

Stock Code: 6118



XANDER INTERNATIONAL CORP.

2024

Annual Report

Website of the Taiwan Stock Exchange Market Observation Post
System: <http://mops.twse.com.tw>

XANDER INTERNATIONAL CORP. Annual Report Website:
<http://www.xander.com.tw>

Date Printed April 30, 2025

I. Company Spokesperson: Hsun-Long Huang

Job Title: Executive Vice President

Telephone: (02)2219-1600

Email: andy_huang@xander.com.tw

Acting Spokesperson: Cai-Rong Lin

Job Title: Deputy General Manager of Administration Center

Telephone: (02)2219-1600

Email: vicky_lin@xander.com.tw

II. Address and Telephone of Main Office/Branch Office/Factory:

Name	Address	Telephone
Main Office	5F, No. 531, Zhongzheng Road, Xindian District, New Taipei City	(02)2219-1600
Linkou Warehouse	No. 5-2, Section 2, Fenliao Road, Linkou District, New Taipei City	(02)2602-8111
Home Appliance Service Center	No. 6 Nanfeng Street, Taoyuan District, Taoyuan City	(03)329-1869
Zhongli Branch Office	2F, No. 25, Changsha Road, Zhongli District, Taoyuan City	(03)428-7718
Hsinchu Branch Office	Room 502, 5F, No. 413, Section 5, Xinglong Road, Zhubei City, Hsinchu County	(03)658-5308
Taichung Branch Office	4F-1, No. 170, Section 1, Henan Road, Taichung City	(04)2315-0050
Tainan Branch Office	8F, No. 196-10, Zhonghua Road, Yongkang District, Tainan City	(06)311-3663
Kaohsiung Branch Office	No. 177, Jingfu Road, Renwu District, Kaohsiung City	(07)373-7566

III. Stock Transfer Agency:

Agency: Transfer Agency Department, CTBC Bank Co., Ltd.

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City 100, Taiwan

(R.O.C.)

Website: www.chinatrust.com.tw

Telephone: (02) 6636-5566

IV. CPAs for the Financial Statements of the Most Recent Year:

Name of CPA: Chien-Ming Tseng, Wen-Ya Hsu

Name of Firm: Deloitte & Touche (Deloitte Taiwan)

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City

Website: www.deloitte.com.tw

Telephone: (02) 2725-9988

V. Name of Trading Site for Securities Listed Overseas and How to Search for the Said Overseas Securities: None**VI. Company Website: www.xander.com.tw**

Table of Contents

A. Letter to Shareholders	1
B. Corporate Governance Report	4
I. Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers.....	4
II. Remuneration to Directors, General Managers and Vice General Managers in the Most Recent Year.....	12
III. Status of Corporate Governance.....	17
IV. Information on Fees Paid to CPAs.....	39
V. Information on Replacement of CPAs	39
VI. For the Company’s Chairman of the Board, General Managers, or any manager in charge of financial or accounting operations who has, in the most recent year, held a position at the accounting firm of its CPA or its affiliates	39
VII. Transfer and pledge of equity among directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% in the most recent year and up to the date the Annual Report was printed	40
VIII. Information of relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship	41
IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested business by the Company, its directors, supervisors, managers, and any companies controlled either directly or indirectly by the Company	41
C. Funding	42
I. Capital and Shares	42
II. Corporate Bonds Processing Status	45
III. Preferred Stock Processing Status	45
IV. Global Depository Receipts (GDRs) Processing Status	45
V. Employee Stock Option Warrants Processing Status.....	45
VI. Restricted Stock Award Processing Status.....	45
VII. Issuance of New Shares in Connection with Mergers and Acquisitions or with Acquisitions of Shares of Other Companies	45
VIII. Implementation Status of Capital Utilization Plan	45
D. Operational Overview.....	46
I. Scope of Operation	46
II. Market and Production/Distribution Overview	50
III. Overview of employees in the most recent two years and up to the date when the Annual Report was printed	57

IV.	Information on Environmental Protection Expenditure.....	57
V.	Labor-Management Relations.....	57
VI.	Cybersecurity Management	60
VII.	Important Contracts	61
E.	Review and Analysis of the Financial Status and Financial Performance and Risks	62
I.	Financial Status.....	62
II.	Financial Performance	63
III.	Cash flow	64
IV.	Impacts of Major Capital Expenditure on Finance in the Most Recent Year.....	64
V.	Main Reasons for Profits or Losses with Reinvestment Policies in the Most Recent Year, the Improvement Plan, and the Investment Plan for the Coming Year.....	64
VI.	Risk assessment for the most recent year and up to the date when the Annual Report was printed.....	65
VII.	Other Important Matters	67
F.	Special Notes	68
I.	Information of Affiliates	68
II.	Processing status of private placement securities in the most recent year and up to the date when the Annual Report was printed	69
III.	Other Matters Requiring Supplementary Information.....	69
G.	Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date when the Annual Report was printed	70

A. Letter to Shareholders

Dear Shareholders,

In 2024, Taiwan's economy grew by 4.3%, fueled by steady domestic demand and robust exports of technology products, according to the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan. Among them, the electronics distribution sector, due to the continuous expansion of retail and e-commerce, particularly the active development of online channels by brick-and-mortar retailers, shows that the new "online-merge-offline (OMO)" retail model has become the mainstream. In 2024, the Company's operating revenue reached NTD 9,064,133 thousand, a growth of 7.52% from 2023, with a net profit after tax of NTD 35,076 thousand. Below is a summary of our 2024 operating results and our business plan for 2025:

I. Operating Performance of 2024

(I) Business Plan Implementation Results:

Unit: In Thousands of New Taiwan Dollars

Fiscal year Entry	2024		2023	
	Amount	%	Amount	%
Operating revenue	9,064,133	100.00%	8,429,868	100.00%
Gross profit	438,226	4.83%	368,662	4.37%
Net operating profit (loss)	29,121	0.32%	3,613	0.04%
Non-operating revenue and expenses	13,380	0.15%	16,543	0.20%
Net profit (loss) before tax	42,501	0.47%	20,156	0.24%
Net profit (loss) after tax	35,076	0.39%	20,978	0.25%

(II) Budget Implementation Status

The Company does not release financial forecasts to the public and hence fulfillment of budget is not available.

(III) Analysis of Income, Expenditure and Profitability

	2024	2023
1. Financial Structure Analysis		
(1) Debt-to-asset ratio:	63%	65%
(2) Ratio of long-term capital to fixed assets:	823%	732%
2. Solvency Analysis		
(1) Current ratio:	148%	144%
(2) Quick ratio:	93%	83%
3. Operating Capacity Analysis		
(1) Accounts receivable turnover (times):	7	6
(2) Days to collect receivables in cash:	56	63
(3) Inventory turnover (times):	9	8
(4) Average days in sales:	39	44
(5) Fixed asset turnover (times):	63	56
4. Profitability Analysis		
(1) Return on total assets:	2%	1%
(2) Return on shareholder equity:	3%	2%
(3) Net profit margin:	-	-
(4) Earnings (deficits) per share (NTD):	0.39	0.23

(IV) Status of Research and Development

The Company is in the electronics distribution business and hence there is no R&D plan.

II. Overview of 2025 Business Plan

(I) Operational Developments and Status

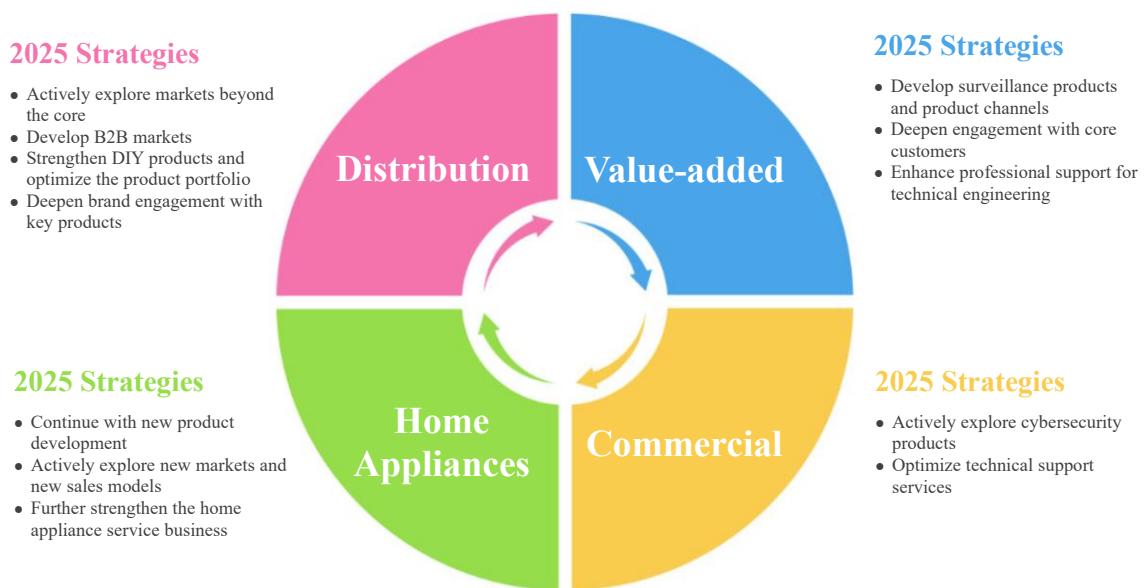
As the global economy gradually moves toward stability in 2024 following the COVID-19 pandemic, many countries and regions are seeing a steady recovery in economic growth. However, challenges persist in the economic environment due to ongoing inflationary pressures, unstable global supply chains, and geopolitical uncertainties. Against this backdrop, a flexible and innovative approach is required for a business to adapt to market changes and to create new business opportunities.

The 2025 operational plan, guided by our core values of “thinking” and “innovation”, will actively seek solutions to break through the status quo. In a rapidly changing market, beyond relying on past experience, it is crucial to deeply consider and understand market demands and to apply innovative approaches to achieve sustainable growth. This involves not only responding to the external environment but also comprehensively enhancing our internal management, technological innovation, and customer service.

In the coming year, we will focus on the key areas below: surveillance systems, cybersecurity systems, digital appliances, new market expansion, in-depth development of agency brands, as well as technical support and customer service. With these strategies, we will find opportunities amid challenges and keep making progress amid competition.

(II) Channel and Product Strategies

Based on the characteristics of products and channels, the four major business groups will take exclusive responsibilities reflective of their specialties and professionals. When needed in a project that spans business groups, resources can be quickly adjusted and integrated, too, to make the best of teamwork.



(III) Overview of First Quarter of 2025

Unit: In Thousands of New Taiwan Dollars

Item	Reviews performed by the CPAs for the first quarter	%
Operating revenue	2,247,814	100
Operating cost	2,137,960	95
Gross profit	109,854	5
Operating expense	107,115	5
Net operating profit (loss)	2,739	-
Non-operating revenue and expenses	268	-
Net profit (loss) before tax	3,007	-
Net profit (loss) after tax	3,129	-

III. Future Corporate Development Strategies

- (I) Continue to introduce new products for distribution to facilitate steady revenue growths.
- (II) Introduce a wider range of new products such as small and large home appliances, commercial integrated cybersecurity systems, and AI digital systems, and channel distribution.
- (III) Strictly control expenses, increase the sales proportion of high-margin products to increase overall sales profitability.
- (IV) Strengthen inventory management to reduce obsolete stock, leverage existing distribution channels, and maintain quality customers with good credit to support effective accounts receivable management.

IV. Impacts from External Competition, Regulatory Setting, and Overall Operational Environment

(I) External Competition

The electronics distribution market in which we operate is highly competitive, and the sales of information electronics face many challenges. To navigate this environment, the Company maintains a good corporate image relying on the abundant resources and the rigid management system throughout the Group and constantly update our products and upgrade technologies to ensure steady competitiveness on the market in the future.

(II) Regulatory Setting

In this fast-changing environment, applicable laws and regulations are continuously revised to adapt to the needs of the real world. In response to these regulatory changes, we will actively plan corresponding measures to ensure that all operations meet regulatory requirements and that compliance with regulatory requirements is maintained to achieve the goal of conformity.

(III) Overall Operational Environment

A retrospective overview of 2024 shows that the rise of trade protectionism deeply impacted global trade relations and economic structures. Taiwan, as an important hub in the supply chain, despite the uncertain global political and economic environment, has its positioning as an alternative supplier further reinforced, thanks to the geopolitical condition. In 2024, Taiwan's economic growth rate was 4.27%, surpassing the global average. Employment and end-user demand continued to recover. However, challenges may arise from inflationary pressures and the potential slowdown of the global economy and trade risks. The economic growth rate for 2025 is projected to reach 3%.

We will closely monitor market dynamics and actively adjust our strategies as needed to continuously drive innovation. We will also focus on key areas including artificial intelligence (AI), digital transformation, and cybersecurity, and align our development with market trends to seize opportunities and to ensure steady growth in a highly competitive environment.

Finally, I wish all of you

Health and the best in all your endeavors!

Chairman

Cher Wang

Cher Wang

General Manager

Wen-Kang Chen

Wen-Kang Chen

B. Corporate Governance Report

I. Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers

(I) Director Information:

1. Director Profile:

April 30, 2025

Job title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term of office	Date elected (inaugurated) for the first time	No. of shares held when elected/inaugurated		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio			Job title	Name	Relationship	
Chairman	R.O.C.	Hung Mao Investment Co., Ltd. Representative: Cher Wang	Female 61 - 70 years old	20240620	3 years	19980309	22,989,868	25.29%	22,989,868	25.29%	0	0	0	0	Department of Economics, University of California Berkeley General Manager at the PC Department of First International Computer Chairman of VIA Technologies, Inc.	Chairman and General Manager of HTC Corporation Director of H.T.C. (B.V.I) Corp. (Corporate Representative) HTC Investment One (BVI) Director of Corporation (Corporate Representative) Chairman of HTC Investment Co., Ltd. (Corporate Representative) Director of High Tech Computer Asia Pacific Pte. Ltd. (Corporate Representative) Director of VIA Technologies, Inc. Director of VIA Labs, Inc. Director of TVBS Media Inc. (Corporate Representative) Director of Formosa Plastics Corporation Independent non-executive director of Lenovo Group Ltd. Director of CW & ET Link Inc. Director of Way-Chih Investment Co., Ltd. Director of Hsin-Tong Investment Co., Ltd. Director of Kun-Chang Investment Co., Ltd. Director of Hung Mao Investment Co., Ltd. Director of Chuan Te Investment Co., Ltd. Director of Liwei Investment Co., Ltd. Chairman of Viveport Digital Corporation (Corporate Representative) Chairman of REIGN Technology Corporation (Corporate Representative) Chairman of DeepQ Technology Corp. (Corporate Representative) Chairman of VIVE Arts Corporation (Corporate Representative) Chairman of UOMO VITRUVIANO CORPORATION (Corporate Representative) Chairman of HungYao Technology Co., Ltd. (Corporate Representative) Director of ASIAPLAY TAIWAN DIGITAL ENTERTAINMENT LTD. (Corporate Representative)	Director Director General Manager	Wen-Chi Chen Che Chen Wen-Kang Chen	Spouse In-law In-law	Not applicable

Job title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term of office	Date elected (inaugurated) for the first time	No. of shares held when elected/inaugurated		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Other officer(s), director(s), or supervisor(s) who are the spouse or a relative within the second degree of kinship			Remarks			
							Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio		Job title	Name	Relationship				
Director	R.O.C.	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	Male 61 - 70 years old	20240620	3 years	19980309	22,989,868	25.29%	22,989,868	25.29%	0	0	0	0	Master of Computer Science, California Institute of Technology General Manager of US SYMPHONY	General Manager of VIA Technologies, Inc. Director of HTC Corporation Chairman of VIA Labs, Inc. Chairman of TVBS Media Inc. (Corporate Representative) Director of CW & ET Link Inc. Director of Way-Chih Investment Co., Ltd. Director of Hsin-Tong Investment Co., Ltd. Director of Kun-Chang Investment Co., Ltd. Director of Hung Mao Investment Co., Ltd. Director of Chuan Te Investment Co., Ltd. Director of Liwei Investment Co., Ltd. Director of Viveport Digital Corporation (Corporate Representative) Director of REIGN Technology Corporation (Corporate Representative) Director of DeepQ Technology Corp. (Corporate Representative) Director of VIVE Arts Corporation (Corporate Representative) Director of UOMO VITRUVIANO CORPORATION (Corporate Representative) Director of HungYao Technology Co, Ltd. (Corporate Representative) Director of ASIAPLAY TAIWAN DIGITAL ENTERTAINMENT LTD. (Corporate Representative)			Chairman Director General Manager	Cher Wang Che Chen Wen-Kang Chen	Spouse Brother In-law	Not applicable
				20240620	3 years	19980309	4,834,147	5.32%	4,834,147	5.32%	3,584,748	3.94%	0	0								
Director	R.O.C.	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	Male 51 ~ 60 years old	20240620	3 years	19980309	2,694,647	2.96%	2,694,647	2.96%	0	0	0	0	Graduate Institute of Finance, National Taiwan University	Chairman of INTUMIT INC. (Corporate Representative) Director of POWER RADIO CO., LTD. (Corporate Representative) Director of Neweb Technologies Co., Ltd. (Corporate Representative) Director of Chander Electronics Corp. (Corporate Representative) Director of TVBS Media Inc. (Corporate Representative) Independent Director of Ledlink Optics, Inc. Supervisor of Way-Chih Investment Co., Ltd. Supervisor of Hsin-Tong Investment Co., Ltd. Supervisor of Kun-Chang Investment Co., Ltd. Supervisor of Hung Mao Investment Co., Ltd. Supervisor of Chuan Te Investment Co., Ltd. Supervisor of Liwei Investment Co., Ltd.			None	None	None	Not applicable
				20240620	3 years	20160329	0	0	0	0	0	0	0	0								

Job title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term of office	Date elected (inaugurated) for the first time	No. of shares held when elected/inaugurated		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Other officer(s), director(s), or supervisor(s) who are the spouse or a relative within the second degree of kinship			Remarks	
							Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio		Job title	Name	Relationship		
Director	R.O.C.	Chuan Te Investment Co., Ltd. Che Chen	Male 81 ~ 90 years old	20240620	3 years	19980309	2,694,647	2.96%	2,694,647	2.96%	0	0	0	0	Ph.D in Chemical Engineering, University of Florida, USA Assistant Manager at the Doors/ Windows Department of Nan Ya Plastics Corporation	None	Chairman Director	Cher Wang Wen-Chi Chen	In-law Brother	Not applicable
				20240620	3 years	19980309	918,763	1.01%	918,763	1.01%	9,763	0.01%	0	0						
Independent director	R.O.C.	Dao-Song Chen	Male 71 ~ 80 years old	20240620	3 years	20150602	0	0	0	0	0	0	0	0	Department of Business Administration, National Taipei University of Business CPA at Deryu Certified Public Accountants	Independent Director of Chander Electronics Corp. Independent Director of VATE TECHNOLOGY CO., LTD. Independent Director of HLJ TECHNOLOGY CO., LTD. CPA at Deryu Certified Public Accountants	None	None	None	Not applicable
Independent director	R.O.C.	Wen-Hua Liao	Male 41 ~ 50 years old	20240620	3 years	20210720	0	0	0	0	0	0	0	0	Master's Program in Financial and Economic Law at Chung Yuan Christian University Department of Law, Soochow University Chairman of ROC House of Dreams Association	Chairman of ROC House of Dreams Association Independent Director of Acer Synergy Tech Corp. Independent Director of Acer Gaming Inc.	None	None	None	Not applicable
Independent director	R.O.C.	Mao-Song Chang	Male 71 ~ 80 years old	20240620	3 years	20240620	0	0	0	0	0	0	0	0	Founding Pastor of the Xindian Chinese Evangelical Covenant Church	Director of Mega Le Communication Enterprise Co., Ltd Board Director of the Gabriel Gospel Communication Foundation	None	None	None	Not applicable

Major shareholders of corporate shareholders

April 30, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Hung Mao Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (19.9%), VIA Faith and Love Charity Foundation (19.9%), Charitable Trust Social Welfare Fund (19.9%), New Taiwan Peace Foundation (19.9%)
Chuan Te Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (19.9%), VIA Faith and Love Charity Foundation (19.9%), Charitable Trust Social Welfare Fund (19.9%), New Taiwan Peace Foundation (19.9%)

Note: All the major shareholders who are corporate shareholders as mentioned above are charity groups that do not have their own shareholders and hence no names of their major shareholders are provided.

2. Disclosure of the professional knowledge of directors:

Qualification Name	Professional qualifications and experience	Independence analysis (Note)	No. of other public companies at which the person concurrently serves as an independent director
Chairman Cher Wang	<ol style="list-style-type: none"> With economics and sales backgrounds and professional managerial skills as high-ranking officer. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Not applicable	0
Director Wen-Chi Chen	<ol style="list-style-type: none"> With engineering background and professional managerial skills as high-ranking officer. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Not applicable	0
Director Yuh-Ta Chang	<ol style="list-style-type: none"> With the work experience needed for commercial, financial, or corporate operations. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Not applicable	1
Director Che Chen	<ol style="list-style-type: none"> With the work experience needed for commercial or corporate operations. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Not applicable	0
Independent director Dao-Song Chen	<ol style="list-style-type: none"> With the work experience needed for commercial, financial, or corporate operations and none of the conditions under Article 30 of the Company Act. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Fulfillment of all conditions about independence analysis in (1) ~ (4)	3
Independent director Wen-Hua Liao	<ol style="list-style-type: none"> With the work experience needed for commercial or corporate operations and none of the conditions under Article 30 of the Company Act. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Fulfillment of all conditions about independence analysis in (1) ~ (4)	2
Independent director Mao-Song Chang	<ol style="list-style-type: none"> With the work experience needed for commercial or corporate operations and none of the conditions under Article 30 of the Company Act. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details. 	Fulfillment of all conditions about independence analysis in (1) ~ (4)	0

Note: The independence analysis is as follows:

- (1) The person himself/herself, the spouse, or a relative within the second degree of kinship, among others, does not serve as the director, supervisor, or employee of the Company or any of its affiliates.
- (2) The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company.
- (3) No serving as a director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 3 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
- (4) No amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates in the most recent 2 years.

3. Diversification and Independence of Board of Directors:

3.1 Diversification of Board of Directors:

The diversification policy on directors is already specified in Article 20 of the “Corporate Governance Best-Practice Principles” approved by the Company’s Board of Directors:

The Company’s Board of Directors shall guide the Company on strategies, supervise the management, report to the Company and the shareholders, and shall ensure compliance with the requirements in laws and regulations and the Articles of Incorporation or decisions made during the shareholders’ meeting while exercising its functions in respective operations and arrangements about the corporate governance system.

The Company’s Board of Directors shall consist of a suitable number of directors between 5 to 7 reflective of the corporate operational scale and the shareholding status of respective major shareholders and taking practical operational demand into consideration.

Diversification shall be taken into consideration for the composition of the Board of Directors. Besides the fact that the number of directors who are also the Company’s managers may not account for more than one-third of all directors, a suitable diversification policy shall be prepared reflective of its function, operational pattern, and developmental demand. It shall include, without limitation, the following two major criteria:

- (1) Basic criteria and values: Gender, age, nationality, race or ethnicity, and culture, etc.
- (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience. Members of the Board of Directors shall possess the knowledge, skills, and attainments needed to perform their duties. The capabilities expected of the Board of Directors as a whole for the sake of achieving the ideal goals of corporate governance are as follows:
 - (2-1) Operational judgment.
 - (2-2) Accounting and financial analysis.
 - (2-3) Operation and management.
 - (2-4) Crisis management.
 - (2-5) Industrial knowledge.
 - (2-6) International market views.
 - (2-7) Leadership.
 - (2-8) Decision-making.

In order for directors to consist of different professional backgrounds, the target is to have at least 30% of the directors specializing in finance and accounting; currently there are 2 directors specializing in finance and accounting (29%). None of the directors are the Company’s employees. The Company values gender equality in the composition of its Board of Directors. There is one female director. Female directors account for 14% of all directors.

Diversification project	Nationality	Gender	Age			Industrial experience			Professionalism	
			60 years old and younger	61 ~ 70 years old	71 ~ 85 years old	Finance and accounting	Operation and management	Leadership	Finance and accounting	Risk management
Hung Mao Investment Co., Ltd. Representative: Cher Wang	R.O.C.	Female		✓		✓	✓	✓		✓
Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	R.O.C.	Male		✓		✓	✓	✓		✓
Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	R.O.C.	Male	✓			✓	✓	✓	✓	✓
Chuan Te Investment Co., Ltd. Representative: Che Chen	R.O.C.	Male			✓	✓	✓	✓		✓
Dao-Song Chen	R.O.C.	Male			✓	✓	✓	✓	✓	✓
Wen-Hua Liao	R.O.C.	Male	✓			✓	✓	✓		✓
Mao-Song Chang	R.O.C.	Male			✓	✓	✓	✓		✓

3.2 Independence of Board of Directors:

The Company's Board of Directors consists of 7 directors in total, including 3 independent directors.

The independent directors account for 43% of all directors. Members of the Board of Directors are independent and are free of the conditions specified in Paragraphs 3 and 4 under Article 26-3 of the Securities and Exchange Act. Among the members, only Director Wen-Chi Chen and Director Cher Wang are the spouse of each other. Other independent directors or directors versus independent directors are not the spouse or a relative within the second degree of kinship of one another.

(II) Information about the General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers:

April 30, 2025

Job title	Natio-nality	Name	Gend-er	Date elected (inaugurated)	Number of shares held		Shares held by spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Positions held in any other company	Other manager(s) who is the spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relatio-nship	
General Manager	R.O.C.	Wen-Kang Chen	Male	2016.10.11	0	0	0	0	0	0	College/university Manager of Cathay Pacific Airways	Chairman of DINGHAN INTERNATIONAL CORP.	None	None	None	Not applicable
Executive Vice President	R.O.C.	Hsun-Long Huang	Male	2018.01.01	0	0	0	0	0	0	Department of Business Administration, Lunghua University of Science and Technology Product Manager of TECO Corporation Sales Manager of Hung Chi Network Co., Ltd. Assistant Manager of Xander International Products Assistant General Manager of Xander International Products	None	None	None	None	Not applicable
Vice General Manager/ Corporate Governance Officer	R.O.C.	Cai-Rong Lin	Female	2023.01.01 / 2024.05.03	6,720	0.01%	0	0	0	0	Department of International Trade, Ming Chuan University Sales Assistant, Homlan International Corporation Forwarding Administrator, Yubang Trade Internal Business Supervisor, Shuji Co., Ltd.	None	None	None	None	Not applicable
Senior Assistant Manager	R.O.C.	Chi-Ting Lee	Female	2023.01.01	3,215	0.00%	0	0	0	0	Department of Electronic Data Processing, National Taichung University of Science and Technology Project Associate Manager, Genuine C&C, Inc. Procurer of CHANCE PRESENT CO.	None	None	None	None	Not applicable
Assistant Manager	R.O.C.	Ying-Ji Lee	Male	2016.10.01	0	0	598	0.00%	0	0	Department of Computer Science, Chinese Culture University Sales Representative of Han Feng Technology Co., Ltd. Sales Representative of Jialun Technology	None	None	None	None	Not applicable
Assistant Manager	R.O.C.	Guo-Kun Chen	Male	2018.04.01	0	0	0	0	0	0	Department of Business Administration, Tunghai University EMBA, Tunghai University Manager of TAIWAN ARIES CO., LTD.	None	None	None	None	Not applicable

Job title	Natio-nality	Name	Gend-er	Date elected (inaugurated)	Number of shares held		Shares held by spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Positions held in any other company	Other manager(s) who is the spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Sharehol-ding ratio	Number of shares	Sharehol-ding ratio	Number of shares	Sharehol-ding ratio			Job title	Name	Relatio-nship	
Assistant Manager	R.O.C.	Chen-Hua Huang	Female	2023.01.01	0	0	0	0	0	0	Department of General Commerce, Qiang Shu High School Procurer of WRESELE CO., LTD. Procurer of TAIRONE Energy Saving Technology Co., Ltd.	None	None	None	None	Not applicable
Senior Assistant Manager	R.O.C.	Shih-Yu Fang	Male	2023.01.01	0	0	0	0	0	0	Department of Mechanical Engineering, Ming Chi University of Technology Manager of FUJIFILM Business Innovation Taiwan Co., Ltd. Assistant Manager of FUJI XEROX ASIA PACIFIC PTE LTD TAIWAN BRANCH (SINGAPORE)	None	None	None	None	Not applicable
Assistant Manager	R.O.C.	Yu-Ze Chang	Male	2023.01.01	0	0	0	0	0	0	Department of Mechanical Engineering, Hwa Hsia University of Technology Sales Representative of Taiwan Jih Jia Co., Ltd. Sales Representative of BETTER GROUP CO., LTD.	None	None	None	None	Not applicable
Assistant Manager	R.O.C.	Yi-Fan Liu	Male	2021.01.01	0	0	0	0	0	0	Executive Master of Business Administration, National Taiwan Normal University Project Associate Manager of MITAC INCORPORATED Project Associate Manager of D-Link Corporation	None	None	None	None	Not applicable
Accounting Supervisor	Myan-mar	Chao-Heng Yang	Male	2024.06.28	0	0	0	0	0	0	Department of Accounting, National Taipei University Head of Audit Section, Deloitte & Touche (Deloitte Taiwan)	None	None	None	None	Not applicable
Finance Manager	R.O.C.	Hsiu-Chuan Hsiao	Female	2024.08.01	0	0	0	0	0	0	Department of Accounting, Tamkang University EMBA Finance Director at Hsin Tung Yang Corporation	None	None	None	None	Not applicable

Note: The chairman and the general manager or the equivalent (top manager) are either the same individual or each other's spouse or immediate family member: None.

II. Remuneration to Directors, General Managers and Vice General Managers in the Most Recent Year:

(I) Remuneration to Ordinary Directors and Independent Directors

2024; Unit: In Thousands of New Taiwan Dollars / thousand shares

Job title	Name	Remuneration to directors						Sum of A + B + C + D and ratio to net income after tax (%)		Remuneration received by directors for concurrent service as an employee						Sum of A + B + C + D + E + F + G and ratio to net income after tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company				
		Compensation (A)		Retirement pay and pension (B)		Remuneration to Directors and Supervisors (C)		Business Expenses (D)		Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)								
		The Company	All companies included in financial statements	The Company	All companies included in financial statements	The Company	All companies included in financial statements	The Company	All companies included in financial statements	Total	Ratio	Total	Ratio	The Company	All companies included in financial statements	The Company	All companies included in financial statements	Total	Ratio	Total	Ratio	
Chairman	Hung Mao Investment Co., Ltd.																			None		
	Representative Cher Wang																					
Director	Hung Mao Investment Co., Ltd.									258	258	18	18	276	0.78%	276	0.78%					None
	Representative Wen-Chi Chen																					
Director	Chuan Te Investment Co., Ltd.																				None	
	Representative Yuh-Ta Chang																					
Director	Chuan Te Investment Co., Ltd.																				None	
	Representative Che Chen																					
Independent director	Dao-Song Chen	720	720							194	194	65	65	979	2.79%	979	2.79%				None	
Independent director	Wen-Hua Liao																					
Independent director	Hsuan-Hsuan Chen																					
Independent director	Mao-Song Chang																					

*The remuneration to the Company's independent directors includes the costs of transportation and payment for attendance in Board of Directors meetings and the meetings of functional committees, the fixed compensation payable to members of functional committees, and the remuneration to directors set aside as required by the Articles of Incorporation. The above-said fixed compensation is to be advised by the Company's Compensation and Remuneration Committee having referred to the counterpart levels and the time devoted by and the responsibilities undertaken by respective independent directors and is finalized upon approval by the Board of Directors.

*Besides those disclosed in the foregoing table, remuneration paid to directors in the most recent year for the services provided (such as working as a consultant who is not an employee at the parent company/all affiliates/reinvested businesses included in the financial statements): None.

*The remuneration disclosed herein differs from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

*On June 20, 2024, at our company's Board of Directors' election, the term of independent director Xuan-Xuan Chen will end, and Mao-Song Chang will be newly appointed.

Remuneration Range Table

The remuneration range for each director of the Company	Name of Director			
	Total remuneration for the first four items (A+B+C+D)		Total remuneration for the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in financial statements H	The Company	All companies included in financial statements I
Less than NTD1,000,000	Hung Mao Investment Co., Ltd. (Representative: Cher Wang)			
	Hung Mao Investment Co., Ltd. (Representative: Wen-Chi Chen)			
	Chuan Te Investment Co., Ltd. (Representative: Yuh-Ta Chang)			
	Chuan Te Investment Co., Ltd. (Representative: Che Chen)			
	Dao-Song Chen	Dao-Song Chen	Dao-Song Chen	Dao-Song Chen
	Wen-Hua Liao	Wen-Hua Liao	Wen-Hua Liao	Wen-Hua Liao
	Hsuan-Hsuan Chen	Hsuan-Hsuan Chen	Hsuan-Hsuan Chen	Hsuan-Hsuan Chen
	Mao-Song Chang	Mao-Song Chang	Mao-Song Chang	Mao-Song Chang
NTD 1,000,000 (incl.) ~ NTD 2,000,000 (excl.)				
NTD 2,000,000 (incl.) ~ NTD 3,500,000 (excl.)				
NTD 3,500,000 (incl.) ~ NTD 5,000,000 (excl.)				
NTD 5,000,000 (incl.) ~ NTD 10,000,000 (excl.)				
NTD 10,000,000 (incl.) ~ NTD 15,000,000 (excl.)				
NTD 15,000,000 (incl.) ~ NTD 30,000,000 (excl.)				
NTD 30,000,000 (incl.) ~ NTD 50,000,000 (excl.)				
NTD 50,000,000 (incl.) ~ NTD 100,000,000 (excl.)				
NTD100,000,000 or above				
Total	8 people	8 people	8 people	8 people

Note: On June 20, 2024, at our company's Board of Directors' election, the term of independent director Xuan-Xuan Chen will end, and Mao-Song Chang will be newly appointed.

(II) Remuneration to the General Manager and Assistant General Manager

2024; Unit: In Thousands of New Taiwan Dollars / thousand shares

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A + B + C + D and ratio to net income after tax (%)				Remuneration received from investee enterprises other than subsidiaries or from the parent company	
		The Company	All companies included in financial statements	The Company	All companies included in financial statements	The Company	All companies included in financial statements	The Company	All companies included in financial statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Total	Ratio	Total	Ratio
General Manager	Wen-Kang Chen	11,355	11,355	0	0	0	0	0	0	0	0	0	11,355	32.37%	11,355	32.37%	None
Executive Vice President	Hsun-Long Huang																
Vice General Manager	Cai-Rong Lin																

Note: 1. The actual retirement and pension paid was NTD 0 thousand and that set aside came to NTD 537.6 thousand.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Vice General Manager(s)	
	The Company	All companies included in financial statements
Less than NTD1,000,000	-	-
NTD 1,000,000 (incl.) ~ NTD 2,000,000 (excl.)		
NTD 2,000,000 (incl.) ~ NTD 3,500,000 (excl.)	Hsun-Long Huang, Cai-Rong Lin	Hsun-Long Huang, Cai-Rong Lin
NTD 3,500,000 (incl.) ~ NTD 5,000,000 (excl.)	-	-
NTD 5,000,000 (incl.) ~ NTD 10,000,000 (excl.)	Wen-Kang Chen	Wen-Kang Chen
NTD 10,000,000 (incl.) ~ NTD 15,000,000 (excl.)	-	-
NTD 15,000,000 (incl.) ~ NTD 30,000,000 (excl.)	-	-
NTD 30,000,000 (incl.) ~ NTD 50,000,000 (excl.)	-	-
NTD 50,000,000 (incl.) ~ NTD 100,000,000 (excl.)	-	-
NTD100,000,000 or above	-	-
Total	3 people	3 people

(III) Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx-listed Company:

2024; Unit: In Thousands of New Taiwan Dollars / thousand shares

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)		Sum of A + B + C + D and ratio to net income after tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company		
		The Company	All companies included in financial statements	The Company	All companies included in financial statements	The Company	All companies included in financial statements	The Company	All companies included in financial statements	Total	Ratio			
General Manager	Wen-Kang Chen	15,523	15,523							15,523	44.25%	15,523	44.25%	None
Executive Vice President	Hsun-Long Huang													
Assistant General Manager	Cai-Rong Lin													
Assistant Manager	Chen-Hua Huang													
Senior Assistant Manager	Chi-Ting Lee													

Note: The actual retirement and pension paid was NTD 0 thousand and that set aside came to NTD 768 thousand.

Names of Managers Entitled to Remuneration to Employees and Distribution Status

2024; Unit: NTD thousand

	Job title	Name	Amount in stock	Amount in cash	Total	Ratio of sum to net income after tax (%)
Manager	General Manager	Wen-Kang Chen	0	0	0	0
	Executive Vice President	Hsun-Long Huang				
	Vice General Manager	Cai-Rong Lin				
	Senior Assistant Manager	Chi-Ting Lee				
	Senior Assistant Manager	Shih-Yu Fang				
	Assistant Manager	Yi-Fan Liu				
	Assistant Manager	Guo-Kun Chen				
	Assistant Manager	Ying-Ji Lee				
	Assistant Manager	Chen-Hua Huang				
	Assistant Manager	Yu-Ze Chang				
	Accounting Supervisor	Chao-Heng Yang				
	Finance Manager	Hsiu-Chuan Hsiao				

(IV) Respectively compare and describe the analysis of the proportion of total remuneration paid to the Company's Directors, Supervisors, General Manager and Assistant General Manager by the Company and all the companies listed in the consolidated statements in the most recent two years to the Net Income After Tax in individual financial statements, and describe the policies, standards and packages for payment of remuneration, as well as the procedures followed for determining remuneration, and their linkages to business performance and future risk:

Status	Fiscal year	Ratio of Total Remuneration of 2024 to Net Income After Tax				Ratio of Total Remuneration of 2023 to Net Income After Tax			
		The Company		All companies included in the Consolidated Statement		The Company		All companies included in the Consolidated Statement	
		Total	Ratio	Total	Ratio	Total	Ratio	Total	Ratio
Director		1,255	3.57%	1,255	3.57%	1,024	4.90%	1,024	4.90%
General Manager and Assistant General Manager		11,355	32.37%	11,355	32.37%	11,042	52.64%	11,042	52.64%

1. The independent directors of the Company receive fixed remuneration monthly. If the Company is profitable for the year, director's remuneration not exceeding 1% of the annual profit shall be allocated in accordance with Article 19 of the Company's Articles of Incorporation. This takes into account the Company's operating performance, financial condition, and director's responsibilities, and is linked to operational performance and profitability. After review by the Compensation and Remuneration Committee, it is submitted to the Board of Directors for a resolution.
2. Remuneration to managers includes the salary and bonus. The salary, in particular, takes into reference counterpart levels and the title, position, education and experience, professionalism, and responsibilities and follows the Salary Payment Criteria of the Company while the bonus is highly linked to operational performance and includes financial indicators (such as corporate revenue and net profit fulfillment rate) and non-financial indicators (such as the prevention against operational risk or major deficiencies) for its payment. In addition, the Company already set up its Compensation and Remuneration Committee on December 27, 2011 to periodically discuss the compensation and remuneration policy and structure of the Company's directors and managers.

III. Status of Corporate Governance

(I) Operation of the Board of Directors:

1. Operation of the Board of Directors

The Board of Directors met 5 times (A) in the most recent year and the attendance (seating) of directors in the meetings was as follows:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) [B/A]	Remarks
Chairman	Hung Mao Investment Co., Ltd. Representative: Cher Wang	0	4	0%	Re-election 2024.06.20
Director	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	0	5	0%	Re-election 2024.06.20
Director	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	5	0	100%	Re-election 2024.06.20
Director	Chuan Te Investment Co., Ltd. Representative: Che Chen	4	0	80%	Re-election 2024.06.20
Independent director	Dao-Song Chen	5	0	100%	Re-election 2024.06.20
Independent director	Wen-Hua Liao	5	0	100%	Re-election 2024.06.20
Independent director	Hsuan-Hsuan Chen	2	0	40%	Existing 2021.07.20
Independent director	Mao-Song Chang	3	0	60%	Newly appointed 2024.06.20
Other information required to be disclosed:					
I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:					
<p>(I) Any matter under Article 14-3 of the Securities and Exchange Act: The Company has the Audit Committee in place; the requirement under Article 14-3 of the Securities and Exchange Act does not apply. For related information, please refer to the Operation of the Audit Committee herein.</p> <p>(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any Board resolution: This did not happen.</p>					
II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: This did not happen.					
III. For a TWSE or TPEx-listed company, disclose information including the cycle and period of the evaluation by the Board of Directors itself (or by its peer), the scope of evaluation, the evaluation method, and what is included in the evaluation. Additionally, complete Implementation of Evaluations of the Board of Directors:					
<p>The Company already completed the 2024 Board of Directors evaluation before the first quarter of 2025. The Board of Directors as a whole, the functional committees (Audit Committee, Compensation and Remuneration Committee) and respective directors were evaluated. The fulfillment rates of both self or peer evaluations were above 90%; that is, operations in all respects were optimal. The results were reported to the Board of Directors on 3/10/2025.</p>					

Implementation Status of Board of Directors Evaluations				
Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once a year	January 01, 2024 to December 31, 2024	Board of Directors, Respective Directors, and Functional Committees (Compensation and Remuneration Committee and Audit Committee)	<ol style="list-style-type: none"> Internal self-assessment of Board of Directors Self-assessment of directors The evaluation is performed by an external professional independent organization or external expert team once every three years 	<ol style="list-style-type: none"> Board of Directors Performance Evaluation: involvement in corporate operations, enhanced decision-making quality of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, internal control Individual Directors Performance Evaluation: keeping track of the Company's goals and missions, awareness of the duties of directors, involvement in the Company's operation, internal relations management and communication, professional and continuing education for directors, internal control Audit Committee Performance Evaluation: involvement in the Company's operation, awareness of the duties of Audit Committee, enhanced decision-making quality of Audit Committee, composition and member election of Audit Committee, internal control Compensation and Remuneration Committee Performance Evaluation: involvement in the Company's operation, awareness of the duties of Compensation and Remuneration Committee, enhanced decision-making quality of Compensation and Remuneration Committee, composition and member election of Compensation and Remuneration Committee, internal control
<p>IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the Board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the implementation status:</p> <p>Give an evaluation of the company's targets that were adopted for strengthening of the functions of the Board during the current and immediately preceding fiscal years and the implementation status, please refer to "(II) Operation Status of the Audit Committee", "(III) Corporate Governance - Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons", and "(IV) Composition, Responsibilities, and Operations of the Compensation and Remuneration Committee, If Available" of "Status of Corporate Governance" herein.</p>				

(II) Operation of the Audit Committee:

The Audit Committee met 4 times in the most recent year (A) and the attendance (seating) of independent directors in the meetings was as follows:

Job title	Name	Number of actual attendance (B)	No. of meetings attended by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent director	Dao-Song Chen	4	0	100%	Re-elected 2024.06.20
Independent director	Wen-Hua Liao	4	0	100%	Re-elected 2024.06.20
Independent director	Hsuan-Hsu an Chen	2	0	50%	Existing 2021.07.20
Independent director	Mao-Song Chang	2	0	50%	Newly appointed 2024.06.20

Other information required to be disclosed:

I. If the Audit Committee has any of the following circumstances, the date and session number of the meeting of the Audit Committee, proposal contents, independent directors' dissenting opinions, qualified opinions, or major recommendations, the resolution made by the Audit Committee and the Company's reactions towards the Audit Committee's opinions shall be specified.

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

Audit Committee Meeting Session No./ Date	Contents of the proposal	Independent directors' dissenting opinions, qualified opinions, or major recommendations	Resolution made by the Audit Committee	Company's reactions towards the Audit Committee's opinions
No. 11 of the first intake 2024/03/07	<ol style="list-style-type: none"> 1. The Company's 2023 self-evaluation of internal control system findings and Internal Control System Declaration. 2. The Company's 2023 Business Report and Financial Statements. 3. The Company's 2023 Earnings Distribution Proposal. 4. The Company plans to issue 2024 employee stock option warrants. 	None	The proposal was approved as is unanimously by all Audit Committee members.	The case was brought forth to the Board of Directors and was approved by all attending directors
No. 12 of the first intake 2024/05/03	<ol style="list-style-type: none"> 1. Delegation and compensation of CPAs for the Company's financial statements. 2. Evaluation of the independence and suitability of the CPAs. 3. Financial statements for the first quarter of 2024. 4. Change of managers of our company. 	None	The proposal was approved as is unanimously by all Audit Committee members.	The case was brought forth to the Board of Directors and was approved by all attending directors
No. 1 of the second intake	<ol style="list-style-type: none"> 1. Financial statements for the second quarter 	None	The proposal was approved as is	The case was brought forth to the Board of

2024/08/09	of 2024. 2. Ratification and approval of changes in the Company's managerial personnel.		unanimously by all Audit Committee members.	Directors and was approved by all attending directors
No. 2 of the second intake 2024/11/12	1. Financial statements for the third quarter of 2024. 2. Amend some provisions of the Company's "Audit Committee Organic Rules". 3. 2025 Audit Plan. 4. Prepare the "Operating Procedure for the Preparation and Qualification of Sustainability Reports" 5. Prepare the company's "Internal Control System for Sustainable Information Management."	None	The proposal was approved as is unanimously by all Audit Committee members.	The case was brought forth to the Board of Directors and was approved by all attending directors
(II) Besides those mentioned in the foregoing, other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee: This did not happen.				
II. The status of implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the director voted: This did not happen.				
III. Communication among independent directors, internal audit supervisors and CPAs (including important matters, methods, and results of the Company's finance and business conditions):				
1. The Company's internal audit officer periodically submits the audit report to the independent directors and the Internal Audit Operation Report, the Annual Audit Plan, and the Amendment to the Internal Control System, among other proposals during the Audit Committee and the Board of Directors meetings so that independent directors can fully keep track of how operational internal control is enforced throughout the Company. The independent directors did not show any opposing or qualified opinion regarding each of the proposals. Communications regarding the audit operation is optimal.				
2. Before the Company issues its financial statements, the independent directors and CPAs communicate with each other in advance and reach consistent conclusions. The most recent communications were about clarifications by the CPAs on key audit matters regarding the 2024 Statements. In other words, the Company's independent directors and CPAs are communicating with each other smoothly.				

(III) Corporate Governance - Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has prepared its “Corporate Governance Best-Practice Principles” with reference to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reflective of the practical operation of the Company and such information is disclosed in the “Market Observation Post System (MOPS)” and on the corporate website as required by laws and regulations for enhanced information transparency in order to protect the rights of shareholders and stakeholders.	No difference
II. Shareholding Structure and Shareholders’ Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) The Company already has the spokesperson, acting spokesperson, and shareholder service units, among other specialist organizations to take care of shareholder advice or disputes, etc.	
(II) Does the Company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	✓		(II) The Company keeps track of the shareholding status of its directors, managers, and major shareholders holding at least 10% of its shares and declares the shares held by major shareholders on schedule.	No difference
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(III) All interactions between the Company and any of its affiliates follow applicable regulatory requirements and the internal control system of the Company.	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(IV) The Company has defined the “Anti-Insider Trading Management Guidelines” to prevent against insider trading.	
III. Composition and responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the Board and have they been fully implemented?	✓		(I) The Company already specified in its “Corporate Governance Best-Practice Principles” that members of the Board of Directors shall be selected according to their professional background, skills, and industrial experience and shall possess the knowledge, skills, and attainments required to fulfill their duties that will help with corporate developments and operation to a certain extent. At present, the Company’s Board of Directors consists of 7 members; three of which are independent directors and the members are experienced and specialize in finance, administration, and technology, among others. For the fulfillment of diversification, refer to Pages 8 and 9 herein.	No difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
(II) Has the Company voluntarily established other functional committees in addition to the Compensation and Remuneration Committee and the Audit Committee?	✓		(II) Except for the Compensation and Remuneration Committee and the Audit Committee that are set up as required by law, the temporary Nomination Committee is formed for the sake of the Board of Directors re-election. The remainder corporate governance operations are the responsibilities of respective departments; no other functional committees have been set up yet.	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on a yearly basis, and submitted the results of performance evaluations to the Board of Directors and used them as reference in determining salary/ compensation for individual directors and their nomination and additional office terms?	✓		(III) The Company already approved the establishment of the Board of Directors Performance Evaluation Guidelines and the evaluation method on 3/12/2020 and has performed the evaluations as required each year and results of the performance evaluations have been reported to the Board of Directors and referred to for the compensation and remuneration determined for and the nomination for a subsequent term in office of individual directors. The 2024 Board of Directors Performance Evaluation will be submitted to the Board on March 10, 2025.	
(IV) Does the Company regularly evaluate its CPAs' independence?	✓		(IV) The Company's Finance Department evaluates the independence of CPAs spontaneously regularly each year. The independence and suitability of CPAs evaluation criteria are intended to be submitted to the Audit Committee and the Board of Directors for review on 5/13/2025 (refer to the notes for details).	
IV. Does the TWSE/TPEX-listed company have in place an adequate number of qualified corporate governance staff and has it appointed a corporate governance officer to take charge of corporate governance-related affairs (including, without limitation, to providing information necessary for directors and supervisors to perform their duties, assisting directors and supervisors in complying with laws and regulations, organizing Board of Directors meetings and shareholders' meetings as required by law, and compiling minutes of Board of Directors meetings and shareholders' meetings)?	✓		(I) The Company already approved the setup of its Corporate Governance Officer through the Board of Directors meeting on August 5, 2022. The Officer will take charge of corporate governance-related affairs, including providing information necessary for directors to perform their duties, assisting directors in complying with laws and regulations, organizing Board of Directors meetings and shareholders' meetings. (II) Continuing education hours for the Corporate Governance Officer: In response to organizational restructuring, Vice General Manager Cai-Rong Lin was appointed as the new Corporate Governance Officer on May 3, 2024. First appointment in 2024: No need to declare. For the Fiscal Year 2025: 18 hours.	No difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
V. Has the Company established channels for communicating with its stakeholders (including, without limitation, shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' concerns about important corporate social responsibility issues?	✓		The Company has the spokesperson and acting spokesperson in place to communicate externally and to contact and speak with stakeholders directly.	No difference
VI. Has the Company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	✓		The Company delegates the professional shareholder service agency - Registrar of CTBC - to take care of respective shareholder affairs and operational control for the shareholder service is defined in the internal control system to govern related affairs.	No difference
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (III) Does the company publish and report its annual financial statements within two months after the end of the fiscal year, and publish and report its financial statements for the first, second, and third quarters as well as its operating statements for each month by the specified deadlines?	✓		(I) The Company has established a corporate website to periodically disclose information regarding its financials, business, and corporate governance. The website is https://www.xander.com.tw/ . (II) The Company has someone in place to take charge of collecting and disclosing information and timely and adequately disclosing related information properly as required in the "Market Observation Post System"; the website is: https://mops.twse.com.tw/mops/web/index . The Company has the spokesperson and acting spokesperson in place as required to consolidate the spokesperson system. (III) The Company has not so far announced or declared its annual statements within two months after the end of the fiscal year but it announces and declares them by the specified deadline and also announces and declares its financial statements for the first, second, and third quarters as well as its operating statements for each month by the specified deadlines.	No difference
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including, without limitation, employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the	✓		(I) Employee rights: The Company protects the fundamental rights of its employees as required by the Labor Standards Act. (II) Employee care: Employees may fully express issues they have encountered in life and at work through the official or non-official communication channels available in the Company and someone will provide them with necessary assistance. (III) Investor relations: The Company has the spokesperson to take charge of addressing opinions from shareholders. (IV) Supplier relations: The Company has been in	No difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			<p>(V) an optimal collaborative relationship with suppliers.</p> <p>(VI) Rights of stakeholders: Stakeholders may communicate with the Company in order to protect the legal rights they are entitled to.</p> <p>(VI) Continuing education of directors: The Company's directors take part in professional continuing education on finance and business from time to time. In 2024, directors and independent directors completed a total of 58 hours of such continuing education.</p> <p>(VII) Implementation of Risk Management Policies and Risk Measurement Standards: The Company has been adhering to the principle of robust operation and does not get involved in high-risk opportunistic behavior.</p> <p>(VIII) Implementation of Customer Policies: The Company has always prioritized providing customers with products of optimal, reliable, and stable quality.</p> <p>(IX) Liability Insurance for the Company's Directors: The Company extended the liability insurance for directors, independent directors, and managers on May 01, 2025, with an insured amount of USD 3,000,000, and intends to report the insured status to the Board of Directors on May 13, 2025.</p>	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement:				
<p>1. Improvements already made:</p> <ul style="list-style-type: none"> * The Board of Directors Evaluation Guidelines were approved by the Board of Directors and evaluations have been performed accordingly. The evaluation process and findings are disclosed on the corporate website and in the Annual Report. * The Company set up the Corporate Governance Officer in August 2022 to reinforce corporate governance operations. <p>2. Priorities and measures:</p> <ul style="list-style-type: none"> * The actual attendance rate in the Board of Directors meetings by all directors in the year of evaluation reached more than 85%. * According to the "Regulations on the Preparation and Submission of Sustainability Reports by Listed Companies," the sustainability report for the previous year must be submitted by the end of August 2025. 				

XANDER INTERNATIONAL CORP.

Evaluation of the independence and suitability of CPAs

I. Evaluator: Audit Committee

II. Fiscal year 2025

III. Date of evaluation: 2025/04/30

IV. Assessment of the appointed accounting firm and CPAs: CPA Chien-Ming Tseng and CPA Wen-Ya Hsu of Deloitte & Touche (Deloitte Taiwan)

V. Evaluation content: Defined with reference to Article 47 of the Certified Public Accountant Act and “Integrity, Fairness, Objectivity and Independence” set forth in The Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10:

Item No.	Evaluation item	Evaluation outcome	Fulfillment of independence
1	Do the CPAs have direct or indirect significant financial interests in the Company?	No	Yes
2	Are the CPAs in financing or guarantee relationships with the Company or the Company's director(s)?	No	Yes
3	Are the CPAs in a close business relationship and potential employer-employee relationship with the Company?	No	Yes
4	Are the CPAs or members on their audit team current directors, managers, or holding positions with significant impacts on the audit task or have they served such positions over the most recent two years?	No	Yes
5	Are the CPAs providing the Company with non-audit service items that may impact the audit task directly?	No	Yes
6	Are the CPAs brokering the shares or other securities issued by the Company?	No	Yes
7	Are the CPAs the Company's defendants or coordinating with other third parties on behalf of the Company over incurred conflicts?	No	Yes
8	Are the CPAs relatives of the Company's directors, managers, or other people with significant impacts on the audit task?	No	Yes
9	Have the CPAs received valuable give-aways or gifts from the Company or the Company's directors, managers, or major shareholders?	No	Yes

VI. Evaluation outcome

CPA Chien-Ming Tseng and CPA Wen-Ya Hsu of Deloitte & Touche (Deloitte Taiwan) fulfill the independence and suitability criteria and can serve as the CPAs of the Company.

(IV) Operational Status of the Compensation and Remuneration Committee:

Profile of Members of the Compensation and Remuneration Committee

2025/04/30

Status	Name	Qualification	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as a member of the Compensation and Remuneration Committee
Independent director (Convener)	Wen-Hua Liao	Master's Program in Financial and Economic Law at Chung Yuan Christian University Department of Law, Soochow University Chairman of ROC House of Dreams Association Independent Director of Acer Synergy Tech Corp. Independent Director of Acer Gaming Inc.		1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates 2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company 3. Not a director, supervisor, or employee of a company related to the Company in a specific way 4. The amount of rewards received for commercial, legal, financial, or accounting services not provided to the Company or its affiliates in the most recent 2 years	2
Independent director	Dao-Song Chen	Department of Business Administration, National Taipei University of Business Independent Director of Chander Electronics Corp. Independent Director of VATE TECHNOLOGY CO., LTD. Independent Director of HLJ TECHNOLOGY CO., LTD. CPA at Deryu Certified Public Accountants			3
Independent director	Mao-Song Chang	Doctor of Pastoral Ministry, China Evangelical Seminary Founding Pastor of the Xindian Chinese Evangelical Covenant Church Director of Mega Le Communication Enterprise Co., Ltd Board Director of the Gabriel Gospel Communication Foundation			0

Duties of the Compensation and Remuneration Committee

The Company's Compensation and Remuneration Committee evaluates the compensation and remuneration policy and system of the Company's directors, members of the Audit Committee, and managers in a professional and objective way and provides the Board of Directors with advice for reference while the Board of Directors makes a decision.

Operational Status of the Compensation and Remuneration Committee

- I. The Company's Compensation and Remuneration Committee consists of 3 members in total.
- II. Current members will serve a term from June 20, 2024 to June 19, 2027. The Compensation and Remuneration Committee met 3 times in 2024. The eligibility and attendance of members are as follows:

Job title	Name	Number of actual attendance	No. of meetings attended by proxy	Actual attendance rate (%)	Remarks
Convener	Wen-Hua Liao	3	0	100%	Re-elected 2024/06/20
Member	Dao-Song Chen	3	0	100%	Re-elected 2024/06/20
Member	Hsuan-Hsu an Chen	2	0	67%	Existing 2021/07/20
Member	Mao-Song Chang	1	0	33%	Newly appointed 2024/06/20

Other information required to be disclosed:

- I. If the Board of Directors does not adopt or amend the recommendations made by the Compensation and Remuneration Committee, the date and session of the Board of Directors' meeting, details of the resolutions, voting results and the Company's response to the opinions of the Remuneration Committee shall be disclosed (if the remuneration approved by the Board of Directors is better than that recommended by the Compensation and Remuneration Committee, the differences and reasons shall be stated): This did not happen.
- II. Regarding resolutions of the Compensation and Remuneration Committee, if there is any written record or statement pertaining to members' objections or qualified opinion, the date and session of the Compensation and Remuneration Committee meeting, details of the resolution, opinions of all members, and how members' opinions are addressed shall be stated: This did not happen.
- III. Proposals discussed and resolutions made by the Compensation and Remuneration Committee over the most recent year are shown in the table below:

Compensation and Remuneration Committee Meeting Session No./Date	Contents of the Proposal and Subsequent Treatment	Resolution	Company's reactions towards the Compensation and Remuneration Committee's opinions
No. 6 of the fifth intake 2024/03/07	<ol style="list-style-type: none"> 1. The distribution of 2023 remuneration to employees and that to directors and supervisors. 2. Discussed fulfillment of operational performance of directors, supervisors, and managers and allocation of bonus. 3. Discussed the 2024 work plan for the Compensation and Remuneration Committee. 4. How 2024 employee stock option warrants will be issued and subscription guidelines. 	The proposal was approved as is unanimously by all attending members following inquiries by the chairperson	The case was brought forth to the Board of Directors for discussion and was approved by all attending directors
No. 7 of the fifth intake 2024/05/03	<ol style="list-style-type: none"> 1. Submitted the Company's 2024 managerial personnel change proposal. 2. Discussed fulfillment of operational performance of directors, supervisors, and managers and allocation of bonus. 	The proposal was approved as is unanimously by all attending members following inquiries by the chairperson	The case was brought forth to the Board of Directors for discussion and was approved by all attending directors
No. 1 of the sixth intake 2024/11/12	<ol style="list-style-type: none"> 1. Discussed fulfillment of operational performance of directors, supervisors, and managers and allocation of bonus. 2. Discussed the 2025 work plan for the Compensation and Remuneration Committee. 	The proposal was approved as is unanimously by all attending members following inquiries by the chairperson	The case was brought forth to the Board of Directors for discussion and was approved by all attending directors

(V) Promotion of Sustainable Development - Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Brief description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	✓		The Company decided to develop the “Sustainable Development Best Practice Principles” through the Board of Directors meeting on 08/05/2022. A dedicated unit was not established for the relevant activities; the Sustainable Development Team formed by employees from each department, however, will implement sustainable developments when the need arises.	No difference
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Company has yet to develop relevant risk management policies, but efforts have been made in the following ways: (I) Environment: Improve the efficiency in energy and water conservation, reduce environmental impacts, and become an environmentally friendly corporate citizen. (II) Society: Create a positive and happy workplace with a comprehensive system to help protect the rights of the employees, retain talent, and match the right talent to the right roles. (III) Corporate governance: Demonstrate operational stability and efficiency, look forward to creating social value with customers.	No difference
III. Environmental Issues (I) Has the Company set up an environmental management system reflective of its industrial characteristics?	✓		The Company's operating site is in New Taipei City, and has no prior records of any violation of environmental laws and regulations or material violation. The Company has also created a comfortable environment to be a great place for the employees to work in according to law.	No difference
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impacts?	✓		The Company is engaged in the distribution of electronic products, and has little possibility of generating pollution. Furthermore, to conserve	No difference

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Brief description	
			energy efficiently is a rule abided by all the employees of the Company. The Company is also moving towards to digitalized workflows to minimize the use of applicable consumables.	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		The air-conditioner temperature setting is adjusted as appropriate within the office when the employees are at work. When repair or maintenance is performed for the air conditioning units, the need for their replacement shall be examined as well. The Company also purchases green, low-carbon products whenever it is possible.	No difference
(IV) Did the Company collect data for the past two years on greenhouse gas emissions, water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		Our company has been tracking greenhouse gas emissions over the past two years according to Scope 1 and Scope 2. However, because of the nature of our industry and the fact that we are not a manufacturing business, we are unable to measure water usage or total waste weight. Nevertheless, we remain fully committed to promoting energy conservation and waste reduction. The related measures are as follows: <ol style="list-style-type: none"> 1. Turn off the lights in public places during rest breaks, and increase the awareness among employees to turn off lights whenever they are not in use. 2. Using LED lights 3. Promote the use of digitalized systems to reduce paper consumption. 	Not applicable
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?	✓		1. The Company adheres to all applicable labor laws including the Labor Standards Act (LSA) as well as to the International Bill of Human Rights to protect the rights to which the Company's employees are legally entitled. These include the prohibitions on the hiring child labor and on all forms of forced labor, the elimination of employment discrimination, and ensuring equal employment opportunity and equality of remuneration and opportunities of training and job	No difference

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Brief description	
			<p>promotion in the workplace.</p> <p>2. To meet the requirements for preparing the sustainability report, the “Human Rights Policy” is planned to be approved at the Board meeting on May 13, 2025</p>	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/ compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/ compensation?	✓		<p>The Company has put work rules and human resource policies in place, which ensure that the Company’s requirements relating to base salary, hours of work, and paid leaves are in compliance with the LSA.</p> <p>Meanwhile, the Employee Welfare Committee is in place to implement and provide all kinds of benefits for the employees. The Company’s remuneration policy is designed to reflect the performance of an employee based on the performance review reflective of his/her skills and contribution to the Company; it is positively correlated to the operational performance.</p>	No difference
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p>1. The Company and its work areas are equipped with tight security and a 24-hour surveillance system. Access to the work areas requires authentication of an identification card to protect the safety of the employees at work.</p> <p>2. Periodic health check is performed as a group in healthcare facilities, and vaccination and anti-cancer health examination van are provided as arranged by the district office.</p> <p>3. Period mechanical and electrical, fire inspection and disaster prevention drills are performed.</p> <p>4. No accident occurs in 2024.</p>	No difference
(IV) Has the Company established effective career development training programs for employees?	✓		<p>1. To empower employees professionally, the Company encourages them to participate in external trainings so they can fully utilize their talent and enhance the quality of their work.</p> <p>2. Hold educational trainings with the manufacturer from time to time.</p> <p>3. Internal talent development program</p>	No difference

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Brief description	
			(1) Annual team-building activities designed to identify and nurture leadership talent. (2) Elite Club, a nurturing platform for the succession and development of senior executives	
(V) Does the Company comply with applicable laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and have related policies and complaint-filing procedures in place to protect the rights of consumers or customers?	✓		1. The Company provides product service and looks upon itself to provide customers with satisfying quality and service. Meanwhile, contact information is available on the corporate website to take charge of addressing customer complaints and grievances. 2. Provide product liability insurance, public accident insurance, and other coverage to protect customers' health and safety.	No difference
(VI) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		Before doing business with suppliers, the Company adopts a supplier evaluation system; suppliers' financial stability, product quality, and commitment to social responsibilities are highly valued. The Company has a long-term relationship with most of its suppliers. The Company may terminate or cancel its agreement with a supplier in case of any adverse impact on environmental protection, occupational safety and health, or labor rights.	No difference
V. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the Company obtain third party assurance or certification for the reports above?	✓		The Company intends to submit for approval and release its first Sustainability Report by August 31, 2025 according to the Regulations on the Preparation and Submission of Sustainability Reports by Listed Companies.	No difference
VI. If the Company has adopted its own sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any deviation from the principles in the Company's operations: The Company has developed its "Sustainable Development Best Practice Principles", and they are implemented in honor of the essence and principles defined in the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".				
VII. Other important information to facilitate a better understanding of the company's promotion of sustainable development: None.				

Climate-Related Information of TWSE/TPEx Listed Company

1. Climate-Related information Implementation Status

Item	Implementation status
1. Describe the Board of Directors' and the management's oversight and governance of climate-related risks and opportunities.	Report to the Board of Directors on the greenhouse gas inventory and verification schedule for each quarter in 2023 onwards, and formulate talent training, strategic objectives, control mechanisms, and internal verification plans.
2. Describe how the identified climate risks and opportunities affect corporate business, strategy, and finance (short, medium, and long term).	Under preparation.
3. Describe the financial impact of extreme weather events and transformative actions.	Under preparation.
4. Describe how climate risk identification, assessment, and management processes are integrated in the overall risk management system.	Under preparation.
5. If scenario analysis is used to assess resilience to the climate change risk, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario analysis has not been conducted yet so far.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The relevant transition plan for risk assessment has not been implemented yet.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not been established yet.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Climate-related goals have not been set yet.
9. Greenhouse gas inventory and assurance status (provide the information in 1-1 and 1-2, too).	Refer to the table below for details.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons of CO₂e), intensity (metric tons of CO₂e/NTD million), and data coverage of greenhouse gases in the most recent 2 fiscal years

Greenhouse gas inventory has been planned since 2023, with the Company as the inventory boundary, excluding reinvested subsidiaries.

Direct greenhouse gas emissions (Scope 1): The emission sources owned or controlled by the Company are primarily direct emissions from diesel consumption; no bio-based energy is used.

Indirect greenhouse gas emissions (Scope 2): The Company's indirect emissions primarily come from greenhouse gases produced by the electricity it purchases.

Metric tons of CO ₂ e/ year	Scope 1	Scope 2	Total emissions
2023	143.9511	392.8742	536.8253
2024	148.0632	376.8405	524.9037

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the date when the Annual Report was printed, including the scope of assurance, assurance institutions, assurance standards, and assurance opinions.

Currently, external institution assurance has not been carried out yet; assurance will be completed as scheduled according to the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEX Listed Company".

1-2. Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the reduction target fulfillment status.

The paid-in capital of the Company has not reached NTD5 billion and as is required by the Financial Supervisory Commission, the Company should complete inventory information disclosure by 2027 and assurance information disclosure by 2029. No applicable plans are available for this year yet.

(VI) Ethical Corporate Management - Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Brief description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) On November 8, 2023, the Board of Directors of the Company established the “Ethical Corporate Management Best Practice Principles”, engaging in commercial activities based on the principles of fairness, honesty, and transparency. To implement the ethical corporate management policy and actively prevent against unethical conduct, the senior management actively implements the commitment to the corporate management policy.	
(II) Does the Company has an assessment mechanism for the risk of unethical conduct in place, regularly analyze and evaluate, within its scope of operation, business activities with a higher risk of unethical conduct, and have in place a program to prevent unethical conduct that is defined accordingly and covers at least respective activities prescribed in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?	✓		(II) During the orientation training, new employees will be informed of the Company’s ethical requirements and code of conduct. Relevant policies will be added reflective of the actual operations, too.	No difference
(III) Does the Company clearly set out operating procedures, behavioral guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the program?	✓		(III) To ensure ethical corporate management is strictly implemented, the Company has established effective accounting systems and internal control systems, with periodic reviews being conducted by internal auditors on the compliance with the internal controls.	
II. Ethical Management Practice				
(I) Does the Company assess the ethics records of those it does business with and include ethical conduct related clauses in business contracts?	✓		(I) The Company verifies corporate authenticity through the website of the Department of Commerce, Ministry of Economic Affairs before transactions. The credit status of the counterparties is also verified through a variety of other channels to confirm their business ethics.	
(II) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least	✓		(II) The Company did not set up an exclusively (or concurrently) dedicated unit to be responsible for raising awareness of ethical corporate	No difference

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Brief description	
once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent against unethical conduct and monitor their implementation?			management. Relevant activities are currently being conducted by the audit department and Board of Directors which serve supervisory and counseling roles.	
(III) Has the Company established policies to prevent conflict of interest, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(III) In order to establish a corporate culture of ethical corporate management and sustainable development, the Company has formulated the Code of Ethical Conduct to prevent against conflicts of interest, and provided appropriate channels for directors, managers, and all employees to proactively disclose any potential conflicts of interest with the Company.	
(IV) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise related audit plans to audit compliance with the systems to prevent against unethical conduct or hire outside accountants to perform the audit?	✓		(IV) To ensure ethical corporate management is strictly implemented, the Company has established effective accounting systems and the internal control system, with periodic reviews being conducted by internal auditors on compliance with the internal controls.	
(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	✓		(V) New employees will be informed of the Company's policy on ethical corporate management during their orientation training. It is also being promoted at meetings from time to time to ensure its implementation.	
III. Operational Status of Corporate Whistleblowing System				
(I) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		(I) The Company has established an employee conduct and discipline policy. In the event of a violation of the ethical corporate management policy by an employee, it will be reviewed by the responsible department head to determine relevant disciplinary actions for the employee, with the details of the misconduct being disclosed to the whole company via a notice sent by the Human Resources Department.	No difference
(II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after an investigation is completed, and applicable confidentiality mechanisms?	✓		(II) Upon discovery or receipt of a report of unethical conduct involving any of the Company personnel, and if, after an investigation, it is found that such conduct is indeed a violation, the Company will immediately ask the	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Brief description	
(III) Has the Company adopted proper measures to protect whistle-blowers against retaliation for filing complaints?	✓		<p>specific person to cease such conduct, and appropriate disciplinary actions shall be given, and, if necessary, damages may be claimed through legal proceedings in order to protect the Company's reputation and interests.</p> <p>(III) The Company keeps the whistleblower protected throughout the process; he or she will not suffer any disciplinary action as a result of his/her report.</p>	
IV. Reinforced Information Disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		<p>The Company's website provides financial, business-related information, and corporate governance information for shareholders' reference. The norms of ethical corporate management enforced by the Company are disclosed on the corporate website and in the Annual Report. The Company also discloses the "Ethical Corporate Management Best Practice Principles" on the website, regularly communicates applicable requirements under the Ethical Corporate Management Best Practice Principles, actively implements integrity, honesty, and moral values, and has not engaged in any unethical conduct.</p>	No difference
V. If the Company has adopted its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe any deviations between the principles and their implementation: In order to establish a corporate culture of integrity, the Company has formulated its "Ethical Corporate Management Best Practice Principles and Operating Procedures" by referring to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and operates in accordance with the Principles without any differences.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies: None.				

(VII) Other important information to boost knowledge of the operational status of corporate governance:
The Company's website has an investor section - corporate governance, providing access to corporate governance related regulations, the URL is <https://www.xander.com.tw/user2/investor-zone/Investor-zone02-new.aspx>.

(VIII) Implementation status of the internal control system:
1. Internal Control Declaration

XANDER INTERNATIONAL CORP.
Internal Control System Declaration

Date: March 10, 2025

Based on self-assessment findings, Xander International Corp. (Xander) states the following with regard to its 2024 internal control system:

- I. Xander is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and managers. Xander has established such a system. It aims to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of Xander contains self-monitoring mechanisms, and Xander takes corrective actions whenever a deficiency is identified.
- III. Xander evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria adopted by the "Regulations" identify five components of internal control based on the process of management control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring. Each component further contains several items. Please refer to the "Regulations" for details.
- IV. Xander has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the findings of the evaluation mentioned in the preceding paragraph, Xander believes that, on December 31, 2024, its internal control system (including its supervision and management of subsidiaries), as well as its internal control system to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
- VI. This Declaration will be an integral part of Xander's Annual Report and Prospectus, which will be made available to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
- VII. This Declaration was approved by the Board of Directors in their meeting held on March 10, 2025, with zero of the seven attending directors expressing dissenting opinions; all approved the content of this Declaration.

XANDER INTERNATIONAL CORP.

**XANDER
INTERNATIONAL
CORP.**

Chairman: Cher Wang

Cher Wang

Signature

General Manager: Wen-Kang Chen

**Wen-Kang
Chen**

Signature

2. If a CPA is authorized to review the internal control system, the CPA Audit Report should be disclosed: None.

(IX) In the most recent year and as of the date when this Annual Report was printed, major resolutions approved through the shareholders' meeting and the Board of Directors meeting:

Date of meeting	Major resolution approved through shareholders' meetings	Implementation status
2024/06/20	<ol style="list-style-type: none"> 1. The Company's 2023 Business Report and Financial Statements. 2. The Company's 2023 Earnings Distribution Proposal. 3. Revision of some provisions of the Company's "Articles of Incorporation". 4. Comprehensive Re-election of Directors. 	On August 2, 2024, the Board directors were re-elected; the Chairman was elected, and the company's business scope and Articles of Incorporation were amended and registered with the Ministry of Economic Affairs.

Date of meeting	Major resolution approved through Board of Directors meetings
No. 12 of the eleventh intake 2024/03/07	<ol style="list-style-type: none"> 1. 2024 Business Plan and Budget. 2. The Company's 2023 self-evaluation of internal control system findings and Internal Control System Declaration. 3. The Company's 2023 Business Report and Financial Statements. 4. Preparation of the proposal on the distribution of 2023 remuneration to employees and that to directors. 5. Revision of the Company's 2023 Earnings Distribution Proposal. 6. Fulfillment of operational performance by managers of the Company for 2023 and their remuneration. 7. Revision of some provisions of the "Rules and Procedures of Board of Directors Meetings". 8. Revision of the Company's plan to issue 2024 employee stock option warrants. 9. Comprehensive Re-election of Directors. 10. List of director candidates nominated for approval by the Board of Directors. 11. Lifting of new appointed director and its representative of non-competition restrictions. 12. Determination of the date, place, and reasons for convening the 2024 General Shareholders' Meeting. 13. Acceptance of shareholders proposals for 2024 General Shareholders' Meeting and nomination for director (including independent director) candidates. 14. Application for a business line of credit.
No. 13 of the eleventh intake 2024/05/03	<ol style="list-style-type: none"> 1. Delegation and compensation of CPAs for the Company's financial statements. 2. Evaluation of the independence and suitability of the CPAs. 3. Financial statements for the first quarter of 2024. 4. List of director candidates nominated for approval by the Board of Directors. 5. Lifting of new appointed director and its representative of non-competition restrictions. 6. Change of managers of our company.
No. 1 of the twelfth intake 2024/06/20	<ol style="list-style-type: none"> 1. Proposal for electing the Chairman.
No. 2 of the twelfth intake 2024/08/09	<ol style="list-style-type: none"> 1. Financial statements for the second quarter of 2024. 2. Ratification and approval of changes in the Company's managerial personnel. 3. Proposal to establish the Compensation and Remuneration Committee. 4. Our Company is applying for a comprehensive credit line of NTD300 million with Mega Bank's Xin-Dian Branch. 5. Guozhong Computer has a credit limit of 175 million for touch screen devices in junior high and elementary school classrooms in Tainan City.
No. 3 of the twelfth intake 2024/11/12	<ol style="list-style-type: none"> 1. Financial statements for the third quarter of 2024. 2. Application for a business line of credit. 3. Revision of some provisions of the "Audit Committee Organic Rules". 4. Preparation of 2025 Audit Plan. 5. Preparation of the "Operating Procedure for the Preparation and Qualification of Sustainability Reports". 6. Preparation of the Company's "Internal Control System for Sustainable Information Management".
No. 4 of the twelfth intake 2025/03/10	<ol style="list-style-type: none"> 1. 2025 Business Plan and Budget. 2. The Company's 2024 internal control system self-evaluation findings and Internal Control System Declaration.

Date of meeting	Major resolution approved through Board of Directors meetings
	<p>3. The Company's 2024 Business Report and Financial Statements.</p> <p>4. The distribution of 2024 remuneration to employees and that to directors.</p> <p>5. The Company's 2024 Earnings Distribution Proposal.</p> <p>6. Fulfillment of operational performance by managers of the Company for 2024 and their remuneration.</p> <p>7. Revision of the "Articles of Incorporation".</p> <p>8. Revision of the "Authorization Requirements and Responsibility Table" and applicable operational requirements.</p> <p>9. Application for a business line of credit.</p> <p>10. Determination of the date, place, and reasons for convening the 2025 General Shareholders' Meeting.</p> <p>11. Acceptance of shareholders' proposals for 2025 General Shareholders' Meeting.</p>

(X) Major issues of record or written statements made by any director or supervisor dissenting to important resolutions approved by the Board of Directors in the most recent year and as of the date when this Annual Report was printed: This did not happen.

IV. Information on Fees Paid to CPAs:

Unit: In Thousands of New Taiwan Dollars

Name of accounting firm	Name of CPA	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche (Deloitte Taiwan)	Chien-Ming Tseng	2024	2,450	620	3,070	None
	Wen-Ya Hsu	2024				

(I) If there is a replacement of the accounting firm and the audit fees for the year in which the replacement occurred are less than those for the prior year, the amounts paid for audit fees before and after the replacement as well as the reason for the fee reduction should be disclosed: This did not happen.

(II) If there is a 10% or more reduction in the audit fees compared to those for the prior year, the amount and percentage of reduction as well as the reason for the audit fee reduction should be disclosed: This did not happen.

V. Information on Replacement of CPAs:

This did not happen.

VI. For the Company's Chairman of the Board, General Managers, or any manager in charge of financial or accounting operations who has, in the most recent year, held a position at the accounting firm of its CPA or its affiliates:

This did not happen.

VII. Transfer and pledge of equity among directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% in the most recent year and up to the date the Annual Report was printed:

Job title	Name	2024		As of April 26 of the current fiscal year	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Hung Mao Investment Co., Ltd. Representative: Cher Wang				
Director	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	0	0	0	0
Shareholder with 10% shareholdings or more	Hung Mao Investment Co., Ltd.				
Director	Chuan Te Investment Co., Ltd. Representative: Che Chen				
Director	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	0	0	0	0
Independent director	Dao-Song Chen	0	0	0	0
Independent director	Wen-Hua Liao	0	0	0	0
Independent director	Mao-Song Chang (Inauguration date: 2024/06/20)	0	0	0	0
General Manager	Wen-Kang Chen	0	0	0	0
Executive Vice President	Hsun-Long Huang	0	0	0	0
Vice General Manager/Corporate Governance Officer	Cai-Rong Lin (Inauguration date: 2024/05/03)	0	0	0	0
Assistant Manager	Ying-Ji Lee	0	0	0	0
Senior Assistant Manager	Chi-Ting Lee	0	0	0	0
Assistant Manager	Guo-Kun Chen	0	0	0	0
Assistant Manager	Yi-Fan Liu	0	0	0	0
Senior Assistant Manager	Shih-Yu Fang	0	0	0	0
Assistant Manager	Yu-Ze Chang	0	0	0	0
Assistant Manager	Chen-Hua Huang	0	0	0	0
Accounting Supervisor	Chao-Heng Yang (Inauguration date: 2024/06/28)	0	0	0	0
Finance Manager	Hsiu-Chuan Hsiao (Inauguration date: 2024/08/01)	0	0	0	0

VIII. Information of relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship:

April 26, 2025

NAME	NUMBER OF SHARES HELD BY THE PERSON		SHARES HELD BY SPOUSE AND MINOR CHILDREN		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME		NAME AND RELATIONSHIP AMONG TOP 10 SHAREHOLDERS WHO ARE RELATED, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP.		REMA -RKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Hung Mao Investment Co., Ltd. Representative: Su-Lan Chiang	22,989,868	25.29%	-	-	-	-	Kun-Chang, Chuan Te, Hsin-Tong, Chinese Christian Faith and Love Foundation	Note	-
	-	-	-	-	-	-			
Wen-Chi Chen	4,834,147	5.32%	3,584,748	3.94%	-	-	Cher Wang Che Chen	Spouse Brother	-
VIA Technologies, Inc. Representative: Wen-Chi Chen	4,558,870	5.02%	-	-	-	-	-	-	-
	4,834,147	5.32%	3,584,748	3.94%	-	-			
Kun-Chang Investment Co., Ltd. Representative: Su-Lan Chiang	4,172,179	4.59%	-	-	-	-	Hung Mao, Chuan Te, Hsin-Tong, Chinese Christian Faith and Love Foundation	Note	-
	-	-	-	-	-	-			
Cher Wang	3,584,748	3.94%	4,834,147	5.32%	-	-	Wen-Chi Chen Che Chen	Spouse In-law	-
Chuan Te Investment Co., Ltd. Representative: Su-Lan Chiang	2,694,647	2.96%	-	-	-	-	Hung Mao, Kun-Chang, Hsin-Tong, Chinese Christian Faith and Love Foundation	Note	-
	-	-	-	-	-	-			
Hsin-Tong Investment Co., Ltd. Representative: Su-Lan Chiang	1,635,436	1.80%	-	-	-	-	Hung Mao, Kun-Chang, Chuan Te, Chinese Christian Faith and Love Foundation	Note	-
	-	-	-	-	-	-			
Chinese Christian Faith and Love Foundation Responsible person: Su-Lan Chiang	1,271,226	1.40%	-	-	-	-	Hung Mao, Kun-Chang, Chuan Te, Hsin-Tong	Note	-
	-	-	-	-	-	-			
Hsiu-Yun Hsu Chen	1,243,000	1.37%					-	-	-
Che Chen	918,763	1.01%	9,763	0.01%	-	-	Wen-Chi Chen Che Chen	Brother In-law	-

Note: A company where the Company's Chairperson or General Manager or any of their spouses or relatives within second degree of kinship also serve as the company chairperson or general manager.

IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested business by the Company, its directors, supervisors, managers, and any companies controlled either directly or indirectly by the Company:

April 30, 2025

Reinvested business (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio
Dinghan International Corp.	3,200	100%	0	0%	3,200	100%

Note: The investment made by the Company applying the equity method.

C. Funding

I. Capital and Shares:

(I) Source of share capital:

1. Capitalization:

Unit: In New Taiwan Dollars; Share

Month/Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital paid in by assets other than cash	Other
October 1995	10	5,000,000	50,000,000	5,000,000	50,000,000	Establishment	None	-
September 1998	10	19,900,000	199,000,000	19,900,000	199,000,000	Capital increase in cash	NTD149,000,000	None
July 1999	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital reduction Capital increase in cash (Note 1)	NTD89,000,000 NTD190,000,000	None
July 2000	10	60,000,000	600,000,000	38,000,000	380,000,000	Capital increase in cash (Note 2)	NTD80,000,000	None
September 2001	10	60,000,000	600,000,000	44,000,000	440,000,000	Earnings-transferred capital increase (Note 3)	NTD60,000,000	None
March 2002	10	60,000,000	600,000,000	60,000,000	600,000,000	Capital increase in cash (Note 4)	NTD160,000,000	None
October 2002	10	78,000,000	780,000,000	64,667,573	646,675,730	Capital increase after merger (Note 5)	NTD46,675,730	None
January 2003	10	78,000,000	780,000,000	68,100,953	681,009,530	Earnings-transferred capital increase (Note 6)	NTD34,333,800	None
April 2003	10	104,000,000	1,040,000,000	81,600,953	816,009,530	Capital increase after merger and spin-off (Note 7)	NTD135,000,000	None
September 2003	10	104,000,000	1,040,000,000	82,416,963	824,169,630	Earnings-transferred capital increase (Note 8)	NTD8,160,100	None
June 2004	10	154,000,000	1,540,000,000	82,416,963	824,169,630	(Note 9)	None	-
July 2006	10	154,000,000	1,540,000,000	82,339,963	823,399,630	Wrote off treasure stock shares (Note 10)	NTD770,000	None
November 2006	10	154,000,000	1,540,000,000	77,372,963	773,729,630	Wrote off treasure stock shares (Note 11)	NTD49,670,000	None
March 2007	10	154,000,000	1,540,000,000	83,970,116	839,701,160	Corporate bonds-transferred shares (Note 12)	NTD65,971,530	None
September 2008	10	154,000,000	1,540,000,000	86,489,219	864,892,190	Earnings-transferred capital increase (Note 13)	NTD25,191,030	None
October 2009	10	154,000,000	1,540,000,000	88,219,030	882,190,030	Earnings-transferred capital increase (Note 14)	NTD17,297,840	None
August 2010	10	154,000,000	1,540,000,000	90,865,573	908,655,730	Earnings-transferred capital increase (Note 15)	NTD26,465,700	None
April 2012	10	154,000,000	1,540,000,000	90,889,573	908,895,730	Employee stock options with new shares issued (Note 16)	NTD240,000	None
August 2020	10	170,000,000	1,700,000,000	90,889,573	908,895,730	(Note 17)	None	-

Note 1: This capital increase was approved by the Securities and Futures Commission, Ministry of Finance (SFC) via the official letter (88) SFC (I) No. 63860 dated July 19, 1999.

Note 2: This capital increase was approved by the Securities and Futures Commission, Ministry of Finance (SFC) via the official letter (89) SFC (I) No. 58689 dated July 10, 2000.

Note 3: This earnings-transferred capital increase was approved by the SFC with the official letter (90) SFC (I) No. 148897 dated July 27, 2001.

Note 4: This capital increase was approved by the Securities and Futures Commission, Ministry of Finance (SFC) via the official letter (90) SFC (I) No. 175481 dated December 27, 2001.

Note 5: This capital increase after merger was approved by the SFC via the official letter SFC I No. 0910142915 dated August 12, 2002.

Note 6: This earnings-transferred capital increase was approved by the SFC via the official letter SFC I No. 0910160459 dated November 12, 2002.

Note 7: This capital increase after merger and spin-off was approved by the SFC via the official letters SFC I No. 0910169557 and SFC I No. 09100169556 dated January 20, 2003.

Note 8: This earnings-transferred capital increase was approved by the SFC via the official letter SFC I No. 0920134423 dated July 30, 2003.

Note 9: Raised the authorized capital issuance of employee stock option warrants and retaining convertible corporate bonds for the exchange of new shares.

Note 10: The registration for wrote off treasure stock shares was approved by the Ministry of Economic Affairs (MOEA) via the official letter MOEA DOC No. 09501138820 dated July 6, 2006.

Note 11: The registration for wrote off treasure stock shares was approved by the Ministry of Economic Affairs (MOEA) via the official letter MOEA DOC No. 09501254110 dated November 10, 2006.

Note 12: The registration for corporate bonds-transferred shares was approved by the MOEA via the official letter MOEA DOC No. 09601056380 dated March 21, 2007.

Note 13: This earnings-transferred capital increase was approved by the FSC via the official letter FSC Security I No. 0970037909 dated July 25, 2008.

Note 14: This earnings-transferred capital increase was approved by the FSC via the official letter FSC Security Issuance No. 0980041767 dated August 19, 2009.

Note 15: This earnings-transferred capital increase was approved by the FSC via the official letter FSC Security Issuance No. 0990033829 dated June 30, 2010.

Note 16: This employee stock options with new shares issued was approved by the MOEA via the official letter MOEA DOC No. 10101067710 dated April 16, 2012.

Note 17: The authorized capital was increased by the amendments to the Articles of Incorporation approved through the General Shareholders' Meeting on June 13, 2005. It was further approved by the MOEA via the official letter MOEA DOC No. 10901123490 dated August 10, 2020.

2. Type of share:

Unit: Shares

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	90,889,573	79,110,427	170,000,000	8,000,000 shares which can be purchased with stock option warrants

(II) List of major shareholders:

April 26, 2025

No.	Account number	Name of major shareholder	Number of shares held	Shareholding ratio
1	14	Hung Mao Investment Co., Ltd.	22,989,868	25.29%
2	8	Wen-Chi Chen	4,834,147	5.32%
3	1	VIA Technologies, Inc.	4,558,870	5.02%
4	3	Kun-Chang Investment Co., Ltd.	4,172,179	4.59%
5	9	Cher Wang	3,584,748	3.94%
6	4	Chuan Te Investment Co., Ltd.	2,694,647	2.96%
7	7	Hsin-Tong Investment Co., Ltd.	1,635,436	1.80%
8	13001	Chinese Christian Faith and Love Foundation	1,271,226	1.40%
9	36904	Hsiu-Yun Hsu Chen	1,243,000	1.37%
10	11	Che Chen	918,763	1.01%

(III) Dividend policy and its implementation:

1. Dividend policy:

The Company's dividend policy shall be based on the distributable earnings and the demand for funds for the current year of the Company and dividends are distributed to shareholders as required by the competent authority. The ratio of the dividends in cash, however, may not be less than 20% of overall dividends available for distribution.

Earnings concluded by the Company for the year, if any, shall be distributed in the following sequential order.

- (1) Pay taxes.
- (2) Offset prior deficits.
- (3) 10% is retained to be the legal reserve unless the legal reserve has reached the total capital size of the Company.
- (4) The special reserve is allocated or reversed by law.
- (5) Following the distribution sequentially as mentioned in Paragraphs 1 through 4 above, along with the accumulated undistributed earnings, the Board of Directors shall prepare the earnings distribution proposal and submit it to the shareholders' meeting for a decision on distribution of dividends to shareholders.

2. The distribution of dividends to be discussed at the current shareholders' meeting: (Yet to be determined through this year's shareholders' meeting)

XANDER INTERNATIONAL CORP.
Earnings Distribution Table
2024

Unit: In New Taiwan Dollars

Item	Amount
Undistributed earnings at start of period	77,182,664
Add: Reversal of special reserve for 2023	1,061,000
Remeasurements of defined benefit plans are recognized under retained earnings	2,148,718
Net income after tax for 2024	35,076,036
Less: Provision of legal reserve	(3,722,475)
Provision of special reserve	(343,000)
Undistributed earnings at end of period	111,402,943

(IV) The effects of the stock dividends intended to be discussed during the current shareholders' meeting on the Company's business performance and earnings per share: Not applicable.

(V) Remuneration to employees and that to directors:

1. The proportion or ranges with respect to remuneration to employees and that to directors as set forth in the Company's Articles of Incorporation:

If the Company makes profits for the year, remuneration to employees at no less than 5% shall be set aside. It shall be distributed in stock or in cash as determined by the Board of Directors.

Eligible employees include employees of its subsidiaries that meet certain criteria. With the foregoing profits, the Company may decide to set aside the remuneration to directors at no higher than 1% resolved by the Board of Directors. The proposal for the remuneration to employees and that to directors shall be presented during the shareholders' meeting. In cases of further accumulated deficits, on the other hand, the Company shall first retain the amount sufficient to offset the deficits and then set aside the remuneration to employees and that to directors according to the ratios indicated in the foregoing.

2. The basis for the estimation of the amounts of remuneration to employees and that to directors accrued for the period and for the calculation of the number of shares to be distributed as employee profit-sharing, as well as the accounting treatment for the discrepancy, if any, between the appropriated and accrued amounts:

(1) The basis for the estimation of the amounts of remuneration to employees and that to directors accrued for the period: Estimation is made in accordance with the requirements set forth in the Articles of Incorporation and with reference to previous distribution experiences.

(2) The basis for the calculation of the number of shares to be distributed as employee profit-sharing, as well as the accounting treatment for the discrepancy, if any, between the appropriated and accrued amounts: The Company distributes the profit sharing to its employees in the form of cash.

3. Distribution of remuneration as approved by the Board of Directors:
 - (1) The amounts of the remuneration to employees and that to directors in the form of cash or shares:
 - ①Remuneration to employees in cash: NTD2,260,141.
 - ②Remuneration to employees in shares: None.
 - ③Remuneration to directors: NTD452,133.
 - (2) The amount of remuneration to employees in the form of shares, and the proportion of such amount to the aggregate amount of net income after tax and total employee remuneration in the parent company only financial statement or standalone financial statements for the period: None.
4. Actual distribution of the remuneration to employees, directors, and supervisors in the past year: The appropriation of the remuneration to director and supervisor was NTD213,785 (Date of disbursement: 01/24/2025), identical to the amounts recognized without any discrepancy. However, the employee remuneration was NTD1,072,071, and it is expected to be disbursed with bonus in 2025.

(VI) Buyback of the Company's stocks: This did not happen.

II. Corporate Bonds Processing Status: None.

III. Preferred Stock Processing Status: None.

IV. Global Depository Receipts (GDRs) Processing Status: None.

V. Employee Stock Option Warrants Processing Status: None.

VI. Restricted Stock Award Processing Status: None.

VII. Issuance of New Shares in Connection with Mergers and Acquisitions or with Acquisitions of Shares of Other Companies: None.

VIII. Implementation Status of Capital Utilization Plan: None.

D. Operational Overview

I. Scope of Operation:

(I) Business scope:

1. Main business operations:

Distribution and dealership such as audiovisual multimedia, DIY components, computer peripherals, computer systems, storage devices, network/cybersecurity, home appliances, office equipment, and monitoring products, among others, and project planning, maintenance, and tendering, etc.

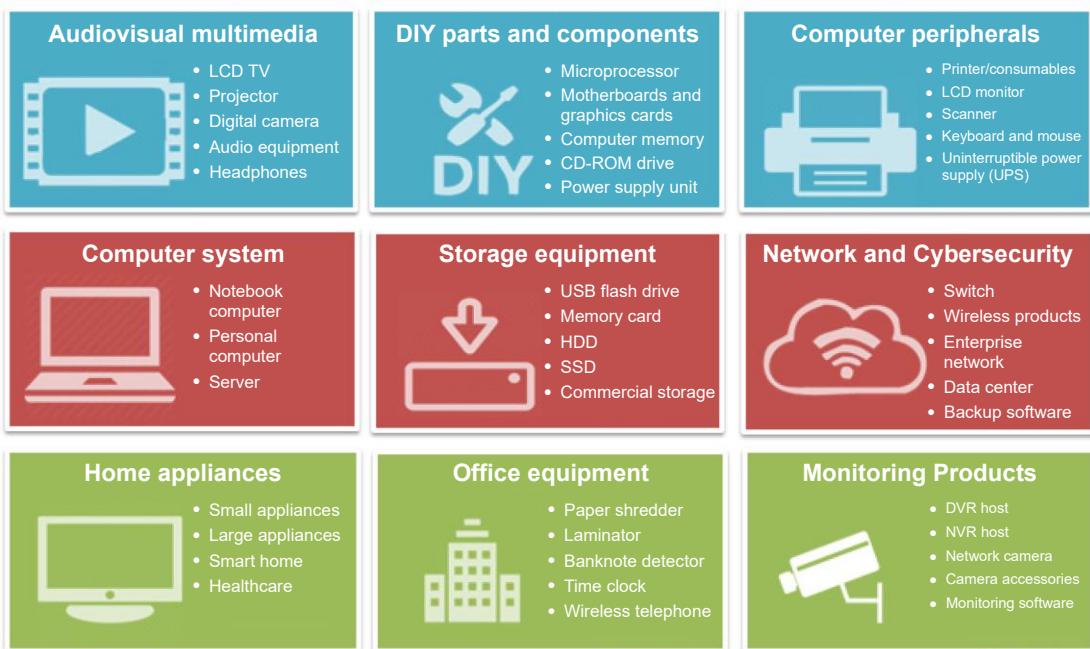
2. Proportion of business:

The revenue breakdown of our main products for 2024 is as follows:

Unit: In Thousands of New Taiwan Dollars

Product	Net Operating revenue	Proportion of business
Sales income	9,056,410	99.91%
Service income	7,723	0.09%
Total	9,064,133	100.00%

3. Current product (service) the company offers:



4. New products and services planned to be developed:

Product line	New products and services planned to be developed
Notebook computer	<ul style="list-style-type: none"> The higher sales of the RTX50 series graphics cards will drive MSI's revenue growth. Over the long term, MSI has been actively growing its footprint in the commercial notebook market. They believe that as AI becomes widely used by end users, demand for commercial notebooks equipped with dedicated graphics cards will rise, leading to an increase in the average selling price (ASP). In the AI commercial computer market, businesses are still in the early phases of adoption, and more models are anticipated to be launched throughout this year. Enterprises mainly concentrate on applications such as improving meeting efficiency, and some have begun exploring local AI computing to safeguard their existing data.
LCD monitor	[Consumer market] <ul style="list-style-type: none"> Mini LED and Smart Display
Hard disk drive	[Consumer market] <ul style="list-style-type: none"> LaCie Rugged Mini SSD has been newly launched One Touch SSD now available with 4TB capacity Ultra Touch SSD is now available [Commercial] <ul style="list-style-type: none"> EXOS enterprise-grade hard drives expected to increase capacity to 30TB
Netcom products	[Consumer market] <ul style="list-style-type: none"> Introduction to the entry-level WIFI 7 model BE220 IP Cam introduces 5MP and 8MP lenses (Tapo C230/C260) along with a dual-lens camera (Tapo C246D)

Product line	New products and services planned to be developed
	[Commercial] • Continuously promote the VIGI video surveillance system • Continuously develop Omada network solutions
Monitoring Products	[Commercial] • Axis Taiwan surveillance equipment
Cybersecurity products	[Commercial] • Zero Trust brand Omnidud
Large display panel	[Consumer market] • Products: TOSHIBA's best companion device and Hisense projector • Service: Extended warranty and excellent service for 100-inch TVs ~ free crane delivery! [Commercial] • Interactive electronic whiteboards, Hotel TV, Digital signage, and Eco-Friendly label displays
Water purification series	[Consumer market] • The countertop machine now includes combined functions for ice cubes and smoothies, while the under-counter model is added with an iced water feature
Small appliances	[Consumer market] • Kitchen and Seasonal appliances

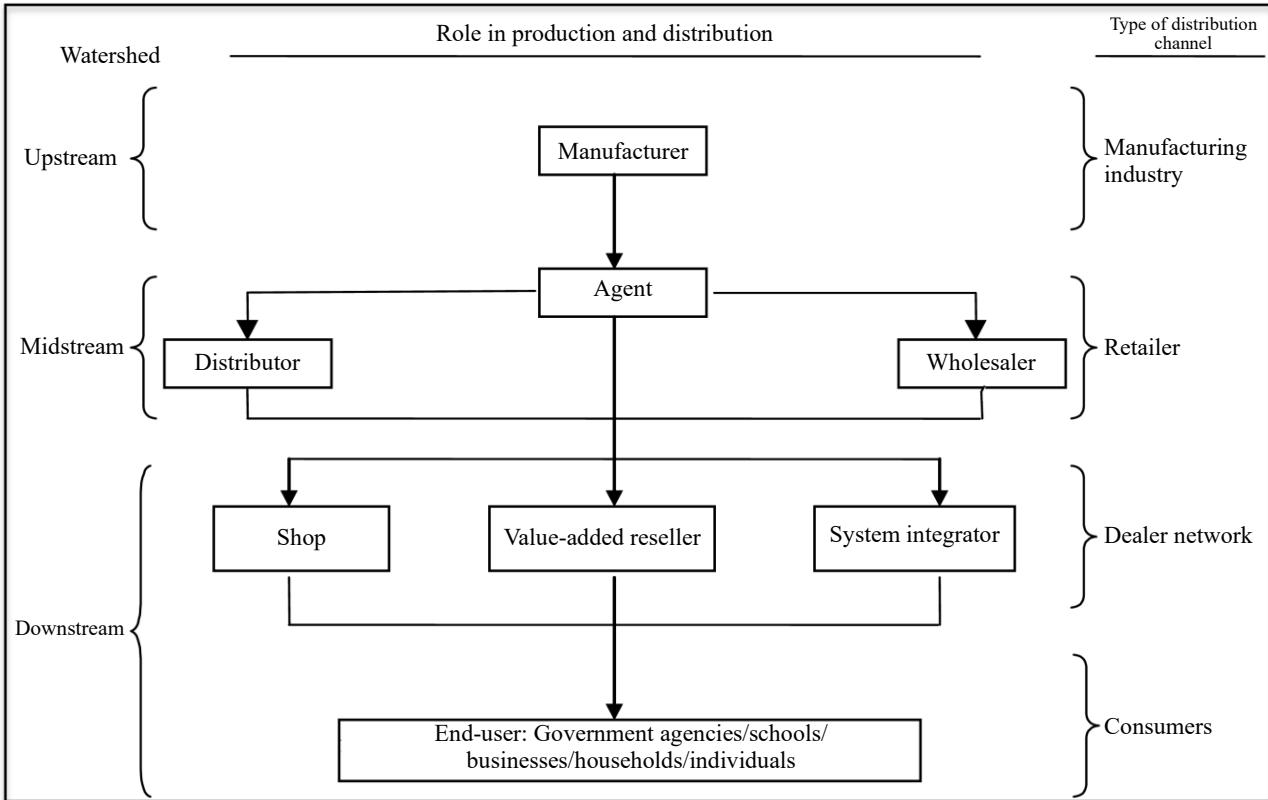
(II) Industry overview:

1. Product update and development, various trends and competitive situations in product development

Product line	Item	Description
Notebook computer	Industrial Update and Development	The shortened working hours and reduced production capacity due to the Lunar New Year, combined with some American and Chinese brand manufacturers accelerating their orders in the fourth quarter of 2024, have led to a relative decrease in shipments.
	Various trends and competitive situations in product development	As far as the regional market is concerned, the North American market remains weak; in China, on the other hand, a new phase of the old-for-new policy is implemented in 2025 with expanded subsidies, boosting consumer demand recovery; meanwhile, Japan is seeing increased demand for device replacements through the GIGA School education initiative. At the same time, to cope with tariff charges, some brand manufacturers will continue to increase orders and boost inventory levels in the first quarter to try to minimize the impact of tariffs on shipping costs. While shipments may decline compared to the previous quarter, they are expected to show significant growths compared to the first quarter of 2024.
LCD displays	Industrial Update and Development	<ul style="list-style-type: none"> • The commercial market is expected to recover from 2024 through the first quarter of 2025, fueled by a surge in commercial device replacements and enterprise equipment upgrades • Major game releases, AMD X3D series CPUs, and 50 different graphics cards are driving increased demand for gaming monitors • Increasing demand for gaming monitors with 4K resolution and high refresh rates is driving the adoption of new technologies such as OLED and Mini LED
	Various trends and competitive situations in product development	<ul style="list-style-type: none"> • Advanced technology is regressing, yet the barriers to acquiring it remain too high (OLED and Mini LED supplies are limited) • The price war in the mid-to-low segment has intensified, and home office users, students, and general consumers have largely completed upgrading their screens, leading to market saturation • Small brands or products lacking distinct features will be eliminated from the market
Hard disk drive	Industrial Update and Development	The HDD market remains stable, with the unit price increasing, capacity increasing, and quantity decreasing
	Various trends and competitive situations in product development	Seagate's global HDD market share is still expected to top the list, while competitor WD is going through a corporate restructuring period. The Taiwanese competitor Transcend will focus more on SSD.
Networking products	Industrial Update and Development	<ul style="list-style-type: none"> • The launch of new NB products and the support for WIFI 7 in iPhone 17 and Samsung S26 are boosting the sales of WIFI 7 networking products. • The growing demand in monitoring and commercial network communication markets is driving the growth of commercial products

Product line	Item	Description
	Various trends and competitive situations in product development	In 2025, TP-Link networking products are expected to have penetration rates of 35% for WIFI 7, 45% for WIFI 6, 15% for WIFI 5, and 5% for WIFI 4
Monitoring	Industrial Update and Development	The monitoring brand industry is primarily influenced by the government's de-Sinicization policy, leading to a rise in demand for products made in Taiwan. AI image analysis has become a market key feature, and with standardized tender requirements (such as NDAA and CNS cybersecurity certifications), local brands like LILIN have experienced an obvious ongoing increase in sales. Another key area is the growing demand from police agencies for road technology-assisted law enforcement, which includes expanding equipment, integrating AI technologies, policy support, and enhancing traffic safety. For the brands we represent, this is an opportunity to expand the market share and to offer appropriate solutions.
	Various trends and competitive situations in product development	The commercial monitoring market is steadily growing, driven by supportive government policies, rapid AI technology advancements, and increasing demand from businesses for intelligent security management. This market has evolved beyond merely "recording and monitoring" functions and has entered a new era defined by "intelligent recognition," "platform integration," and an emphasis on "compliance." The commercial surveillance market mainly derives its demand from government projects, transportation infrastructures, industrial applications, corporate headquarters, and retail chains. The government is strengthening policies centered on "de-Sinicization," "cybersecurity," and "digital governance."
Server	Industrial Update and Development	Dell is continuing to innovate in AI servers, storage, and infrastructure solutions, targeting around 10% growth this year. However, rising market competition is putting pressure on profit margins
	Various trends and competitive situations in product development	Drive cybersecurity and cloud integration strategies by offering end-to-end solutions that assist customers in achieving their digital transformation objectives
Cybersecurity products	Industrial Update and Development	According to Grand View Research's report, the global zero trust security market will grow from USD 42.3 billion in 2025 to USD 92.4 billion by 2030, with a compound annual growth rate (CAGR) of 16.6%.
	Various trends and competitive situations in product development	<ul style="list-style-type: none"> The widespread adoption of cloud computing and remote work: Businesses and organizations are steadily moving their operations and business models to the cloud, necessitating a robust security framework to safeguard distributed resources and users Strategic improvements in data protection: As attacks become increasingly complex and frequent, businesses are investing in more comprehensive cybersecurity integration solutions Implementation of government regulations: Over 120 countries worldwide have enacted privacy and data protection laws, driving the primary trend where businesses are enhancing their enhance cybersecurity compliance
Large LCD displays:	Industrial Update and Development	In 2024, sales on the market decreased by 1.5%, sales revenue dropped by 2.1%, and the average unit price fell by 0.6%. It is estimated that the decline will continue by 5 to 10% in 2025.
	Various trends and competitive situations in product development	<ul style="list-style-type: none"> Although TVs larger than 65 inches continue to grow, major brands are squeezed, and the market share of second- and third-tier brands is increasing. Year-On-Year (YOY) sales: HD-8.3% FHD-3.7% UHD-12.1% QLED+52.4% MINILED+45.8% OLED+8.8%
Water purification equipment	Industrial Update and Development	Both countertop water dispensers and under-sink units mainly use reverse osmosis (RO) filtration systems
	Various trends and competitive situations in product development	The main product line focuses on the functionality of cooling and heating, and multifunctional products including smoothies and ice making, among others, are being developed.
Small appliances	Industrial Update and Development	The overall small home appliance market remains stable at around 190 ~ 200E, with categories rotating quickly
	Various trends and competitive situations in product development	Intelligent, Energy-Saving, and Stylish

2. The correlation among the upstream, midstream, and downstream of the industry

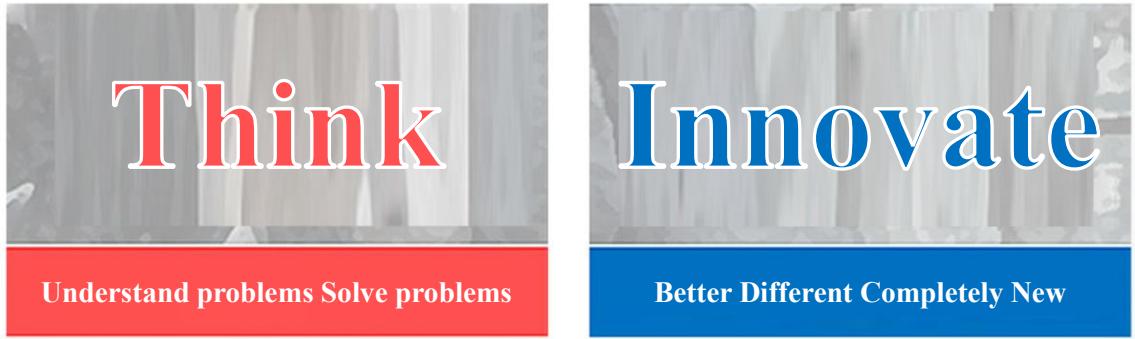


(III) Technical and R&D Overview: Our company is not in the manufacturing business and does not have an R&D department, so this assessment is not applicable.

(IV) Long-term and Short-term Business Development Plans:

1. Short-term plan:

For 2025, we plan to focus on two primary strategies: “Think” and “Innovate”.



2. Long-term plan:

The organization is adjusted by the product and nature of distribution channel into four major business units (BUs): Distribution Business Group, Home Appliance Business Group, Value-added Business Group, and Commercial Business Group. Through the independent operation of these four major business units, actively develop a dual-axis development trend in both consumer and commercial markets.

Distribution: Increase the growth rate of online platforms, expand cooperation with main customers, and increase the number of peripheral customers.

Home Appliances: Develop a wide range of small appliances, expand multiple sales channels, and increase project-based customers and safety and maintenance services.

Value-added: Leverage peripheral technology services, integrate medical solutions, and deeply cultivate core customers.

Commercial: Focus on key brands and target customer management.

Product Strategy: As new products emerge in the industry, gradually increase the agency and distribution rights for competitive products.

Marketing channel strategy: Fully work between virtual and physical channels, which are complementary to each other, to expand the business scale.

Operation and management strategy: Strengthen management information systems, improve employee skills and personal contribution, implement digital management, and improve operational efficiency.

Financial planning strategy: Seek low-cost funding channels and strengthen the financial structure.

II. Market and Production/Distribution Overview:

(I) Market analysis:

1. Sales area of main products:

Unit: NTD thousand; %

Sales area	2024		2023	
	Amount	%	Amount	%
Export	16,906	0.19%	5,017	0.06%
Domestic sales	9,039,504	99.73%	8,416,775	99.84%
Maintenance and service income	7,723	0.08%	8,076	0.10%
Net Operating revenue	9,064,133	100%	8,429,868	100.00%

2. Market share: Overview of the market share of main product lines, future supply and demand and growth on the market, competitive niche, favorable and unfavorable factors and coping strategies for future development

Product line	Item	Description
Notebook computer	Overview of the market share of main product lines	MSI laptop market share is about 10% ~ 11% (GFK, 2025Q1)
	Supply and demand in the future and growth potential of the market	NB performance and intelligence are expected to significantly improve by 2025. AI-powered PCs will gradually expand from entry-level to commercial markets, enhancing user experience with greater efficiency. AI processors play a crucial role in driving industry upgrades. The laptop industry's growth in 2025 will be fueled by multiple factors, starting with an upcoming replacement wave. Industry estimates suggest that branded PCs have a warranty period of about two to three years, with a replacement cycle of around four to five years. Many laptops purchased during the COVID-19 pandemic are now due for replacement. Additionally, Microsoft's announcement to end support for Windows 10 in October will encourage businesses to upgrade their equipment early, generating substantial demand for new devices.
	Competitive niche	Xander is the agent for the complete MSI product line, and parts and component sales; it will help develop the e-sports ecosystem total solution.
	Favorable and unfavorable factors and coping strategies for future development	The emergence of AI-powered PCs will inject new vitality into the industry. According to Intel and Microsoft's definition, an AI-powered PC must fulfill three essential requirements: it should support Microsoft's AI assistant Copilot; include a dedicated physical Copilot button, which is becoming more and more common on Windows 11 NB; and have a built-in NPU, CPU, and GPU.
LCD displays	Overview of the market share of main product lines	Targeting the value-for-money market, global shipments consistently rank among the top five; AOC and PHILIPS hold about the fourth to fifth position in Taiwan's market share

Product line	Item	Description
	Supply and demand in the future and growth potential of the market	AOC remains a top cost-effective brand in Taiwan's consumer market. Besides steady demand in the mid-to-low-end segment, it has introduced Mini LED and smart displays. Although its presence in the gaming market is limited, it is steadily expanding. Its pricing advantage makes it the preferred choice for budget-conscious gamers. PHILIPS is recognized as a "reputable and cost-efficient" option in the commercial market, continuously releasing MIT screens, and is among the leading choices for government and educational projects
	Competitive niche	AOC is currently the world's leading esports monitor brand by shipments, fueling growth in the entry-level esports and smart display markets Due to brand positioning, PHILIPS monitors are relatively weak in price, but they have developed MIT products whose B2B demand continues to climb.
	Favorable and unfavorable factors and coping strategies for future development	[Favorable factors] AOC Mini LED and smart screens offer the lowest prices on the market. PHILIPS continues to experience strong growths in the commercial sector, with prices that are competitive versus ASUS. [Unfavorable factors] 1. Weak brand presence and absence of a high value-added market position: It is recommended that the manufacturer strengthen brand repositioning efforts and focus on niche markets, such as Mini LED and smart screen product lines. 2. Slow adoption of technology and a lack of essential innovation: It is recommended that the manufacturer work closely with the technology developer and refrain from launching new products within 2 to 3 months after other brands. 3. Fierce price competition, slow demand growth, and reduced channel profits • Reduce low-value items moderately and concentrate on high-margin products • In addition to representing main products, introduce and cultivate potential products at the right time to optimize the product portfolio.
	Overview of the market share of main product lines	The market share of add-on hard drives in the main channels remains at 30%, or even exceeds 30%
Hard disk drive	Supply and demand in the future and growth potential of the market	The HDD market remains stable, with growths driven by new channel development, increased capacity, and prices.
	Competitive niche	The market dynamics of SSDs depends on their price gap from HDDs. In terms of market direction, this year the gap is gradually increasing to favor the HDD market.
	Favorable and unfavorable factors and coping strategies for future development	The HDD market remains stable. The demand for SSDs is increased, but their cost has also increased. Enterprises still mainly use HDDs, leading to longer delivery cycles and the need to plan inventory stocking in advance.
	Overview of the market share of main product lines	Network communication products make up 48% of sales, while IP camera sales account for 50%
Networking products	Supply and demand in the future and growth potential of the market	WIFI 7 sales growth with new 5MP/8MP IP cameras and new binocular products Sales of VIGI monitoring and Omada commercial networking products continue to grow steadily
	Competitive niche	TP-Link provides excellent value for the price
	Favorable and unfavorable factors and coping strategies for future development	With a high cost-performance ratio, it is classified as a mainland Chinese brand company. TP is split into two companies for domestic and international sales. The international sales division has relocated its headquarters to the United States and set up a research and development center, with an American CEO
	Overview of the market share of main product lines	Hi Sharp has recently encountered difficulties due to its connection with Sinochem, causing many government agencies to stop using the brand. Nevertheless, its affordability and fast delivery continue to attract

Product line	Item	Description
Network equipment		demand from small and medium-sized businesses and general engineering projects. It is no longer the market leader. The commercial market has become highly competitive with numerous competitors.
	Supply and demand in the future and growth potential of the market	As the government vigorously implements de-Sinicization policies and expands public infrastructure and campus constructions, the demand for products that are made in Taiwan, can integrate AI and are cybersecurity-compliant is surging rapidly. The supply chain localization advantages of LILIN and Hi Sharp (MIT products to be launched in Q3 2025) will be further maximized. Additionally, public infrastructure subsidies apply to a variety of areas like transportation, crowd analysis, and environmental monitoring, etc. The compound annual growth rate (CAGR) in the future is estimated to be: LILIN and Geovision can remain at approximately 12 to 15%. Hi Sharp, when upgraded (with Chinese elements removed), is likely to reach around 8 to 10%
	Competitive niche	In brand competition, the represented brand “LILIN” has gained a clear advantage this year in government projects, public works, educational campuses, and industrial applications by meeting stricter standards in response to de-Sinicization policies. NX Witness is an international brand; nevertheless, it features an open API and flexible deployment (private cloud/on-premises) in addition to UI/UX optimization. It is gradually becoming the top choice in the VMS market and is particularly well-suited for multi-site and group monitoring setups.
	Favorable and unfavorable factors and coping strategies for future development	[Favorable] Policies in favor of equipment made in Taiwan (NDAA, cybersecurity standards) and the rapid increase in the demand for “integrated services” (from standalone devices to systematic platforms). [Unfavorable] International brands such as Axis and Bosch are actively leveraging cloud-based licensing to set themselves apart, which is narrowing the competitive opportunities for Taiwanese brands. Chinese brands continue to maintain strong competitive advantages in unrestricted areas. [Coping strategies] Promote a modular product portfolio (host + AI + license) to streamline the proposal process and improve cybersecurity and authorization training at the same time. Existing resources can be utilized to create a “tender-specific catalog and procurement package model” customized for government needs and build collaborative partnerships with low-voltage system integrators or construction companies.
Server	Overview of the market share of main product lines	Dell’s CSG (PC business) continues to be the primary revenue driver while the ISG (infrastructure business) is rapidly growing due to increased demand for AI servers and growths appear to be accelerating, signaling a gradual shift toward offering comprehensive enterprise solutions. Each product line competes closely with leading rivals (Dell, HP, Lenovo), maintaining a balanced set of strengths
	Supply and demand in the future and growth potential of the market	Emerging technologies are reshaping enterprise IT architecture demands, creating opportunities for resellers to provide high value-added services. According to the research organization Institute of the Future, technological innovations and socio-economic forces will deeply merge, shaping a new landscape for corporate technological applications by 2030
	Competitive niche	Dell offers comprehensive, multi-tiered partner development programs (DTPP and Partner First for Storage) that create unique competitive advantages for resellers and support solution integration and development of innovative business models
	Favorable and unfavorable factors and coping strategies for future development	Dell strategically reallocates internal resources to strengthen partner capabilities and improve customer experience and is devoted to the creation of long-term, deep-rooted customer relationships instead of short-term deals, thereby fostering a stable growth environment for its agents
Cybersecurity products	Overview of the market share of main product lines	According to the 2024 market research, the following companies are leaders in the zero trust security market: 1. Cisco Systems: Offers a complete zero trust solution portfolio that integrates zero trust capabilities

Product line	Item	Description
		into its overall security architecture, including Secure Access Service Edge (SASE) and Identity Services Engine (ISE), making it the top choice for enterprises adopting zero trust strategies. 2. Palo Alto Networks: Delivers robust, seamless zero trust solutions for hybrid work environments through its advanced firewall technology and Prisma Access platform. 3. Zscaler: Specializes in Zero Trust Network Access (ZTNA) and cloud security edge services, providing comprehensive cloud-native cybersecurity solutions that support remote work and distributed enterprise models. 4. Microsoft: Embeds zero trust principles within its Azure cloud platform and Microsoft 365 services, offering unified solutions that protect identities, applications, and data access. 5. IBM: Provides a comprehensive zero trust security framework that leverages artificial intelligence and machine learning to strengthen threat detection and response capabilities.
	Supply and demand in the future and growth potential of the market	Market size: The global zero trust security market is estimated to be worth USD 34.26 billion in 2024 and is expected to reach USD 161.6 billion by 2034, with a compound annual growth rate (CAGR) of 16.78%. Key drivers include: 1. Remote Work and Flexible Offices: The COVID-19 pandemic accelerated popularization of remote work, increasing businesses' reliance on cloud services and driving demand for zero-trust security solutions. 2. Regulatory Compliance: Over 120 countries worldwide have enacted or tightened privacy protection laws—such as China's Personal Information Protection Law (PIPL) and the EU's General Data Protection Regulation (GDPR)—encouraging companies to strengthen their cybersecurity compliance. 3. Rising Cyber Threats: The increase in ransomware attacks, insider threats, and advanced persistent threats (APTs) has pushed organizations to prioritize zero-trust strategies to enhance overall cybersecurity defenses.
	Competitive niche	Competitive niche for resellers: 1. Benefits of partnering with the Taiwanese technology company OmniBud: OmniBud provides the EAR ZT zero trust solution. 2. Localized support and quick response: OmniBud delivers products and services customized for the Taiwan market, offering faster technical support and customer service. Additionally, it offers more flexible corporate consulting than international brands, which is a major advantage. OmniBud provides customers with thorough analysis and integrated zero-trust solutions covering all stages. This enables enterprises to overcome challenges in zero-trust implementation, simplify the integration of products from various vendors, and improve overall efficiency. Integrated solution
	Favorable and unfavorable factors and coping strategies for future development	[Favorable factors]: Supported by government policies and growing market demand, national governments are actively promoting zero trust architectures and enacting data management regulations, encouraging businesses to enhance their cybersecurity measures Technological innovation and strategic advantage: OmniBud possesses multiple patented technologies, including AOTP (AI one-time password) and FIDO2 authentication, which enhance the product's security and competitive edge [Unfavorable factors]: Increased competition poses challenges to market share. Currently, OmniBud has relatively low brand recognition in the international market, which may hinder its ability to expand overseas. [Coping strategies] Enhance brand marketing and expand into new markets by participating in international cybersecurity exhibitions, seminars, and related events to boost brand recognition. 2. Build partnerships with overseas collaborators to expand into international markets and attract a wider range of customers.
Large LCD displays:	Overview of the market share of main product lines	Market share of sales volume in 2024: Samsung 12%, International 12%, Sony 10%, LG 9%, Philips 9%, Toshiba 1%
	Supply and demand in the future and growth	Broaden the selection of large-sized products (75", 85", 100", 115") across budget, mid-range, and premium segments, while actively

Product line	Item	Description
Water purification equipment	potential of the market	developing ultra-short throw TVs
	Competitive niche	Toshiba TVs blend Japan's strong brand reputation with China's cost benefits, incorporating Japanese expertise in picture and sound tuning technology
	Favorable and unfavorable factors and coping strategies for future development	<ul style="list-style-type: none"> Samsung and LG showed that markets without Google systems can also be successful. TCL has emerged as a rising brand, while TOSHIBA offers competitive prices. Consumers who prefer Japanese-style color calibration tend to be more receptive.
	Overview of the market share of main product lines	40% countertop models, 37% under-sink models
Small appliances	Supply and demand in the future and growth potential of the market	Given the required space/convenience/energy-saving feature, a product with the highest growth potential = under-sink instant heating RO water purifier
	Competitive niche	<ol style="list-style-type: none"> 1. High brand awareness 2. Compete product line 3. Relatively high pricing flexibility 4. Comprehensive price range 5. Well-established after-sales team
	Favorable and unfavorable factors and coping strategies for future development	<p>[Favorable factors]:</p> <ol style="list-style-type: none"> 1. Highly interested collaborators 2. Multiple prospective distribution channels 3. Numerous opportunities for cross-industry collaboration 4. High market demand <p>[Unfavorable factors]:</p> <ol style="list-style-type: none"> 1. Numerous competing brands 2. High substitutability 3. Shorter time to IPO
	Overview of the market share of main product lines	Blender 5%
Small appliances	Supply and demand in the future and growth potential of the market	Diversification
	Competitive niche	<ol style="list-style-type: none"> 1. High brand awareness 2. Diversified types of products 3. Relatively high gross profit margin 4. Comprehensive price range 5. The manufacturer supports after-sales while our company focuses on sales
	Favorable and unfavorable factors and coping strategies for future development	<p>[Favorable factors]:</p> <ol style="list-style-type: none"> 1. Certain brand awareness 2. Multiple prospective distribution channels 3. Numerous opportunities for cross-industry collaboration 4. Steady market demand <p>[Unfavorable factors]:</p> <ol style="list-style-type: none"> 1. Numerous competing brands 2. High substitutability 3. Longer case-opening time 4. Greater stock quantity in the beginning

(II) Important usage and production processes of main products:

1. Primary product usage:

Product line	Goods and services	Important usage or function
Information products	Type of Product: <ul style="list-style-type: none"> • Hard disk drive • Memory module • Printer • Personal computer • Personal computer components (motherboards, VGA cards, cases, mouses, keyboards) • Central processing unit • Display • Scanner • Projector 	<ul style="list-style-type: none"> • To assist computer users in expanding or updating their peripheral devices as needed. • Providing various peripheral application technical support services.
System equipment	Type of Product: <ul style="list-style-type: none"> • Server and private cloud solutions • Storage solutions • Backup solutions • Backup and disaster recovery solutions 	<ul style="list-style-type: none"> • IT infrastructure solution integration.
Internet Product	Type of Product: <ul style="list-style-type: none"> • Wireless routers • Wireless network card • Smart home devices (outlets, light bulbs) • Switch • Network camera 	<ul style="list-style-type: none"> • Connect to wide area network and local area network. • Connect to user's network environment exchange equipment. • Use network card to connect to wireless network. • Use network to connect to IP Cam for real-time viewing. • Use network to connect to smart home devices and control via APP.
Monitoring products	<ul style="list-style-type: none"> • Monitoring host system • Monitoring peripherals • Monitoring camera 	<ul style="list-style-type: none"> • Integrated monitoring system solution.
Software	Type of Product: <ul style="list-style-type: none"> • VPN secure network • Network management • Big data solutions • AI artificial intelligence solutions • Cloud service solutions 	<ul style="list-style-type: none"> • Network performance and security management. • Big data solution applications for data collection, integration, and analysis. • AI artificial intelligence solution applications. • Solutions for public cloud, private cloud, and hybrid cloud.
Maintenance service	Scope of Service: <ul style="list-style-type: none"> • Troubleshooting and repairs • Hardware consultation 	<ul style="list-style-type: none"> • Ensure normal operation of customer-related equipment. • Provide customer after-sales maintenance service.

2. Manufacturing process of main products: N/A (Our company is not in the manufacturing industry).

(III) Supply status of main raw materials:

1. Our company is not in the manufacturing industry; the supply of raw materials is not an issue.
2. Our company belongs to the information and communication services industry, and our suppliers are primarily large domestic and foreign manufacturers known for good quality and reputation in this industry. We have been doing business with one another for years and our partnerships are optimal and steady. At present, the supply of our primary purchased goods is fairly steady, and we maintain relationships with at least two suppliers to ensure a stable supply source. Therefore, we do not expect any shortage in supply.

(IV) The customers who accounted for more than 10% of the total sales or purchases in any of the past two years:

1. Profile of major suppliers in the past two years

Unit: In Thousands of New Taiwan Dollars

Item	2023 years				2024 years				2025 as of the previous quarter			
	Name	Amount	Percentage of net purchase amount for the entire year (%)	Relationship with Issuer	Name	Amount	Percentage of net purchase amount for the entire year (%)	Relationship with Issuer	Name	Amount	Percentage of net purchases as of the end of the previous quarter of the current fiscal year (%)	Relationship with Issuer
1	Company A	2,283,258	27.21%	None	Company A	2,641,709	30.27%	None	Company A	767,210	28.99%	None
2	Company B	1,229,248	14.65%	None	Company B	1,155,042	13.24%	None	Company B	258,989	9.79%	None
3	Company C	986,930	11.76%	None	Company C	746,256	8.55%	None	Company C	225,708	8.53%	None
	Other	3,891,625	46.38%	-	Other	4,182,729	47.94%	-	Other	1,394,273	52.69%	-
	Net Purchase	8,391,061	100.00%	-	Net Purchase	8,725,736	100.00%	-	Net Purchase	2,646,180	100.00%	-

There is no change in the purchase relationship between the Company and its major suppliers. The change in the purchase proportion from major suppliers in 2024 is due to the Company's overall business growth during the year.

2. Profile of primary sales customers in the past two years

Unit: In Thousands of New Taiwan Dollars

Item	2023 years				2024 years				2025 as of the previous quarter			
	Name	Amount	Percentage of net sales amount for the entire year (%)	Relationship with Issuer	Name	Amount	Percentage of net sales amount for the entire year (%)	Relationship with Issuer	Name	Amount	Percentage of net sales as of the end of the previous quarter of the current fiscal year (%)	Relationship with Issuer
1	Customer A	1,151,330	13.66%	None	Customer A	1,004,212	11.08%	None	Customer A	222,251	9.89%	None
	Other	7,278,538	86.34%	-	Other	8,059,921	88.92%	-	Other	2,025,563	90.11%	-
	Net sales	8,429,868	100.00%	-	Net sales	9,064,133	100.00%	-	Net sales	2,247,814	100.00%	-

There is no change in the purchase situation between the Company and its major sales customers. The change in sales ratio of major sales customers in 2014 was driven by the full-year business growth in 2014.

III. Overview of employees in the most recent two years and up to the date when the Annual Report was printed:

Fiscal year		2023	2024	As of April 25, 2025
Number of employees	Sales personnel	139	125	126
	Administrative personnel	30	85	79
	Customer service personnel	59	21	21
	Technical personnel	32	47	46
	Total	260	278	272
Average age		43.38	43.45	43.2
Average years of service (in years)		8.92	8.72	8.45
Educational background distribution ratio	Post-graduate school	0.00%	0.00%	0.00%
	Graduate school	2.40%	2.00%	1.80%
	College/university	76.80%	78.50%	80.00%
	Senior high school or equivalent	19.20%	18.00%	17.10%
	Less than senior high school	1.60%	1.50%	1.10%

IV. Information on Environmental Protection Expenditure:

(I) Losses incurred due to environmental pollution in the most recent year and up to the date when the Annual Report was printed should be specified (including compensation, violation of environmental protection laws and regulations as well as relevant penalty dates, case numbers, articles violated, contents of violations and penalties imposed): None.

(II) Estimation of current and future possible losses and coping strategies:

1. The Company has authorized the Waste Resources Recycling Management Fund Management Committee to coordinate the recycling and removal of waste resources and to pay the fund at a monthly price stipulated by the Environmental Protection Foundation.
2. The European Union Restriction of Hazardous Substances Directive (RoHS) and its impact on the Company's financials:
The Company is a distributor of information products, not a manufacturer, and does not directly export products to the European region, so RoHS has no direct impact on the Company.

V. Labor-Management Relations:

(I) Employee welfare measures, continuing education, training, retirement system, and their implementation status, as well as labor-management agreements and employee rights protection measures:

1. Employee welfare measures and their implementation status
To enhance employee welfare, our Company has established an employee welfare committee following the law and allocated a certain proportion of welfare funds. The main welfare measures are as follows:
 - (1) Employee profit sharing and stock options.
 - (2) Health and labor insurance coverage for employees.
 - (3) Group insurance for employees, their spouses, and children.

- (4) Mid-Autumn Festival and Dragon Boat Festival bonuses.
- (5) Meal subsidies.
- (6) Year-end banquet and lucky draw activities.
- (7) Subsidies for travel and physical examinations.
- (8) Subsidies for club activities.
- (9) Employee travels, birthday celebrations, sports games, and Mid-Autumn Festival gifts.
- (10) Subsidies for employees' marriage, funeral, childbirth, and hospitalization.
- (11) Complete education and training courses.

2. Employee continuing education and trainings and their implementation

2024

Type of training	Course Title	Number of participants	Total hours	Participation rate
Orientation	Educational training for new employees	76	38	100%
In-service training	Anti-bullying campaign Fraud prevention Cybersecurity	231	115.5	89%

3. Retirement system and its implementation status

Our company established the Labor Retirement Reserve Supervisory Committee on April 13, 1999, to prepare retirement procedures and to take care employee retirement in compliance with relevant labor laws and regulations such as the Labor Standards Act and the Labor Retirement Pension Act, respecting basic labor rights and protecting the rights and interests of colleagues. In addition, we have both old and new retirement pension guidelines in place and set aside retirement funds every month so that the lives of our people after retirement are reasonably protected.

(1) Old system:

As is required by the "Labor Standards Act", the Company has retirement guidelines in place that apply to the years in service of all employees before the "Labor Pension Act" was enforced on July 1, 2005 and those after its enforcement of employees who choose to continue to apply the "Labor Standards Act". For colleagues applicable under the old retirement pension system who have worked for less than 15 years, two base points are given for each full year of service rendered and for the remainder beyond 15 years, one base point is given. For a duration that is less than six months, it is counted as six months and for one more than six months and less than a year, it is counted as a year. The total number of base points is 45 at maximum and is calculated based on the average monthly salary at the time of retirement approval. Each month, 2% of the total salary is contributed to the retirement fund, which is deposited and managed in the Bank of Taiwan's old-system labor retirement reserve account.

(2) New system:

Since July 1, 2005, according to the retirement guidelines defined on the basis of the "Labor Pension Act", employees who joined the Company after July 1, 2005, or chose the new system are subject to the retirement pension system specified in the "Labor Pension Act". The company deducts 6% of the employee's monthly salary as the labor pension and deposits it into the employee's personal account at the Bureau of Labor Insurance. The payment of retirement benefits is either in monthly installments or in a lump sum, depending on the employee's labor pension account and accumulated earnings, and is collected from the Bureau of Labor Insurance.

4. Agreements between labor and management and measures to protect employee rights

Our company has always adhered to the management philosophy of coexistence and mutual prosperity of labor and management in dealing with labor and management issues. We attach great importance to the opinions of our employees. Employees can fully express their problems encountered in daily lives and at work through formal or informal communication channels provided by the Company at any time. It helps with mutual understandings and considerations, consolidate consensus, and bring about excellent results. As such, no major labor disputes between labor and management have occurred so far. In addition, we elected labor-management representatives in 2000 who meet regularly to coordinate the opinions of both sides and promote labor-management harmony.

5. Work environment and employee safety protection measures and their implementation status

(1) Access control safety:

A strict access control monitoring system is in place 24/7, and a security company maintains safety at nights and on holidays. The company is also connected to the police department for emergency response.

(2) Equipment maintenance and inspection:

As is required by the Fire Services Act, fire safety inspections are outsourced to and performed by contractors. Various equipment undergoes periodic maintenance and inspections, too, with elevators and water dispensers inspected on a monthly basis, high and low-voltage electrical equipment inspected once every six months, and air conditioning equipment and firefighting appliances maintained and inspected annually.

(3) Disaster prevention measures:

A fire prevention and disaster response team is formed, and fire safety trainings and drills are conducted annually.

(4) Physical and mental health:

To go with regulatory requirements and policies of the government, smoking is prohibited in the workplace, with readily visible no smoking signs to remind employees of not smoking in the workplace so that a quality work environment may be maintained. Regular employee health check-ups are arranged, too, and the office environment is regularly cleaned and disinfected to keep employees healthy physically, mentally, and spiritually. Meanwhile, employee feedback and complaint mailbox is available to allow expression, communication, and management of opinions from employees. A sexual harassment prevention and response policy is established to set out related complaint-handling procedures.

(5) Insurance:

The Company is legally required to purchase labor insurance (with occupational accident coverage) and national health insurance. In addition, the Company has contacted insurance companies to provide its employees and their families with discounted rates for accident insurance, accident-related medical insurance, and cancer insurance.

(II) Losses borne by the Company as a result of labor-management disputes over the past years up to the date when the Annual Report was printed; disclose also the estimated amounts and countermeasures now and those that may occur in the future: This did not happen.

VI. Cybersecurity Management:

(I) Describe the cybersecurity risk management framework, cybersecurity policies, detailed management plans, and the resources allocated for cybersecurity management

1. Cybersecurity Management Framework

Cybersecurity	
Significance to the Company	As digitalization accelerates, cybersecurity is becoming increasingly important for companies. Effective cybersecurity measures protect sensitive data, ensure regulatory compliance, and maintain stable business operations, preventing data breaches, cyberattacks, and reputational damage, making them essential for the long-term success of a business.
Policy/Commitment	Zero cybersecurity incidents each year: Enhance data confidentiality, integrity, and availability; periodically communicate to and train employees to boost their awareness of cybersecurity.
Short-term goals (within the next 2 years)	<ol style="list-style-type: none"> 1. Cybersecurity educational training is completed 100% for new employees and 95% for all employees. 2. Persistent zero cybersecurity incidents. 3. No external complaints about cybersecurity incidents.
Mid- to long-term goals (3 to 5 years for mid-term, 5 to 7 years for long-term)	<ol style="list-style-type: none"> 1. Outdated networks, servers, and computers are replaced. 2. Thorough social engineering drills and vulnerability scanning processes are evaluated and introduced to improve cybersecurity. 3. Staff training on cybersecurity is held to help acquire new knowledge. 4. Office operating software is replaced or upgraded.
Devotion of Resources and Actions Taken	<ol style="list-style-type: none"> 1. It is expected that approximately NTD 1.5 million will be invested for upgrading and replacing office software. 2. Approximately NTD 50,000 was invested for the specific year in introducing an electronic signature system. 3. At least one cybersecurity educational training and communication of cybersecurity information from time to time will take place each year. 4. The firewall and intrusion detection system are updated and inspected periodically. 5. The endpoint antivirus and anti-intrusion system are updated and inspected periodically. 6. Outdated networks, servers, and computers are replaced.
Performance Outcome (2024)	<ol style="list-style-type: none"> 1. Attendance of employees in cybersecurity trainings was 100%, with a 99% pass rate. 2. Internal and external cybersecurity audits were completed with no non-compliance issues identified. 3. Xander International's Annual Major Cybersecurity Projects and Achievements: Reinforcement and replacement of software and hardware frameworks continued to ensure cybersecurity, with the firewall replaced, the electronic signature system introduced, the antivirus software patches updated, and outdated servers and personal computers replaced. 4. No cybersecurity incidents occurred. 5. No external complaints about cybersecurity incidents.
Department in charge/ Complaint contact information	Division for OA Services under the IT Department Telephone: 02-2219-1600 Email: infosec@xander.com.tw

2. Cybersecurity Policy

XANDER International has established a cybersecurity policy to ensure the confidentiality, integrity, and availability of company information in line with operational requirements and relevant laws and regulations. This policy is to be followed in the management of cybersecurity and is effectively implemented through the internal cybersecurity team. Furthermore, the Company aims to raise employees' awareness of cybersecurity risks and employs management procedures and security technologies to safeguard the collection, processing, transmission, storage, and distribution of information.

3. Detailed management plan and resources allocated for cybersecurity management

(1) Cybersecurity Protection

XANDER International prioritizes cybersecurity by implementing comprehensive protection and data safeguarding mechanisms to ensure the confidentiality, integrity, and availability of company information. This prevents risks such as confidential data leaks or damage. The Company establishes internal security control mechanisms, conducts annual cybersecurity risk assessments, categorizes possible system threats, and regularly carries out backup drills. These measures reduce the risk of system downtime due to natural disasters or human errors, ensuring that the Company fulfills the goal it sets for system recovery.

(2) Cybersecurity educational training

XANDER International recognizes that cybersecurity education and training offer numerous benefits to both organizations and individuals. Through regular trainings, employees become optimally aware of cybersecurity, such as the nature and impact of phishing attacks, malware, and social engineering tactics. This helps employees identify and avoid these security risks. The following is a list of information related to cybersecurity education and training:

Course Topic	Headcount of participants	Attendance rate	Qualification Rate
Cybersecurity Awareness Campaign	234	98%	99%
Cybersecurity Awareness Campaign Against Internet Phishing and Fraud	237	95%	99%

(3) Communication of cybersecurity to raise awareness of cybersecurity

Cybersecurity and anti-hacking alerts are sent to employees from time to time to remind them of staying vigilant at all times.

(4) Internal and external cybersecurity audits to promptly identify and resolve issues

Every year, internal and external cybersecurity audits are conducted, and the audit reports are presented to senior management. Improvement plans are developed and implemented to address deficiencies, effectively reducing cybersecurity risks.

(II) Losses due to material cybersecurity incidents over the most recent year up to the date when the Annual Report was printed, their possible impacts, and countermeasures: This did not happen.

VII. Important Contracts:

Party to the Contract	Contract Period	Main Content
Lenovo Technology B.V. Taiwan Branch (Netherlands)	2024.10.01~2026.09.30	Dealership for related Lenovo products.
HEWLETT-PACKARD Taiwan LTD	2010.12.17 ~ Either party may terminate this agreement by providing written notice at least 30 days in advance. Otherwise, it will be continually extended	Dealership for HP products.
Dell B.V. Taiwan Branch	2023.07.29~2024.07.28 2024.07.29~2025.07.28	1. Dealership for Dell products. 2. The contract can be automatically extended for one year upon expiration.
Seagate Singapore International Headquarters Pte. Ltd.	2015.05.27 ~ Either party may terminate this agreement by providing written notice at least 30 days in advance. Otherwise, it will be automatically extended	Dealership for Seagate products.
ViewSonic International Corporation	2024.01.01~2024.12.31	1. Dealership for projectors, smart touch products, and LCD/LED displays. 2. The contract can be automatically extended for one year upon expiration.
Samsung Electronics Taiwan Co., Ltd	2024.01.01~2024.12.31	1. Represented products: Computer monitors, printers, home appliances, and accessory consumables. 2. The contract can be automatically extended for one year upon expiration.
Brother International Taiwan Ltd.	2023.07.01~2024.06.30 2024.07.01~2025.06.30	1. Represented products: Printers and consumables. 2. The contract can be automatically extended for another year upon expiration.
Canon Marketing Taiwan Co., Ltd	2024.01.01~2024.12.31	1. Represented products: Printers. 2. The contract can be automatically extended for one year upon expiration.
Sunup International Payment Solutions Inc.	2023.07.04~2024.07.03 2024.07.04~2025.07.03	1. Represented products: Satellite navigators. 2. The contract can be automatically extended for one year upon expiration.
Advanced Micro Devices, Inc.	2022.02.22 ~ Either party may terminate this agreement by providing written notice at least 30 days in advance. Otherwise, it will be continually extended	Dealership for CPU, APU and AMD products.
Hisense Visual Technology Co., Ltd.	2024.03.15~2025.12.31	Dealership for Toshiba TV sets.
Shandong Jiuchuang Home Appliances Company Limited	2024.08.01~2025.12.31	Dealership for Joyoung small appliances

E. Review and Analysis of the Financial Status and Financial Performance and Risks

I. Financial Status:

(I) The primary causes and effects of significant changes in assets, liabilities, and equity over the past two years

Unit: In Thousands of New Taiwan Dollars

Item	Fiscal year	2024	2023	Difference	
				Amount	%
Current assets		2,725,117	2,815,689	(90,752)	(3)
Financial assets measured through other income - Non-current		3,074	3,417	(343)	(10)
Property, Plant and Equipment		138,472	148,147	(9,675)	(7)
Intangible assets		1,186	1,172	14	1
Other assets		112,371	72,890	39,481	54
Total assets		2,980,220	3,041,315	(61,095)	(2)
Current liabilities		1,841,060	1,957,381	(116,321)	(6)
Non-current liabilities		35,784	17,440	18,344	105
Total liabilities		1,876,844	1,974,821	(97,977)	(5)
Equity attributable to owners of the parent company		1,103,376	1,066,494	36,682	3
Share capital		908,896	908,896	-	-
Capital surplus		67,418	67,418	-	-
Retained earnings		129,333	92,108	37,225	40
Other equity		(2,271)	(1,928)	(343)	18
Total equity		1,103,376	1,066,494	36,882	3

Analysis of deviation:

- Compared to the previous period, non-current financial assets measured through other income and other equity decreased by 343 thousand for the current period, mainly due to the decrease of fair value for unlisted equity investment targets.
- In this period, the addition of leased factory buildings led to the recognition of right-of-use assets and lease liabilities under IFRS16, causing both assets and liabilities to increase simultaneously.

II. Financial Performance:

(I) Primary reasons for major changes in operating revenue, net revenue, and net income before tax in the last two years and their impacts:

Unit: In Thousands of New Taiwan Dollars

Item	Fiscal year	2024	2023	Difference	
				Amount	%
Operating revenue		9,064,133	8,429,868	634,265	8
Operating cost		8,625,907	8,061,206	564,701	7
Gross profit		438,226	368,662	69,564	19
Gross profit ratio		4.835%	4.373%	-	11
Operating expense		409,105	365,049	44,056	12
Operating income		29,121	3,613	25,508	706
Non-operating revenue and expenses		13,380	16,543	(3,163)	(19)
Net income from continuing operations before tax		42,501	20,156	22,345	111
Income tax (expense) gain		(7,425)	822	(8,247)	(1,003)
Net income (loss) for the period		35,076	20,978	14,098	67
Other comprehensive income		1,806	1,000	806	81
Comprehensive income for the period		36,882	21,978	14,904	68

Analysis of deviation: (Deviation over 20%)

1. Operating profit, profit before tax, net profit, and comprehensive income for the current period all increased compared to the previous period. This improvement was mainly due to a rebound in sales momentum for certain products and the actual collection of accounts receivable previously written off as bad debts, leading to gains from bad debt reversals.
2. This year's non-operating revenue and expenses decreased by NTD 3,163 thousand compared to the previous period, mainly due to exchange gains from market exchange rate fluctuations, and the rising interest rate.
3. The income tax expense for the year was increased by NTD 8,247 thousand, mainly due to an increase in profit this year.

(II) Sales volume forecast and the basis for the forecast:

The Company establishes its annual sales targets based on the current industry conditions and past operating performance.

(III) Possible impacts on the Company's future financial performance and responsive actions to such impacts:

As the Company is in an industry that is already at the mature stage, its growth in market share and gross margin can be quite limited. It is only by continuing to develop and bring innovative high-tech products to the market which will maintain the stability of the Company's business, as well as by enforcing a tight control on the Company's expenses, will the Company be able to drive up its profitability and maintain an optimal financial standing.

III. Cash flow:

Cash Flow Analysis

Unit: In Thousands of New Taiwan Dollars

Cash balance at start of period	Net cash flows generated by operating activities for the year	Net cash in(out)-flows from other activities for the year	Cash balance remained (shortfall)	Remedy for expected cash shortfall	
				Investment plan	Financing plan
324,806	34,318	(102,227)	256,897	-	-

1. Analysis of deviation in cash flow for the year:

- (1) The net cash inflows from operating activities for this period increased by NTD 120,066 thousand compared to the previous period, primarily due to a higher inventory turnover rate.
- (2) The net cash inflows generated from investing activities increased by NTD 2,896 thousand, compared to the previous period, mainly due to a decrease of NTD 11,714 thousand in the cash outflows because of reduced purchases of property, plant, and equipment.
- (3) The net cash inflows from financing activities for the current period decreased by NTD 152,400 thousand compared to the previous period, mainly due to an increase in cash outflows for expediting repayment of short-term borrowings for the year meant to optimize the capital structure for the current period.

2. Remedy for cash shortfall and liquidity analysis: None.

3. Cash flow liquidity analysis for the coming year:

Cash balance at start of period	Estimated net cash flows from operating activities for the year	Estimated net cash in(out)-flows from other activities for the year	Estimated cash balance remained (shortfall)	Remedy for expected cash shortfall	
				Investment plan	Financing plan
256,897	22,000	10,000	288,897	-	-

IV. Impacts of Major Capital Expenditure on Finance in the Most Recent Year:

- (I) Utilization of major capital expenditures and sources of the funds: None.
- (II) Expected possible benefits: None.

V. Main Reasons for Profits or Losses with Reinvestment Policies in the Most Recent Year, the Improvement Plan, and the Investment Plan for the Coming Year:

- (I) The Company's investment policy primarily focuses on strategic investments for the development of business in the industry, with the aim of enhancing the Company's overall profitability by generating non-operating revenue through strategic investments.
- (II) The investment loss from the reinvestment in Dinghan International Corp. recognized using the equity method in 2024 was NTD 27 thousand. The Company will continue to provide support for the company, with the belief that it will soon generate profits for its business as well as non-operating revenue for the Company.
- (III) The Company has no investment plan for the coming year.

VI. Risk assessment for the most recent year and up to the date when the Annual Report was printed:

(I) The impacts of changing interest rates and foreign exchange rates and inflation on the Company's income and countermeasures in the future:

1. Interest rate risk:

The revolving credits currently available to the Company allow its use of loans at a floating interest rate. The short-term interest rate for the Company in 2024 ranged from 2.11% ~ 2.20%, and the balance of short-term borrowing at the end of 2024 was NTD 538,000 thousand. The financial planning of the Company follows a conservative and prudent approach in principle. For the management of Company's asset allocation, safe investments are its top priority. With regular evaluation on money market interest rates and financial information, the Company selects the most favorable approach to use its financial resources based on the costs of the investments and their possible returns and risk, and takes measures against such risks.

2. Effects of foreign exchange volatility:

On the consolidated basis, the exchange gain for the Company in 2024 was NTD4,974 thousand. In 2024, global inflation suppression and interest rate hikes led to significant exchange rate fluctuations. However, due to the Company's industry characteristics, the overall impact of exchange rate changes on the Company's profit and loss is limited.

3. Inflation risk:

The Company deals in bulk with agency IT products and consumer electronics. In recent years, inflation has caused consumers to adopt a more conservative attitude, leading to weak market demand, indirectly affecting the Company's operations and profits for 2024.

(II) Company policy on high-risk/highly leveraged investments, lending, endorsements and guarantees for other parties, and financial derivative transactions, primary reasons for their gains or losses and measures to be taken:

1. The Company did not engage in any high-risk/highly leveraged investments and endorsements or guarantees for other parties in the most recent year and up to the date the Annual Report was printed.

2. All financial derivative transactions engaged by the Company were forward exchange contracts that the Company entered into to manage risk exposures from its foreign currency liability due to fluctuations of foreign exchange rates and not for trading purposes. The objective of the Company's hedging strategy is to achieve mitigation against price risks in most of its markets. The Company uses financial derivative products that have a strong negative correlation with the changes in the fair value of the hedged item as hedging instruments and evaluates these instruments periodically.

3. Lending to other parties in the most recent year and up to the date the Annual Report was printed:
This did not happen.

(III) Future plan on research & development (R&D) and expected R&D spending: The Company is engaged in the distribution of electronic products and therefore has no such need for the establishment of a R&D department or engaging any other third parties for R&D. For this reason, the Company has no R&D spending.

(IV) The impacts of major changes in domestic and foreign government policies and regulatory environment on the Company's financial performance and responsive measures for such impacts:

There was no impact on the Company's financial performance resulted from major changes in domestic and foreign government policies and regulatory environment in the most recent year and up to the date the Annual Report was printed.

(V) Impacts of changes in technology (including the cybersecurity risk) and industry on the Company's financial performance and the countermeasures: The Company is specialized in the agency of IT products. With the development in technology and the industry, IT products will become more user-friendly orientated and supplicated, and the products under the Company's agency will become more diversified and specialized.

For detailed cybersecurity risk assessment, refer to Section 13 (thirteen): Other significant risks and their countermeasures.

(VI) The impacts of changes in corporate image on corporate risk management and responsive measures for such impacts: There was no change in the Company's corporate image in the most recent year and up to the date the Annual Report was printed. The Company is committed to maintaining a positive corporate image among its customers, and as such, has established a public relations department to ensure a good relationship with the outside world is maintained. A customer service center is also in place to resolve any disputes arising in transactions and to provide after-sales service for its products. The Company will initiate its risk management team in the event that its corporate image is adversely affected or there is any violation of law. The team will be responsible to develop strategies and resolve the crisis arising from such an event.

(VII) Expected benefits and possible risks with business merger/acquisition and the countermeasures: None.

(VIII) Expected benefits and possible risks on plant expansion and responsive measures for such risks: The Company is not engaged in the business of product manufacture, so there was no need for plant expansion.

(IX) Risks with vendor and customer concentration and the countermeasures: None.

(X) Impacts and risks of transfer or exchange of stock options in large quantities by directors, supervisors or heavyweight shareholders holding more than 10% of all shares on the Company and the countermeasures: None.

(XI) Impacts and risks of change in management on the Company and the countermeasures: Not applicable.

(XII) Litigious or non-litigious disputes:

1. Any litigation, non-litigious proceeding, or administrative dispute involving the Company that has a confirmed ruling or remained pending and whose outcome may have a material impact on shareholders' equity or prices for the Company's securities in the most recent year and up to the date the Annual Report was printed: None.
2. Any litigation, non-litigious proceeding, or administrative dispute involving any of the Company's directors, supervisors, general manager, de facto responsible person, major shareholders with a stake of more than 10 percent, or affiliates that has a confirmed ruling or remained pending and whose outcome may have a material impact on shareholders' equity or prices for the Company's securities in the most recent year and up to the date when the Annual Report was printed: None.

(XIII) Other important risks and countermeasures – cybersecurity risk assessment and analysis:

1. The Company has established an IT department, which is responsible for the management of cybersecurity risks. The structure of the department is described below:
 - (1) Division for OA Services: In charge of the maintenance and management of IT equipment and the maintenance of effective cybersecurity
 - (2) Division for System Research and Development: In charge of the planning and development of ERP application systems, as well as their maintenance
2. The following cybersecurity policies are developed and reviewed every year periodically to ensure their applicability and effectiveness:
 - (1) Personnel management and cybersecurity training programs
 - A. A security assessment is performed on any data-related positions and duties. Careful consideration is also given to assess the suitability of a personnel when hiring or assigning relevant works or tasks to the personnel.
 - B. The head of each operating unit is responsible for the supervision of the cybersecurity on the activities performed by his/her staff to prevent any illegal and improper acts.
 - C. A variety of training and promotion on cybersecurity tailored to the needs for different fields of work (e.g., management, sales, and IT) are conducted periodically in order to build the employees' awareness on cybersecurity and strengthen the Company's data security.
 - D. The responsibilities and authority with respect to the management, maintenance, design, and operations of important information systems are appropriately distributed to respective personnel in a decentralized approach.

- (2) Security management for computer systems
 - A. Before outsourcing any activities relating to information technology to a third party, the requirements for the security of information technology should be prepared and the responsibilities and obligations of the vendor with respect to data security and confidentiality should be explicitly stated and included in the contract arrangement with the vendor. The vendor will be asked to comply with these requirements and performance review will be conducted on a periodic basis.
 - B. All actions involving copying or use of software should follow applicable regulatory or contractual requirements. A management system on the use of software is developed.
 - C. Necessary preventive and protective measures are taken to detect and avoid computer viruses and other malware to ensure proper operations of systems.
- (3) Network safety management
Information systems that allow access with external connections should adopt technologies or measures of different security levels based on the importance and value of their information and systems for the protection of such information and systems from breach, damage, alteration, deletion and unauthorized access.
- (4) System access control
 - A. When an employee leaves the Company, all his/her access to information resources is immediately removed. This procedure is listed as a mandatory protocol for the employee termination process. When there is a change in job duties or a job role of an employee, the employee's access privileges should be adjusted accordingly within the established time frame in accordance with the system access control requirements.
 - B. The access password management of users are strengthened and access passwords are changed regularly.
 - C. A stronger safety control should be enforced on system service vendors who perform system repair/maintenance remotely; and such vendors should follow applicable security and confidentiality requirements.
- (5) Security management for development and maintenance of application systems
 - A. When developing a system independently or by an outsourced party, cybersecurity requirements should be taken into consideration during the initial phase of the system's life cycle. Security controls should be established for the maintenance, update, online implementation, and version control to prevent against improper software, trapdoors, and computer viruses from damaging the system's security.
 - B. Requirements and restrictions should be defined on the extent of systems and data to which vendor personnel for software/hardware system development and maintenance is allowed to access; the issuance of long-term system identification and access passwords is strictly forbidden. Short-term and temporary system identification and access passwords may be issued to vendors if there is an actual need for operations; however, such access privileges should be revoked immediately upon completion of their works.
 - C. An outsourced vendor may only establish and perform maintenance on important software/hardware and facilities under the supervision of, and accompanied by, relevant department personnel.
- (6) Physical and environmental security management
Proper physical and environmental security management measures should be established for relevant equipment with respect to its placement, surrounding environment, and access control of personnel.

VII. Other Important Matters: None.

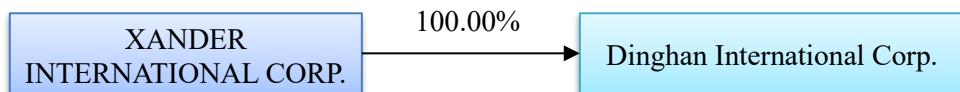
F. Special Notes

I. Information of Affiliates:

(I) Affiliate Consolidated Business Report

1. Organizational chart for the affiliate

(1) Controlling entity and controlled entity: Dinghan International Corp.



(2) Entities with investments in each other: None.

2. General information for the affiliate

Unit: In Thousands of New Taiwan Dollars

Business name	Date established	Address	Paid-in capital	Major business or manufacturing activities
Controlling entity: XANDER INTERNATIONAL CORP.	1995.11.01	5F, No. 531, Zhongzheng Road, Xindian District, New Taipei City	908,896	Distribution and agency of sales of electronic components, parts, integrated circuits, and computer equipment and peripherals.
Controlled entity: Dinghan International Corp.	2002.11.05	5F, No. 531, Zhongzheng Road, Xindian District, New Taipei City	32,000	Wholesale and retail sales of office equipment.

3. Shareholder in common between the entities that are deemed to have a controlling and controlled relationship: None.

4. Business activities of the affiliates and their association:

(1) The industries in which the business activities of the affiliate are engaged:

- ① Distribution of IT products: Distribution and agency of sales of electronic components, parts, integrated circuits, and computer equipment and peripherals.
- ② International trade: Wholesale and retail sales of office equipment.
- ③ Repair for IT equipment: Repair, maintenance, and installation of electronic, computer, network communication equipment and products, and their distribution of sales.

(2) Distribution in business activities among the affiliates:

With its distribution and agency of sales of electronic components, parts, integrated circuits, and computer equipment and peripherals as the foundation, Xander is developing a variety of horizontal and vertical integration in the industry. Dinghan International Corp. is mainly engaged in the wholesale and retail sales of office equipment.

5. Information about directors, supervisors, and general manager of the affiliate

Unit: In Thousands of New Taiwan Dollars; Share

Business name	Job title	Name or representative	Number of shares held	
			Number of shares	Shareholding ratio %
Controlling entity:				
XANDER INTERNATIONAL CORP.	Chairman	Hung Mao Investment Co., Ltd. Representative: Cher Wang	22,989,868 3,584,748	25.29 3.94
	Director	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	22,989,868 4,834,147	25.29 5.32
	Director	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	2,694,647 -	2.96 -
	Director	Chuan Te Investment Co., Ltd. Representative: Che Chen	2,694,647 918,763	2.96 1.01
	Independent director	Dao-Song Chen	-	-
	Independent director	Wen-Hua Liao	-	-
	Independent director	Mao-Song Chang	-	-
Controlled entity:				
Dinghan International Corp.	Chairman	XANDER INTERNATIONAL CORP. Representative: Wen-Kang Chen	3,200,000 -	100.00 -

6. Operational overview of the affiliate

Unit: In Thousands of New Taiwan Dollars

Business name	Capital size	Total assets	Total liabilities	Net worth	Operating revenue	Operating gain (loss)	Gain (loss) for the period (after tax)	Earnings (deficits) per share (NTD) (after tax)
Controlling entity:								
XANDER INTERNATIONAL CORP.	908,896	2,980,110	1,876,734	1,103,376	9,063,661	29,213	35,076	0.39
Controlled entity:								
Dinghan International Corp.	32,000	11,927	793	11,134	4,412	(128)	(27)	(0.0008)

(II) Affiliate Consolidated Financial Statements:

Pursuant to Section 4 under the Description section of the official letter (88) SFC (XI) No. 04448 and Appendix 5 thereto, the Company has not prepared and issued the Affiliate Consolidated Financial Statements and the declaration as described in Appendix 1 thereto. Instead, a declaration as described in Appendix 5 thereto is issued and placed as the cover page for the consolidated financial statements for parent company and its subsidiary. Please see the consolidated financial statements as shown in the appendix.

(III) Affiliation report:

No events have occurred that require the preparation of an affiliation report.

II. Processing status of private placement securities in the most recent year and up to the date when the Annual Report was printed: None.

III. Other Matters Requiring Supplementary Information: None.

G. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date when the Annual Report was printed: None.

XANDER INTERNATIONAL CORP.

**XANDER
INTERNATIONAL
CORP.**

Chairman: Cher Wang

Cher Wang