

TXC Corporation

Agenda for 2009 General Meeting of Shareholders

Time: 09:30am 16 June (Tuesday), 2009

Venue: Taipei Lin Garden Piaoliang hall (1F 1 Section 6, Chungshan North Road, Shilin District, Taipei City)

Attend: Present number of share of stock to add up to: 192,729,556 shares, 71.73% of 268,698,090 shares(excluding treasure stock 3,000,000 shares).

Observer: CPA Tsai at Deloitte & Touche CPA office.

Reports

Report (1)

Subject: Report on operation in 2008 and future plans.

Explanation:

1. The company registered a sales revenue of NTD 6,547,340 thousand in 2008, an increase of 9.82% over 2007. The consolidated revenue of NTD 7,361,651 thousand in 2008, an increase of 17.78% over 2007. ; The net profit after tax is NTD951,817 thousand, an decrease of 16.49% over the previous year.
2. The sales report and the related final account already published in the meeting handbook annexes 1 and 3.
3. We prudently predict that sales will continue to grow in 2009 and with improvement of yield rate, launching of high-end products, and contributions by new customers and new projects, sustained growth in sales and profits is expected.

Operation Analysis for Jan.-Mar. 2009 Unit: Thousand NTD

Item	2009.03.31	2008.03.31	Growth Rate
Sales Revenue	1,251,101	1,486,388	-15.8%
Sales Cost	1,054,908	1,164,751	-9.4%
Sales Gross Profit	196,193	321,637	-39%
Gross Profit Rate	15.7%	21.6%	-5.9%
Operating Expense	148,888	177,541	-16.1%
Operating income	47,305	144,096	-67.2%
Non-sales Revenue (expenditure)	27,682	73,107	-62.1%
Profit/loss before tax	74,987	217,203	-65.5%
Income tax (expense) benefits	(5,767)	(10,771)	-46.5%
Profit/loss after tax	69,220	206,432	-66.5%

Report (2)

Subject: Report on Auditors' examination of final accounts for 2008.

Explanation:

1. The final account for 2008 has been certified by accountants Guo Rongfang and Yang Qingzhen of Deloitte and Touche and adopted by the Board of Directors meeting and duly examined by the auditors with the examination report published in Annex 2 of the meeting handbook.
2. Auditors are invited to read out the examination report.

Report (3)

Subject: Report on investment in China and operation status.

Explanation:

1. The project of investment in China has been approved by the Investment Commission of the Ministry of Economic Affairs for the amount of USD37,835 thousand; as of 31 March, 2009 the accumulated actual investment amount and the surplus recapitalization is USD37,835 thousand and the progress of investment is 100%.
2. Net sales revenue of Ningbo plant in China in 2008 was RMB362,213 thousand, and net profit after tax was RMB51,613 thousand. And the aggregate sales revenue for Jan.-Mar. 2009 RMB55,655 thousand and net profit before tax RMB5,205 thousand.

Report (4)

Subject: Report on second issuance of unsecured convertible bond in Taiwan.

Explanation:

To meet operation demand for capacity expansion and to improve financial structure through conservation of interest, the Company issued the first unsecured convertible bond on 8 November, 2006 amounting to NTD800 million only and issued a total of 8,000 shares with a par value of NTD100,000 only. The period of issuance is from 8 November, 2006 to 8 November, 2011 with a convertible price of NTD52 per share. The current convertible price is NTD39.3 per share; conversion is from 9 December, 2006. As of March 31, 2008, implemented conversion of NT\$658,400,000 for converting into 13,620,443 common shares and the nonconverted amount is NT\$53,700,000. If all corporate bonds are converted into common stocks, the dilution rate of current shareholder equity is 0.50%, hence no big impact on shareholders equity.

Report (5)

Subject: Report on external guaranty endorsement and fund loans.

Explanation :

1. Report on guaranty endorsement for affiliated enterprises up till end of March 2009:

Unit: Thousand NTD

Company name	Guaranty amount	Relation with company	Reasons for guaranty
Taiwan Crystal Technology International Limited	33,089	100% owned subsidiary	Financed by bank to meet operation demand
Growing Profits Trading Ltd.	156,612	100% owned subsidiary	Financed by bank to meet operation demand

2. As of 31 March, 2009, no loans to others.

Matters of concurrence

Matters of concurrence (1)

Presented by Board of Directors

Subject: Concurrence for final accounts of 2008.

Explanation:

1. Refer to Annex (1) and (3) in the meeting handbook regarding the report on operation in 2008 and the financial statement.
2. Foregoing Assets/Liabilities Statement, Profit and Loss Statement, Shareholders Equities Changes and Cash Flow Report, etc. (including the consolidated reports) have been duly examined by accountants and adopted by the first session of the board of directors meetings in 2009 with the sales report submitted to the auditors for due examination (Auditors' examination report is published in Annex 2 of the meetings handbook.)
3. You are invited for concurrence.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

Matters of concurrence (2)

Presented by Board of Directors

Subject: Concurrence of surplus allocation in 2008.

Explanation :

1. Surplus in 2008 was allocated in accordance with article 19 of the company charter.
2. The company's net profit after tax in 2008 was NTD951,818,176 and the unallocated surplus at the beginning of the year was NTD404,346,438, thereby the total accumulated surplus available for allocation was NTD1,356,164,614; after appropriation of legal reserve amounting to NTD95,181,818, the balance available surplus for allocation was NTD1,260,982,796; we plan to allocate to shareholders bonus amounting to NTD671,745,230, leaving the year-end unallocated surplus at

NTD589,237,566.

3. We plan to allocate the Shareholder bonus NTD671,745,230 wherein NTD134,349,050 will be allocated in stock at 50 shares per 1000 shares, the remaining NTD537,396,180 will be allocated in cash at NTD2 per share.
4. As of 17 April, 2009, the number of shares circulated outside was 268,698,090 shares (deduct the treasure stock 3,000,000 shares); the shareholders' meeting authorized the board of directors to make changes accordingly due to change in stock allocation after conversion of convertible bonds and implementation of employee warrant.
5. You are invited to concur on the surplus allocation table shown below:

TXC Corporation
Profit distribution for 2008

unit : NT\$

Item	Amount	
	Sub-total	Sum
Beginning period undistributed profits		404,346,438
plus : Available distributed profit for current year Net profit after tax for this year	951,818,176	
minus :		
Appropriate legal reserve (10%)	(95,181,818)	
Profits available for distribution		1,260,982,796
Items of distribution :		
Shareholder bonus—transfer raising capital share appropriate (\$0.5 per share)	(134,349,050)	
Shareholder bonus—cash (\$2 per share)	(537,396,180)	
Total of distribution		(671,745,230)
End period of undistributed profits		589,237,566
Reference:		
Employee bonus—transfer raising capital share appropriate	60,699,870	
Employee bonus—cash	60,699,870	
Directors and supervisor remuneration (2%)—cash total	16,186,632	

Note 1. Calculation for issuance of stock dividend and cash dividend is based on the number of shares in circulation externally (as of April 17, 2009, the number of shares in circulation externally after deducting 3,000 thousand treasury stocks is 268,698,090 shares.)

2. Difference in the planned allocation amount from expense for employee bonus and surplus in the 2008 financial statement is due to difference in the number of shares in circulation externally and is calculated at NT\$1,536,144. This variation will be adjusted in 2009. In the event of further variation in amount at the resolution date of the shareholders meeting shall be handled in accordance with accounting estimation and will be adjusted in the account book in 2009.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

Discussions

Discussion (1)

Presented by Board of Directors

Subject: Plans for surplus and employee bonus recapitalization, you are invited to concur.

Explanation:

1. Plans for surplus recapitalization with shareholder bonus of NTD134,349,050 for issuance of 13,434,905 new shares, that is allocation for free 50 shares per 1000 shares. Shareholders are required to make up the decimal shares into whole shares and go to Yuanta Securities for handling within 5 days from the base day; decimal shares unable to make whole shares will be allocated in cash up to NTD1 according to the par value and the Chairman is authorized to have specified shareholders to buy the shares at par value.
2. Appropriate employee bonus amounting to NTD60,699,870 for recapitalization and issue the new shares that will depends the closing price before shareholders' meeting.
3. The number of shares circulating outside at April 17, 2009 is 268,698,090 shares and after conversion of corporate bond and transference of treasury stocks to employees and affect circulation outside and changes happened to stock dividend, the shareholders general meeting will authorize the board of directors to handle matters of change.
4. The shareholders' meeting will authorize the board of directors with full discretion on issuance and allocation of stock and recapitalization plan if the applicable laws and decrees of the competent organ changes or the objective environment changes or if needed in reality.

Note : The employee stock bonus accords the closing price 31.25 on Jun.15 2009 stock market and depends on the influence about dividend. That will distribute new stock 2,179,528 shares by the stock bonus NT\$60,699,870 and issue NT\$15 by cash.

5. You are invited to concur.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

Discussion (2)**Presented by Board of Directors**

Subject: Plans for revision of certain articles of the company charter. You are invited to concur.

Explanation:

1. In consideration of overall operation and development of the company and in line with employee bonus treating as expenses, it is planned to revise Article 2 of Chapter 1, Article 5 of Chapter 2 and certain items of Article 22 of annex of Chapter 7.
2. Table of comparison for revised articles vs original articles of the company charter as follows:

Content of Original Article	Content of Revised Article	Reasons for Revision
Article 2: The company is engaged in the following businesses: ... 9. Business not under forbiddance or restrictions by law and regulation in addition to the preceding business.	Article 2: The company is engaged in the following businesses: ... 9. <u>ZZ99999</u> Business not under forbiddance or restrictions by law and regulation in addition to the preceding business.	To be revised in accordance with the law.
Article 5: The total capital of the company is set at NT\$3.5 billion in 350,000,000 shares with each share at NT\$10. In the above total capital NT\$200,000,000 has been reserved for employee stock option or a total of 20 million shares and these unissued shares have been authorized to the board of directors for issuance in accordance with actual requirement.	<u>Article 5</u> : The total capital of the company is set at NT\$4 billion in <u>400,000,000</u> shares with each share at NT\$10. In the above total capital NT\$200,000,000 has been reserved for employee stock option or a total of 20 million shares and these unissued shares have been authorized to the board of directors for issuance in accordance with actual requirement.	To be revised in accordance with the need of operation.
Article 22: This charter was established on 6 December, 1983. First revised on 10 February, 1984. ... No. 27 revision will be revised on 13 June 2008.	Article 22: This charter was established on 6 December, 1983. First revised on 10 February, 1984. ... No. 27 revision will be revised on 13 June 2008. <u>No. 28 revision will be revised on 16 June 2009.</u>	Add revision

3. Refer to Annex 6 of the meeting handbook for the company charter.

4. You are invited to concur.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

Discussion (3)**Presented by Board of Directors**

Subject: Amended Transaction Handling Procedures for Derivative Financial Commodities.

You are invited to concur.

Explanation:

1. In response to expansion of operation and in collaboration with amendment of law by the competent authority and requirement for foreign exchange hedging, we hereby amended the Transaction Handling Procedures for Derivative Financial Commodities as follows.
2. Refer to Annex 5 in the meeting handbook for Transaction Handling Procedures for Derivative Financial Commodities.
3. You are invited to concur.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

Discussion (4)

Presented by Board of Directors

Subject: Amended Regulations for Guaranty. You are invited to concur.

Explanation:

1. In response to expansion of operation and accommodate the applicable law of the competent organ, plan to revise portions of the Regulations for Guaranty.
2. Refer to Annex 6 in the meeting handbook for Regulations for Guaranty.
3. You are invited to concur.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

Discussion (5)

Presented by Board of Directors

Subject: Amended Operation Procedure for Fund Loan to Other Parties. You are invited to concur.

Explanation:

1. In response to expansion of operation and accommodate the applicable law of the competent organ, plan to revise portions of the Operation Procedure for Fund Loan to Other Parties.
2. Refer to Annex 7 in the meeting handbook for Operation Procedure for Fund Loan to Other Parties.
3. You are invited to concur.

Resolution: This case is sought and asked the full attendance shareholders without demur by the Chairman, the case passing.

ad hoc motions: None

Dismissal