) Ratification of the Company's business report and financial report for 2023. (proposed by the Board of Directors)
 - (2) Ratification of the profit distribution and loss compensation plan for 2023. (proposed by the Board of Directors)
 - III. Discussion matters:
 - (1) Discussion on the revision of the Company's Procedures for Endorsements and Guarantees. (proposed by the Board of Directors)
 - (2) The Company's plan to handle private-placement ordinary shares. (proposed by the Board of Directors)
 - IV. Extempore motions
2. Please refer to the 3rd joint statement for the details of the private placement of securities in 2024. (Please see the Appendix A or viewed on website <https://mops.twse.com.tw>.)

3. According to Article 165 of the Company Act, the book closure period is set from April 14, 2024 to June 12, 2024.
4. Please find enclosed the Notice of Annual General Meeting and one copy of the proxy. If you wish to attend the meeting in person, please sign or stamp your personal chop on such notice and proceed with the check-in on the day of the meeting (please do not send the signed notice to the Company if you intend to attend in person). If you wish to delegate a proxy to attend the meeting, please sign or stamp your personal chop on the proxy, properly fill in the name and address and affix the chop of your proxy, and deliver (mail) the same (which must be received within five (5) days prior to the meeting, i.e. June 6, 2024) to the Company's designated Stock Agent, i.e., Fubon Securities Co. Ltd., Stock Register Agency Department, at 11F., No. 17, Xuchang St., Zhongzheng District, Taipei.
5. In the event of a public solicitation of proxy for this Annual General Meeting, the Company will upload it to the website of the Securities and Futures Institute on May 10, 2024 for Shareholders to inquire. Shareholders may access the information via the "Proxy Information Free Search System" at <https://free.sfi.org.tw>, and then enter relevant search conditions. (Security Code: 5490)
6. According to Article 26-2 of the Securities and Exchange Act, "The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement thirty days prior notice."
7. Voting rights of shareholders for the Annual General Meeting may be exercised via electronic means from May 11, 2024 to June 9, 2024. Please log in through the "Electronic Voting Platform for Shareholders" at the website of Taiwan Depository and Clearing Corporation (<https://www.tdcc.com.tw>) by a Certification Authority (Citizen Digital Certificate, a certificate for brokerage's internet order, the online banking certificate, the business registration certificate, the joint certificate for securities and futures brokerage, certificate for Market Observation Post System, or other government certificates) and vote by following the relevant instructions. If a shareholder votes electronically according to the Company Law, it is deemed that the shareholder has attended the meeting in person. If a shareholder votes electronically and at the same time delegates a

proxy to attend the meeting, the vote cast by the proxy at the meeting will prevail. Shareholders who exercise voting rights electronically may collect souvenirs from July 9, 2024 to July 11, 2024 (except holidays) at the Stock Register Agency Department of Fubon General Securities Co., Ltd. by their identity certificates.

8. In accordance with Article 172 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act and relevant regulations, the contents of the matters proposed to the Shareholders' Meeting may be viewed on Market Observation Post System (website : <https://mops.twse.com.tw>), by clicking on "Electronic Books/Annual Report and Materials Related to Shareholders' Meeting" or by clicking on "Profiles/Company Profiles/Company Website" which will link to the Company's website.
9. The appointing shareholders have appointed the Stock Register Agency Department of Fubon Securities Co., Ltd. as the solicitor for this Shareholders' General Meeting. If the shareholder wishes to appoint the solicitor to attend the meeting and collect the souvenir, it may collect the souvenir from May 11, 2024 to June 6, 2024 (limited to shareholders with 1,000 shares or above) (the solicitation may end earlier depending on the solicitation status), or receive it in the conference room before the end of the meeting on the day of the shareholders' meeting. No souvenirs will be provided to shareholders with less than 1,000 shares unless they attend the meeting in person or exercise the voting rights through electronic means to receive a souvenir. The souvenirs will not be mailed or reissued after the meeting. A souvenir of the same value will be provided if there are not enough souvenirs. "Name of the souvenir: Commodity card of 7-11, NTD50"

To
Shareholders
Board of Directors of XAC Automation Corporation

Appendix A

The contents of the Private Placement of Ordinary Shares in 2024:

- I. In order to court strategic investors and strengthen long-term cooperative relationships with strategic partners, thereby facilitating the Company's long-term operational and business development, the Company plans to undertake a cash capital increase and issue new shares by means of private placement (hereinafter referred to as "this Private Placement of Ordinary Shares") in accordance with the provisions of Article 43-6 of the Securities and Exchange Act. This Private Placement of Ordinary Shares is expected to total no more than 9,600,000 shares, which shall be new ordinary shares with a par value of NT\$10 per share; the increase in the paid-in capital is expected to be no more than NT\$96,000,000.
- II. In accordance with Article 43-6 of the Securities and Exchange Act as well as the provisions of the Directions for Public Companies Conducting Private Placements of Securities, the particulars of this Private Placement of Ordinary Shares are explained below:
 1. The basis and rationale for the setting of price:
 - (1) The price per share in this Private Placement of Ordinary Shares was determined prior to the Company's pricing date by using the following two calculation standards, and it is no less than 80% of the higher calculated price:
 - (a) The share price was calculated based on the simple arithmetic average of the closing price of ordinary shares 1, 3, or 5 business days prior to the pricing date, excluding the allotment of free shares, ex-rights, and dividend distribution, but adding back the capital reduction and reverse ex-rights.
 - (b) The share price was calculated based on the simple arithmetic average of the closing price of ordinary shares during the 30 business days prior to the pricing date, excluding the allotment of free shares, ex-rights, and dividend distribution, but adding back the capital reduction and reverse ex-rights.

- (2) The Board of Directors is authorized to determine the actual pricing date and the actual private placement price, within the range approved through the resolution of the shareholders' meeting, based on the aforementioned pricing basis and depending on negotiation situations with specified persons and market conditions in the future.
- (3) The pricing method for this Private Placement is based on the requirements stipulated in the Directions for Public Companies Conducting Private Placements of Securities. It also considers the Company's future prospects and the strict restrictions on the point in time for transfer, the counterparty, and the quantity of privately placed securities, along with factors such as no undertaking of listing on the TPEX within 3 years and poorer liquidity. Thus, the pricing of this Private Placement should be reasonable and will not have a significant impact on shareholders' equity.

2. The means of selecting the specified persons:

- (1) With regard to the counterparty to this Private Placement of Ordinary Shares, the Company intends to court strategic investors based on market conditions and the needs of the Company in compliance with Article 43-6 of the Securities and Exchange Act as well as Decree No. Chin-Kuan-Cheng-Fa-Tzu-1120383220 issued by the Financial Supervisory Commission on September 12, 2023. Currently, the determination of such specified persons has yet to be negotiated.
- (2) The method, purpose, necessity, and expected benefits of selecting strategic investors as the counterparties:
 - (a) Selection method and purpose:

The selection of counterparties is limited to strategic investors that are capable of strengthening the Company's market development, expanding the Company's operational scale, and will directly or indirectly benefit the Company's future

operations. The Company expects to court strategic investors from industries related to payment system solutions.

(b) Necessity:

The Company is deeply engaged in payment system solutions. Thus, in consideration of the Company's long-term development needs, it intends to court strategic partners to form an alliance. Coupled with the existing supply chain, this will improve overall production and sales capacity and jointly promote solutions to the world so as to achieve the Company's long-term development goals. Therefore, the introduction of strategic partners is necessary.

(c) Expected benefits:

The introduction of strategic investors and the resulting alliance will help expand the Company's operating scale, increase the growth of channels, and thereby increase profits, which will have positive effects on shareholder equity.

3. The reasons necessitating the private placement:

(1) Reasons for not adopting public offering:

A private placement will facilitate measurement of market conditions and has advantages in terms of timeliness, feasibility, and issuance cost of capital raising. Furthermore, unlike public offerings, privately placed securities cannot be freely transferred for 3 years, which will further secure the long-term cooperative relationship between the Company and its strategic investors. Therefore, the Company has not adopted the method of public offerings and has hereby undertaken a private placement of ordinary shares in accordance with the Securities and Exchange Act as well as other relevant regulations.

(2) Quota for the private placement:

It is expected that this Private Placement of Ordinary Shares will not exceed 9,600,000 shares, with a par value of NT\$10 per share.

Matters pertaining to this Private Placement, cash capital increase, and issuance of new shares are planned to be submitted to the shareholders' meeting for approval, and the Board of Directors will be authorized to process this private placement in one lump or in tranches (no more than three tranches) within 1 year from the date of the shareholders' meeting resolution, depending on the actual fundraising situation.

(3) Purpose of each tranche of privately placed funds:

To improve the Company's operational efficiency and strengthen its competitiveness in response to its long-term needs for strategic development.

(4) Expected benefits from each tranche:

The implementation of this plan will strengthen the Company's financial structure, improve operational efficiency, strengthen its industrial position, enhance long-term competitiveness, and have positive effects on shareholder equity.

4. There were no major changes in the management rights of the Company during the 1 year preceding the Board of Directors' resolution to conduct this Private Placement of Ordinary Shares. Moreover, the counterparties to this Private Placement of Ordinary Shares will be limited to strategic investors, which will have positive effects on the Company's business development.

5. Other matters required to be stated:

(1) In principle, the rights and obligations attached to the ordinary shares in this Private Placement are the same as those of the Company's previously issued ordinary shares. However, in accordance with Article 43-8 of the Securities and Exchange Act, with the exception of the transfer counterparties and conditions stipulated in said article, in principle, privately placed ordinary shares are not freely transferable within 3 years of the delivery date. In accordance with the Securities and Exchange Act and

other relevant regulations, 3 years after the delivery date, the Company intends to first obtain a letter of consent issued by the Taipei Exchange confirming that it meets the TPEX listing criteria, and then submit applications to the competent authority in order to complete supplementary procedures for the public issuance of this Private Placement of Ordinary Shares and apply for listing on TPEX.

- (2) The main contents of this Private Placement of Ordinary Shares plan, including the actual number of privately placed shares, actual private placement price, selection of counterparties, record date, issuance conditions, planning items, purpose and progress of funds, expected benefits and other related matters, as well as all other matters pertaining to the issuance plan, are proposed to be submitted to the shareholders' meeting, which will authorize the Board of Directors to adjust, formulate, and handle such matters on the basis of market conditions. In the future, should there be regulatory changes or revision requests by the competent authority, or any need for change based on operational assessments or due to objective circumstances, the Board of Directors is granted full authority to handle such matters.
- (3) In addition to the aforementioned scope of authorization, it is proposed that the Shareholders' meeting authorize the Chairman of the Board to sign, negotiate, and modify all contracts and documents related to the private placement of ordinary shares on behalf of the Company and to handle all matters necessary for the issuance of privately placed ordinary shares for the Company.

III. Dissenting or qualified opinion from independent directors : No.