



Stock code :5490

# **XAC Automation Corporation**

## **Handbook for the 2025 Meeting of Shareholders**

(Summary Translation– In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

**MEETING TIME:** 9:00 AM on Wednesday, June 18, 2025

**MEETING PLACE:** Einstein Hall, HSP LINK, No. 1, Industry E. 2nd Rd.,  
Hsinchu Science Park, Hsinchu City, Taiwan

**MEETING METHOD:** Physical Shareholders' Meeting

# XAC Automation Corp.

## Rules of Procedure for Shareholders' Meetings

Revised at Shareholders' Meeting, June 13, 2023

Article 1: Except where otherwise provided by the law, matters of the Company's shareholders' meetings shall be conducted in accordance with these rules.

Article 2: Each attending shareholder (or proxy) shall bring his/her attendance certificate and submit a sign-in card in place of attendance.

When a legal person is entrusted to attend a shareholders' meeting, it may only appoint one representative to attend.

Shareholders who wish to attend a shareholders' meeting via video conferencing shall register with the Company two days prior to the meeting.

Article 3: For each shareholder meeting, a shareholder may issue a proxy letter printed by the Company, specifying the scope of authorization and appointing a proxy to attend the shareholders' meeting.

A shareholder is limited to issuing a proxy letter to appoint one proxy only, and shall deliver it to the Company five days before the shareholders' meeting. In the event of duplicate proxy letters, the first one delivered shall prevail. However, where revocation of a previous proxy has been declared, this restriction shall not apply.

After the proxy letter is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person or exercise his/her voting rights in writing or electronically, he/she shall notify the Company in writing two days before the shareholders' meeting that the proxy letter has not been revoked. If the revocation is overdue, the voting rights exercised by the authorized proxy in attendance shall prevail.

Article 4: Attendance and voting at shareholders' meetings shall be calculated based on the number of shares; the number of attending shares shall be calculated by adding the number of shares with voting rights exercised in writing or electronically to the number of shares registered in the signature book, attendance cards, and video conference platform.

Article 5: The shareholders' meeting shall be held at the Company's location, or at a place convenient for shareholders to attend and suitable for holding the shareholders' meeting. The starting time of the meeting shall be no earlier than 9am, nor later than 3pm.

When the Company holds a video shareholders' meeting, it is not subject to the restrictions on venue mentioned in the preceding paragraph.

For a shareholders' meeting held via video conferencing, shareholders' registration shall be accepted on the video conference platform thirty minutes before the start of the meeting. Shareholders who have completed registration shall be deemed to have personally attended.

Article 6: If the shareholders' meeting is convened by the Board of Directors, the Chairman of the Board shall serve as the meeting chair. If the Chair is on leave or is unable to exercise his/her powers for any reason, the Vice Chair shall act on his/her behalf. If there is no Vice Chair or the Vice Chair is also on leave or unable to exercise his/her powers for any reason, the Chair shall designate one managing director to act on his/her behalf; if the Company has no managing directors, one director shall be appointed to act on his/her behalf; if the chair does not designate a proxy, the

managing directors or directors shall elect one person from among themselves to act on their behalf.

The Company may appoint entrusted lawyers, accountants, and related personnel to attend shareholder meetings as observers.

Article 7: Once the scheduled meeting time has arrived, the meeting chair shall call the meeting to order and disclose information, such as the number of non-voting rights and the number of attending shares.

However, if the attending shareholders do not represent more than half of the total number of issued shares, the chair may announce a postponement of the meeting, with a maximum of two postponements and a total postponement time not exceeding one hour. If the share number is still insufficient after two delays, but the attending shareholders represent more than one-third of the total number of issued shares, a tentative resolution may be made in accordance with paragraph 1, Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution to convene another shareholders' meeting within one month. When a shareholders' meeting is held via video conferencing, shareholders who wish to attend the shareholders' meeting shall re-register with the Company in accordance with Article 2. Before the end of that meeting, if the number of shares represented by the attending shareholders has reached more than half of the total number of issued shares, the chair may, in accordance with Article 174 of the Company Act, resubmit the tentative resolution to the meeting for voting.

Article 8: If the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors, and all proposals (including extempore motions and amendments to original proposals) shall be decided by voting. The meeting shall be held in accordance with the scheduled agenda, which shall not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Without a resolution, the chair shall not announce a meeting adjourned of his/her own accord before the scheduled agenda (including extempore motions) mentioned in the previous two paragraphs is concluded. If the chair violates the rules of procedure and declares the meeting adjourned, the members of the board of directors may elect one person as the chair with the consent of more than half of the voting rights of the attending shareholders to continue the meeting. After the meeting is adjourned, shareholders shall not elect another chair to continue the meeting at the original address or elsewhere.

Article 9: Before giving a shareholder's speech, each shareholder must first fill out a speech note that specifies the purpose of the speech, their shareholder account number (or attendance certificate number), and the account name. The chair shall designate the order of such speeches.

If an attending shareholder only provides a statement and does not give a speech, they shall be deemed not to have spoken. If the content of the speech does not match the record in the speech entry, the content of the speech shall prevail.

Each shareholder attending the same proposal shall speak no more than twice without the consent of the chair, and no single speech shall exceed five minutes. If a shareholder's speech violates regulations or exceeds the scope of the agenda, the chair may stop their speech.

When attending a shareholder's speech, other shareholders are not allowed to

interfere with their speech except with the consent of the chair and the speaking shareholder. Violators must be stopped by the chair.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on a proposal.

After attending the shareholder's speech, the chair may personally respond or designate personnel to respond. When discussing a proposal, the chair may announce conclusion of the discussion at an appropriate time, put the proposal to a vote, then arrange sufficient voting time.

Shareholders who participate in a shareholder meeting via video conferencing may, after the chair calls the meeting to order and before the announcement of the adjournment, ask questions in text form on the video platform. The number of questions for each proposal shall not exceed two, with a limit of 200 words each, and the provisions of the first to fifth paragraphs above shall not apply.

Article 10: Except where otherwise provided in the Company Act and or the Articles of Association, resolution on a proposal shall be made by a majority vote of the attending shareholders.

When there are amendments or substitutes to a proposal, the chair shall determine the order of voting together with the original proposal. If one of the proposals has been adopted, the other proposals shall be considered rejected, and there shall be no need for further voting. Shareholders who exercise their voting rights electronically shall be deemed to have waived their right to vote on any extempore motion or amendment to the original proposal at the shareholders' meeting.

The scrutineers and vote counters for voting on a proposal shall be designated by the chair, but the scrutineers must have shareholder status. The result of the vote shall be reported on site and recorded.

Article 11: During the meeting, the chair may declare a recess at his/her discretion. In case of force majeure, the chair may rule to temporarily suspend the meeting and announce the time for resuming the meeting based on the situation.

Article 12: If the venue for the meeting can no longer be used before the agenda (including extempore motions) of the shareholders' meeting is concluded, the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or resume the meeting within five days.

If the shareholders' meeting is convened via video conferencing, the vote shall be counted in one go after the chair announces the end of voting, and the voting and election results shall be announced.

If the shareholders' meeting is convened via video conferencing, at the time the meeting is called to order, the chair shall announce separately that except for the situations where there is no need to postpone or continue the meeting in accordance with Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, before the chair announces the adjournment of the meeting, if force majeure causes any obstacle to the video conferencing platform or participation via video conferencing for more than 30 minutes and the obstacle cannot be removed, the meeting shall be postponed or continued within five days, and the provisions of Article 182 of the Company Act shall not apply.

When handling the postponement or continuation of a shareholders' meeting in accordance with the provisions of the preceding paragraph, there is no need to re-discuss or re-resolve a proposal of which the voting and ballot counting have been completed, and the voting results or the list of directors elected has been announced.

For the postponement or continuation of a shareholders' meeting in accordance with the provisions of the second paragraph, the Company shall, in accordance with the provisions of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, perform preparatory procedures in accordance with the original date of the shareholders' meeting and the provisions of each of the articles. Shareholders listed in the shareholder register based on which the suspension of transfer of ownership was originally scheduled for the shareholders' meeting shall have the right to attend the shareholders' meeting.

When the Company convenes a shareholders' meeting via video conferencing and a matter in the third paragraph occurs such that the video meeting cannot be continued, if the total number of shares present at the meeting still reaches the quorum for making resolutions after deducting the number of shares of shareholders attending the shareholders' meeting via video conferencing, the shareholders' meeting shall continue without the need to postpone or continue the meeting in accordance with the provisions of the third paragraph.

If any of the events mentioned in the preceding paragraphs require the continuation of the meeting, the number of shares of shareholders who participate in the shareholders' meeting via video conferencing shall be included in the total number of shares present at the shareholders' meeting. However, all proposals at the shareholders' meeting shall be deemed waived for such shareholders.

When the Company holds a shareholders' meeting via video conferencing, appropriate alternative measures must be provided for shareholders who have difficulty attending the meeting via video conferencing.

Article 13: The chair may direct picketers and security personnel to assist in maintaining order at the meeting venue. When picketers or security personnel are present to assist in maintaining order, they must wear armbands displaying the word "picketer".

Article 14: The entire process of the shareholders' meeting shall be audio and video recorded, and the recordings shall be kept for at least one year.

If the shareholder meeting is held via video conferencing, the Company shall record and keep the information of registration, sign-in, check-in, questioning, voting, and company vote counting results of shareholders, and audio and video record the entire video conference.

The data and audio and video recordings mentioned in the preceding paragraph shall be properly kept by the Company for the duration of its existence, and the audio and video recordings shall be provided to the personnel entrusted with the handling of video conference affairs for safekeeping.

Article 15: Matters not specified in these rules shall be handled in accordance with the provisions of the Company Act, the Company's Articles of Association, and other laws and regulations.

Article 16: These rules shall come into effect upon being approved by the shareholders' meeting. The same shall apply to any amendments.

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# **XAC Automation Corp.**

## **2025 Shareholders' Meeting Procedures**

Time: 9:00am on June 18, 2025 (Wednesday)

Location: No. 1, Industrial East Second Road, Hsinchu Science Park  
(Einstein Hall Conference Room of Technology Life Building)

Convening method: In-person shareholders' meeting

**Counting the total number of attending shareholders and number of shares represented:**

**Meeting chair: CHANG, YENG-MING, Chairman**

### **1. Meeting called to order**

### **2. Chair's speech**

### **3. Reports:**

- (1) 2024 business report
- (2) Audit Committee's review report
- (3) Indirect investment in mainland China
- (4) Extension of loans to others in 2024
- (5) Report on 2024 employee and director remuneration distribution
- (6) Report on 2024 cash dividend distribution
- (7) Report on the handling of private-placement ordinary shares in 2024
- (8) Results of shareholders' proposals

### **4. Matters for ratification:**

- (1) Ratification of the Company's business report and financial report for 2024.  
(proposed by the Board of Directors)
- (2) Ratification of the earnings distribution plan for 2024. (proposed by the Board of Directors)

### **5. Discussion matters:**

- (1) Discussion on the revision of the Company's Articles of Incorporation. (proposed by the Board of Directors)
- (2) The Company's plan to handle private-placement ordinary shares. (proposed by the Board of Directors)

### **6. Election-related issues**

- (1) Election of the 11th-term directors (proposed by the Board of Directors)

### **7. Other motions**

- (1) Proposal to lift the business strife limitation on newly appointed directors and their authorized representatives, if applicable (proposed by the Board of Directors)

### **8. Extempore motions**

### **9. Meeting adjourned**

# XAC Automation Corp.

## 2025 General Shareholders' Meeting Agenda

### **Reports**

#### **1. 2024 business report**

Explanation: Please refer to **Attachment 1** (pages 12 to 14) of this manual for the 2024 business report.

#### **2. Audit Committee's review report**

Explanation: Please refer to **Attachment 2** (page 15) of this manual for the 2024 Audit Committee's review report.

#### **3. Indirect investment in mainland China**

Explanation: Please refer to **Attachment 3** (page 16) of this manual for information on indirect investment in mainland China as of December 31, 2024.

#### **4. Extension of loans to others in 2024**

Explanation: Please refer to **Attachment 4** (page 16) of this manual for the situation of loans to others in 2024.

#### **5. Report on 2024 employee and director remuneration distribution**

Explanation: For the report on employee and director remuneration distribution, please refer to **Attachment 5** of the Handbook (page 17).

#### **6. Report on 2024 cash dividend distribution**

Explanation: (1) As stipulated in Article 29 of the Company's Articles of Incorporation, the Board of Directors is authorized to formulate earnings distribution proposals, including the cash dividend proposal. Following a resolution by the Board of Directors, cash dividends will be distributed and reported to the Shareholders Meeting.

(2) The Board of Directors has allocated NT\$32,603,270 from the Company's 2024 earnings as shareholders' cash dividends,



which will be distributed at NT\$0.35 per share. The distributed dividends will be rounded down to the nearest dollar, with amounts of less than NT\$1 discarded. The sum of the rounded-down dividends from fractional shares will be accounted for in Other Revenue of the Company. Any remittance fees and postage incurred will be borne by the shareholders.

- (3) If there is any subsequent change in the number of outstanding shares, the Chairman will be authorized to adjust the dividend payout ratio.
- (4) The base date, payment date, and other issues related to the cash dividend distribution will be determined by the Chairman and then announced as material information.

## **7. Report on the Private Placement of Ordinary Shares in 2024**

Explanation: (1) On June 12, 2024, the Company's shareholders' meeting authorized the Board of Directors to issue 9,600,000 private-placement ordinary shares in one go or in different tranches (up to three times), at appropriate times, within one year after the date of the resolution of the shareholders' meeting.

- (2) This private placement will expire on June 11, 2025. In accordance with the board resolution on April 30, 2025, this private placement will not be continued in the remaining period.

## **8. Results of shareholders' proposals**

Explanation: There were no shareholder proposals at this general shareholders' meeting.

## **Matters for ratification**

### **1. Ratification of the Company's business report and financial report for 2024.** (proposed by the Board of Directors)

Explanation: (1) The Company's 2024 financial report has been audited by CPAs Cheng, An-Chi and Wu, Chun-Yuan of KPMG Taiwan, and an audit report has been issued.

- (2) Please refer to **Attachment 1** (pages 12 to 14) and **Attachment 6** (pages 18 to 34) of this manual for the 2024 business report, the independent auditor's report and the aforementioned financial report.

Resolution:

### **2. Ratification of the earnings distribution plan for 2024.** (proposed by the Board of Directors)

Explanation: (1) The Company's earnings distribution plan for 2024 has been approved by the Board of Directors, and an audit report has been issued by the Audit Committee.

- (2) Please refer to **Attachment 7** (page 35) of this manual for the profit distribution and loss compensation table for 2024.

Resolution:

## **Discussion Items**

### **1. Amendments to some provisions of the Articles of Incorporation** (proposed by the Board of Directors)

Explanation: (1) It has been proposed that some provisions of the Company's Articles of Incorporation should be amended to comply with the regulations stipulated in Paragraph 6, Article 14 of the Securities and Exchange Act, which states that a TPEX-listed company must specify in its articles of incorporation that a certain percentage of its annual earnings will be allocated for salary adjustments or compensation distributions for its non-executive employees.

(2) Please refer to **Attachment 8** of the Handbook (page 36 to 37) for the Amendment Comparison Table.

Resolution:

### **2. The Company plans to undertake a private placement of ordinary shares, which is submitted for discussion.** (Submitted by the Board of Directors)

Explanation:

- 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 (below, the "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 must 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.

III. 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 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.

IV. 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.

VI. 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 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, must 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 Chair 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.

Resolution:

## **Election-related Issues**

### **I. Election of the 11th-term directors, submitted for voting** (proposed by the Board of Directors)

Explanation: (1) Because the term of office of the Company's 10th-term directors (including independent directors) will expire on June 14, 2025, it is proposed that the reelection of all directors be conducted during the Annual General Meeting on June 18, 2025.

- (2) As stipulated in Article 17 of the Company's Articles of Incorporation, "The Company shall have five to nine directors, who are elected by the Shareholders Meeting from among the candidates with legal capacity. Directors shall serve a 3-year term and may be reelected. There must be at least three independent directors among the aforementioned number of directors." It is proposed that seven directors be elected in this election to serve a 3-year term.
- (3) The number of director candidates mentioned in the preceding paragraph includes three independent directors. The election will adopt a candidate nomination system. Independent directors' professional qualifications and other requirements will be handled in accordance with the Company Act and relevant regulations stipulated by the competent authorities in charge of securities affairs. The list of director candidates has been reviewed and approved by the Company's Board of Directors. To view the candidates' educational and professional backgrounds as well as other information, please refer to Attachment 9 of the Handbook (page 38 to 39).
- (4) The newly appointed directors will begin their term immediately following the conclusion of the Annual General Meeting. The term of office will start on June 18, 2025, and end on June 17, 2028. The current directors will end their term immediately following the conclusion of this Shareholders Meeting.
- (5) The election will be conducted in accordance with the Company's Regulations on the Election of Directors.

Election Results:



## **Other Motions**

### **I. Proposal to lift the business strife limitation on newly appointed directors and their authorized representatives (proposed by the Board of Directors)**

Explanation: (1) As stipulated in Article 209 of the Company Act, “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) To facilitate the Company’s business development and make good use of directors’ expertise and relevant experience, if newly appointed directors of the Company have investments in or operate other companies with a scope of businesses that is the same or similar to that of the Company, and they also serve as directors, then under the precondition that the Company’s benefits and interests are not affected, it is proposed to lift the business strife limitation on the newly-appointed directors and their authorized representatives at this Shareholders Meeting in accordance with Article 209 of the Company Act.

(3) Please refer to **Attachment 10** of the Handbook (pages 40 to 41) for the contents of the business strife limitations to be lifted.

(4) This item is hereby proposed for discussion.

Resolution:

## **Extempore Motions**

## **Meeting Adjourned**

## Attachment 1

### Business Report

#### 1. 2024 Business Report

(1) Implementation results of business plan:

The Company's net revenue in 2024 was NT\$1,371,949,000, an increase of 78.79% over 2023's figure of NT\$767,333,000. The net revenue after tax was NT\$32,855,000, an increase of 119.04% compared to the net loss after tax of NT\$172,558,000 in 2023. The basic earnings per share is NT\$0.35.

(2) Budget execution status:

The Company did not publicly disclose its financial forecast for 2024, so this is not applicable.

(3) Financial revenue and expenditure, and profitability:

2024 Financial analysis	Item	%, Times, Days
Financial structure	Debt Ratio	37.23%
Solvency	Current Ratio	260.65%
	Quick Ratio	197.06%
Operating Ability	Accounts Receivable Turnover Rate, Collection Days for Receivables	5.13 times, 71.15 days
	Inventory Turnover Rate, Average Days of Sale	1.69 times, 215.98 days
Profitability	Return on Assets	1.75%
	Return on Shareholder Equity	2.73%
	Net profit rate	2.39%

(4) Research and development status

Based on the next-generation Android 12 platform, the Company has continued to develop and optimize desktop, handheld, and unattended transaction terminals, successfully obtaining PCI PTS 6.x security certification. Additionally, in the SoftPOS solution sector, the CPoC certification has been successfully completed, and efforts are ongoing to advance MPoC development and certification while simultaneously carrying out PCI security certification.

(5) Re-investment in affiliates and their operation profile

December 31, 2024

Unit: Thousand NT\$

Re-investment affiliated relationship	Original investment amount		Carrying amount held at the end of the period	The invested company's profit and loss for the current period
	End of current period	End of last period		
XAC invested to Samoa Value Investment Limited	168,889	168,889	445,108	(5,304)
XAC invested to US ZAKUS,INC	37,145	37,145	70,017	860
Value Investment invested to XAC Automation Corporation (Suzhou)	165,841 (Note 1)	165,841 (Note 1)	454,960	(5,091)

Note 1: The cumulative original investment amount remitted from Taiwan at the end of this period does not include XAC Automation Corporation (Suzhou)'s 2008 reinvestment of NT\$58,201,000 for capital increase.

At present, XAC's Taiwan parent company is responsible for the Group's strategic planning (major decision-making, R&D, marketing, and sales functions). It bears the main risks and serves as the Group's operation headquarters.

The main function of the Suzhou factory is not only to serve as a manufacturing base, but also as the quality center and system development and operation center.

ZAKUS, the US subsidiary, is a research and development base for XAC's front-end technology. We recruit R&D talents who specialize in new product front-end technology from local sources and provide R&D design for the Taiwan parent company's product platform. At the same time, the team is responsible for constructing the core technology of payment software and solutions required for the long-term development of the Company.

ZAKUS is also responsible for services such as business survey, product introduction, and customer relationship maintenance.

## 2. Summary of 2025 Business Plan

### (1) Development Strategy

The development strategy of XAC is twofold: to develop device payment solutions suitable for merchants to use in various channels based on EMV fully integrated and semi-integrated solutions, and to develop various solutions on the XCE platform that enable customers to engage in automated business activities. The specific development direction is as follows:

1. Development of digital payment solutions.
2. Establishment of strategic partners
  - In addition to maintaining our current customer base of payment service providers (PSPs), the Company is also targeting system integrators (SIs) and independent software vendors (ISVs).
  - Establish channels for major regions of the world: the Americas, Japan, EMEA and APAC.

### (2) Impact of the external competitive environment, regulatory environment, and overall business environment

1. The external competitive environment has the following obvious trends:

- The trend of cloud POS systems has been confirmed; combined with payment and other business management software, it can achieve a complete security system and provide big data for strategic analysis and decision-making.
- Cloud products have a more pressing demand for security.
- The differentiation of regional demand has significantly increased.

2. Regulatory environment:

- In the past, the cash flow system industry was regulated by the governments of various countries and protected based on their national conditions. However, the inevitable trend of liberalization and openness in the modern age has created favorable conditions for XAC to enter the world market.
- Our continuous efforts are directed at the diversity and variability formed by the unique global standards (EMV/PCI) of the financial system and the unique needs of various regions.

3. Overall business environment:

Countries worldwide are moving toward alternate payment and commerce-enabling systems. The omni-channel business model presents vast opportunities, while security requirements and high-quality expectations remain unchanged. With our prior efforts and the foundation we have built up, the Company possesses unique advantages. However, the increasing emphasis on software, system integration, and solution development presents both challenges and valuable opportunities.

### (3) Market prospect and future outlook

Cloud IT systems and mobile internet are two major trends that have significantly impacted business models, resulting in changes and challenges for almost all industries. XAC will develop secure payment solutions for unified channel integrated systems based on payment security technology, various payment reading technologies, and secure cloud POS technology, as well as commercial automation solutions mainly based on the XCE platform for cloud computing services.

The growth of XAC lies in providing the safest and most convenient payment system solutions for different customers and regions and seizing the business opportunities brought by merchants' Omni-Channel integration systems.

In 2024 the Company's revenue has gradually recovered to previous levels. Looking ahead to 2025, strong demand from major customers in Europe and the United States remains. Additionally, several new products and customer-specific products are set to enter mass production and be launched in the market by mid-year, which is expected to drive steady overall sales growth.

Thank you for all your support!

Chairman: CHANG, YENG-MING

Manager: HU, HSUAN-TSUNG

Accounting Supervisor: HSU, JEN-CHIEN

## **Attachment 2**

### **XAC Automation Corp. Audit Committee Review Report**

The Company's Board of Directors has prepared the 2024 business report, financial reports, and earnings distribution proposal, among which, the financial reports (including parent company only financial reports and consolidated financial reports) have been audited by the certified public accountants Cheng An-Chi and Wu Chun-Yuan of KPMG Taiwan. The aforementioned business report, financial reports, and earnings distribution proposal have been reviewed by this Audit Committee and were found to be free of discrepancies. This report has thus been prepared in accordance with Article 14-4 of the Securities and Exchange Act as well as Article 219 of the Company Act, and is hereby submitted for your review and approval.

Submitted to  
2025 General Shareholders' Meeting

XAC Automation Corp.  
Convener of Audit Committee: Huang Hsu-Nan

March 12, 2025

Attachment 3

Indirect investment in mainland China

As of December 31, 2024

Name of mainland investee company	XAC Automation (Suzhou) Corp.
Main business	Production and sales of electronic financial transaction terminals and their components, transaction data security protection devices and their components, and multifunctional smart card reading and writing machines and their components
Paid-in capital	US\$6.8 million (US\$5 million cash investment; US\$1.8 million capital increase from earnings)
Shareholding ratio of the Company’s direct or indirect investment	100%
Investment amount approved by the MOEA Investment Commission	US\$7.795 million
Cumulative investment amount remitted by the Company from Taiwan to mainland China (notes 1 and 2)	US\$5.995 million

Note 1: Beijing Tongjinhua Technology Co., Ltd., a subsidiary indirectly invested by the Company, has completed the liquidation of all rights and obligations in 2020 and has been deregistered. The Company has remitted a total amount of NT\$25,715 thousand (US\$800 thousand), which still needs to be included in the cumulative amount remitted from Taiwan to mainland China in accordance with the regulations of the MOEA Investment Commission.

Note 2: Suzhou Tongjinhua Technology Co., Ltd., a subsidiary indirectly invested by the Company, has completed the liquidation of all rights and obligations in 2023 and has been deregistered. The Company has remitted a total amount of NT\$6,345 thousand (US\$195 thousand), which still needs to be included in the cumulative amount remitted from Taiwan to mainland China in accordance with the regulations of the MOEA Investment Commission.

Attachment 4

Extension of loans to others in 2024

Unit: Thousand NT\$

Companies that Lend Funds	Borrower	Financial Statement Account	Maximum Amount for the Period	Ending Balance	Actual Amount Drawn	Interest Rate	Amount of Transactions (Note)	Reasons for Short-term Financing	Allowance for doubtful accounts	Collateral		Individual funding limits	Maximum limit of fund financing
										Item	Value		
The Company	XAC Suzhou	Other receivables - related parties	65,750 (USD2,000 in thousands)	0	0	6.607%	0	Working capital needs	-	-	-	123,424	246,848

Note: Pursuant to the Procedures of Lending Funds to Others Parties, the aggregate financing amount for a short-term period shall not exceed 20% of the net worth of the Company. The individual financing amount shall not exceed the trade amount between the two parties in the recent year; the transaction amount refers to the higher amount of purchase or sale between the two parties; the individual financing amount for a short-term period shall not exceed 10% of the net worth of the Company.

## **Report on 2024 employee and director remuneration distribution**

- I. As stipulated in the Company's Articles of Incorporation, if the Company makes a profit in the year, it shall allocate 3% to 12% as employees' remuneration and no more than 3% as directors' remuneration. However, when the Company still has a cumulative loss, the amount to be compensated must be reserved in advance.
- II. The Company's 2024 profit after tax was NT\$32,855,157. It is proposed that NT\$728,731 be allocated as directors' remuneration and NT\$2,914,925 be allocated as employees' remuneration, which will both be paid in cash.
- III. The aforementioned remuneration distribution amounts for employees and directors have been approved by the Board of Directors and are no different from the amounts estimated when the expenditure was listed and recognized.

## **Attachment 6**

### **Independent Auditors' Report**

To the Board of Directors of XAC Automation Corporation:

#### **Opinion**

We have audited the consolidated financial statements of XAC Automation Corporation, which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024 and 2023, 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 parent-company-only financial position of XAC Automation Corporation as of December 31, 2024 and 2023, 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 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 audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent-company-only financial statements section of our report. We are independent of XAC Automation Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 judgement, were of most significance in our audit of the financial statement for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgements, the key audit matters should be communicated in the audit report are as follows:

##### **I. Revenue recognition**

Please refer to Note 4 (14) revenue recognition for the accounting policy and Note 6 (18) Revenue of Customer Contracts for the explanation of revenue recognition to the parent-company-only financial statements.



Explanation of key audit matters:

The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. In addition, the Company operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, the revenue recognition tests are an important part of our assessment in performing our audit of XAC Automation Corporation's financial statements.

Auditing Procedures:

Our main audit procedures for the aforementioned key audit matters include understanding and testing the relevant internal control of the sales and collection cycle; understanding the form, contractual terms and transaction conditions of the main revenue to assess whether the revenue recognition point is appropriate; selecting and reviewing contracts to assess the impact of contractual terms and transaction conditions on revenue recognition and confirming whether the accounting treatment is appropriate.

## II. Inventory valuation

Please refer to Note 4 (7) Inventory for the accounting policy and Note 6 (5) Inventory for the explanation of inventory valuation to the parent-company-only financial statements.

Explanation of key audit matters:

XAC Automation Corporation's accounted inventory may be due to normal wear and tear, obsolescence or no market value of sales, and then offset the inventory cost to net realizable value. This valuation may be due to the introduction of new products in the market, the original product is obsolete or no longer meet the market demand, resulting in significant changes in product demand, and this may lead to a possible decrease in demand and price, which may, in turn, create a risk that the cost of inventory exceeds its net realizable value. Consequently, the inventory valuation tests are an important part of our assessment in performing our audit of XAC Automation Corporation's financial statements.

Auditing Procedures:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory of aging report and analyzing the fluctuation of inventory aging; understanding the provision ratio of inventory write-down or slow-moving to evaluating the reasonableness of the inventory provision amount and reviewing the differences between the past inventory provision and the actual occurrence; as well as considering the appropriateness of XAC Automation Corporation's disclosures in the accounts.

## **Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports, 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 parent-company-only financial statements, the management is responsible for assessing XAC Automation Corporation'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 the management either intends to liquidate XAC Automation Corporation or to cease operations or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing XAC Automation Corporation's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit misstatement when it exists. Misstatement 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 those parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

- I. Identify and assess risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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.
- II. Obtain an understanding of the internal controls relevant to the audit in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of XAC Automation Corporation's internal controls.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by management.

- IV. 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 XAC Automation Corporation'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 parent-company-only 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 XAC Automation Corporation to cease to continue as a going concern.
- V. Evaluated the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in entities accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the 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.

For the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only 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 An-Chih Cheng and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2025

Notices to Readers

*The accompanying consolidated financial statements are intended only to present the parent-company-only financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent-company-only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
XAC Automation Corporation

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

Assets		2024.12.31		2023.12.31		Liabilities and Equity		2024.12.31		2023.12.31			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:						Current liabilities:							
1100	Cash and cash equivalents (Note 6 (1))	\$	678,511	33	628,959	33	2120	Financial liabilities at fair value through profit or loss - current (Note 6 (2))	\$	177	-	-	-
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))		-	-	403	-	2170	Accounts payable		34,652	2	2,526	-
1136	Financial assets at amortized cost – current (Note 6 (3))		191,868	9	195,547	11	2180	Accounts payables to related parties (Note 7)		280,511	13	183,525	10
1140	Contract assets - current (Note 6 (18))		8,184	-	10,832	1	2201	Salaries and bonuses payable		49,701	2	48,218	3
1170	Accounts receivable, net (Notes 6 (4) and (18))		307,053	15	225,588	12	2230	Current tax liabilities		-	-	5,878	-
130X	Inventories (Note 6 (5))		174,730	8	136,486	7	2250	Provision – current (Note 6 (11))		370,231	18	3,325	-
1479	Other current assets		17,884	1	5,576	-	2280	Lease liabilities – current (Note 6 (10))		3,944	-	3,415	-
Total current assets			1,378,230	66	1,203,391	64	2300	Other current liabilities (Notes 6 (18))		61,887	3	55,359	3
Non-current assets:						Total current liabilities							
1535	Financial assets at amortized cost – non-current (Note 8)		2,000	-	2,000	-	Non-current liabilities:						
1550	Investments accounted for using equity method (Note 6(6))		515,125	24	481,534	25	2550	Provision –non-current (Note 6 (11))		134	-	345,303	18
1600	Property, plant and equipment (Note 6 (7))		55,622	3	60,607	3	2570	Deferred tax liabilities (Note 6 (13))		49,206	2	41,805	2
1755	Right-of-use assets (Note 6 (8))		16,502	1	17,139	1	2580	Lease liabilities – non-current (Note 6 (10))		12,815	1	13,896	1
1780	Intangible assets (Note 6 (9))		4,103	-	3,249	-	2640	Net defined benefit liabilities – non-current (Note 6 (12))		-	-	13,076	1
1840	Deferred tax assets (Note 6 (13))		91,426	4	95,350	5	Total non-current liabilities						
1920	Refundable deposits		1,678	-	2,130	-	Total liabilities						
1930	Long-term accounts receivable, net (Notes 6 (4) and (18))		13,726	1	26,021	2	Equity (Notes 6 (14) and (15)):						
1975	Net defined benefit assets – non-current (Note 6 (12))		19,085	1	-	-	3110	Common stock		961,522	46	961,522	51
Total non-current assets			719,267	34	688,030	36	3200	Capital surplus		82,291	4	82,291	4
							Retained earnings:						
							3310	Legal reserve		207,847	10	378,753	20
							3320	Special reserve		19,169	1	19,169	1
							3350	Undistributed earnings (accumulated deficit)		38,236	2	(170,906)	(9)
							3400	Other Equity		7,992	-	(12,916)	(1)
							3500	Treasury stock		(82,818)	(4)	(82,818)	(4)
							Total equity						
							Total liabilities and equity						
Total assets		\$	2,097,497	100	1,891,421	100	\$ 2,097,497 100 1,891,421 100						
(See accompanying notes to the parent-company-only financial statement)													

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
**XAC Automation Corporation**

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan dollars, except for Earnings (loss) per share)

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (Note 6 (18))	\$ 1,371,949	100	767,333	100
5000	<b>Operating costs</b> (Notes 6 (5), (12), (17),7 and 12)	996,523	73	653,639	85
	<b>Gross profit</b>	375,426	27	113,694	15
	<b>Operating expenses</b> (Notes 6 (12), (17),7 and 12):				
6100	Selling and marketing expenses	40,942	3	26,268	3
6200	General and administrative expenses	82,931	6	74,844	10
6300	Research and development expenses	244,779	18	240,374	31
6450	Expected credit impairment loss (gain) (Note 6 (4))	(2,059)	-	762	-
	<b>Total operating expenses</b>	366,593	27	342,248	44
	<b>Net operating profit</b>	8,833	-	(228,554)	(29)
	<b>Non-operating revenue and expenses:</b>				
7020	Other gains and losses (Note 6 (19))	(4,110)	-	(3,987)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method (Note 6(6))	7,456	1	(527)	-
7100	Interest revenue (Note 6 (19))	19,828	1	14,191	1
7510	Interest expense (Notes 6 (10) and (19))	(276)	-	(249)	-
		22,898	2	9,428	1
	<b>Net profit (loss) before tax</b>	31,731	2	(219,126)	(28)
7950	<b>Income tax gain</b> (Note 6 (13))	(1,124)	-	(46,568)	(6)
	<b>Profit (loss) for the year</b>	32,855	2	(172,558)	(22)
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plan (Note 6 (12))	6,726	-	2,065	-
8349	Income tax related to items that will not be reclassified subsequently (Note 6 (13))	(1,345)	-	(413)	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	5,381	-	1,652	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	26,135	2	(6,635)	(1)
8399	Income tax related to items that may be reclassified subsequently (Note 6 (13))	(5,227)	-	1,327	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	20,908	2	(5,308)	(1)
8300	<b>Other comprehensive income</b>	26,289	2	(3,656)	(1)
	<b>Total comprehensive income</b>	\$ 59,144	4	(176,214)	(23)
	<b>Earnings per share (NT\$)(Note 6 (16))</b>				
	Basic earnings per share	\$ 0.35		(1.85)	
	Diluted earnings per share	\$ 0.35		(1.85)	

(See accompanying notes to the parent-company-only financial statement)

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**XAC Automation Corporation**

**Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan dollars)

	Retained earnings						Other equity items				
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Total	Exchange differences on translation of foreign operations	Unearned employee compensation	Total	Treasury stock	Total equity
Balance as of January 1, 2023	\$ 961,562	85,997	430,820	19,169	(52,067)	397,922	(7,608)	(4,182)	(11,790)	(82,818)	1,350,873
Net Loss	-	-	-	-	(172,558)	(172,558)	-	-	-	-	(172,558)
Other comprehensive income	-	-	-	-	1,652	1,652	(5,308)	-	(5,308)	-	(3,656)
Total comprehensive income	-	-	-	-	(170,906)	(170,906)	(5,308)	-	(5,308)	-	(176,214)
Appropriation and distribution of earnings:											
Legal reserve used to cover accumulated deficits	-	-	(52,067)	-	52,067	-	-	-	-	-	-
Compensation costs of restricted stock award	-	-	-	-	-	-	-	943	943	-	943
Cancellation of restricted stock award	(40)	(3,706)	-	-	-	-	-	3,239	3,239	-	(507)
Balance as of December 31, 2023	961,522	82,291	378,753	19,169	(170,906)	227,016	(12,916)	-	(12,916)	(82,818)	1,175,095
Net profit	-	-	-	-	32,855	32,855	-	-	-	-	32,855
Other comprehensive income	-	-	-	-	5,381	5,381	20,908	-	20,908	-	26,289
Total comprehensive income	-	-	-	-	38,236	38,236	20,908	-	20,908	-	59,144
Appropriation and distribution of earnings:											
Legal reserve used to cover accumulated deficits	-	-	(170,906)	-	170,906	-	-	-	-	-	-
Balance as of December 31, 2024	\$ 961,522	82,291	207,847	19,169	38,236	265,252	7,992	-	7,992	(82,818)	1,234,239

(See accompanying notes to the parent-company-only financial statement)

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**XAC Automation Corporation**

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan dollars)

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Net profit (loss) before income tax	\$ 31,731	(219,126)
Adjustments:		
Adjustments to reconcile loss (profit)		
Depreciation	10,674	11,134
Amortization	1,884	1,298
Expected credit impairment loss (reversal gains)	(2,059)	762
Interest expenses	276	249
Interest revenue	(19,828)	(14,191)
Compensation costs of share-based payment	-	745
Reversal for inventory valuation	(4,652)	(1,707)
Share of profit (loss) of subsidiaries accounted for using equity method	(7,456)	527
Loss on disposal of property, plant, and equipment	-	1
Unrealized valuation loss (gain) on financial assets and liabilities	580	(514)
Total adjustment to reconcile profit	<u>(20,581)</u>	<u>(1,696)</u>
Changes in assets and liabilities:		
Contract assets	2,648	33,586
Accounts receivable (including long-term accounts receivable)	(67,111)	(45,645)
Inventories	(33,592)	45,731
Other operating assets	(11,351)	1,187
Accounts payable	32,126	(9,357)
Accounts payables to related parties	96,986	77,719
Provision	(592)	1,879
Other operating liabilities	1,993	2,054
Net defined benefit liabilities	<u>(25,435)</u>	<u>460</u>
Total changes in assets and liabilities	<u>(4,328)</u>	<u>107,614</u>
Cash generated from (used in) operations	6,822	(113,208)
Interest received	18,607	13,804
Interest paid	(276)	(249)
Income tax paid	<u>(958)</u>	<u>(341)</u>
Net cash generated from (used in) operating activities	<u>24,195</u>	<u>(99,994)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant, and equipment	(1,519)	(2,609)
Acquisition of intangible assets	(2,738)	(590)
(Increase) decrease in refundable deposits	452	(1,620)
(Increase) decrease in financial assets at amortized cost	<u>4,900</u>	<u>159,400</u>
Net cash generated from investing activities	<u>1,095</u>	<u>154,599</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	40,000	-
Decrease in short-term loans	(40,000)	-
Cancellation of restricted stock award	-	(507)
Increase in guarantee deposits received	6,018	-
Repayment of lease liabilities	<u>(4,085)</u>	<u>(4,083)</u>
Net cash generated from (used in) financing activities	<u>1,933</u>	<u>(4,590)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>22,329</u>	<u>554</u>
Net increase in cash and cash equivalents	49,552	50,569
Cash and cash equivalents at the beginning of the period	628,959	578,390
Cash and cash equivalents at the end of the period	<u>\$ 678,511</u>	<u>628,959</u>

See accompanying notes to the parent-company-only financial statement)

## **Independent Auditors' Report**

To the Board of Directors of XAC Automation Corporation:

### **Opinion**

We have audited the consolidated financial statements of XAC Automation Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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 audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgements, the key audit matters should be communicated in the audit report are as follows:



## I. Revenue recognition

Please refer to Note 4 (14) revenue recognition for the accounting policy and Note 6 (17) Revenue of Customer Contracts for the explanation of revenue recognition to the consolidated financial statements.

Explanation of key audit matters:

The Group recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. In addition, the Group operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, the revenue recognition tests are an important part of our assessment in performing our audit of the Group's consolidated financial statements.

Auditing Procedures:

Our main audit procedures for the aforementioned key audit matters include understanding and testing the relevant internal control of the sales and collection cycle; understanding the form, contractual terms and transaction conditions of the main revenue to assess whether the revenue recognition point is appropriate; selecting and reviewing contracts to assess the impact of contractual terms and transaction conditions on revenue recognition and confirming whether the accounting treatment is appropriate.

## II. Inventory valuation

Please refer to Note 4 (8) Inventory for the accounting policy and Note 6 (5) Inventory for the explanation of inventory valuation to the consolidated financial statements.

Explanation of key audit matters:

The Group's accounted inventory may be due to normal wear and tear, obsolescence or no market value of sales, and then offset the inventory cost to net realizable value. This valuation may be due to the introduction of new products in the market, the original product is obsolete or no longer meet the market demand, resulting in significant changes in product demand, and this may lead to a possible decrease in demand and price, which may, in turn, create a risk that the cost of inventory exceeds its net realizable value. Consequently, the inventory valuation tests are an important part of our assessment in performing our audit of the Group's consolidated financial statements.

Auditing Procedures:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory of aging report and analyzing the fluctuation of inventory aging; understanding the provision ratio of inventory write-down or slow-moving to evaluating the reasonableness of the inventory provision amount and reviewing the differences between the past inventory provision and the actual occurrence; as well as considering the appropriateness of the Group's disclosures in the accounts.

## **Other Matters**

XAC Automation Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinions.

### **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 interpretations as well as related guidance endorsed by 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, the 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 the 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 members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' 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 is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit misstatement when it exists. Misstatement 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 those consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

- I. Identify and assess 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 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.
- II. Obtain an understanding of the internal controls relevant to the audit in order to design the 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 controls.

- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by management.
- IV. 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.
- V. Evaluated 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.
- VI. 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.

For 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 An-Chih Cheng and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2025

Notices to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

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

XAC Automation Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		2024.12.31		2023.12.31				2024.12.31		2023.12.31	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>											
1100	Cash and cash equivalents (Note 6 (1))	\$ 743,132	38	675,498	37	2120	Financial liabilities at fair value through profit or loss - current				
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	-	-	589	-	2170	(Note 6 (2))	\$ 177	-	667	-
1136	Financial assets at amortized cost- current (Note 6 (3))	192,046	10	195,690	11	2201	Accounts payable	95,129	5	61,051	3
1140	Contract assets - current (Note 6 (17))	8,184	-	10,832	-	2230	Salaries and bonuses payable	81,832	4	77,866	4
1170	Accounts receivable, net (Notes 6 (4) and (17))	307,053	16	225,588	12	2250	Current tax liabilities	7,111	-	5,888	-
130X	Inventories (Note 6 (5))	420,073	21	446,201	24	2280	Provision –current (Note 6 (10))	370,231	18	3,325	-
1479	Other current assets	51,209	3	41,898	2	2300	Lease liabilities - current (note 6 (9))	13,231	1	11,864	1
	<b>Total current assets</b>	<u>1,721,697</u>	<u>88</u>	<u>1,596,296</u>	<u>86</u>		Other current liabilities (Notes 6 (17))	92,820	5	84,965	5
<b>Non-current assets:</b>							<b>Total current liabilities</b>	<u>660,531</u>	<u>33</u>	<u>245,626</u>	<u>13</u>
1535	Financial assets at amortized cost – non-current (Note 8)	5,734	-	6,859	-	2550	<b>Non-current liabilities:</b>				
1600	Property, plant and equipment (Note 6 (6))	59,235	3	64,718	4	2570	Provision – non-current (Note 6 (10))	2,122	-	347,168	19
1755	Right-of-use assets (Note 6 (7))	33,034	2	41,886	2	2580	Deferred tax liabilities (Note 6 (12))	49,206	3	41,851	2
1780	Intangible assets (Note 6 (8))	4,219	-	3,374	-	2640	Lease liabilities – non-current (Note 6 (9))	20,036	1	29,621	2
1840	Deferred tax assets (Note 6 (12))	106,931	5	108,228	6		Net defined benefit liabilities – non-current (Note 6 (11))	-	-	13,076	1
1920	Refundable deposits	2,473	-	5,055	-		<b>Total non-current liabilities</b>	<u>71,364</u>	<u>4</u>	<u>431,716</u>	<u>24</u>
1930	Long-term accounts receivable, net (Notes 6 (4) and (17))	13,726	1	26,021	2		<b>Total liabilities</b>	<u>731,895</u>	<u>37</u>	<u>677,342</u>	<u>37</u>
1930	Long-term accounts receivable, net (Notes 6 (11))	19,085	1	-	-	3110	<b>Equity (Notes 6 (13) and (14)):</b>				
	<b>Total non-current assets</b>	<u>244,437</u>	<u>12</u>	<u>256,141</u>	<u>14</u>	3200	Common stock	961,522	49	961,522	52
							Capital surplus	82,291	4	82,291	4
						3310	Retained earnings:				
							Legal reserve	207,847	11	378,753	20
						3320	Special reserve	19,169	1	19,169	1
						3350	Undistributed earnings (accumulated deficit)	38,236	2	(170,906)	(9)
								<u>265,252</u>	<u>14</u>	<u>227,016</u>	<u>12</u>
						3400	Other Equity	7,992	-	(12,916)	(1)
						3500	Treasury stock	(82,818)	(4)	(82,818)	(4)
							<b>Total equity</b>	<u>1,234,239</u>	<u>63</u>	<u>1,175,095</u>	<u>63</u>
<b>Total assets</b>		<u>\$ 1,966,134</u>	<u>100</u>	<u>1,852,437</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 1,966,134</u>	<u>100</u>	<u>1,852,437</u>	<u>100</u>

(See accompanying notes to consolidated financial statement)

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

**XAC Automation Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan dollars, except for Earnings (loss) per share)

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (Note 6 (17))	\$ 1,371,949	100	767,333	100
5000	<b>Operating costs</b> (Notes 6 (5), (11), (16), 7 and 12)	900,839	66	576,811	75
	<b>Gross profit</b>	471,110	34	190,522	25
	<b>Operating expenses</b> (Notes 6 (11), (16), 7 and 12):				
6100	Selling and marketing expenses	49,520	4	33,911	4
6200	General and administrative expenses	113,458	8	108,569	14
6300	Research and development expenses	282,309	20	275,615	36
6450	Expected credit impairment gain (Note 6 (4))	(2,059)	-	762	-
	<b>Total operating expenses</b>	443,228	32	418,857	54
	<b>Net operating profit (loss)</b>	27,882	2	(228,335)	(29)
	<b>Non-operating revenue and expenses:</b>				
7020	Other gains and losses (Note 6 (18))	(6,898)	-	(3,088)	-
7100	Interest revenue (Note 6 (18))	20,212	1	14,403	1
7510	Interest expense (Notes 6 (9) and (18))	(633)	-	(898)	-
		12,681	1	10,417	1
	<b>Net profit (loss) before tax</b>	40,563	3	(217,918)	(28)
7950	<b>Income tax expense (gain)</b> (Note 6 (12))	7,708	1	(45,360)	(6)
	<b>Profit (loss) for the year</b>	32,855	2	(172,558)	(22)
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plan (Note 6 (11))	6,726	-	2,065	-
8349	Income tax related to items that will not be reclassified subsequently (Note 6 (12))	(1,345)	-	(413)	-
		5,381	-	1,652	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	26,135	2	(6,635)	(1)
8399	Income tax related to items that may be reclassified subsequently (Note 6 (12))	(5,227)	-	1,327	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	20,908	2	(5,308)	(1)
8300	<b>Other comprehensive income</b>	26,289	2	(3,656)	(1)
	<b>Total comprehensive income</b>	<u>\$ 59,144</u>	<u>4</u>	<u>(176,214)</u>	<u>(23)</u>
	<b>Earnings per share (NT\$)(Note 6 (15))</b>				
	Basic earnings per share	<u>\$ 0.35</u>		<u>(1.85)</u>	
	Diluted earnings per share	<u>\$ 0.35</u>		<u>(1.85)</u>	

(See accompanying notes to consolidated financial statement)

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

**XAC Automation Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
(Expressed in thousands of New Taiwan dollars)

	Other equity items										
	Retained earnings						Exchange differences on translation of foreign operations	Unearned employee compensation	Total	Treasury stock	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Total					
Balance as of January 1, 2023	\$ 961,562	85,997	430,820	19,169	(52,067)	397,922	(7,608)	(4,182)	(11,790)	(82,818)	1,350,873
Net loss	-	-	-	-	(172,558)	(172,558)	-	-	-	-	(172,558)
Other comprehensive income	-	-	-	-	1,652	1,652	(5,308)	-	(5,308)	-	(3,656)
Total comprehensive income	-	-	-	-	(170,906)	(170,906)	(5,308)	-	(5,308)	-	(176,214)
Appropriation and distribution of earnings:											
Legal reserve	-	-	(52,067)	-	52,067	-	-	-	-	-	-
Compensation costs of restricted stock award	-	-	-	-	-	-	-	943	943	-	943
Cancellation of restricted stock award	(40)	(3,706)	-	-	-	-	-	3,239	3,239	-	(507)
Balance as of December 31, 2023	961,522	82,291	378,753	19,169	(170,906)	227,016	(12,916)	-	(12,916)	(82,818)	1,175,095
Net Profit	-	-	-	-	32,855	32,855	-	-	-	-	32,855
Other comprehensive income	-	-	-	-	5,381	5,381	20,908	-	20,908	-	26,289
Total comprehensive income	-	-	-	-	38,236	38,236	20,908	-	20,908	-	59,144
Appropriation and distribution of earnings:											
Legal reserve used to cover accumulated deficits	-	-	(170,906)	-	170,906	-	-	-	-	-	-
Balance as of December 31, 2024	\$ 961,522	82,291	207,847	19,169	38,236	265,252	7,992	-	7,992	(82,818)	1,234,239

(See accompanying notes to consolidated financial statement)

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

**XAC Automation Corporation and Subsidiaries**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan dollars)

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Net profit (loss) before income tax	\$ 40,563	(217,918)
Adjustments:		
Adjustments to reconcile loss (profit)		
Depreciation	21,191	28,000
Amortization	2,003	1,494
Expected credit impairment loss (reversal gain)	(2,059)	762
Interest expenses	633	898
Interest revenue	(20,212)	(14,403)
Compensation costs of share-based payment	-	943
Provision for inventory valuation and obsolescence loss	32,248	50,512
Loss on disposal of property, plant, and equipment	-	1
Unrealized valuation loss (gain) on financial assets and liabilities	99	(33)
Total adjustment to reconcile profit	<u>33,903</u>	<u>68,174</u>
Changes in assets and liabilities:		
Contract assets	2,648	33,586
Accounts receivable (including long-term accounts receivable)	(67,111)	(45,645)
Inventories	(5,639)	107,813
Other operating assets	(8,354)	8,177
Accounts payable	34,078	4,568
Provision	(561)	1,311
Net defined benefit liabilities	(25,435)	460
Other operating liabilities	5,812	(3,760)
Total changes in assets and liabilities	<u>(64,562)</u>	<u>106,510</u>
Cash generated from (used in) operations	9,904	(43,234)
Interest received	18,956	13,942
Interest paid	(633)	(898)
Income tax paid	(5,362)	(123)
Net cash generated from (used in) operating activities	<u>22,865</u>	<u>(30,313)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant, and equipment	(1,541)	(4,709)
Acquisition of intangible assets	(2,844)	(649)
Increase (Increase) in refundable deposits	2,582	(1,557)
Decrease in financial assets at amortized cost	6,025	155,862
Net cash generated from (used in) investing activities	<u>4,222</u>	<u>148,947</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	40,000	-
Decrease in short-term loans	(40,000)	-
Increase in guarantee deposits received	6,009	-
Cancellation of restricted stock award	-	(507)
Repayment of lease liabilities	(12,867)	(19,159)
Net cash flows used in financing activities	<u>(6,858)</u>	<u>(19,666)</u>
Effects of exchange rate changes on cash and cash equivalents	47,405	(46,022)
Net increase in cash and cash equivalents	67,634	52,946
Cash and cash equivalents at the beginning of the period	675,498	622,552
Cash and cash equivalents at the end of the period	<u>\$ 743,132</u>	<u>675,498</u>

(See accompanying notes to consolidated financial statement)



## Attachment 7

### XAC AUTOMATION CORP.

#### Earnings Distribution Table for FY2024

Outstanding Shares as of December 2024:

93,152,201 Shares

Unit: New Taiwan Dollars (NTD)

Item	Subtotal	Cash Distribution	Remarks
Undistributed Earnings at the Beginning of the Period	0		
Add: Net Income After Tax for the Period	32,855,157		
Add: Remeasurements of Defined Benefit Plans for the Period	5,380,890		
Less: Appropriation of Legal Reserve	(3,823,605)		Pursuant to MOEA Letter No. 10802432410, the basis has been adjusted to Net Income After Tax for the Period Plus Amounts Other than Net Income After Tax that are Included in the Undistributed Earnings of the Current Year.
Add (Less): Reversal (Provision) of Special Reserve			In accordance with FSC Letter No. 1010012865, a special reserve of the same amount will be appropriated for the deduction item under shareholders' equity (exchange differences on translation of foreign operations' financial statements).
Distributable Earnings	34,412,442		
Distribution Items:			
Cash Dividends to Shareholders	32,603,270	32,603,270	<b>Cash Dividends:</b> Based on the current outstanding shares, the cash dividend is <b>NT\$0.35 per share</b> . The Company has sufficient operating funds; therefore, the cash dividend distribution will have no impact on the Company.
Undistributed Earnings at the End of the Period	1,809,172		* The cash dividend distribution is calculated based on the allocation ratio and rounded down to the nearest whole dollar. Any fractional amounts of less than NT\$1 will be disregarded and included in the Company's other income. Any remittance fees and postage incurred will be borne by the shareholders.

Chairman: CHANG, YENG-MING

Manager: HU, HSUAN-TSUNG

Accounting Supervisor: HSU, JEN-CHIEN

## Attachment 8

### XAC Automation Corp. Comparison table of the amended provisions of the Articles of Incorporation

Article No.	Original Article	Amended Article	Explanation
Article 6	<p>The capital of the Company is set at NT\$1,200,000,000, divided into 120,000,000 shares at NT\$10 per share, to be issued in installments as authorized by the Board of Directors.</p> <p>Within the total capital, NT\$50 million shall be reserved for future issuance of employee stock option certificates, totaling five million shares at a face value of NT\$10 per share, which may be issued in installments in accordance with board resolutions.</p> <p>The recipients of the Company's new shares with restricted employee rights include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.</p> <p>The transferees of treasury shares purchased by the Company in accordance with <u>the Company Act</u> include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.</p> <p>When the Company issues new shares and reserves 10% to 15% of the total number of shares to be purchased by employees, such employees include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.</p>	<p>The capital of the Company is set at NT\$1,200,000,000, divided into 120,000,000 shares at NT\$10 per share, to be issued in installments as authorized by the Board of Directors.</p> <p>Within the total capital, NT\$50 million shall be reserved for future issuance of employee stock option certificates, totaling five million shares at a face value of NT\$10 per share, which may be issued in installments in accordance with board resolutions.</p> <p>The recipients of the Company's new shares with restricted employee rights include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.</p> <p>The transferees of treasury shares purchased by the Company in accordance with <u>relevant laws and regulations</u> include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.</p> <p>When the Company issues new shares and reserves 10% to 15% of the total number of shares to be purchased by employees, such employees include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.</p>	The article has been amended to meet the Company's operational needs.

Article 19	The board meeting shall be convened regularly by the Chair, and the convener shall notify all directors in writing via fax or email seven days prior to the meeting, specifying the date, location and agenda of the meeting. Upon receipt of this notice, any director may renounce participation in the meeting in writing before or after the meeting. In case of emergency, it is necessary to convene a meeting at any time.	The board meeting shall be convened regularly by the Chair, and the convener shall notify all directors <u>via written notice, fax, or</u> email seven days prior to the meeting, specifying the date, location and agenda of the meeting. Upon receipt of this notice, any director may renounce participation in the meeting in writing before or after the meeting. In case of emergency, it is necessary to convene a meeting at any time.	A punctuation mark has been added to the Chinese version, and the English translation has been modified to reflect the updated text.
Article 28	If the Company makes a profit in the year, it shall allocate 3% to 12% as employees' remuneration and no more than 3% as directors' remuneration. However, when the Company still has a cumulative loss, the amount to be compensated shall be reserved in advance.  The employees' remuneration referred to in the <u>preceding paragraph</u> shall be distributed in stock or cash, and the recipients include employees of controlling and subordinate companies who meet certain conditions.	If the Company makes a profit in the year, it shall allocate 3% to 12% as employees' remuneration and no more than 3% as directors' remuneration. However, when the Company still has a cumulative loss, the amount to be compensated shall be reserved in advance.  <u>No less than 20% of the employee remuneration amount specified in the preceding paragraph will be allocated as remuneration for non-executive employees. However, when the Company still has a cumulative loss, the loss must be compensated.</u>  The employees' remuneration referred to in the <u>preceding two paragraphs</u> shall be distributed in stock or cash, and the recipients include employees of controlling and subordinate companies who meet certain conditions.	The article has been amended in accordance with Paragraph 6, Article 14 of the Securities and Exchange Act
Article 32		(Earlier parts omitted) <u>The 20th amendment was made on June 18, 2025</u>	The amendment date and number have been added.

## Attachment 9

### XAC Automation Corp. List of the 11th-term Director Candidates

No.	Category of candidate	Name	Number of shares held	Academic qualifications	Experience
1	Director	CHANG, YENG-MING	3,417,036	Master's degree in Electronic Engineering, National Taiwan Institute of Technology	<ol style="list-style-type: none"> <li>1. President, UNIFORM INDUSTRIAL CORP.</li> <li>2. President, Ta Heng Industrial Corporation</li> <li>3. Chairman of XAC Automation Corporation.</li> </ol>
2	Director	Fuli Investment Co., Ltd. Representative: CHUANG, YUNG-SHUN	2,050,000	EMBA of National Taiwan University	<ol style="list-style-type: none"> <li>1. Chairman of AAEON Technology Inc.</li> <li>2. Chairman of AAEON Technology (Suzhou) Inc.</li> <li>3. Chairman of Onyx Healthcare Inc.</li> <li>4. Chairman of Onyx Healthcare (Shanghai) Inc.</li> <li>5. Chairman of Yanxin Investment Co., Ltd.</li> <li>6. Chairman of Fuli Investment Co., Ltd.</li> <li>7. Chairman of Everfocus Electronics Inc.</li> <li>8. Chairman of Yanyou Investment Co., Ltd.</li> <li>9. Chairman of iHELPER Inc.</li> <li>10. Chairman of Jetway Information Co., Ltd.</li> <li>11. Chairman of Atech OEM Inc.</li> </ol>
3	Director	TENG, WAN-SHENG	1,850,111	Master's degree in Electronic Engineering, National Taiwan Institute of Technology	<ol style="list-style-type: none"> <li>1. Vice President, UNIFORM INDUSTRIAL CORP.</li> <li>2. Vice President, Ta Heng Industrial Corporation</li> <li>3. Vice President, Corporate Research &amp; Development Division, XAC Automation Corporation</li> </ol>
4	Director	TSENG, TSUNG-LIN	386,004	Master's degree in Business Administration from the University of Missouri, USA	<ol style="list-style-type: none"> <li>1. Senior Vice President &amp; Chief Financial Officer, TSMC</li> <li>2. Executive Director &amp; Chief Financial Officer, UMC</li> <li>3. Investment &amp; Strategic Planning Senior Vice President, Quanta Computer Inc.</li> </ol>

5	Independent director	HUANG, HSU-NAN	0	<ol style="list-style-type: none"> <li>1. Ph. D in Institute of Management Sciences, National Chiao Tung University</li> <li>2. Master's Degree, Institute of Industrial Management, National Cheng Kung University</li> <li>3. Bachelor's Degree, Department of Agricultural Economics, National Taiwan University</li> </ol>	<ol style="list-style-type: none"> <li>1. Dean of the Management School at Ming Chuan University</li> <li>2. Director, Graduate School of Management, Ming Chuan University</li> <li>3. Associate Professor, Department of Business Administration, National Yunlin University of Science &amp; Technology</li> <li>4. Associate Researcher / Director, Council for Economic Planning and Development, Executive Yuan</li> <li>5. Managing Director, Taiwan Efficiency and Productivity Association</li> <li>6. Managing Director, The Global Logistics &amp; Commerce Council of Taiwan</li> <li>7. Director of Academy of Promoting Economic Legislation</li> <li>8. Reviewer, Higher Education Evaluation and Accreditation Council of Taiwan; Reviewer, Taiwan Assessment and Evaluation Association</li> </ol>
6	Independent director	CHEN, CHAO-HUA	0	Ph.D. in Law, University of Vienna	<ol style="list-style-type: none"> <li>1. Full-time Professor, Graduate Institute of Patent, National Taiwan University of Science and Technology</li> <li>2. Member, Trademark Management Committee, National Taiwan Normal University</li> <li>3. External Review Committee Member, Securities Listing Review Committee, Taiwan Stock Exchange</li> <li>4. Petitions Review Committee Member, Atomic Energy Council, Executive Yuan</li> </ol>
7	Independent director	WANG, HUI-HSIEN	0	<ol style="list-style-type: none"> <li>1. Bachelor's Degree, Department of Accounting, Tamkang University</li> <li>2. Executive Master of Business Administration, National Chengchi University</li> </ol>	<ol style="list-style-type: none"> <li>1. Certified Public Accountant, PricewaterhouseCoopers Taiwan</li> <li>2. Certified Public Accountant, Jih-Cheng United CPAs</li> <li>3. Independent Director (Undertaking Public Welfare), UNI Air</li> <li>4. Independent Director of XAVi Technologies Corporation</li> <li>5. Independent Director of Allmind Holdings Corporation</li> <li>6. Supervisor of UEC System Solutions Corporation</li> </ol>

Note 1: Huang Hsu-Nan has served as an independent director of the Company for three consecutive terms. The Company has assessed Mr. Huang's participation in Board affairs and his contributed viewpoints, as well as his professional competencies and experience in the fields of finance, business, operations management, and marketing management. On the basis of this assessment, Mr. Huang is clearly an asset to the Company, and it is therefore proposed at this time that he once again be nominated to serve as an independent director of the Company

## Attachment 10

### XAC Automation Corp.

#### List of Business Strife Limitations to be Lifted for the 11th-term Directors

Name of director	Concurrently served company	Concurrently held position	Business content of the concurrently served company	Conflict of interest
CHANG, YENG-MING	Heng Li Investment Co., Ltd.	Chairman	General investment	None
Fuli Investment Co., Ltd. Representative: CHUANG, YUNG-SHUN	Yanyou Investment Co., Ltd.	Chairman	General investment	None
	AAEON Technology Inc.	Chairman	Computers & peripheral equipment	None
	AAEON Technology (Suzhou) Inc.	Chairman	Computers & peripheral equipment	None
	Onyx Healthcare Inc.	Chairman	Healthcare & equipment	None
	Onyx Healthcare (Shanghai) Inc.	Chairman	Healthcare & equipment	None
	Yanxin Investment Co., Ltd.	Chairman	General investment	None
	Everfocus Electronics Inc.	Chairman	Optoelectronics	None
	iHELPER Inc.	Chairman	Computers & peripheral equipment	None
	Jetway Information Co., Ltd.	Chairman	Computers & peripheral equipment	None
	Atech OEM Inc.	Chairman	Telecommunication networks	None
	QQE Technology Co., Ltd.	Chairman	Computers & peripheral equipment	None
	ONYX Healthcare USA, Inc.	Director	Healthcare & equipment	None
	ONYX Healthcare Europe B.V	Director	Healthcare & equipment	None
	AAEON Foundation	Director	Foundation	None
	China University of Technology	Director	Education	None
	Qi Ye Electronic (Dongguan) Co., Ltd.	Director	Industrial PC (IPC)	None
	Danyang Qiye Technology Co., Ltd.	Director	Computers & peripheral equipment	None
	Litemax Electronics Inc.	Director	Optoelectronics	None
	Litemax Technology, Inc.	Director	Optoelectronics	None
	King Core Electronics Inc.	Director	Computers & peripheral equipment	None

	Allied Biotech Corporation	Director	Healthcare & equipment	None
	Sunengine Corp. Ltd.	Director	Optoelectronics	None
	Machvision Inc.	Director	Optoelectronics	None
	Machvision (Dongguan) Testing Equipment Co., Ltd.	Director	Optoelectronics	None
	CHC Healthcare Group	Director	Healthcare & equipment	None
	Top Union Electronics (Suzhou) Corp.	Director	Electronic parts	None
	Allied Oriental International Ltd.	Director	Electronic parts	None
	Mcfes Group Inc.	Director	General investment	None
	New Future Capital Co., Ltd.	Director	General investment	None
	ProtectLife International Biomedical Inc.	Director	Healthcare & equipment	None
	IBASE Technology Inc.	Director	Computers & peripheral equipment	None
	Winmate Inc.	Director	Computers & peripheral equipment	None
	Top Union Electronics Corp.	Director	Electronic parts/ components	None
	Taiflex Scientific Co., Ltd.	Independent director	Electronic parts/ components	None
TSENG, TSUNG-LIN	GCS Holdings, Inc.	Independent director	Investment	None
	Groundhog Technologies Inc.	Independent director	Information/ software services	None
HUANG, HSU-NAN	King Core Electronics Inc.	Independent director	Electronic parts/ components	None
	Everfocus Electronics Inc.	Independent director	Optoelectronics	None
	Top Union Electronics Corp.	Independent director	Electronic parts/ components	None
	Litemax Electronics Inc.	Director	Optoelectronics	None
	iHELPER Inc.	Director	Computers & peripheral equipment	None
	Sunsino Development Associate Inc.	Director	Venture capital business	None
	Le Young Construction Co., Ltd.	Supervisor	Construction materials & construction	None
WANG, HUI-HSIEN	UNI Air	Independent Director Undertaking Public Welfare	Aviation industry	None
	XAVi Technologies Co., Ltd.	Independent director	Telecommunication networks	None
	Allmind Holdings Corporation	Independent director	Construction	None
	UEC System Solutions Corporation	Supervisor	Telecommunication networks	None

## **Appendix 1**

### **XAC Automation Corp**

#### **Articles of Association**

##### **Chapter I General Provisions**

- Article 1: The Company is organized in accordance with the provisions of the Company Act on companies limited by shares, and is named XAC Automation Corp.
- Article 2: The business scope of the Company is as follows:
1. Research, development, production, manufacturing and sales of the following products:
    - (1) Electronic financial transaction terminals and components.
    - (2) Transaction data security protection equipment and components.
    - (3) Multifunctional smart card readers/writers and components.
  2. System integration and technical consulting and maintenance of the preceding product.
  3. The import and export trade business of the preceding product.
- Article 3: The total amount of the Company's reinvestment may exceed 40% of the paid-in capital.
- Article 3-1: The Company may provide external endorsements and guarantees due to business needs.
- Article 4: The Company is located in Hsinchu Science Park, and may, by board resolution and based on the competent authority's approval, set up branches domestically and abroad when necessary.
- Article 5: The announcement method of the Company shall be in compliance with Article 28 of the Company Act.

##### **Chapter II Shares**

- Article 6: The capital of the Company is set at NT\$1,200,000,000, divided into 120,000,000 shares at NT\$10 per share, and issued in installments.
- Within the total capital, NT\$50 million shall be reserved for future issuance of employee stock option certificates, totaling five million shares at a face value of NT\$10 per share, which may be issued in installments in accordance with board resolutions.
- The recipients of the Company's new shares with restricted employee rights include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.
- The transferees of treasury shares purchased by the Company in accordance with the Company Act include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.
- When the Company issues new shares and reserves 10% to 15% of the total number of shares to be purchased by employees, such employees include employees of controlling and subordinate companies who meet the requirements set by the Board of Directors.
- Article 7: The Company is a public company which is waived from printing share certificates; however, the shares issued shall be registered with the Taiwan Depository and Clearing Corporation.
- Article 8: The stock affairs of the Company shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.
- Article 9: The registration for transfer of shares shall cease within 60 days before the



general shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, and within 5 days before the ex-date of the Company's decision of distribution of dividends, bonuses or other benefits.

### **Chapter III Shareholders' Meetings**

Article 10: The Company's shareholders' meetings are divided into the general shareholders' meeting and the extraordinary shareholders' meeting. The general shareholders' meeting is held within six months after the end of each fiscal year, and the extraordinary shareholders' meeting is held in accordance with the law when necessary.

Article 11: The convening of the shareholders' meeting shall be handled in accordance with the provisions of the Company Act.

The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.

When a shareholder is unable to attend the shareholders' meeting due to unforeseen circumstances, he/she may issue a proxy letter printed by the Company to specify the scope of authorization and appoint a proxy to attend. The method of shareholder entrusted attendance, in addition to the provisions of Article 177 of the Company Act, shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 12: The following matters of the Company shall be resolved by the shareholders' meeting:

- (1) Amendment to the Company's Articles of Association.
- (2) The increase or decrease in the total capital of the Company.
- (3) The dissolution or liquidation of the Company.
- (4) Election of directors.
- (5) Proposal for earnings distribution.
- (6) Other matters that must be resolved by the shareholders' meeting in accordance with the law.

Article 13: The shareholders' meeting shall be convened by the board of directors, with the Chair of the Board as the meeting chair. In his/her absence, the chair shall designate one director to act as the proxy. If no such appointment is made, the directors shall elect one person among themselves to act as the proxy. If a shareholders' meeting shall be convened by a person with convening rights other than the board of directors, the convener shall be the meeting chair. If there are two or more such conveners, one shall be elected from among them.

Article 14: Except where otherwise provided in laws and regulations, the proposal of a shareholders' meeting shall be adopted by a majority vote of the shareholders or proxies present, who represent more than half of the total number of voting shares.

In accordance with the regulations of the competent authority, shareholders of the Company may also exercise their voting rights electronically. Shareholders who exercise their voting rights electronically shall be deemed to be present in person, and all related matters shall be handled in accordance with laws and regulations.

Article 15: Except where otherwise stipulated in the Company Act, the shareholders of the

Company shall have one voting right per share.

Article 16: Resolutions of the shareholders' meeting shall be recorded in minutes, signed or stamped by the chair of the shareholders' meeting, and distributed to each shareholder in 20 days after the meeting. The distribution of the minutes may be made by public announcement.

#### **Chapter IV Directors, Audit Committee and Managers**

Article 17: The Company shall appoint five to nine directors, who shall be elected by the shareholders' meeting from individuals with the ability to act and serve for a term of three years, and may be re-elected and re-appointed. Among the above-mentioned number of directors, there shall be at least three independent directors. The total shareholding ratio of all directors shall be in accordance with the regulations of the securities regulatory authority.

Article 17-1: In the election of directors, each share has the same voting rights as the number of directors to be elected. All the votes of a shareholder may be cast on the same candidate, or the votes may be distributed among different candidates. The persons who receive more voting rights shall be elected as directors.

The candidate nomination system is adopted for the election of directors under Article 192-1 of the Company Act. The acceptance and announcement of nomination for director candidates shall be handled in accordance with the laws and regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected together, and the number of elected directors shall be calculated separately.

Article 18: When the vacancy of directors of the Company reaches one-third, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to hold a by-election, and the term of office shall be limited to the remainder the original term.

Article 19: The board meeting shall be convened regularly by the Chair, and the convener shall notify all directors in writing via fax or email seven days prior to the meeting, specifying the date, location and agenda of the meeting. Upon receipt of this notice, any director may renounce participation in the meeting in writing before or after the meeting. In case of emergency, it is necessary to convene a meeting at any time.

Article 20: The responsibilities of the board of directors are as follows:

1. Discussion and formulation of business policies.
2. Review of budgets and final accounts.
3. Formulation of capital increase and decrease plan.
4. Formulation of earnings distribution or loss compensation.
5. Review of employees' and directors' compensation.
6. Formulation of revision of the Company's Articles of Association.
7. Review of important company regulations.
8. Discussion and agreement on branch establishment, restructuring or dissolution.
9. Appointment and dismissal of company managers.
10. Approval of real estate disposal and disposition.
11. Other responsibilities conferred by the Company Act or resolutions of the shareholders' meeting.

Article 20-1 The board meeting is authorized to formulate the remuneration in accordance with the degree of their participation in the operation of the Company and the value of their contribution, with reference to the standards of the industry.

Article 21: Except where otherwise provided by the Company Act, a board resolution shall

be made in a board meeting attended by more than half of the directors and the resolution passed by more than half of the directors present.

Article 22: A directors may appoint another director in writing to attend the board meeting on his/her behalf, but a director may only be authorized by one other director.

Article 23: The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, consisting of all independent directors.

Article 24: The performance of duties and related matters of the audit committee and its members shall be handled in accordance with laws and regulations of the Securities and Exchange Act.

Article 25: The Company shall appoint managers, whose appointment, dismissal and remuneration shall be implemented after approval by the Board of Directors.

Article 26: The managers of the Company are obligated to keep confidential the Company's confidential business information, specialized knowledge and professional technology, and shall strictly abide by the confidentiality of such information.

## **Chapter V Accounting**

Article 27: At the end of each year, the Board of Directors shall prepare the following books and statements and submit them to the general shareholders' meeting for recognition:

1. Business Report.
2. Financial statements.
3. Proposal for earnings distribution or loss compensation.

Article 28: If the Company makes a profit in the year, it shall allocate 3% to 12% as employees' remuneration and no more than 3% as directors' remuneration. However, when the Company still has a cumulative loss, the amount to be compensated shall be reserved in advance.

The employees' remuneration referred to in the preceding paragraph shall be distributed in stock or cash, and the recipients include employees of controlling and subordinate companies who meet certain conditions.

Article 29: If there is a surplus in the annual final accounts of the Company, taxes shall be paid first to make up for past losses, and then 10% shall be allocated as the legal reserve, but this requirement does not apply when the legal reserve reaches the actual paid-in capital of the Company. In addition, in accordance with the operational needs of the Company and legal requirements, a special reserve may be allocated and retained by the Board of Directors in accordance with operational needs. If there is still a surplus, the Board of Directors shall prepare an earnings distribution plan for it together with the undistributed earnings at the beginning of the same period, and submit the plan to the shareholders' meeting for resolution.

The Company authorizes the Board of Directors to distribute all or part of the dividends in cash based on a resolution of a board meeting attended by more than half of the directors, with the resolution passed by more than half of the directors present, and the resolution shall be reported to the shareholders' meeting.

The dividend policy of the Company is in accordance with the Company Act and the Articles of Association of the Company, and factors such as the capital and financial structure, operating status, and earnings of the Company as well as the industry nature and cycle, and the legal reserve shall be deducted from the earnings in accordance with law. For the distribution of earnings, priority

shall be given to cash dividend, but may also be made in the form of stock dividend, provided that the proportion of stock dividend does not exceed 50% of the total dividends for the year.

Article 29-1: When the Company has no loss, in accordance with Article 241 of the Company Act, all or part of the legal reserve and capital surplus shall be distributed via new shares or cash in proportion to the original shareholdings of shareholders. When distributing cash, a resolution shall be made in a board meeting attended by more than half of the directors, with the resolution passed by more than half of the directors present, and the resolution shall be reported to the shareholders' meeting.

Article 29-2: The shares repurchased by the Company in accordance with the law shall be transferred to employees at a price lower than the average price of the repurchased shares. The issuance of employee stock option certificates at a price lower than the closing price of the Company's ordinary shares on the issuance date shall be subject to a resolution of the shareholders' meeting attended by shareholders representing more than half of the shares issued, and the resolution shall be passed by attending shareholders representing more than two-thirds of the voting rights.

## **Chapter VI Supplementary Provisions**

Article 30: The organization rules and important regulations of the Company shall be formulated separately by the Board of Directors.

Article 31: Any matters not specified in this Articles of Association shall be handled in accordance with the Company Act and laws and regulations.

Article 32: The Articles of Association of the Company were established with the consent of all initiators on March 12, 1997, and came into effect upon the approval of and registration by the competent authority. The same procedure shall apply to any subsequent amendments to the Company's Articles of Association.

The 1st revision was made on November 3, 1997.

The 2nd revision was made on May 31, 1999.

The 3rd revision was made on July 18, 2000.

The 4th revision was made on June 20, 2001.

The 5th revision was made on May 28, 2002.

The 6th revision was made on June 17, 2003.

The 7th revision was made on June 2, 2004.

The 8th revision was made on May 27, 2005.

The 9th revision was made on June 8, 2006.

The 10th revision was made on May 27, 2008.

The 11th revision was made on May 27, 2010.

The 12th revision was made on May 25, 2012.

The 13th revision was made on May 24, 2013.

The 14th revision was made on June 11, 2015.

The 15th revision was made on June 16, 2016.

The 16th revision was made on June 9, 2017.

The 17th revision was made on June 8, 2018.

The 18th revision was made on June 10, 2019.

The 19th revision was made on June 13, 2023.

**XAC Automation Corp.**

**Chairman: CHANG, YENG-MING**

## **Appendix 2**

### **XAC Automation Corp. Regulations on the Election of Directors**

1. The election of the Company's directors will be conducted in accordance with the Regulations.
2. The election of the Company's directors adopts a cumulative voting system. The number of voting rights per share is the same as the number of directors to be elected, and such votes may be consolidated for a single candidate or distributed among multiple candidates.
3. The Board of Directors shall prepare ballots corresponding to the number of directors to be elected and fill in the number of voting rights. The ballots will be distributed to the shareholders attending the Shareholders Meeting.
4. Before the election commences, the chair shall designate a certain number of ballot monitors and vote counters to perform relevant duties. The role of ballot monitor must be performed by those with shareholder status.
5. The Board of Directors shall set up ballot boxes for the election, which must be publicly opened and checked by the ballot monitors prior to the casting of votes.
6. If the selected candidate is a shareholder, the voter must write the candidate's shareholder account name and number in the "Candidate" field on the ballot. If the selected candidate is not a shareholder, the voter must write the candidate's name and ID number. However, if the selected candidate is a government agency or a juristic-person shareholder, the voter may write the name of the government agency or the juristic person, or alternatively, the name of the government agency or the juristic person and the name of its authorized representative in the "Candidate" field on the ballot. If there is more than one authorized representative, the names of all representatives should be filled in.
7. A ballot will be deemed invalid under the following circumstances:
  - (1) The ballot does not comply with the Regulations.
  - (2) The submitted ballot is blank.
  - (3) The writing is incomprehensible or has been altered.
  - (4) The selected candidate is a shareholder, and the candidate's shareholder account name and number specified on the ballot are inconsistent with those registered in the shareholders' roster; or the selected candidate is not a shareholder, and the candidate's name and ID number are inconsistent.
  - (5) Text other than the selected candidate's shareholder account name (or name) or shareholder account number (or ID number) and the number of allocated votes has been written on the ballot.
  - (6) The selected candidate's shareholder account name (or name) or shareholder account

number (or ID number) has not been indicated for identification.

(7) Two or more candidates are marked as being selected on the same ballot.

(8) The total votes cast by a voter exceed their total number of voting rights.

8. Regulations on the election of the Company's directors:

The Company's directors are elected by the Shareholders Meeting from among the candidates with legal capacity. The number of directors to be elected is determined in accordance with the Company's Articles of Incorporation. Candidates are elected based on the results of voting, with those who receive more votes as represented by the ballots being elected successively, and the votes for independent directors and directors being counted separately. If two or more candidates receive the same number of votes, and the number of such candidates exceeds the number of required seats, the candidates shall draw lots to determine the winner. If a candidate is not present, the chair shall draw lots on their behalf.

If the identity of an elected independent director or director is found to be inconsistent with their personal information, or the elected person is deemed unsuitable to serve in accordance with relevant laws and regulations, the vacancy will be filled by the next-ranked candidate according to the number of votes.

9. The election results will be announced by the chair onsite after the voting procedures are completed.
10. A notice of being elected will be issued to each elected director by the Company's Board of Directors.
11. Any issue not covered by the Regulations will be handled in accordance with the Company Act, the Company's Articles of Incorporation, and relevant laws and regulations.
12. The Regulations and any amendments thereof will be implemented after approval by the Shareholders Meeting.

## Appendix 3

### **XAC Automation Corp. Directors' Shareholdings**

1. As of April 20, 2025, the book-close date for the general shareholders' meeting, the paid-in capital of the Company was NT\$961,522,010, with a total of 96,152,201 issued shares.
2. In accordance with Article 26 of the Securities and Exchange Act, the minimum number of shares that all directors must hold is 7,692,177.
3. As of the book-close date for the general shareholders' meeting, the shareholdings of directors recorded in the shareholder register is as follows:

Book-close date: April 20, 2025

<b>Title</b>	<b>Name</b>	<b>Date appointed</b>	<b>Term</b>	<b>Number of shares held</b>
Director	CHANG, YENG-MING	June 14, 2022	3 years	3,417,036
Director	TENG, WAN-SHENG	June 14, 2022	3 years	1,850,111
Director	TSENG, TSUNG-LIN	June 14, 2022	3 years	386,004
Director	Fu-Li Investment Co., Ltd. Representative: CHUANG, YUNG-SHUN	June 14, 2022	3 years	2,050,000
Independent Director	HUANG, HSU-NAN	June 14, 2022	3 years	0
Independent Director	SHAE, ZON-YIN	June 14, 2022	3 years	0
Independent Director	TSENG, CHING-YIH	June 14, 2022	3 years	18,000
<b>Total directors' shareholding</b>				<b>7,721,151</b>

## Appendix 4

### **Impact of free share allotment proposed by the shareholders' meeting on the Company's performance and earnings per share:**

The Company has not issued any free-allotment shares this year, so this does not apply.