

Stock Code: 6118



**XANDER INTERNATIONAL CORP.**

2025 Annual Meeting of Shareholders

# Handbook

June 24, 2025

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# XANDER INTERNATIONAL CORP.

## Procedure for 2025 Shareholders' Regular Meeting

### **I. Meeting Procedure**

1. Chair Address
2. Presentations
3. Ratifications
4. Discussions
5. Extraordinary Motion
6. Adjournment

# XANDER INTERNATIONAL CORP.

## 2025 Shareholders' Regular Meeting Agenda

### **II. Meeting Agenda**

Time: June 24, 2025 (Tuesday) 9:30 AM

Venue: The Company Conference Room (5F, No. 531, Zhongzheng Road, Xindian District, New Taipei City)

How will the Meeting be Held: Physical shareholders' meeting

1. Chair Address:

2. Presentations:

- (1) 2024 Business Report.
- (2) 2024 Audit Committee's Review Report.
- (3) Report on the distribution of 2024 remuneration to employees and that to directors.

3. Ratifications:

- (1) The Company's 2024 Business Report and Financial Statements.
- (2) The Company's 2024 Earnings Distribution Proposal.

4. Discussions:

Revision of the "Articles of Incorporation".

5. Extraordinary Motion

6. Adjournment

### **III. Presentations**

#### **Case 1**

Cause: 2024 Business Report.

Description: For the Business Report, please refer to Attachment 1 of this Handbook (Pages 5 to 7).

#### **Case 2**

Cause: 2024 Audit Committee's Review Report.

Description: For the Audit Committee's Review Report, please refer to Attachment 2 of this Handbook (Page 8).

#### **Case 3**

Cause: Report on the distribution of 2024 remuneration to employees and that to directors.

Description:

1. As is approved by the Board of Directors on March 10, 2025, according to Article 19 of the Company's Articles of Incorporation, in cases of profits made by the Company for the year, no less than 5% shall be set aside as the remuneration to employees and no greater than 1% as that to directors. 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 Company set aside 5%, that is, NTD 2,260,141, in total to be the remuneration to employees and 1%, that is, NTD 452,133, in total, to be the remuneration to directors in 2024 and all were distributed in cash.

### **IV. Ratifications**

#### **Case 1 Proposed by the Board**

Cause: The Company's 2024 Business Report and Financial Statements for ratification.

Description:

1. The Company's 2024 Financial Statements have been audited by CPAs Chien-Ming Tseng and Wen-Ya Hsu of Deloitte Taiwan and are believed to be sufficient to adequately express the financial standing, financial performance, and cash flows of the Company in 2024 and hence the Audit Report with unqualified opinion is issued, which, along with the Business Report and the Earnings Distribution Proposal have been submitted to and been completely reviewed by the Audit Committee and the Review Report is issued, with records on file.
2. For the Business Report, the CPA's Audit Report and Financial Statements, please refer to Attachment 1(Pages 5 to 7) and Attachment 3 (Pages 9 to 28) of this Handbook.

Resolution:

## **Case 2 Proposed by the Board**

Cause: The Company's 2024 Earnings Distribution Proposal for ratification.

Description:

1. The unappropriated retained earnings at the start of the period of term of the Company was NTD 77,182,664, reversal of special reserve for 2023 was NTD 1,061,000, plus the re-measurements of the defined benefit plan of NTD 2,148,718 and the net income after tax of 2024 worth NTD 35,076,036 and less the legal reserve worth NTD 3,722,475 and special reserve worth NTD 343,000; therefore, the distributable earnings at the end of the period came to NTD 111,402,943.
2. In light of the operational demand and to reflect changes on the market, it is intended to retain the earnings; they will not be distributed.
3. For the 2024 Earnings Distribution Table, please refer to Attachment 4 (Page 29) of this Handbook.

Resolution:

## **V. Discussions**

### **Case 1 Proposed by the Board**

Cause: Revision of the "Articles of Incorporation" is submitted for approval.

Description:

1. Certain provisions in the Articles of Incorporation were revised in accordance with the Financial Supervisory Commission's Order FSC Security Issuance No. 1130385442, requiring companies to appropriate a specified proportion of its earnings for the year to non-managerial employees for salary adjustments or profit sharing, and state as such in their Articles of Incorporation.
2. Please refer to Appendix 5 of this Handbook (page 30) for the comparison table before and after the provision revisions.

Resolution:

## **VI. Extraordinary Motion**

## VII. Attachment

### Attachment 1 2024 Business Report

#### 2024 Business Report

##### 1. 2024 Operating Performance

###### (1) Business Plan Implementation Results:

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%

###### (2) Budget Implementation Status

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

###### (3) Analysis of Income, Expenditure and Profitability

	2024	2023
<b>1. Financial Structure Analysis</b>		
(1) Debt-to-assets ratio:	63%	65%
(2) Ratio of long-term capital to fixed assets:	823%	732%
<b>2. Solvency Analysis</b>		
(1) Current ratio:	148%	144%
(2) Quick ratio:	93%	83%
<b>3. Operating Capacity Analysis</b>		
(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:	40	44
(5) Fixed asset turnover (times):	63	56
<b>4. Profitability analysis</b>		
(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

###### (4) Status of Research and Development

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

## 2. Overview of 2025 Business Plan

### (1) Operational Developments and Status

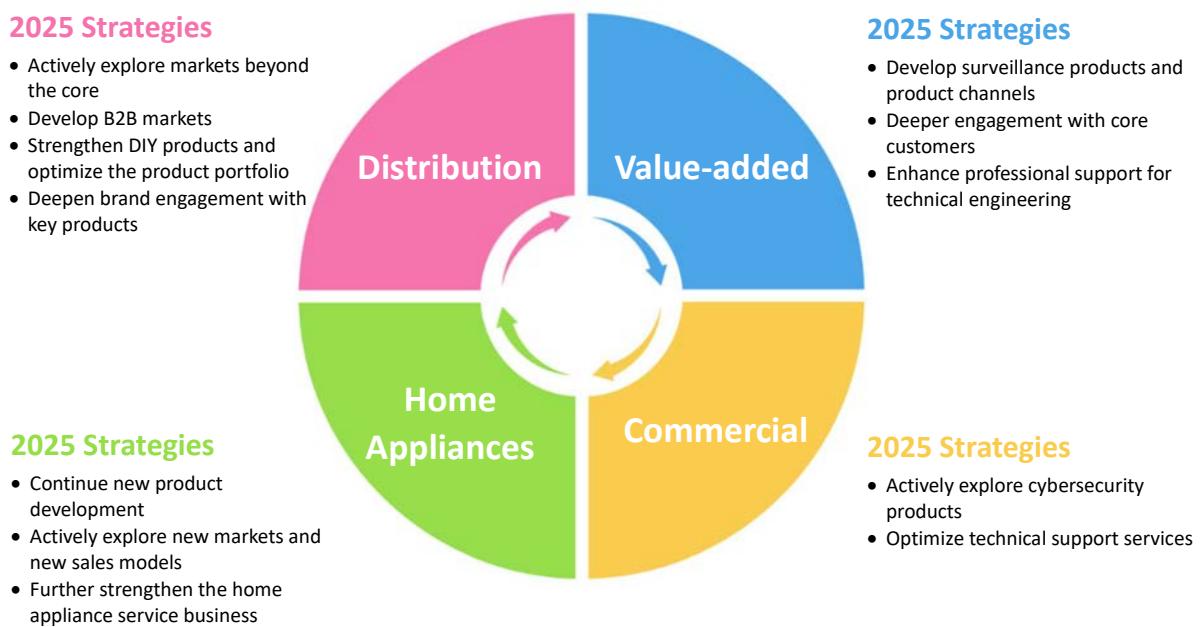
As the global economy gradually moves toward stability in 2024 following the COVID-19 pandemic, many countries and regions are seeing a steady recovery in economic growth. However, challenges persist in the economic environment due to ongoing inflationary pressures, unstable global supply chains, and geopolitical uncertainties. Against this backdrop, businesses must adopt a flexible and innovative approach to adapt to market changes and 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 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. Through these strategies, we aim to find opportunities amid challenges and maintain progress amid competition.

### (2) Channel and product strategies

Based on the characteristics of products and channels, we have four business divisions with specialized professionals each responsible for their respective areas of expertise. For project needs that span across business groups, resources can be quickly reallocated and integrated to maximize team collaboration and efficiency.



### 3. Future Corporate Developmental Strategies

- (1) Continue to introduce new products for distribution in order to steadily grow the revenue.
- (2) Introduce a wider range of small and large home appliances, commercial integrated cybersecurity systems, and AI digital systems, while expanding product lines and channel distribution.
- (3) Strictly control expenses, increase the sales proportion of high-margin products to increase overall sales profitability.
- (4) Strengthen inventory management to reduce obsolete stock, leverage existing distribution channels, and maintain quality customers with good credit to support effective accounts receivable management.

### 4. Impacts from External Competition, Regulatory Setting, and Overall Operational Setting

#### (1) External competition

The electronic distribution market in which we operate is highly competitive, and the sales of information electronic products face many challenges. To navigate this environment, we rely on our strong corporate image, the abundant resources of our group, and a rigorous management system. We also continue to update our products and upgrade technologies to ensure sustained market competitiveness in the future.

#### (2) Regulatory setting

In this fast-changing environment, 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 and implement corresponding measures to ensure all our activities comply with legal requirements and maintain consistent adherence to regulations to achieve full compliance.

#### (3) Overall operational setting

Looking back at 2024, the rise of trade protectionism has had a profound impact on global trade relations and economic structures. Due to its geopolitical condition, Taiwan has strengthened its role as a critical supply chain hub amidst the uncertainty of the global political and economic environment, further solidifying its position as an alternative supplier. 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%.

In response, we will closely monitor market dynamics and actively adjust our strategies as needed, continuously driving 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 to ensure steady growth in a highly competitive environment.

Chairman:  
Cher Wang



Manager:  
Wen-Kang Chen



Accounting  
Supervisor:  
Chao-Heng Yang



**Attachment 2 Audit Committee's Review Report**

**Audit Committee's Review Report**

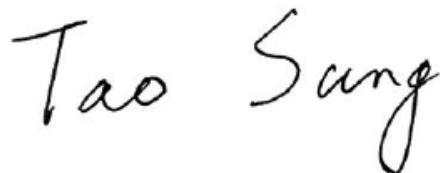
It is approved as follows.

Among the 2024 Business Report, Financial Statements, and Earnings Distribution Proposal prepared by the Board of Directors, the Financial Statements have been completely audited by Deloitte Taiwan and the Audit Report with unqualified opinion was issued. The above-mentioned Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed by the Audit Committee and no discrepancies have been found. Therefore, according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the report is prepared as above for your review and approval.

To

XANDER INTERNATIONAL CORP. 2025 Shareholders' Regular Meeting

Convener of the Audit Committee:  
Tao-Sung Chen



March 10, 2025

## **Attachment 3 CPA's Audit Report and Financial Statements**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
Xander International Corp.

#### **Opinion**

We have audited the accompanying financial statements of Xander International Corp., which comprise the individual of balance sheets as of December 31, 2024 and 2023, and the statements of individual comprehensive income, changes in individual of equity and cash flows for the years then ended, and the notes to the individual financial statements, including a summary of material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of Xander International Corp. as of December 31, 2024 and 2023, and its individual financial performance and its individual cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

The description of the key audit matter of the individual financial statements for the year ended December 31, 2024 is as follow:

#### Consignment Revenue Recognition

For consignment transactions with customers, revenue is recognized when performance obligations are satisfied by periodic reconciliation and confirmation. Since timing differences might exist when the Company recognizes revenue and may significantly influence the financial statements for the year ended December 31, 2024, we identified the consignment revenue recognition as a key audit matter.

For relevant accounting policies of revenue recognition, refer to Note 4.

In view of the above important matters, we implement the following key audit procedures:

1. Understand, evaluate and test the design and implementation of accounting policies and internal controls for revenue recognition.
2. Verify the details of consignment revenue close to the balance sheet date, obtain the reconciliation information between the Company and customers, and check with the accounting details to confirm whether the attribution of the revenue in the period of recognition is appropriate.

#### **Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements**

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Individual Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including management and supervisors, are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Individual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the individual financial information of entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Ming Tseng and Wen-Ya Shyu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2025

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

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

# XANDER INTERNATIONAL CORP.

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

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 247,931	8	\$ 315,856	10
Notes receivable (Notes 4 and 8)	66,594	2	101,854	3
Trade receivables, net (Notes 4 and 8)	1,381,878	47	1,201,810	40
Trade receivables - related parties (Notes 4, 8 and 27)	2,329	-	879	-
Other receivables (Notes 4 and 8)	3,614	-	993	-
Inventories (Notes 4 and 9)	854,989	29	970,050	32
Prepayments (Note 15)	8,782	-	15,557	1
Other current assets (Note 15)	114,323	4	126,316	4
Right to recover a product (Notes 4, 15 and 21)	<u>33,433</u>	<u>1</u>	<u>70,390</u>	<u>2</u>
Total current assets	<u>2,713,873</u>	<u>91</u>	<u>2,803,705</u>	<u>92</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 26)	3,074	-	3,417	-
Investments accounted for using the equity method (Notes 4 and 10)	11,134	-	11,161	-
Property, plant and equipment (Notes 4, 11 and 28)	138,472	5	148,147	5
Right-of-use assets (Notes 4 and 12)	60,559	2	28,864	1
Investment Property (Notes 13)	586	-	586	-
Computer software (Notes 4 and 14)	1,186	-	1,172	-
Deferred tax assets (Notes 4 and 23)	14,124	1	16,289	1
Refundable deposits (Notes 4, 15 and 28)	32,689	1	27,101	1
Other non-current assets (Note 15)	<u>4,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>266,237</u>	<u>9</u>	<u>236,737</u>	<u>8</u>
<b>TOTAL</b>	<b><u>\$ 2,980,110</u></b>	<b><u>100</u></b>	<b><u>\$ 3,040,442</u></b>	<b><u>100</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 16 and 26)	\$ 538,000	18	\$ 606,050	20
Notes payable (Note 17)	700	-	6	-
Trade payables (Note 17)	769,352	26	812,109	27
Trade payables - related parties (Note 17 and 27)	1,760	-	-	-
Other payables (Note 18)	250,269	8	217,723	7
Current tax liabilities (Notes 4 and 23)	2,707	-	9,187	-
Lease liabilities - current (Notes 4 and 12)	26,308	1	16,227	-
Other current liabilities (Notes 4, 18 and 21)	<u>251,854</u>	<u>9</u>	<u>295,206</u>	<u>10</u>
Total current liabilities	<u>1,840,950</u>	<u>62</u>	<u>1,956,508</u>	<u>64</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities - non-current (Notes 4 and 12)	35,280	1	13,621	1
Net defined benefit liabilities - non-current (Notes 4 and 19)	462	-	3,777	-
Guarantee deposits received (Note 18)	<u>42</u>	<u>-</u>	<u>42</u>	<u>-</u>
Total non-current liabilities	<u>35,784</u>	<u>1</u>	<u>17,440</u>	<u>1</u>
<b>Total liabilities</b>	<b><u>1,876,734</u></b>	<b><u>63</u></b>	<b><u>1,973,948</u></b>	<b><u>65</u></b>
<b>EQUITY (Note 20)</b>				
Share capital - common stock	<u>908,896</u>	<u>31</u>	<u>908,896</u>	<u>30</u>
Capital surplus				
Additional paid-in capital issuance of shares in excess of par	34,164	1	34,164	1
Treasury stock transactions	8,600	-	8,600	-
Gain on disposal of property, plant and equipment, net of tax	46	-	46	-
Other	24,608	1	24,608	1
Total capital surplus	<u>67,418</u>	<u>2</u>	<u>67,418</u>	<u>2</u>
Retained earnings				
Legal reserve	11,937	-	9,845	-
Special reserve	1,928	-	2,989	-
Unappropriated earnings	<u>115,468</u>	<u>4</u>	<u>79,274</u>	<u>3</u>
Total retained earnings	<u>129,333</u>	<u>4</u>	<u>92,108</u>	<u>3</u>
Other equity	<u>(2,271)</u>	<u>-</u>	<u>(1,928)</u>	<u>-</u>
Total equity	<u>1,103,376</u>	<u>37</u>	<u>1,066,494</u>	<u>35</u>
<b>TOTAL</b>	<b><u>\$ 2,980,110</u></b>	<b><u>100</u></b>	<b><u>\$ 3,040,442</u></b>	<b><u>100</u></b>

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

# XANDER INTERNATIONAL CORP.

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

	2024		2023	
	Amount	%	Amount	%
REVENUES (Notes 4, 21 and 27 )				
Net sales	\$ 9,055,938	100	\$ 8,420,532	100
Other revenues	7,723	—	8,076	—
Total revenues	<u>9,063,661</u>	<u>100</u>	<u>8,428,608</u>	<u>100</u>
COST OF REVENUES (Notes 9, 22 and 27)				
Cost of goods sold	8,598,730	95	8,045,285	96
Other operating costs	26,744	—	14,775	—
Total cost of revenues	<u>8,625,474</u>	<u>95</u>	<u>8,060,060</u>	<u>96</u>
GROSS PROFIT	<u>438,187</u>	<u>5</u>	<u>368,548</u>	<u>4</u>
OPERATING EXPENSES (Notes 8, 19, 22 and 27)				
Operating expenses	426,974	5	352,612	4
Expected credit loss (gain)	(18,000)	—	12,301	—
Total operating expenses	<u>408,974</u>	<u>5</u>	<u>364,913</u>	<u>4</u>
OPERATING PROFIT	<u>29,213</u>	<u>—</u>	<u>3,635</u>	<u>—</u>
NON-OPERATING INCOME AND EXPENSES (Notes 10, 22 and 27)				
Other income	22,066	—	22,266	—
Other gains and losses	2,683	—	5,286	—
Finance costs	(13,716)	—	(12,892)	—
Interest income	2,282	—	1,869	—
Share of the profit or loss of subsidiary	(27)	—	(8)	—
Total non-operating income and expenses	<u>13,288</u>	<u>—</u>	<u>16,521</u>	<u>—</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	<u>42,501</u>	<u>—</u>	<u>20,156</u>	<u>—</u>
INCOME TAX REVENUE (EXPENSE) (Notes 4 and 23)	<u>(7,425)</u>	<u>—</u>	<u>822</u>	<u>—</u>
NET PROFIT FOR THE YEAR	<u>35,076</u>	<u>—</u>	<u>20,978</u>	<u>—</u>

(Continued)

# XANDER INTERNATIONAL CORP.

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

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	2,686	-	(76)	-
Unrealized (loss) income on investments in equity instruments at fair value through other comprehensive income	(343)	-	1,061	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(537)</u>	<u>-</u>	<u>15</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>1,806</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>\$ 36,882</u></u>	<u><u>-</u></u>	<u><u>\$ 21,978</u></u>	<u><u>-</u></u>
EARNINGS PER SHARE (Note 24)				
Basic	<u><u>\$0.39</u></u>		<u><u>\$0.23</u></u>	
Diluted	<u><u>\$0.39</u></u>		<u><u>\$0.23</u></u>	

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

(Concluded)

## XANDER INTERNATIONAL CORP.

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

	Share Capital Common Stock	Capital Surplus					Retained Earnings			Other Equity		Total Equity
		Additional Paid-in Capital - Issuance of Shares in Excess of Par	Treasury Stock Transactions	Gain on Disposal of Property, Plant and Equipment, Net of Tax		Other	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2023	\$ 908,896	\$ 34,164	\$ 8,600	\$ 46	\$ 24,608	\$ 6,481	\$ 2,865	\$ 61,845	\$ (2,989)	\$ 1,044,516		
Appropriation of 2022 net earnings												
Legal reserve	-	-	-	-	-	3,364	-	(3,364)	-	-	-	-
Special reserve	-	-	-	-	-	-	124	(124)	-	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	20,978	-	20,978	
Other comprehensive income for the year ended December 31, 2023, net of income tax	_____	_____	_____	_____	_____	_____	_____	_____	(61)	1,061	1,061	1,000
Total comprehensive income for the year ended December 31, 2023	_____	_____	_____	_____	_____	_____	_____	_____	20,917	1,061	1,061	21,978
BALANCE, DECEMBER 31, 2023	908,896	34,164	8,600	46	24,608	9,845	2,989	79,274	(1,928)	1,066,494		
Appropriation of 2023 net earnings												
Legal reserve	-	-	-	-	-	2,092	-	(2,092)	-	-	-	-
Special reserve	-	-	-	-	-	-	(1,061)	1,061	-	-	-	-
Net income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	35,076	-	35,076	
Other comprehensive income for the year ended December 31, 2024, net of income tax	_____	_____	_____	_____	_____	_____	_____	_____	2,149	(343)	(343)	1,806
Total comprehensive income for the year ended December 31, 2024	_____	_____	_____	_____	_____	_____	_____	_____	37,225	(343)	(343)	36,882
BALANCE, DECEMBER 31, 2024	\$ 908,896	\$ 34,164	\$ 8,600	\$ 46	\$ 24,608	\$ 11,937	\$ 1,928	\$ 115,468	\$ (2,271)	\$ 1,103,376		

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

# XANDER INTERNATIONAL CORP.

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

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 42,501	\$ 20,156
Adjustments for:		
Depreciation	33,326	30,734
Amortization	632	475
Expected loss (credit loss reversed) on trade receivables	(18,000)	12,301
Finance costs	13,716	12,892
Interest income	(2,282)	(1,869)
Share of the profit or loss of subsidiary	27	8
Gain on disposal of property, plant and equipment	-	(3,926)
Write-down of inventories	7,170	5,475
Lease modification gain	(26)	-
Compensation income	-	(586)
Net changes in operating assets and liabilities		
Notes receivable	35,260	(2,759)
Trade receivables	(162,068)	270,590
Trade receivables - related parties	(1,450)	8,969
Other receivables	(2,621)	594
Inventories	107,891	(40,147)
Prepayments	6,775	(13,454)
Other current assets (including right to recover a product)	48,950	25,976
Financial liabilities at fair value through profit or loss	-	(3)
Notes payable	694	(10)
Trade payables	(42,757)	(331,936)
Trade payables - related parties	1,760	-
Other payables	32,547	(29,121)
Other current liabilities	(43,352)	(37,947)
Net defined benefit liabilities	<u>(629)</u>	<u>(624)</u>
Cash (used in) generated from operations	58,064	(74,212)
Interest received	2,282	1,869
Interest paid	(13,717)	(12,963)
Income tax refunds	<u>(12,277)</u>	<u>(611)</u>
Net cash (used in) generated from operating activities	<u>34,352</u>	<u>(85,917)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(2,177)	(13,891)
Gain from disposal of property, plant and equipment	-	3,933
Increase in refundable deposits	(9,704)	(19,987)
Decrease in refundable deposits	4,116	10,590
Acquisition of intangible assets - computer software	(646)	(1,305)
Decrease (increase) in prepayments for equipment	<u>(4,413)</u>	<u>5,040</u>
Net cash used in investing activities	<u>(12,824)</u>	<u>(15,620)</u>

(Continued)

## XANDER INTERNATIONAL CORP.

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

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	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	-	80,453
Decrease in short-term borrowings	(68,050)	-
Repayment of the principal portion of lease liabilities	<u>(21,403)</u>	<u>(17,506)</u>
Net cash generated from (used in) financing activities	<u>(89,453)</u>	<u>62,947</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(67,925)</b>	<b>(38,590)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>315,856</u></b>	<b><u>354,446</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 247,931</u></b>	<b><u>\$ 315,856</u></b>

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

(Concluded)



勤業眾信

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Xander International Corp.

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the consolidated financial statements for the year ended December 31, 2024 is as follow:

#### Consignment Revenue Recognition

For consignment transactions with customers, revenue is recognized when performance obligations are satisfied by periodic reconciliation and confirmation. Since timing differences might exist when the Group recognizes revenue and may significantly influence the consolidated financial statements for the year ended December 31, 2024, we identified the consignment revenue recognition as a key audit matter.

For relevant accounting policies of revenue recognition, refer to Note 4.

In view of the above important matters, we implement the following key audit procedures:

1. Understand, evaluate and test the design and implementation of accounting policies and internal controls for revenue recognition.
2. Verify the details of consignment revenue close to the balance sheet date, obtain the reconciliation information between the Group and customers, and check with the accounting details to confirm whether the attribution of the revenue in the period of recognition is appropriate.

#### **Other Matter**

We have also audited the parent company only financial statements of Xander International Corp. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including management and supervisors, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Ming Tseng and Wen-Yea Shyu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2025

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

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

# XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

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

	2024		2023	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 256,897	9	\$ 324,806	11
Notes receivable (Notes 4 and 8)	66,594	2	101,854	3
Trade receivables, net (Notes 4 and 8)	1,381,887	46	1,202,609	40
Trade receivables - related parties (Notes 4, 8 and 27)	2,329	-	847	-
Other receivables (Notes 4 and 8)	3,619	-	993	-
Inventories (Notes 4 and 9)	854,989	29	970,050	32
Prepayments (Note 15)	8,788	-	15,557	1
Other current assets (Note 15)	116,581	4	128,583	4
Right to recover a product (Notes 4, 15 and 21)	33,433	1	70,390	2
<b>Total current assets</b>	<u>2,725,117</u>	<u>91</u>	<u>2,815,689</u>	<u>93</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 26)	3,074	-	3,417	-
Property, plant and equipment (Notes 4, 11 and 28)	138,472	5	148,147	5
Right-of-use assets (Notes 4 and 12)	60,559	2	28,864	1
Investment Property (Note 13)	586	-	586	-
Computer software (Notes 4 and 14)	1,186	-	1,172	-
Deferred tax assets (Notes 4 and 23)	14,124	1	16,289	-
Refundable deposits (Notes 4, 15 and 28)	32,689	1	27,151	1
Other non-current assets (Note 15)	4,413	-	-	-
<b>Total non-current assets</b>	<u>255,103</u>	<u>9</u>	<u>225,626</u>	<u>7</u>
<b>TOTAL</b>	<u>\$ 2,980,220</u>	<u>100</u>	<u>\$ 3,041,315</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 16 and 26)	\$ 538,000	18	\$ 606,050	20
Notes payable (Note 17)	700	-	6	-
Trade payables (Note 17)	770,035	26	812,861	27
Trade payables - related parties (Notes 17 and 27)	1,077	-	-	-
Other payables (Note 18)	250,379	8	217,844	7
Current tax liabilities (Notes 4 and 23)	2,707	-	9,187	-
Lease liabilities - current (Notes 4 and 12)	26,308	1	16,227	-
Other current liabilities (Notes 4, 18 and 21)	251,854	9	295,206	10
<b>Total current liabilities</b>	<u>1,841,060</u>	<u>62</u>	<u>1,957,381</u>	<u>64</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities - non-current (Notes 4 and 12)	35,280	1	13,621	1
Net defined benefit liabilities - non-current (Notes 4 and 19)	462	-	3,777	-
Guarantee deposits received (Note 18)	42	-	42	-
<b>Total non-current liabilities</b>	<u>35,784</u>	<u>1</u>	<u>17,440</u>	<u>1</u>
<b>Total liabilities</b>	<u>1,876,844</u>	<u>63</u>	<u>1,974,821</u>	<u>65</u>
<b>EQUITY (Note 20)</b>				
Share capital - common stock	908,896	31	908,896	30
Capital surplus				
Additional paid-in capital issuance of shares in excess of par	34,164	1	34,164	1
Treasury stock transactions	8,600	-	8,600	-
Gain on disposal of property, plant and equipment, net of tax	46	-	46	-
Other	24,608	1	24,608	1
Total capital surplus	67,418	2	67,418	2
Retained earnings				
Legal reserve	11,937	-	9,845	-
Special reserve	1,928	-	2,989	-
Unappropriated earnings	115,468	4	79,274	3
Total retained earnings	129,333	4	92,108	3
Other equity	(2,271)	-	(1,928)	-
<b>Total equity</b>	<u>1,103,376</u>	<u>37</u>	<u>1,066,494</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 2,980,220</u>	<u>100</u>	<u>\$ 3,041,315</u>	<u>100</u>

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

# XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

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

	2024		2023	
	Amount	%	Amount	%
REVENUES (Notes 4, 21, 27 and 33)				
Net sales	\$ 9,056,410	100	\$ 8,421,792	100
Other revenues	7,723	—	8,076	—
Total revenues	<u>9,064,133</u>	<u>100</u>	<u>8,429,868</u>	<u>100</u>
COST OF REVENUES (Notes 9, 22 and 27)				
Cost of goods sold	8,599,163	95	8,046,431	96
Other operating costs	26,744	—	14,775	—
Total cost of revenues	<u>8,625,907</u>	<u>95</u>	<u>8,061,206</u>	<u>96</u>
GROSS PROFIT	<u>438,226</u>	<u>5</u>	<u>368,662</u>	<u>4</u>
OPERATING EXPENSES (Notes 8, 19, 22 and 27)				
Operating expenses	427,105	5	352,748	4
Expected credit (gain) loss	(18,000)	—	12,301	—
Total operating expenses	<u>409,105</u>	<u>5</u>	<u>365,049</u>	<u>4</u>
OPERATING PROFIT	<u>29,121</u>	<u>—</u>	<u>3,613</u>	<u>—</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Other income	22,029	—	22,230	—
Other gains and losses	2,724	—	5,287	—
Finance costs	(13,716)	—	(12,892)	—
Interest income	2,343	—	1,918	—
Total non-operating income and expenses	<u>13,380</u>	<u>—</u>	<u>16,543</u>	<u>—</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	<u>42,501</u>	<u>—</u>	<u>20,156</u>	<u>—</u>
INCOME TAX (EXPENSE) REVENUE (Notes 4 and 23)	<u>(7,425)</u>	<u>—</u>	<u>822</u>	<u>—</u>
NET PROFIT FOR THE YEAR	<u>35,076</u>	<u>—</u>	<u>20,978</u>	<u>—</u>

(Continued)

# XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

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

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ 2,686	-	\$ (76)	-
Unrealized (loss) income on investments in equity instruments at fair value through other comprehensive income	(343)	-	1,061	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(537)	-	15	-
Other comprehensive income for the year, net of income tax	1,806	-	1,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 36,882</u>	<u>-</u>	<u>\$ 21,978</u>	<u>-</u>
NET PROFIT ATTRIBUTABLE TO Owners of the Company	<u>\$ 35,076</u>	<u>-</u>	<u>\$ 20,978</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO Owners of the Company	<u>\$ 36,882</u>	<u>-</u>	<u>\$ 21,978</u>	<u>-</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$0.39</u>		<u>\$0.23</u>	
Diluted	<u>\$0.39</u>		<u>\$0.23</u>	

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

(Concluded)

# XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

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

	Capital Surplus						Retained Earnings				Other Equity		Total Equity	
	Share Capital Common Stock	Additional Paid-in Capital		Gain on Disposal of Property, Plant and Equipment, Net of Tax		Other	Legal Reserve		Special Reserve		Unappropriated Earnings	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income		
		- Issuance of Shares in Excess of Par	Treasury Stock Transactions	Net of Tax	Other		Legal Reserve	Special Reserve	Legal Reserve	Special Reserve				
BALANCE, JANUARY 1, 2023	\$ 908,896	\$ 34,164	\$ 8,600	\$ 46	\$ 24,608		\$ 6,481	\$ 2,865	\$ 61,845	\$ (2,989)	\$ 1,044,516			
Appropriation of 2022 net earnings														
Legal reserve	-	-	-	-	-		3,364	-		(3,364)	-	-	-	
Special reserve	-	-	-	-	-		-	124		(124)	-	-	-	
Net income for the year ended December 31, 2023	-	-	-	-	-		-	-	20,978	-		20,978		
Other comprehensive income for the year ended December 31, 2023, net of income tax	_____	_____	_____	_____	_____		_____	_____	_____	(61)	1,061	1,000		
Total comprehensive income for the year ended December 31, 2023	_____	_____	_____	_____	_____		_____	_____	20,917	1,061	1,061	21,978		
BALANCE, DECEMBER 31, 2023	908,896	34,164	8,600	46	24,608		9,845	2,989	79,274	(1,928)	1,066,494			
Appropriation of 2023 net earnings														
Legal reserve	-	-	-	-	-		2,092	-		(2,092)	-	-	-	
Special reserve	-	-	-	-	-		-	(1,061)		1,061	-	-	-	
Cash dividends	-	-	-	-	-		-	-	-	-	-	-	-	
Net income for the year ended December 31, 2024	-	-	-	-	-		-	-	35,076	-		35,076		
Other comprehensive income for the year ended December 31, 2024, net of income tax	_____	_____	_____	_____	_____		_____	_____	2,149	(343)	1,806			
Total comprehensive income for the year ended December 31, 2024	_____	_____	_____	_____	_____		_____	_____	37,225	(343)	36,882			
BALANCE, DECEMBER 31, 2024	\$ 908,896	\$ 34,164	\$ 8,600	\$ 46	\$ 24,608		\$ 11,937	\$ 1,928	\$ 115,468	\$ (2,271)	\$ 1,103,376			

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

# XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

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

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 42,501	\$ 20,156
Adjustments for:		
Depreciation	33,326	30,734
Amortization	632	475
Expected (credit loss reversed) loss on trade receivables	(18,000)	12,301
Finance costs	13,716	12,892
Interest income	(2,343)	(1,918)
Gain on disposal of property, plant and equipment	-	(3,926)
Write-down of inventories	7,170	5,475
Gain on lease modification	(26)	-
Compensation income	-	(586)
Net changes in operating assets and liabilities		
Notes receivable	35,260	(2,759)
Trade receivables	(161,278)	271,253
Trade receivables - related parties	(1,482)	8,992
Other receivables	(2,626)	594
Inventories	107,891	(40,147)
Prepayments	6,769	(13,454)
Other current assets (including right to recover a product)	48,959	25,974
Financial liabilities at fair value through profit or loss	-	(3)
Notes payable	694	(10)
Trade payables	(42,826)	(332,439)
Trade payables - related parties	1,077	-
Other payables	32,536	(29,126)
Other current liabilities	(43,352)	(37,947)
Net defined benefit liabilities	<u>(629)</u>	<u>(624)</u>
Cash generated from (used in) operations	57,969	(74,093)
Interest received	2,343	1,918
Interest paid	(13,717)	(12,963)
Income tax refunds	<u>(12,277)</u>	<u>(610)</u>
Net cash generated from (used in) operating activities	<u>34,318</u>	<u>(85,748)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(2,177)	(13,891)
Proceeds from disposal of property, plant and equipment	-	3,933
Increase in refundable deposits	(9,704)	(20,037)
Decrease in refundable deposits	4,166	10,590
Payments for intangible assets	(646)	(1,305)
(Increase) decrease in prepayments for equipment	<u>(4,413)</u>	<u>5,040</u>
Net cash used in investing activities	<u>(12,774)</u>	<u>(15,670)</u>

(Continued)

# XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

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

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	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	\$ -	\$ 80,453
Decrease in short-term borrowings	(68,050)	-
Repayment of the principal portion of lease liabilities	<u>(21,403)</u>	<u>(17,506)</u>
Net cash (used in) generated from financing activities	<u>(89,453)</u>	<u>62,947</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(67,909)</b>	<b>(38,471)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>324,806</u></b>	<b><u>363,277</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 256,897</u></b>	<b><u>\$ 324,806</u></b>

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

(Concluded)

## Attachment 4 Earnings Distribution Table



2024

Unit: In New Taiwan Dollars

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

Chairman:  
Cher Wang



Manager:  
Wen-Kang Chen



Accounting  
Supervisor:  
Chao-Heng Yang



## Attachment 5 Comparison Table of the Articles of Incorporation Before and After Amendment

### XANDER INTERNATIONAL CORP.

#### Comparison Table of the Articles of Incorporation Before and After Amendment

	After	Before	Specify details
Article 19	<p>If the Company makes a profit in a year, the Company shall set aside no less than <u>3%</u> of its annual profits to all employees as profit sharing, <u>and no less than 2% to non-managerial employees as profit sharing</u>, all of which shall be distributed in shares or cash by resolution of the Board of Directors. The Company may also set aside no more than 1% of the above profits to directors as compensations upon resolution of the Board of Directors. The proposal for the remuneration to employees, <u>non-managerial employees</u> 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, non-managerial employees and that to directors according to the ratios indicated in the foregoing.</p> <p>Recipients of the employee treasury stock, employee share subscription warrant, new shares available for employees to purchase, restricted stock award, and remuneration to employees, <u>non-managerial employees</u> may include employees of the controlling company or affiliates; the details are to be set by the Board of Directors.</p>	<p>If the Company makes profits for the year, remuneration to employees at no less than 5% shall be set aside and it shall be distributed in stock or in cash as determined by the Board of Directors. 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.</p> <p>Recipients of the employee treasury stock, employee share subscription warrant, new shares available for employees to purchase, restricted stock award, and remuneration to employees may include employees of the controlling company or affiliates; the details are to be set by the Board of Directors.</p>	<p>In alignment with the amendments to Paragraph 6, Article 14 of the Securities and Exchange Act, provisions were provided in the Articles of Incorporation to appropriate a specified proportion of its earnings for the year to non-managerial employees as profit sharing.</p>

	After	Before	Specify details
Article 22	<p>These Articles of Incorporation were prepared on October 27, 1995.</p> <p>The first amendment occurred on February 12, 1997.</p> <p>The second amendment occurred on July 7, 1997.</p> <p>The third amendment occurred on September 10, 1998.</p> <p>The fourth amendment occurred on June 19, 1999.</p> <p>The fifth amendment occurred on June 19, 1999.</p> <p>The sixth amendment occurred on June 17, 2000.</p> <p>The seventh amendment occurred on June 29, 2001.</p> <p>The eighth amendment occurred on June 27, 2002.</p> <p>The ninth amendment occurred on December 6, 2002.</p> <p>The tenth amendment occurred on June 15, 2004.</p> <p>The eleventh amendment occurred on June 13, 2005.</p> <p>The twelfth amendment occurred on June 19, 2009.</p> <p>The thirteenth amendment occurred on June 18, 2010.</p> <p>The fourteenth amendment occurred on June 19, 2013.</p> <p>The fifteenth amendment occurred on June 19, 2014.</p> <p>The sixteenth amendment occurred on June 2, 2015.</p> <p>The seventeenth amendment occurred on June 15, 2016.</p> <p>The eighteenth amendment occurred on June 16, 2017.</p> <p>The nineteenth amendment occurred on June 19, 2020.</p> <p>The twentieth amendment occurred on July 20, 2021.</p> <p>The twenty first amendment occurred on June 16, 2023.</p> <p>The twenty second amendment occurred on June 20, 2024.</p> <p><u>The twenty-third amendment occurred on June 24, 2025.</u></p>	<p>These Articles of Incorporation were prepared on October 27, 1995.</p> <p>The first amendment occurred on February 12, 1997.</p> <p>The second amendment occurred on July 7, 1997.</p> <p>The third amendment occurred on September 10, 1998.</p> <p>The fourth amendment occurred on June 19, 1999.</p> <p>The fifth amendment occurred on June 19, 1999.</p> <p>The sixth amendment occurred on June 17, 2000.</p> <p>The seventh amendment occurred on June 29, 2001.</p> <p>The eighth amendment occurred on June 27, 2002.</p> <p>The ninth amendment occurred on December 6, 2002.</p> <p>The tenth amendment occurred on June 15, 2004.</p> <p>The eleventh amendment occurred on June 13, 2005.</p> <p>The twelfth amendment occurred on June 19, 2009.</p> <p>The thirteenth amendment occurred on June 18, 2010.</p> <p>The fourteenth amendment occurred on June 19, 2013.</p> <p>The fifteenth amendment occurred on June 19, 2014.</p> <p>The sixteenth amendment occurred on June 2, 2015.</p> <p>The seventeenth amendment occurred on June 15, 2016.</p> <p>The eighteenth amendment occurred on June 16, 2017.</p> <p>The nineteenth amendment occurred on June 19, 2020.</p> <p>The twentieth amendment occurred on July 20, 2021.</p> <p>The twenty first amendment occurred on June 16, 2023.</p> <p>The twenty second amendment occurred on June 20, 2024.</p>	<p>The number and date of revisions made is added.</p>

## **VIII. Annex**

### **Annex 1 Rules of Procedure for Shareholders' Meetings**

#### **XANDER INTERNATIONAL CORP.**

#### **Rules of Procedure for Shareholders' Meetings**

Revised on 2023.06.16

Article 1	To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
Article 2	The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
Article 3	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. When the Company convenes a virtual shareholders meeting, unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, it should be stated in the articles of incorporation and approved by the board of directors, and more than two-thirds of the directors should attend the virtual shareholders meeting, with the concurrence of a majority of the votes held by of the directors present at the meeting. Any change in how a shareholders' meeting is held shall be resolved by the Board of Directors, and any such change shall be made before the Shareholders' Meeting Notice is mailed at the latest.
Article 4	For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, except for an explicit statement to revoke the previous written proxy.
Article 5	The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. or no later than 3 p.m. The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.
Article 6	The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes

before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors (including independent directors), pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative

	<p>measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for the condition specified under Article 44-9 Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders and it shall be specified when shareholders may apply with the Company and other precautions that shall be paid attention to.</p>
Article 7	<p>If a shareholders' meeting is convened by the chair of the board of directors, the Chairman shall chair the meeting. If the Chairman is on leave or is unable to exercise duties, acting is done as required by Article 208 of the Company Act. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>
Article 8	<p>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</p> <p>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</p>
Article 9	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</p>

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

**Article 10** If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting. Article 11 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

**Article 11** Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

	<p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</p>
Article 12	<p>Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.</p> <p>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</p> <p>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</p>
Article 13	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders that exercise their voting right in writing or electronically are considered to have attended the shareholders' meeting in person. For extraordinary motions and amendments to original proposals for the specific shareholders' meeting, however, they are considered to have abstained from voting.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a</p>

record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

**Article 14** The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 15** Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes are documented in accordance with Article 183 of the Company Act, the minutes shall be retained for the duration of the existence of the Company.

In the event of a virtual shareholders meeting, besides the details that shall be documented as required in the preceding paragraph in the meeting minutes, the requirements under the Regulations Governing the Administration of Shareholder Services of Public Companies shall be followed as well.

**Article 16** On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the

same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

**Article 17** The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 18** When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

**Article 19** In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

**Article 20** When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location.

**Article 21** In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected

shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

**Article 22** When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except for the condition specified under Article 44-9 Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders and it shall be specified when shareholders may apply with the Company and other precautions that shall be paid attention to.

**Article 23** These Rules shall take effect after resolved by the Board of Directors and having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be handled in the same manner.

These Rules were prepared on June 17, 2000.

The first amendment occurred on June 27, 2002.

The second amendment occurred on June 12, 2012.

The third amendment occurred on July 20, 2021.

The fourth amendment occurred on June 16, 2023.

## **Annex 2 Articles of Incorporation (Before Amendment)**

### **XANDER INTERNATIONAL CORP.**

#### **Articles of Incorporation**

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

Article 1 The Company is organized as required by the Company Act and its name shall be “建達國際股份有限公司” (English: XANDER INTERNATIONAL CORP.).

Article 2 The Company's scope of operation is as follows:

1. CB01020 Office Machines Manufacturing
2. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
3. CC01060 Wired Communication Equipment and Apparatus Manufacturing
4. CC01070 Telecommunication Equipment and Apparatus Manufacturing
5. CC01090 Manufacture of Batteries and Accumulators
6. CC01110 Computer and Peripheral Equipment Manufacturing
7. CC01120 Data Storage Media Manufacturing and Duplicating
8. CE01990 Other Optics and Precision Instrument Manufacturing
9. E605010 Computer Equipment Installation
10. F102030 Tobacco and Alcohol Wholesale Industry
11. F113020 Wholesale of Household Appliance
12. F113030 Wholesale of Precision Instruments
13. F113050 Wholesale of Computers and Clerical Machinery Equipment
14. F113070 Wholesale of Telecommunication Apparatus
15. F113110 Wholesale of Batteries
16. F118010 Wholesale of Computer Software
17. F119010 Wholesale of Electronic Materials
18. F213010 Retail Sale of Electrical Appliances
19. F213030 Retail Sale of Office Machinery and Equipment
20. F213040 Retail Sale of Precision Instruments
21. F213060 Retail Sale of Telecommunication Apparatus
22. F213110 Retail Sale of Batteries
23. F218010 Retail Sale of Computer Software
24. F219010 Retail Sale of Electronic Materials
25. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
26. F108031 Wholesale of Medical Devices
27. F116010 Wholesale of Photographic Equipment

	28. G202010 Parking area Operators
	29. I501010 Product Designing
	30. I301030 Electronic Information Supply Services
	31. JE01010 Rental and Leasing
	32. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
Article 3	The main office of the Company is located in New Taipei City and a branch office may be established domestically or internationally as decided by the Board of Directors if necessary.
Article 4	The Company may provide external endorsements and guarantees. Re-investments that may be made by the Company are not subject to the limit of 40% of the paid-in capital size as the total value of investments defined in Article 13 of the Company Act.

## **Chapter II Shares**

Article 5	The total capital size of the Company is set to be NTD 1.7 billion, which consists of 170 million shares, at a par value of NTD 10 per share. The Board of Directors is authorized to issue shares yet to be issued in separate batches. As part of the total capital size in the preceding paragraph, NTD 80 million is retained separately for issuance of employee share subscription warrants, that is, 8 million shares in total, at a par value of NTD 10 per share. The Board of Directors may issue the shares in installments by passing a resolution.
Article 6	Deleted.
Article 7	The Company's shares are registered ones, and signed or sealed by the director that represents the Company. The shares shall be issued after they are certified as required by law. For shares issued by the Company, they need not be printed out and shall be registered with a centralized securities depository enterprise.
Article 8	Registration for transfer of shares shall be suspended within the sixty (60) days prior to the regular shareholders' meeting or within the thirty (30) days prior to an extraordinary shareholders' meeting or during the five (5) days before the base date for distribution of dividends or bonus or other interests as determined by the Company.

## **Chapter III Shareholders' Meetings**

Article 9	There are regular and extraordinary shareholders' meetings. The regular meeting is called for once a year by the Board of Directors as required by law within the six (6) months following the end of each fiscal year while the extraordinary one is to be called for as needed according to law. The shareholders should be noticed 30 days before convening a regular meeting and 15 days prior to holding an extraordinary meeting. The Company shareholders' meetings may take place in the form of video conference or in any other way announced by the central competent authority.
Article 10	When shareholders are unable to attend a shareholders' meeting, they may issue an authorization letter that is prepared by the Company specifying the scope of

authorization and carries their signature/seal to authorize someone to attend it on their behalf.

Article 11 Unless specified otherwise in laws and regulations, each share is entitled to one vote.

Article 12 Except otherwise regulated by related laws, resolutions made in shareholders' meetings shall be supported by attendance of shareholders representing a majority of outstanding shares and more than 50% of the votes of the attending shareholders.

#### **Chapter IV Directors**

Article 13 The Company is configured with five to seven directors. The nomination system is adopted. They are to be elected among those on the list of candidates during the shareholders' meeting to serve a term of three years; a director may serve multiple terms if re-elected. The combined shareholding ratio of all directors shall be based on the requirements of the competent securities authority. Among the available directors of the Company, there shall not be fewer than three independent directors and the number of independent directors may not be less than one-fifth of all directors available. The professional qualification, shareholding, restrictions on part-time jobs, nomination and election methods and other required matters of independent directors shall be subject to the provisions of the competent securities authority. The election of directors includes both non-independent directors and independent ones. The number of those-elect, however, shall be calculated separately. Those with affirmative votes representing a greater number of voting weights shall be non-independent directors-elect and independent directors-elect, respectively.

Article 13-1 The Company shall set up an Audit Committee as required by Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and is responsible for carrying out duties as required of supervisors specified in the Securities and Exchange Act, the Company Act, and duties required by other laws of supervisors.

Article 14 The Board of Directors shall consist of directors and the Chairman is to be elected among attending directors that account for at least two-thirds of all directors and with affirmative votes from a majority of the attending directors. The Chairman represents the Company externally. There may also be one Vice Chairman, who is to be generated in the same way as how the Chairman is generated. When the Board of Directors meets under the preceding paragraph, directors shall attend the meeting in person. If it is held through video conference, those attending the meeting through video conference are considered as attending the meeting in person. When a director is unable to attend a meeting, he/she may authorize another director to attend it on his/her behalf, each director, however, may only be authorized by one other director. To authorize another director as the proxy in a Board of Directors meeting, the power-of-attorney shall be presented each time and the scope of authorization with regard to causes for which the meeting is called for shall be specified. To call for a Board of Directors meeting, the cause shall be specified and respective directors shall be notified of the meeting seven days in advance. In

case of emergency, however, it may be called for at any time. Respective directors may be notified of a Board of Directors' meeting convened in writing, by email, or by fax.

Article 15 If the Chairman is on leave or is unable to exercise duties, acting is done as required by Article 208 of the Company Act.

Article 16 The Company's directors shall be compensated for their duties fulfilled for the Company. The compensation is paid regardless of the company's profit or loss. The Board of Directors is authorized to determine the amount of compensation to the directors of the Company based on the directors' level of involvement in corporate operation and the value of their contribution, which is expected to be defined reflective of the common practice in the industry. Should there be earnings for the Company, remunerations will be assigned as required by Article 19.

The Company shall have all directors covered by liability insurance for damages that may arise from the tasks they perform during their term in office and to reduce and decentralize the risk of major damages borne by the Company and shareholders as a result of illegal acts.

## **Chapter V Manager**

Article 17 The Company may have one general manager. The appointment, removal and remuneration of the managers shall be subject to Article 29 of the Company Act.

## **Chapter VI Accounting**

Article 18 The Board of Directors shall prepare: 1. Business Report; 2. Financial Statements; 3. Earnings Distribution or Deficits Offset Proposal, among other statements and reports at the end of each fiscal year and bring them forth during the regular shareholders' meeting as required by law for ratifications.

Article 19 If the Company makes profits for the year, remuneration to employees at no less than 5% shall be set aside and it shall be distributed in stock or in cash as determined by the Board of Directors. 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.

Recipients of the employee treasury stock, employee share subscription warrant, new shares available for employees to purchase, restricted stock award, and remuneration to employees may include employees of the controlling company or affiliates; the details are to be set by the Board of Directors.

Article 20 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 the 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 statutory legal reserve as 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.

## **Chapter VII Supplementary Provisions**

Article 21 For matters not specified herein, the requirements of the Company Act shall apply.

Article 22 These Articles of Incorporation were prepared on October 27, 1995.

The first amendment occurred on February 12, 1997.

The second amendment occurred on July 7, 1997.

The third amendment occurred on September 10, 1998.

The fourth amendment occurred on June 19, 1999.

The fifth amendment occurred on June 19, 1999.

The sixth amendment occurred on June 17, 2000.

The seventh amendment occurred on June 29, 2001.

The eighth amendment occurred on June 27, 2002.

The ninth amendment occurred on December 6, 2002.

The tenth amendment occurred on June 15, 2004.

The eleventh amendment occurred on June 13, 2005.

The twelfth amendment occurred on June 19, 2009.

The thirteenth amendment occurred on June 18, 2010.

The fourteenth amendment occurred on June 19, 2013.

The fifteenth amendment occurred on June 19, 2014.

The sixteenth amendment occurred on June 2, 2015.

The seventeenth amendment occurred on June 15, 2016.

The eighteenth amendment occurred on June 16, 2017.

The nineteenth amendment occurred on June 19, 2020.

The twentieth amendment occurred on July 20, 2021.

The twenty first amendment occurred on June 16, 2023.

The twenty second amendment occurred on June 20, 2024.

## Annex 3 Shareholding Status of Directors

### XANDER INTERNATIONAL CORP.

#### Shareholding Status of Directors

1. The paid-in capital size of the Company is NTD 908,895,730, with a total of 90,889,573 shares issued.

As is for required by Article 26 of the Securities and Exchange Act, the minimum number of shares that shall be held by all directors is 7,271,165 in total. The Audit Committee is in place at our Company, so the statutory number of shares available for supervisors does not apply.

2. The number of shares held by respective directors and that held by all directors combined as recorded in the roster of shareholders as of the book closure date for the current shareholders' meeting are as follows:

Job title	Name	Commencement date	Number of shares held at time of election			Number of shares currently held		
			Type	Number of Shares	% to the number issued then	Type	Number of Shares	% to the number issued then
Chairman	Hung Mao Investment Co., Ltd. Representative: Cher Wang	2024.06.20	Common stock	22,989,868	25.29%	Common stock	22,989,868	25.29%
Directors	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen							
Directors	Chuan Te Investment Co., Ltd. Representative: Che Chen	2024.06.20	Common stock	2,694,647	2.96%	Common stock	2,694,647	2.96%
Directors	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang							
Independent Director	Tao-Sung Chen	2024.06.20	Common stock	0	0.00%	Common stock	0	0.00%
Independent Director	Wen-Hua Liao	2024.06.20	Common stock	0	0.00%	Common stock	0	0.00%
Independent Director	Mao-Song Chang	2024.06.20	Common stock	0	0.00%	Common stock	0	0.00%
Total			Common stock	25,684,515		Common stock	25,684,515	