

# **TXC Corporation**

## **Minutes of 2025 Annual General Shareholders' Meeting**

(Translation)

**Time:** 9:30 a.m., May 27, 2025 (Tuesday)

**Place:** No.4, KungYeh 6<sup>th</sup> Rd., Pingzhen Industrial District, Taoyuan City (Meeting Room)

**Type of Meeting:** Hybrid Shareholders' Meeting (Adopt physical shareholders meeting and hold it through video-assisted method)

**Video conferencing platform:** Taiwan Depository & Clearing Corporation "eMeeting"  
(<https://stockservices.tdcc.com.tw>)

**Attendance:** The total number of shares issued by the Company is 342,992,971 shares, and the number of shares represented by shareholders and shareholder proxies is 285,175,349 shares (including 222,952,785 shares that exercise voting rights electronically), accounting for 83.14% of the total number of issued shares.

This shareholders' meeting was attended in person by 10 directors, including Chairman Lin, Wan-Shing, Director Lin, Jin-Bao, Director Kuo, Ya-Ping, Director Huang, Hsiang-Lin, Director Hsu, Hsing-Hao, Director Peng, Chih-Chiang; Independent Director Yu, Shang-Wu (Convener of the Audit and Risk Committee), Independent Director Tsai, Song-Qi, Independent Director Su, Yan-Syue, and Independent Director Wang, Chuan -Fen, which exceeded half of the 11 director seats.

**Attending:** Accountant Peng, Yi-Hua of Deloitte Touche Tohmatsu CPA Ltd.,  
Lawyer Yao, Yan-Cheng of LCS & PARTNERS

**Chairman:** Lin, Wan-Shing

**Recorder:** Chuang, Wan-Chun

## 1. Call Meeting to Order

## 2. Chairman's Address (Omitted)

## 3. Reported Matters

### Reported Matter (1)

Subject : To report the business of 2024

Description :

1. The company's 2024 consolidated revenue was NT\$12,672,258 thousand, an increase of 16.8% over last year. Net income was NT\$ 2,137,415 thousand, an increase of 24.7% over last year.
2. Business report and related financial statements please refer to Appendix (1) and (3).

### Reported Matter (2)

Subject : Audit and Risk Committee's review report

Description :

1. The company's 2024 financial Statements were reviewed by Audit and Risk Committee and audited by independent auditors, Mr. Hsieh, Ming-Chung and Mr. Peng, Yi-Hua of Deloitte & Touche.
2. Request Audit and Risk Committee to read audit report and please refer to Appendix (2).

### Reported Matter (3)

Subject : To report 2024 employees' profit sharing bonus and directors' compensation

Description :

1. Pursuant to Article 19 of the Company's Articles of Incorporation, if the Company makes a profit in the current year, the Board of Directors shall resolve to allocate no less than 3% as employee remuneration and decide to distribute it in the form of stock or cash, and the recipients of the distribution shall include employees of the controlling or subordinate companies who meet certain conditions. The Company may, based on the above profit amount, allocate no more than 2% as director remuneration by resolution of the Board of Directors.
2. The Company will allocate 9% of its pre-tax profit for employee compensation in 2024, amounting to NT\$241,279,192; and 1.5% of its pre-tax profit for director compensation, amounting to NT\$40,213,199, all in cash.
3. There are no different from the expenses acknowledge of 2024.

### Reported Matter (4)

Subject : To report the status of 2024 cash dividend distribution

Description :

In accordance with the Company Law and the Articles of Incorporation of the Company, the Board of Directors of the Company has approved the following cash dividend distribution for 2024:

2024	Date of board resolution (YYYY-MM-DD)	Payment Date (YYYY-MM-DD)	Cash Dividend Per Share (NT\$)	Total Amount (NT\$)
Full Year	2025/03/10	Authorize the Chairman to set the dividend base date for distribution	5.2	1,783,563,449

## Reported Matter (5)

Subject : To report the status of private placement

Description :

The Company's 2024 Private Placement Status Report is detailed in Appendix (IV).

## 4. Acknowledged Matters

### Acknowledged Matter (1)

**Proposed by the Board of Directors**

Subject : To accept 2024 Business Report and Financial Statements

Description :

1. The company's 2024 financial statements (including consolidated and individual financial statements) have been audited by Certified Public Accountants Mr. Hsieh, Ming-Chung and Mr. Peng, Yi-Hua of Deloitte Touche Tohmatsu Certified Public Accountants, and an audit report has been issued for record.
2. The company's 2024 business report, accountant's audit report, and financial statements have been approved by the board of directors and reviewed by the Audit and Risk Committee, and a review report has been issued. See Appendix (I) to (III) for details.
3. Please accept the aforementioned.

Resolution :

The subject is voting by poll and the result is: approval votes: 279,404,472 shares accounted for 98.07% of total shares, disapproval votes: 7,914 shares, abstention votes / no votes: 5,477,663 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

### Acknowledged Matter (2)

**Proposed by the Board of Directors**

Subject : To accept the proposal of distribution of 2024 earnings

Description :

1. The after-tax profit for 2024 is NT\$2,137,415,399. After the legal reserve and the reversal of the special surplus reserve are set aside in accordance with the law, and the undistributed earnings at the beginning of the period and the adjustments are added, the distributable profit amount is NT\$5,469,245,752. Therefore, it is proposed to pay a dividend of NT\$1,783,563,449 to shareholders (NT\$5.2 per share in cash dividends). The undistributed earnings at the end of the distribution period are NT\$3,685,682,303.
2. The cash dividends for this distribution will be calculated based on the distribution ratio up to NT\$. Any amount below NT\$ will be rounded down. The total amount of any fractional amount less than NT\$ will be included in other non-operating income.
3. If the number of outstanding shares is affected and the dividend rate to shareholders changes due to the repurchase of the company's shares or the transfer, cancellation, cash capital increase of treasury shares or other legal factors, the chairman of the board is authorized to handle related matters.
4. The company's 2024 profit distribution plan has been approved by the 2024 1st meeting of the fourteenth session of directors. The base date, payment date and related matters of cash dividends are authorized to be determined and fully handled by the chairman.
5. The profit distribution table for 2024 is detailed in Appendix (V).

Resolution :

The subject is voting by poll and the result is: approval votes: 279,656,912 shares accounted for 98.16% of total shares, disapproval votes: 9,494 shares, abstention votes / no votes: 5,223,643 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

## 5. Discussion Matters

### Discussion Matter (1)

Proposed by the Board of Directors

Subject : To Revise the ‘Articles of Incorporation’

Description :

1. According to Article 228-1 of the Company Law, "The company's Articles of Incorporation may specify that profit distribution or loss allowance shall be made after the end of each quarter or each half-year," the Company intends to stipulate in its articles of association that profit distribution or loss allowance shall be made after the end of each half-year, and to revise the relevant content and make some wording adjustments.
2. According to Article 14, Paragraph 6 of the Securities and Exchange Act, the Articles of Incorporation shall stipulate that a certain ratio of annual profits shall be set aside to adjust the salaries or distribute remunerations to grassroots employees. The Company intends to add relevant provisions and make some textual adjustments.
3. Attached is a comparison table of the revised articles of the "Articles of Incorporation ", see Appendix (VI).
4. Please approve.

Resolution :

The subject is voting by poll and the result is: approval votes: 270,366,628 shares accounted for 94.90% of total shares, disapproval votes: 8,941,819 shares, abstention votes / no votes: 5,581,602 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

### Discussion Matter (2)

Proposed by the Board of Directors

Subject : To Revise the "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement & Guarantee", "Procedures for Acquisition or Disposal of Assets", "Procedures for Financial Derivatives Transactions"

Description :

1. In order to strengthen the Board's supervision of the Company's risk matters, the review of risk management policies, procedures and structures, and the supervision of risk management implementation will be included in the responsibilities of the "Audit Committee" and renamed the "Audit and Risk Committee". It is proposed to revise the Company's "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement & Guarantee", "Procedures for Acquisition or Disposal of Assets", and "Procedures for Acquisition or Disposal of Assets".
2. Attached is a comparison table of the revised provisions of the "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement & Guarantee", "Procedures for Acquisition or Disposal of Assets", "Procedures for Financial Derivatives Transactions", see Appendix (VII) to (X) for details.
3. Please approve.

Resolution :

The subject is voting by poll and the result is: approval votes: 279,291,946 shares accounted for 98.03% of total shares, disapproval votes: 14,098 shares, abstention votes / no votes: 5,584,005 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

**Subject :** To issue Common Shares for Cash Capital Increase through Private Placement

**Description :**

1. In order to cooperate with long-term operational development with introducing strategic partners, enriches working capital, strengthens the financial structure, and considers the cost of raising funds and the timeliness and convenience, the company plans to comply with the provisions of Article 43-6 of the Securities and Exchange Act.

At an appropriate time, the cash capital increase and the issuance of common shares in the form of private placement will be submitted to the shareholders' meeting to authorize the board of directors to decide based on the circumstances of the specific person and market conditions in the future. This will be conducted in batches (up to two batches) within one year from the date the shareholders' meeting resolves this private placement case.

2. The company's cash capital increase and issuance of common shares by private placement are as follows:
  - (1) Private placement amount and number of shares: it is estimated that the total number of private placement common shares will not exceed 50,000,000 shares, with a par value of NT\$10 per share. The actual number of shares issued will not exceed the estimated number of private placement shares approved by the shareholders' meeting, and will be submitted to the shareholders' meeting. The board of directors is authorized to handle the matter according to the circumstances of the specific person and market conditions in the future.
  - (2) Matters to be explained when conducting private placement of securities in accordance with Article 43-6 of the Securities and Exchange Act:

**A 、The basis and rationality for the privately placed common stock pricing:**

The price of this private placement shall be no less than 80% of the higher of the following two reference prices before the company's pricing date:

- (a) The simple arithmetic average of the closing prices of common shares calculated on one of 1, 3, and 5 business days before the pricing date, deducting the ex-rights of gratuitous allotment of shares and dividends, and adding back the stock price per share after adding back the right of ex-rights for capital reduction.
- (b) The simple arithmetic average of the closing prices of common shares 30 business days before the pricing date, deducting the ex-rights and dividends of gratuitous share allotment, and adding back the stock price per share after adding back the anti-ex-rights of capital reduction.

The actual pricing date and the actual issuance price shall be within the range of not less than the majority of the resolution of the shareholders' meeting, and the board of directors is authorized to decide based on the circumstances of the specific person and market conditions in the future. The basis for setting the aforementioned private placement price complies with the provisions of "Directions for Public Companies Conducting Private Placements of Securities " and also considers that there are strict restrictions on the transfer time, objects and quantity of private placement common shares. Therefore, the setting of this private placement price should be reasonable.

**B 、Specific person selection method**

- (a) The method of applicant selection: The targets of this issuance of common shares are limited to specific persons who comply with the provisions of Article 43-6 of the Securities and Exchange Act and other relevant laws and regulations and relevant letters and explanations from the competent authorities.
- (b) The purpose, necessity and expected benefits of applicant selection: To strengthen the competitive advantage of the product market and coordinate with the company's future product planning, it is

necessary to introduce strategic partners. Through strategic partner applicant, the operational competitiveness of the company's product market can be stabilized and strengthened.

(c) The relationship between the applicant and the company: The company has not yet decided on a specific applicant, and the selection of the actual applicant will be submitted to the shareholders' meeting to authorize the board of directors to decide in accordance with the above-mentioned laws.

C 、 Necessary reasons for conducting private placement

(a) The reason for not using public offering: In order to introduce strategic partners in response to the company's long-term development and to stabilize and strengthen the company's product market operation competitiveness, and considering that private placement targets, private placement methods are relatively quick and simple, such as issuing securities through raising, it may not be easy to obtain the required funds smoothly in the short term. It is planned to use private placement to increase cash capital and issue common stock to raise funds from specific people. By authorizing the board of directors to conduct private placement based on market conditions and in line with the company's actual needs, it will increase the company's flexibility and efficiency to raise capital. The restriction on the transfer of privately-placed securities within three years will further ensure the long-term cooperative relationship between the company and its strategic partners.

(b) Private placement quota: within the quota of no more than 50,000,000 shares, it will be conducted in batches (up to two batches) within one year from the date of resolution of the shareholders' meeting. The actual fundraising quota is planned to be authorized by the board of directors based on the current market conditions, the actual needs of the company, and handle it by contacting a specific person.

(c) Manage the use of funds from the private placement and expected benefits: The funds raised this time will be used to meet the company's long-term operational development needs and to enrich working capital. It is expected to reduce the company's operating risks, strengthen its financial structure, improve future operating performance, and have positive benefits for shareholders' equity.

D 、 Rights and Obligations: The rights and obligations of this private placement of common shares are the same as the existing issued shares of the Company; however, in accordance with the provisions of the Securities and Exchange Law, unless certain circumstances are met, the company's private placement of common shares within three years from the date of delivery, except in accordance with except for the transfer objects stipulated in Article 43-8 of the Act, the remaining assets may not be sold. Three years after the completion of this private placement of common shares from the date of delivery, the board of directors is authorized to decide based on the current situation whether to obtain a letter of consent from the Taiwan Stock Exchange for the issuance of listing standards in accordance with relevant regulations, and then submit the issuance procedures to the Financial Supervisory Commission, and apply for listing and trading.

E 、 After this private placement and the introduction of strategic partners, there will be no major changes in management rights.

F 、 This private placement of common shares will be conducted in batches (up to two batches) within one year from the date of submitting the resolution to the shareholders' meeting.

The main contents of the plan for private placement of common stock, including the actual number of private placement shares, the actual private placement price, and the selection of applicants, pricing date, record date, project items, use and status of funds, expected results and other related matters and so on, if changes are required due to approval by the competent authority or based on operational assessment or due to objective circumstances, it is proposed to the shareholders' meeting to authorize the board of directors to handle it with full authority.

G、In addition to the scope of authorization mentioned above, it is proposed that the shareholders' meeting authorize the chairman to sign, negotiate and change all contracts and documents related to the issuance of common shares through private placement on behalf of the company, and to handle all matters necessary for the company to issue common shares through private placement.

3. Please approve.

Supplementary explanation :

According to the letter No. 1140001438 of the Securities Investor and Futures Trader Protection Center dated April 2, 2025, the following contents are supplemented:

In 2025, the Company will issue common shares in cash through private placement, with a total amount of no more than 50,000,000 shares. The purpose of funds for private placement and the expected benefits: It is expected to be handled in batches (up to two times) within one year. The funds raised from each private placement will be used to meet the company's long-term operating development needs and to supplement operating capital. Each private placement is expected to reduce the company's operating risks, strengthen its financial structure, and improve future operating performance, which will have a positive impact on shareholders' interests.

Resolution :

The subject is voting by poll and the result is: approval votes: 254,096,545 shares accounted for 89.19% of total shares, disapproval votes: 12,810,195 shares, abstention votes / no votes: 17,983,309 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

## 6. Election Matters

### Election Matter (1)

### Proposed by the Board of Directors

Subject : To elect eleven directors (including four independent directors)

Description :

1. The term of directors of the Company is expiring on May 30, 2025 and it is required to re-elect totally in accordance with Article 195 of the Company Act.
2. In accordance with the Articles of Association of the Company, 11 directors (including 4 independent directors) shall be elected this time, and the candidate nomination system shall be adopted. The term of office is three years, and they will take office immediately after election, from May 27, 2025 to May 26, 2028. The list of candidates for directors (including independent directors) has been reviewed and approved by the Board of Directors of the Company, and shareholders shall elect them from the list of candidates.
3. The list of candidates for directors (including independent directors) is as follows:

#### Director Candidate List

As of March 29, 2025

Title	Name	Education	Experience	Holding Shares
Director	Lin, Wan-Shing	Master in Management, National Taiwan University of Science and Technology	Chairman and CEO of TXC Corporation	5,030,722
Director	Lin, Jin-Bao	MBA, West Texas A&M University, USA	Director and Founder of TXC Corporation	5,847,263
Director	Kuo, Ya-Ping	Boston University MBA	Director and President of TXC Corporation	258,000
Director	Chen Chueh, Shang-Hsin	Master of management, Zhejiang University	Director and Deputy CEO of TXC Corporation	298,212

Director	Huang, Hsiang-Lin	State University of New York at Albany, Master of Business Administration (MBA)	Director of TXC Corporation President of TETC CORP. NINGBO	3,379,399
Director	Hsu, Hsing-Hao	M.S. degree - Electrical and Computer Engineering, Colorado State University	Director of TXC Corporation Chairman of Kang-Shuo Investment Corporation Director of Golden Biotechnology Corporation Director of Chan-Yu Corporation	3,730,352
Director	Pan, Ching-Yi	Eastern Michigan University, USA MBA	CFO of WALTON ADVANCED ENGINEERING, INC.	0
Independent Director	Yu, Shang-Wu	Ph.D., Birmingham University	Independent Director of TXC Corporation Director of business and management college of Jinwen University of Science and Technology	0
Independent Director	Yen, Hsing-Fu	Master of Accounting, National Chengchi University	Certified Public Accountant of KPMG	0
Independent Director	Chiu, Su-Mei	Bachelor of Law, Soochow University National Taiwan University/ Fudan University EMBA	Chief Legal Officer of Lite-On Technology Co., Ltd. Chief Legal Officer of SSSTC	0
Independent Director	Chen, Ming-Yi	Master of International Relations, Columbia University Master of Nutrition, Cornell University, USA	Vice president of ITIC (Industrial Technology Investment Corporation) CFO of TAIWAN BIOMATERIAL COMPANY LIMITED	0

4. The nominees of independent directors, Mr. Yu, Shang-Wu have served as independent directors of TXC for three consecutive terms. The reasons for TXC to continue to nominate Mr. Yu, Shang-Wu as independent directors are as follows:

Mr. Yu, Shang-Wu :

Considering that Mr. Yu, Shang-Wu has professional knowledge in financial and industrial management, and is familiar with the laws and practices of business and corporate governance, his rich experience can provide important advice for the company's operation and development, improve the quality of corporate governance of the board of directors, and play the role of functional committee supervision, which has obvious implications for the company. During the tenure of each board of directors, he actively participates in the operation of various functional committees and the board of directors, and has a full understanding of the company's operating matters and has specific business suggestions and contributions. Therefore, the board meeting will continue to nominate him as an independent director candidate this time, and use his rich experience to lead the independent directors in performing their duties and improve the efficiency of the board's operations.

5. Please vote.

Result of Election :

**Newly-elected list of directors and independent directors**

Type	Name	Votes
Director	Lin, Wan-Shing	243,651,338
Director	Lin, Jin-Bao	238,023,195
Director	Kuo, Ya-Ping	207,342,492
Director	Pan, Ching-Yi	206,686,929
Director	Hsu, Hsing-Hao	206,679,819
Director	Chen Chueh, Shang-Hsin	192,848,413
Director	Huang, Hsiang-Lin	192,829,801
Independent Director	Yu, Shang-Wu	238,163,116
Independent Director	Yen, Hsing-Fu	237,943,196
Independent Director	Chiu, Su-Mei	237,885,195
Independent Director	Chen, Ming-Yi	237,875,188

## 7. Other Proposals

### Other Proposal (1)

Proposed by the Board of Directors

Subject : To remove the restriction of non-compete agreement of newly elected directors

Description :

1. In accordance with Article 209 of the Company Act “A director engaging, either for himself or on behalf of another person that are within the scope of the company's business, shall explain to the meeting of shareholders the essential details of such activities and secure its approval.”
2. The following items of non-compete restrictions for new directors to be lifted at the 2025 shareholders' meeting are as follows:
3. Please approve.

Title	Name	The Restrictions of Non-Compete Items
Director	Lin, Wan-Shing	Chairman of Tai Shing Electronics Components Corporation Chairman of Liang Shing EcLife Corp. Supervisor of Ningbo Longying Semiconductor Co., Ltd Juristic-person director representative of RFIC TECHNOLOGY CORPORATION Juristic-person director representative of DEPO AUTO PARTS IND. CO., LTD.
Director	Lin, Jin-Bao	Director of Tai Shing Electronics Components Corporation Director of Liang Shing EcLife Corp. Juristic-person director representative of GALLOPWAVE INC. Juristic-person director representative of Hantic precision technology , Inc
Director	Chen Chueh, Shang-Hsin	Juristic-person director representative of Tai Shing Electronics Components Corporation Chairman of TSE Technology (Ningbo) Corporation Vice Chairman and Juristic-person director representative of Ningbo Longying Semiconductor Co., Ltd
Director	Pan, Ching-Yi	Juristic-person director representative of Walton Advanced Engineering, (Suzhou) Inc. Juristic-person director representative of Xinfeng Technology, Inc. Juristic-person director representative of Waltech Advanced Engineering (Suzhou), Inc
Independent Director	Yu, Shang-Wu	Independent Director of GENESYS LOGIC, INC.
Independent Director	Chiu, Su-Mei	Supervisor of PATRIOT GREEN ENERGY TECHNOLOGY CO., LTD.
Independent Director	Chen, Ming-Yi	Juristic-person director representative of WeMED Bio-Tech Inc. Juristic-person director representative of CORNUCOPIA INNOVATION CORPORATION

Resolution :

The subject is voting by poll and the result is: approval votes: 275,494,824 shares accounted for 96.70% of total shares, disapproval votes: 129,293 shares, abstention votes / no votes: 9,265,932 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

**8. Extemporaneous Motions**

None

**9. Meeting Adjourned**

Time: 10:18 a.m., May 27, 2025

The minutes of this shareholders' meeting only record the main points of the meeting and the results of the proposals; the content and procedures of the meeting are still subject to the meeting video. No shareholders asked questions at this shareholders' meeting.

## **TXC Corporation Business Report**

After two years of adjustments in terminal market demand and global supply chain inventory liquidation after the epidemic, although market supply and demand have gradually become stable and elastic, the electronic component supply chain will still face considerable turbulent challenges in 2024. The company's operations are deeply affected by the global environment. The comprehensive competition between China and the United States, regional political and armed conflicts, worsening climate change, labor shortages, rising production and operation costs, etc., all kinds of unfavorable factors and huge challenges are still in the ascendant; on the other hand, in terms of favorable factors, artificial intelligence is rapidly heating up, new energy vehicles are growing significantly, high-speed computing and next-generation communication transmission are growing steadily, etc., new technology applications continue to drive order demand, as the market has slightly improved. The strong foundation of long-term customer trust, proactive deployment of new product development, continuous promotion of digital transformation, and effective cost control is also faithfully reflected in the company's operating performance. In 2024, both revenue and profit will return to double-digit growth.

The consolidated sales revenues in 2024 was NT\$12.672 billion (budget achievement rate of approximately 111.5%), an increase of approximately 16.8% from the consolidated operating income of NT\$10.850 billion in the previous year; the net profit after tax was NT\$2.137 billion (budget achievement rate of approximately 122.8%), an increase of approximately 24.7% from the net profit after tax of NT\$1.714 billion in the previous year; the basic earnings per share after tax was NT\$6.55, an increase of approximately 18.4% from the basic earnings per share after tax of NT\$5.53 in the previous year, and the return on equity (ROE) was 15.1%.

By the end of 2024, the company's global layout and product revenue growth portfolio have been initially constructed, effectively grasping huge growth opportunities while taking into account the company's consolidated interests and regional development of its subsidiaries. In terms of product revenue mix, the revenue of product portfolios such as 5G+/WiFi+/Automotive electronics/artificial intelligence has increased significantly year by year, and the contribution from brands that have risen against the trend in the terminal market has been particularly eye-catching. In terms of global production operations, in addition to the Taiwan PCF plant accelerating the development and production of full-wafer advanced processes, the subsidiaries TXC (NINGBO) and TXC (CHONGQING) continue to exert cost-profit synergies, and the TETC CORP. NINGBO focuses on new energy vehicle electronic products. In order to meet the requirements of international customers and diversify the political risks of the supply chain, the company's newly established Indonesian plant has been completed by the end of 2024, and is expected to be put into mass production in Q1 2025, and will simultaneously launch a plan to continuously reduce production costs.

In terms of ESG environmental sustainable development, the company has obtained ISO14064, ISO14067, and ISO50001 third-party certifications, which not only meets the world trend and international customer requirements, but also fully demonstrates the determination and commitment to sustainable development. The sustainability report compiled by our company in accordance with the GRI international standards has fully disclosed the relevant information of PCF, NGB, TETC and CKG plant, and has obtained third-party verification confirmation from the British BSI. In order to effectively manage data and improve operational efficiency, ESG digital system engineering will be implemented in 2024. All production sites (PCF, NGB, TETC and CKG) have completed the ISO14064 greenhouse gas inventory and BSI/SGS third-party certification. The ISO14064 digital system will be implemented first at the end of 2024, and the inventory of non-production overseas business offices will be carried out simultaneously in 2025 to accelerate the completion of the inventory operations of the Group's global corporate locations. The ISO14067 product carbon footprint digital system will also be implemented in 2025. The energy management system will be officially launched in 2024, effectively meeting the audit support for the

company's ISO50001 energy management certification. 2024 is the first year for the company's CPPA global renewable energy power supply to be officially used. The utilization rate of renewable energy in 2024 has reached 10%, and will be expanded year by year to achieve the 2050 net zero carbon emission target.

As the results of the 2024 global elections have settled, the world has entered a new situation, which is the most challenging and most opportunity-filled era. Faced with great times, great opportunities, and great challenges, including worsening geopolitics, changes in wars in Europe and the Middle East, and global trade tariff disputes, TXC Corporation has assessed the situation and responded comprehensively. No matter how the world changes, we remain consistent, focusing on product technology application development, meeting customer requirements with service and quality, empowering all employees to add value, and effectively reducing costs and fees. TXC Corporation continues to strengthen its organizational operational resilience, comprehensively improve its overall competitiveness, focus on high-growth markets such as AI, communications, and automotive electronics, and push corporate governance to a higher level, providing colleagues, customers, suppliers, partners, and investors with better and more valuable development opportunities, and strives to become a top company with excellent performance and sustainable operations.

Chairman and CEO: **Lin, Wan-Shing**

President : **Kuo, Ya-Ping**

## **Audit and Risk Committee's Review Report**

The Board of Directors has prepared the Company's 2024 business report, consolidated financial statements, the individual financial statements and proposal of earnings distribution, of which the consolidated financial statements and the individual financial statements have been audited by independent auditors Mr. Hsieh, Ming-Chung and Mr. Peng, Yi-Hua of Deloitte & Touche. The business report, consolidated financial statements, the individual financial statements and proposal of earnings distribution have been recognized by Audit and Risk Committee according to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act. Please examine.

### **TXC Corporation 2025 Annual Shareholders' Meeting**

**TXC Corporation**

Convener of the Audit and Risk Committee : **Yu, Shang-Wu**

March 10, 2025

**TXC Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TXC CORPORATION

By

A handwritten signature in black ink, appearing to read 'Peter Lin', is written over a horizontal line.

PETER LIN  
Chairman

March 10, 2025

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
TXC Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of TXC Corporation (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, 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.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

For the year ended December 31, 2024, the Group's revenue was approximately 17% more compared to its revenue for the year ended December 31, 2023. In comparison with 2023, the revenue derived from specific product applications increased; therefore, we considered the occurrence of revenue derived from specific product applications as a key audit matter. For the accounting policy for revenue recognition, please refer to Note 4.

The key audit procedures that we performed included the following:

1. We obtained an understanding of and tested the appropriateness of the design and the implementation of internal control system that is related to revenue recognition.
2. We selected samples from the revenue details of specific product applications, checked the sales orders, delivery notes, shipping documents and invoices of the relevant transactions and reconcile them with the recorded amounts to confirm the authenticity of the revenue.
3. Obtain the subsequent receipt details for specific product applications, verify the related supporting documents, and examine whether there are any anomalies between the sales counterparties and the payment counterparties to ensure the authenticity of revenue.

#### **Other Matter**

We have audited the accompanying parent company only financial statements of TXC Corporation as of December 31, 2024 and 2023 on which we have issued an unmodified opinion.

#### **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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect 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, 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 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 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 are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements 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 these consolidated financial statements.

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

1. Identify and assess the 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 and appropriate 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.
2. Obtain an understanding of internal control relevant to the audit in order to design 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 control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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.

From 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 for the year ended December 31, 2024, 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 audits resulting in this independent auditors' report are Ming-Chung Hsieh and Yi-Hua Peng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2025

#### Notice 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.*

## TXC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,906,374	18	\$ 4,204,269	22
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29)	1,467,890	7	619,050	3
Financial assets at amortized cost - current (Notes 4 and 9)	104,092	-	99,349	1
Notes receivable (Notes 4 and 10)	190,906	1	87,571	-
Trade receivables (Notes 4 and 10)	3,560,547	16	3,159,403	17
Trade receivables from related parties (Notes 4, 10 and 30)	8,903	-	8,377	-
Finance lease receivables - current (Note 11)	4,640	-	4,052	-
Other receivables (Note 4)	70,868	-	32,041	-
Other receivables from related parties (Notes 4 and 30)	834	-	1,193	-
Current tax assets (Notes 4 and 25)	78,982	-	17,525	-
Inventories (Notes 4 and 12)	2,825,101	13	2,469,993	13
Other current assets	<u>340,137</u>	<u>2</u>	<u>109,199</u>	<u>1</u>
Total current assets	<u>12,559,274</u>	<u>57</u>	<u>10,812,022</u>	<u>57</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 29)	400,903	2	375,757	2
Financial assets at amortized cost - non-current (Notes 4 and 9)	215,803	1	199,107	1
Investments accounted for using the equity method (Notes 4 and 14)	464,962	2	446,126	3
Property, plant and equipment (Notes 4 and 15)	6,984,104	31	5,770,331	31
Right-of-use assets (Notes 4 and 16)	208,109	1	196,240	1
Investment properties (Notes 4 and 17)	610,690	3	540,242	3
Other intangible assets (Note 4)	42,044	-	50,795	-
Deferred tax assets (Notes 4 and 25)	39,156	-	67,308	-
Finance lease receivables - non-current (Note 11)	2,444	-	6,741	-
Prepayment for equipment	628,193	3	348,019	2
Net defined benefit assets - non-current (Notes 4 and 21)	5,227	-	-	-
Other non-current assets	<u>9,617</u>	<u>-</u>	<u>9,689</u>	<u>-</u>
Total non-current assets	<u>9,611,252</u>	<u>43</u>	<u>8,010,355</u>	<u>43</u>
TOTAL	<u>\$ 22,170,526</u>	<u>100</u>	<u>\$ 18,822,377</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 206,126	1	\$ 241,618	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 29)	-	-	18,323	-
Contract liabilities - current (Notes 12 and 23)	42	-	40	-
Trade payables	1,689,082	8	1,414,958	8
Trade payables to related parties (Note 30)	1,767	-	970	-
Other payables (Note 20)	1,311,297	6	1,101,594	6
Other payables to related parties (Note 30)	16,989	-	1,989	-
Current tax liabilities (Notes 4 and 25)	96,968	1	-	-
Lease liabilities - current (Notes 4 and 16)	8,400	-	5,958	-
Deferred revenue - current (Notes 20 and 27)	44,746	-	39,565	-
Current portion of long-term borrowings and bonds payable (Notes 18 and 19)	728,189	3	1,875,612	10
Other current liabilities	<u>95,303</u>	<u>-</u>	<u>67,648</u>	<u>-</u>
Total current liabilities	<u>4,198,909</u>	<u>19</u>	<u>4,768,275</u>	<u>25</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	1,187,027	5	1,882,765	10
Deferred tax liabilities (Notes 4 and 25)	139,428	1	111,792	1
Lease liabilities - non-current (Notes 4 and 16)	8,349	-	6,714	-
Deferred revenue - non-current (Notes 20 and 27)	62,028	-	79,319	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	-	-	20,105	-
Guarantee deposits received	<u>130,606</u>	<u>1</u>	<u>79,791</u>	<u>1</u>
Total non-current liabilities	<u>1,527,438</u>	<u>7</u>	<u>2,180,486</u>	<u>12</u>
Total liabilities	<u>5,726,347</u>	<u>26</u>	<u>6,948,761</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)				
Share capital				
Ordinary shares	3,429,930	15	3,097,570	17
Bond conversion entitlement certificates	-	-	9	-
Total share capital	<u>3,429,930</u>	<u>15</u>	<u>3,097,579</u>	<u>17</u>
Capital surplus	<u>4,622,137</u>	<u>21</u>	<u>1,718,693</u>	<u>9</u>
Retained earnings				
Legal reserve	2,437,715	11	2,243,247	12
Special reserve	527,767	3	143,071	1
Unappropriated earnings	<u>5,379,666</u>	<u>24</u>	<u>5,198,793</u>	<u>27</u>
Total retained earnings	<u>8,345,148</u>	<u>38</u>	<u>7,585,111</u>	<u>40</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(140,531)	-	(582,706)	(3)
Unrealized gain on financial assets at fair value through other comprehensive income	<u>67,671</u>	<u>-</u>	<u>54,939</u>	<u>-</u>
Total other equity	<u>(72,860)</u>	<u>-</u>	<u>(527,767)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	16,324,355	74	11,873,616	63
NON-CONTROLLING INTERESTS	<u>119,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>16,444,179</u>	<u>74</u>	<u>11,873,616</u>	<u>63</u>
TOTAL	<u>\$ 22,170,526</u>	<u>100</u>	<u>\$ 18,822,377</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

# TXC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
SALES (Note 23)	\$ 12,672,258	100	\$ 10,850,402	100
COST OF GOODS SOLD (Note 24)	<u>(8,185,113)</u>	<u>(65)</u>	<u>(6,990,395)</u>	<u>(65)</u>
GROSS PROFIT	<u>4,487,145</u>	<u>35</u>	<u>3,860,007</u>	<u>35</u>
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	534,537	4	446,702	4
General and administrative expenses	735,199	6	593,830	5
Research and development expenses	1,080,925	8	950,460	9
Expected credit gain	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>
Total operating expenses	<u>2,350,661</u>	<u>18</u>	<u>1,990,986</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>2,136,484</u>	<u>17</u>	<u>1,869,021</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	72,417	1	77,204	1
Other income (Note 24)	137,373	1	163,029	2
Other gains and losses (Note 24)	268,509	2	7,038	-
Finance costs (Note 24)	(56,143)	(1)	(57,619)	(1)
Shares of profits of associates and joint ventures (Note 14)	<u>16,200</u>	<u>-</u>	<u>4,573</u>	<u>-</u>
Total non-operating income and expenses	<u>438,356</u>	<u>3</u>	<u>194,225</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	2,574,840	20	2,063,246	19
INCOME TAX EXPENSE (Note 25)	<u>(438,301)</u>	<u>(3)</u>	<u>(349,544)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>2,136,539</u>	<u>17</u>	<u>1,713,702</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	16,307	-	3,030	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	12,793	-	(24,632)	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	<u>165</u>	<u>-</u>	<u>67</u>	<u>-</u>
	<u>29,265</u>	<u>-</u>	<u>(21,535)</u>	<u>-</u>

(Continued)

# TXC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 424,239	4	\$ (127,850)	(2)
Share of the other comprehensive income (loss) of associates and join ventures accounted for using the equity method	<u>17,936</u>	<u>-</u>	<u>(4,333)</u>	<u>-</u>
	<u>442,175</u>	<u>4</u>	<u>(132,183)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>471,440</u>	<u>4</u>	<u>(153,718)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,607,979</u>	<u>21</u>	<u>\$ 1,559,984</u>	<u>14</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,137,415	17	\$ 1,713,702	16
Non-controlling interests	<u>(876)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,136,539</u>	<u>17</u>	<u>\$ 1,713,702</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,608,855	21	\$ 1,559,984	14
Non-controlling interests	<u>(876)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,607,979</u>	<u>21</u>	<u>\$ 1,559,984</u>	<u>14</u>
EARNINGS PER SHARE (Note 26)				
From continuing operations				
Basic	<u>\$ 6.55</u>		<u>\$ 5.53</u>	
Diluted	<u>\$ 6.39</u>		<u>\$ 5.33</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Shares (In Thousands)	Share Capital		Capital Surplus	Retained Earnings			Others		Total	Non-controlling Interests	Total Equity
		Ordinary Shares	Bond Conversion Entitlement Certificates		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2023	309,757	\$ 3,097,570	\$ -	\$ 1,709,979	\$ 1,946,812	\$ -	\$ 5,861,917	\$ (450,523)	\$ 307,453	\$ 12,473,208	\$ -	\$ 12,473,208
Appropriation of 2022 earnings (Note 22)												
Legal reserve	-	-	-	-	296,435	-	(296,435)	-	-	-	-	-
Special reserve	-	-	-	-	-	143,071	(143,071)	-	-	-	-	-
Cash dividends distributed by the company	-	-	-	-	-	-	(2,168,299)	-	-	(2,168,299)	-	(2,168,299)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	1,713,702	-	-	1,713,702	-	1,713,702
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	3,169	(132,183)	(24,704)	(153,718)	-	(153,718)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	1,716,871	(132,183)	(24,704)	1,559,984	-	1,559,984
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	227,810	-	(227,810)	-	-	-
Convertible bonds converted to ordinary shares	1	-	9	91	-	-	-	-	-	100	-	100
Donations from shareholders	-	-	-	269	-	-	-	-	-	269	-	269
Changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	-	8,354	-	-	-	-	-	8,354	-	8,354
BALANCE AT DECEMBER 31, 2023	309,758	3,097,570	9	1,718,693	2,243,247	143,071	5,198,793	(582,706)	54,939	11,873,616	-	11,873,616
Appropriation of 2023 earnings (Note 22)												
Legal reserve	-	-	-	-	194,468	-	(194,468)	-	-	-	-	-
Special reserve	-	-	-	-	-	384,696	(384,696)	-	-	-	-	-
Cash dividends distributed by the company	-	-	-	-	-	-	(1,393,911)	-	-	(1,393,911)	-	(1,393,911)
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	2,137,415	-	-	2,137,415	(876)	2,136,539
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	16,533	442,175	12,732	471,440	-	471,440
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	2,153,948	442,175	12,732	2,608,855	(876)	2,607,979
Convertible bonds converted to ordinary shares	8,235	82,360	(9)	816,091	-	-	-	-	-	898,442	-	898,442
Donations from shareholders	-	-	-	(147)	-	-	-	-	-	(147)	-	(147)
Issuance of ordinary shares for cash	25,000	250,000	-	2,087,500	-	-	-	-	-	2,337,500	-	2,337,500
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	120,700	120,700
BALANCE AT DECEMBER 31, 2024	342,993	\$ 3,429,930	\$ -	\$ 4,622,137	\$ 2,437,715	\$ 527,767	\$ 5,379,666	\$ (140,531)	\$ 67,671	\$ 16,324,355	\$ 119,824	\$ 16,444,179

The accompanying notes are an integral part of the consolidated financial statements.

# TXC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,574,840	\$ 2,063,246
Adjustments for:		
Depreciation expense	1,163,646	1,210,381
Amortization expense	17,946	17,790
Expected credit loss reversed on trade receivables	-	(6)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(31,998)	(1,729)
Finance costs	56,143	57,619
Interest income	(72,417)	(77,204)
Dividend income	(4,651)	(12,561)
Share of profit of associates and joint ventures	(16,200)	(4,573)
Loss (gain) on disposal of property, plant and equipment	332	(1,527)
Impairment losses (reversed) recognized on property, plant and equipment	(5,617)	3,234
Write-down of inventories	10,625	13,277
Gain on modifications of lease	-	(7)
Changes in operating assets and liabilities		
Notes receivable	(103,335)	(55,440)
Trade receivables	(401,317)	355,433
Trade receivables from related parties	(526)	1,474
Other receivables	(38,621)	33,728
Other receivables from related parties	359	(550)
Inventories	(432,526)	216,970
Other current assets	(230,938)	(11,194)
Trade payables	274,124	206,461
Trade payables to related parties	797	348
Other payables	209,776	(317,731)
Other payables to related parties	15,000	739
Other current liabilities	27,655	28,442
Net defined benefit liabilities	(4,948)	(11,310)
Deferred revenue	(12,110)	(32,077)
Cash generated from operations	2,996,039	3,683,233
Interest paid	(50,194)	(46,426)
Income tax paid	(354,352)	(583,324)
Net cash generated from operating activities	<u>2,591,493</u>	<u>3,053,483</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	(787,253)	(204,378)
Purchase of financial assets at fair value through other comprehensive income	-	(40,435)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	299,306
Purchase of financial assets at amortized cost	(5,082)	-

(Continued)

# TXC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from sale of financial assets at amortized cost	\$ -	\$ 38,095
Payments for property, plant and equipment	(2,198,588)	(709,616)
Proceeds from disposal of property, plant and equipment	53,795	39,386
Payments for intangible assets	(13,503)	(13,394)
Decrease in other non-current assets	72	1,245
Decrease in finance lease receivables	4,166	4,367
Increase in prepayment for equipment	(280,174)	(253,481)
Interest received	72,251	76,843
Dividends received	<u>22,215</u>	<u>32,686</u>
Net cash used in investing activities	<u>(3,132,101)</u>	<u>(729,376)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	(46,754)	(255,733)
Repayment of bonds payable	(301,400)	-
Proceeds from long-term borrowings	3,757,731	1,704,099
Repayments of long-term borrowings	(4,435,716)	(1,548,006)
Proceeds from guarantee deposits received	50,815	8,264
Repayment of the principal portion of lease liabilities	(8,209)	(26,152)
Dividends paid to owners of the Company	(1,393,911)	(2,168,299)
Proceeds from issuance of ordinary shares	2,337,500	-
Changes in non-controlling interests	120,700	-
Other changes in capital surplus	<u>(147)</u>	<u>269</u>
Net cash generated from (used in) financing activities	<u>80,609</u>	<u>(2,285,558)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>162,104</u>	<u>(56,890)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(297,895)</u>	<u>(18,341)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>4,204,269</u>	<u>4,222,610</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 3,906,374</u>	<u>\$ 4,204,269</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

## **TXC Corporation**

**Parent Company Only Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
TXC Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of TXC Corporation (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements 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.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

For the year ended December 31, 2024, the Company's revenue was approximately 12% more compared to its revenue for the year ended December 31, 2023. In comparison with 2023, the revenue derived from specific product applications increased; therefore, we considered the occurrence of revenue derived from specific product applications as a key audit matter.

The key audit procedures that we performed included the following:

1. We obtained an understanding of and tested the appropriateness of the design and the implementation of internal control system that is related to revenue recognition.
2. We selected samples from the revenue details of specific product applications, checked the sales orders, delivery notes, shipping documents and invoices of the relevant transactions and reconcile them with the recorded amounts to confirm the authenticity of the revenue.
3. Obtain the subsequent receipt details for specific product applications, verify the related supporting documents, and examine whether there are any anomalies between the sales counterparties and the payment counterparties to ensure the authenticity of revenue.

#### **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 by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company'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 are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements 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 these 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 judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the 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 and appropriate 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Company'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 the Company to cease to continue as a going concern.
5. Evaluate 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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.

From 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 for the year ended December 31, 2024 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 audits resulting in this independent auditors' report are Ming-Chung Hsieh and Yi-Hua Peng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2025

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the 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 financial statements shall prevail.*

# TXC CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,296,766	11	\$ 1,972,837	11
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	61,965	-	-	-
Financial assets at amortized cost - current (Notes 4 and 9)	78,674	-	75,342	1
Trade receivables (Notes 4 and 10)	2,703,385	14	2,548,323	14
Trade receivables from related parties (Notes 4, 10 and 27)	351,713	2	219,990	1
Other receivables (Notes 4 and 10)	60,308	-	26,341	-
Other receivables from related parties (Notes 4 and 27)	1,086	-	7,828	-
Current tax assets (Notes 4 and 23)	78,982	-	74,030	1
Inventories (Notes 4 and 11)	1,503,653	8	1,466,069	8
Other current assets	<u>129,062</u>	<u>1</u>	<u>14,911</u>	<u>-</u>
Total current assets	<u>7,265,594</u>	<u>36</u>	<u>6,405,671</u>	<u>36</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	96,392	1	171,335	1
Investments accounted for using the equity method (Notes 4 and 12)	9,587,307	48	8,221,696	46
Property, plant and equipment (Notes 4 and 13)	2,482,549	13	2,582,189	15
Right-of-use assets (Notes 4 and 14)	11,302	-	3,867	-
Investment properties (Notes 4 and 15)	15,966	-	17,225	-
Intangible assets (Note 4)	9,130	-	13,593	-
Deferred tax assets (Notes 4 and 23)	23,383	-	47,746	-
Prepayment for equipment	412,507	2	259,225	2
Refundable deposits	3,572	-	2,566	-
Net defined benefit assets - non-current (Note 4 and 19)	<u>5,227</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>12,647,335</u>	<u>64</u>	<u>11,319,442</u>	<u>64</u>
TOTAL	<u>\$ 19,912,929</u>	<u>100</u>	<u>\$ 17,725,113</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	\$ -	-	\$ 18,323	-
Trade payables	545,977	3	506,797	3
Trade payables to related parties (Note 27)	1,100,132	6	1,074,959	6
Other payables (Note 18)	692,348	4	625,593	4
Other payables to related parties (Note 27)	16,852	-	1,869	-
Current tax liabilities (Notes 4 and 23)	49,629	-	-	-
Lease liabilities - current (Notes 4 and 14)	4,896	-	2,270	-
Current portion of long-term borrowings and bonds payable (Notes 16 and 17)	419,333	2	1,829,907	10
Other current liabilities	<u>71,630</u>	<u>-</u>	<u>30,333</u>	<u>-</u>
Total current liabilities	<u>2,900,797</u>	<u>15</u>	<u>4,090,051</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	533,333	3	1,652,667	9
Deferred tax liabilities (Notes 4 and 23)	108,649	-	77,493	1
Lease liabilities - non-current (Notes 4 and 14)	6,511	-	1,631	-
Net defined benefit liabilities - non-current (Notes 4 and 19)	-	-	20,105	-
Guarantee deposits received	<u>39,284</u>	<u>-</u>	<u>9,550</u>	<u>-</u>
Total non-current liabilities	<u>687,777</u>	<u>3</u>	<u>1,761,446</u>	<u>10</u>
Total liabilities	<u>3,588,574</u>	<u>18</u>	<u>5,851,497</u>	<u>33</u>
EQUITY (Note 20)				
Share capital				
Ordinary shares	3,429,930	17	3,097,570	17
Bond conversion entitlement certificates	-	-	9	-
Total share capital	<u>3,429,930</u>	<u>17</u>	<u>3,097,579</u>	<u>17</u>
Capital surplus	<u>4,622,137</u>	<u>23</u>	<u>1,718,693</u>	<u>10</u>
Retained earnings				
Legal reserve	2,437,715	12	2,243,247	13
Special reserve	527,767	3	143,071	1
Unappropriated earnings	<u>5,379,666</u>	<u>27</u>	<u>5,198,793</u>	<u>29</u>
Total retained earnings	<u>8,345,148</u>	<u>42</u>	<u>7,585,111</u>	<u>43</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(140,531)	(1)	(582,706)	(3)
Unrealized gain on financial assets at fair value through other comprehensive income	<u>67,671</u>	<u>1</u>	<u>54,939</u>	<u>-</u>
Total other equity	<u>(72,860)</u>	<u>-</u>	<u>(527,767)</u>	<u>(3)</u>
Total equity	<u>16,324,355</u>	<u>82</u>	<u>11,873,616</u>	<u>67</u>
TOTAL	<u>\$ 19,912,929</u>	<u>100</u>	<u>\$ 17,725,113</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
SALES (Note 21)	\$ 9,821,044	100	\$ 8,802,818	100
COST OF GOODS SOLD (Notes 11 and 22)	<u>7,672,257</u>	<u>78</u>	<u>6,791,972</u>	<u>77</u>
GROSS PROFIT	2,148,787	22	2,010,846	23
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES/AND JOINT VENTURES	(14,091)	-	(9,266)	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES/AND JOINT VENTURES	<u>9,266</u>	<u>-</u>	<u>9,767</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,143,962</u>	<u>22</u>	<u>2,011,347</u>	<u>23</u>
OPERATING EXPENSES (Notes 4 and 22)				
Selling and marketing expenses	261,769	3	235,954	3
General and administrative expenses	247,924	2	218,275	3
Research and development expenses	723,146	7	642,718	7
Expected credit gain	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>
Total operating expenses	<u>1,232,839</u>	<u>12</u>	<u>1,096,941</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>911,123</u>	<u>10</u>	<u>914,406</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	44,432	-	38,868	1
Other income (Notes 4 and 22)	26,943	-	26,055	-
Other gains and losses (Note 22)	194,291	2	11,296	-
Finance costs (Notes 4 and 22)	(38,206)	-	(37,349)	-
Shares of profits of associates and joint ventures (Note 12)	<u>1,260,804</u>	<u>13</u>	<u>984,206</u>	<u>11</u>
Total non-operating income and expenses	<u>1,488,264</u>	<u>15</u>	<u>1,023,076</u>	<u>12</u>
PROFIT BEFORE INCOME TAX	2,399,387	25	1,937,482	22
INCOME TAX EXPENSE (Note 23)	<u>261,972</u>	<u>3</u>	<u>223,780</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>2,137,415</u>	<u>22</u>	<u>1,713,702</u>	<u>20</u>

(Continued)

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 16,307	-	\$ 3,030	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(74,943)	(1)	(45,086)	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	<u>87,901</u>	<u>1</u>	<u>20,521</u>	<u>-</u>
	<u>29,265</u>	<u>-</u>	<u>(21,535)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	424,239	5	(127,850)	(2)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>17,936</u>	<u>-</u>	<u>(4,333)</u>	<u>-</u>
	<u>442,175</u>	<u>5</u>	<u>(132,183)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>471,440</u>	<u>5</u>	<u>(153,718)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,608,855</u>	<u>27</u>	<u>\$ 1,559,984</u>	<u>18</u>
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	<u>\$ 6.55</u>		<u>\$ 5.53</u>	
Diluted	<u>\$ 6.39</u>		<u>\$ 5.33</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

TXC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Others		Total Equity
	Shares (In Thousands)	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
		Ordinary Share	Bond Conversion Entitlement Certificates		Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2023	309,757	\$ 3,097,570	\$ -	\$ 1,709,979	\$ 1,946,812	\$ -	\$ 5,861,917	\$ (450,523)	\$ 307,453	\$ 12,473,208
Appropriation of 2022 earnings (Note 19)										
Legal reserve	-	-	-	-	296,435	-	(296,435)	-	-	-
Special reserve	-	-	-	-	-	143,071	(143,071)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(2,168,299)	-	-	(2,168,299)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	1,713,702	-	-	1,713,702
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	3,169	(132,183)	(24,704)	(153,718)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	1,716,871	(132,183)	(24,704)	1,559,984
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	227,810	-	(227,810)	-
Convertible bond converted to ordinary shares	1	-	9	91	-	-	-	-	-	100
Donations from shareholders	-	-	-	269	-	-	-	-	-	269
Changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	-	8,354	-	-	-	-	-	8,354
BALANCE AT DECEMBER 31, 2023	309,758	3,097,570	9	1,718,693	2,243,247	143,071	5,198,793	(582,706)	54,939	11,873,616
Appropriation of 2023 earnings (Note 19)										
Legal reserve	-	-	-	-	194,468	-	(194,468)	-	-	-
Special reserve	-	-	-	-	-	384,696	(384,696)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,393,911)	-	-	(1,393,911)
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	2,137,415	-	-	2,137,415
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	16,533	442,175	12,732	471,440
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	2,153,948	442,175	12,732	2,608,855
Convertible bond converted to ordinary shares	8,235	82,360	(9)	816,091	-	-	-	-	-	898,442
Donations from shareholders	-	-	-	(147)	-	-	-	-	-	(147)
Issuance of ordinary shares for cash	25,000	250,000	-	2,087,500	-	-	-	-	-	2,337,500
BALANCE AT DECEMBER 31, 2024	342,993	\$ 3,429,930	\$ -	\$ 4,622,137	\$ 2,437,715	\$ 527,767	\$ 5,379,666	\$ (140,531)	\$ 67,671	\$ 16,324,355

The accompanying notes are an integral part of the parent company only financial statements.

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,399,387	\$ 1,937,482
Adjustments for:		
Depreciation expenses	510,508	504,459
Amortization expenses	10,821	12,386
Expected credit loss reversed on trade receivables	-	(6)
Net (profit) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(5,103)	11,779
Finance costs	38,206	37,349
Interest income	(44,432)	(38,868)
Dividend income	(4,651)	(12,561)
Share of profit of associates and joint ventures	(1,260,804)	(984,206)
Gain on disposal of property, plant and equipment	(2,200)	(1,091)
Write-down of inventories	8,644	13,573
Unrealized gain on the transactions with subsidiaries, associates and joint ventures	14,091	9,266
Realized gain on the transactions with subsidiaries, associates and joint ventures	(9,266)	(9,767)
Gain on modifications of lease	-	(7)
Changes in operating assets and liabilities:		
Notes receivable	-	541
Trade receivables	(155,062)	428,658
Trade receivables from related parties	(131,723)	(5,990)
Other receivables	(33,761)	(7,801)
Other receivables from related parties	6,742	(7,458)
Inventories	(46,228)	(8,438)
Other current assets	(114,151)	(5,114)
Trade payables	39,180	76,082
Trade payables to related parties	25,173	143,381
Other payables	67,308	(239,169)
Other payables to related parties	14,983	505
Other current liabilities	41,297	9,669
Net defined benefit liabilities	(4,948)	(11,310)
Cash generated from operations	1,364,011	1,853,344
Interest paid	(32,737)	(26,101)
Income taxes paid	(165,853)	(541,295)
Net cash generated from operating activities	<u>1,165,421</u>	<u>1,285,948</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	(75,185)	-
Proceeds from sale of financial assets at fair value through profit or loss	-	13,274

(Continued)

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (40,435)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	299,306
Purchase of financial assets at amortized cost	-	(23,083)
Proceeds from sale of financial assets at amortized cost	1,372	-
Payments for property, plant and equipment	(409,048)	(197,244)
Proceeds from disposal of property, plant and equipment	6,128	4,393
Increase in refundable deposits	(1,006)	-
Payments for intangible assets	(6,358)	(8,184)
Increase in prepayment for equipment	(153,282)	(175,441)
Interest received	44,266	38,507
Dividend received from associates	402,840	390,150
Other dividends received	<u>22,215</u>	<u>32,686</u>
Net cash (used in) generated from investing activities	<u>(168,058)</u>	<u>333,929</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bonds payable	(301,400)	-
Proceeds from long-term borrowings	3,000,000	1,500,000
Repayments of long-term borrowings	(4,336,088)	(1,350,753)
Proceeds from guarantee deposits received	29,734	-
Repayments of principle portion of lease liabilities	(4,418)	(3,243)
Dividends paid to owners of the company	(1,393,911)	(2,168,299)
Proceeds from issuance of ordinary shares	2,337,500	-
Other changes in capital surplus	<u>(147)</u>	<u>269</u>
Net cash used in financing activities	<u>(668,730)</u>	<u>(2,022,026)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(4,704)</u>	<u>(47)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	323,929	(402,196)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,972,837</u>	<u>2,375,033</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,296,766</u>	<u>\$ 1,972,837</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

## 2024 Private Placement Status Report

Item	1st Private Placement of 2024 Issue Date: September 5,2024				
Type of private placement securities	Common Shares				
Date and Amount approved by the shareholders' meeting	Date of shareholders' meeting: May 28,2024 within the quota of no more than 25,000,000 shares, it will be conducted in batches (up to two batches) within one year from the date of resolution of the shareholders' meeting.				
Pricing basis of private placement and its reasonableness	<p>(1) The price of the common share issued in this private placement cash capital increase is determined based on the calculation standard of the private placement reference price resolved by the Company's shareholders' meeting on May 28, 2024, and shall not be less than 80% of the higher of the following two benchmark prices of the Company on the pricing date:</p> <p>A. The simple arithmetic average of the closing prices of common shares calculated on one of 1, 3, and 5 business days before the pricing date, deducting the ex-rights of gratuitous allotment of shares and dividends, and adding back the stock price per share after adding back the right of ex-rights for capital reduction.</p> <p>B. The simple arithmetic average of the closing prices of common shares 30 business days before the pricing date, deducting the ex-rights and dividends of gratuitous share allotment, and adding back the stock price per share after adding back the anti-ex-rights of capital reduction.</p> <p>(2) Private placement common share price determination</p> <p>A. The actual pricing date and the actual issuance price shall be within the range of not less than the majority of the resolution of the shareholders' meeting, and the board of directors is authorized to decide based on the circumstances of the specific person and market conditions in the future. The basis for setting the aforementioned private placement price complies with the provisions of "Directions for Public Companies Conducting Private Placements of Securities "</p> <p>B. The price setting date is June 20, 2024. In accordance with the above-mentioned pricing principles, the simple arithmetic average of the closing prices of the common stocks in the previous three business days, minus the ex-rights and dividends of the free allotment, and the share price after adding back the ex-rights of the capital reduction is NT\$113.17, and the simple arithmetic average of the closing prices of the common stocks in the thirty business days before the pricing date, minus the ex-rights and dividends of the free allotment, and the share price after adding back the ex-rights of the capital reduction is NT\$109.73, and the higher of the two benchmark prices is used to set the reference price at NT\$113.17. The private placement price is proposed to be set at NT\$ 93.50, which is 82.62% of the reference price and is within the range of the resolution of the general meeting of shareholders on May 28, 2024. Therefore, the setting of the private placement price should be reasonable.</p>				
Method for selecting specific investor	The targets of this issuance of common shares are limited to specific persons who comply with the provisions of Article 43-6 of the Securities and Exchange Act and other relevant laws and regulations and relevant letters and explanations from the competent authorities.				
Reason and necessity of conducting private placement	In order to introduce strategic partners in response to the company's long-term development and to stabilize and strengthen the company's product market operation competitiveness, and considering that private placement targets, private placement methods are relatively quick and simple, such as issuing securities through raising, it may not be easy to obtain the required funds smoothly in the short term. It is planned to use private placement to increase cash capital and issue common stock to raise funds from specific people. By authorizing the board of directors to conduct private placement based on market conditions and in line with the company's actual needs, it will increase the company's flexibility and efficiency to raise capital. The restriction on the transfer of privately-placed securities within three years will further ensure the long-term cooperative relationship between the company and its strategic partners.				
Date of payment collection	July 2, 2024				
Information on Counterparties	Name of investor	Qualification	Subscription quantity (shares)	Relationship with the Company	Participation in the Company's operation
	WALSIN TECHNOLOGY CORPORATION	Article 43-6 of the Securities and Exchange	20,800,000	None	None
	INPAQ TECHNOLOGY CO., LTD.		4,200,000	None	None
Actual subscription price	NT\$93.50 per share				

Difference between actual subscription price and reference price	The actual subscription price is NT\$93.50, which is 82.62% of the reference price of NT\$113.17.
Impacts on shareholders' equity	The privately placed common shares is 7.47% to capital shares, it is no significant impact on shareholders' equity.
Fund utilization and status of implementation	The fundraising was completed on July 2, 2024, and the funds raised were NT\$2,337,500,000, which were used to replenish working capital and repay bank loans. The full amount was completed in the third quarter of 2024.
Private placement benefits	The private placement funds will be used to replenish working capital and repay bank loans, enhance the company's competitiveness, improve operational efficiency and strengthen the effectiveness of the financial structure, which will have a positive impact on shareholders' equity.

**TXC Corporation**  
**2024 Earnings Distribution**

Unit : NT\$

Item	Amount	
	Sub-total	Sum
<b>Beginning period undistributed profits</b>		<b>3,225,718,022</b>
Net profit after tax for this year	2,137,415,399	
Adjusted retained earnings from investments accounted for using equity method	226,345	
Remeasurement of defined employee benefit plans to retained earnings	16,307,010	
The amount of undistributed profits		2,153,948,754
Setting aside 10% legal reserve		(215,394,875)
Reserve the setting aside special reserve		304,973,851
<b>Profits available for distribution</b>		<b>5,459,245,752</b>
Distribution Item:		
Cash Dividends (NT\$5.2 per share)		(1,783,563,449)
<b>End period of undistributed profits</b>		<b>3,685,682,303</b>

Note: Allocation of 2024 undistributed profit shall be given priority for the above profit distribution.

Chairman: **Lin, Wan-Shing**Manager: **Kuo, Ya-Ping**Accounting Supervisor: **Hong, Guan-Wen**