Stock Code: 6118

XANDER INTERNATIONAL CORP.

2022

Annual Report

For information about the Annual Report, visit: “Market Observation Post System” http://mops.twse.com.tw

Date Printed April 30, 2023

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V. Name of Trading Site for Securities Listed Overseas and How to Search for the Said Overseas Securities: None

VI. Company Website: www.xander.com.tw

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I. Letter to Shareholders

Dear Shareholders,

In 2022, COVID-19 vaccination was popularized. The world entered the post-pandemic era. Meanwhile, in terms of politics and economy, the Russia-Ukraine War and inflation impacted the disposable income of consumers. The demand quick turned the other way. The sluggish economy led to reduced demand for consumer electronics. According to the latest preliminary statistics released by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the economic growth rate of 2022 was 2.45%, indicating that the economy was growing at a slower pace. Despite the impacts from the macro environment in terms of the sales, the Company managed to grow minimally. Compared to 2021, the revenue grew by 2.8% in 2022 and the gross profit dropped by 1.23%. The 2022 operating performance and the 2023 Business Plan of the Company are summarized as follows:

1. Operating Performance of 2022

(1) Business Plan Implementation Results:

Unit: In Thousands of New Taiwan Dollars

Fiscal year	2022		2021	
Entry	Amount	Percentage (%)	Amount	Percentage (%)
Operating revenue	9,701,804	100.00%	9,437,223	100.00%
Gross profit	408,129	4.21%	413,227	4.38%
Net operating profit (loss)	46,132	0.48%	43,498	0.46%
Non-operating revenue and expenses	(4,416)	(0.05%)	27,883	0.30%
Net profit (loss) before tax	41,716	0.43%	71,381	0.76%
Net profit (loss) after tax	33,350	0.34%	54,330	0.58%

(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

	2022	2021
1. Financial Structure Analysis		
(1) Debt-to-assets ratio:	69%	61%
(2) Ratio of long-term capital to fixed assets:	694%	716%
2. Solvency Analysis		
(1) Current ratio:	137%	152%
(2) Quick ratio:	86%	76%
3. Operating Capacity Analysis		
(1) Accounts receivable turnover (times):	7	8
(2) Days to collect receivables in cash:	52	46
(3) Inventory turnover (times):	10	10

(4) Average days in sales:	37	37
(5) Fixed asset turnover (times):	64	64
4. Profitability analysis		
(1) Return on total assets:	1%	2%
(2) Return on shareholder equity:	3%	5%
(3) Net profit margin:	-	-
(4) Earnings (deficits) per share (NTD):	0.37	0.60

(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 2023 Business Plan

(1) Operational Developments and Status

In 2022, under the overall strategic goal and the operational themes of being "proactive" and "efficient", the Company managed to remain proactive and improve working efficiency to secure even greater competitive advantages. Despite the fluctuations on the financial market, unstable international political and economic situations, and impacts of COVID-19, XANDER INTERNATIONAL's consolidated revenue continued to grow in 2022, which is truly impressive.

For 2013, the persistent Russia-Ukraine war and global inflation will be the largest variables to the economy, impacting economic growths and consumers' willingness to spend money. In light of this, XANDER INTERNATIONAL will be even more proactive and provide more heart-felt service in order to combine existing distribution channels of manufacturers and distributors while coping with various challenges and creating opportunities. The overall strategic goals and operational themes of 2023 are positioned as "involvement" and "sharing". "Teamwork", which is the most important core value, is the guiding principle while efforts are made to secure greater competitive advantages so that the Company can fulfill its operational goals applying maximum efficiency. For respective operational departments, planning highlights are given below:

1. Logistics Department
   (1) Product: Robust management proactive struggle
   - Maximized ratios of developer products
   - Secure new products
   - Explore dealership of large and small home appliance brands

   (2) Service: Build a home appliance service team
   - Installation, transport, and service of TV sets
   - Northern Taiwan → Southern Taiwan → Central Taiwan
   - Demonstrate service value

(3) Customer: Keep track of mainstream Small instead of Big
    - Target progress of key customers
    - Outlying number of prioritized products
    - Explore new business
(4) Marketing: Perfect B2B
    - Optimize respective features
    - Grow B2B and VIP numbers
    - Reasonable cost

2. Value-added Business Department
    (1) Product: Increase systems maintain peripherals
        - Relationship-building with the manufacturer in AM
        - Further advance PM for optimal inventory management
    (2) Service: Maximization and optimization
        - Maximize peripheral services and products
        - Optimize the SOP
        - Enhance manufacturer and customer dependency
    (3) Customer: Have the right person to do the right thing
        - Adjust business and run suitable customers
        - Keep track of the funnel
        - Develop OA
    (4) Marketing: Win the boss's heart
        - Distributor meeting
        - Golf gathering
        - Dining/birthday celebration/heartfelt gift
3. Commerce Department
    (1) Product: Focus on one good brand
        - PM: Fully interface with the developer's contact person
        - Coordinated sale: Hold onto key customers and support operations throughout Taiwan
    (2) Service: Grow a professional team
        - Technical license
        - Complete technical support service
        - Proactive efficiency
    (3) Customer: Do a proper job in business
        - Funnel
        - Main AM development of manufacturer
        - Be diligent in building connections with mainstream customers
    (4) Marketing: Act first

- Effectively utilize the marketing resources of the developer
- Quarterly distributor event

(2) Condition in the first quarter of 2023

Unit: In Thousands of New Taiwan Dollars

Item	Reviews performed by the CPAs for the first quarter	Percentage (%)
Operating revenue	2,029,137	100
Operating cost	1,961,092	96
Gross profit	68,045	4
Operating expense	78,644	4
Net operating profit (loss)	(10,599)	-
Non-operating revenue and expenses	6,449	-
Net profit (loss) before tax	(4,150)	-
Net profit (loss) after tax	(3,244)	-

3. Future Corporate Developmental Strategies

(1) Continue to introduce new products for distribution in order to steadily grow the revenue.

(2) Increase the introduction of large and small home appliance home appliances and new smart phones and deploy the distribution network.

(3) Strictly control costs and enhance the ratio of high-profit products sold to bring up the sales profit.

(4) Reinforce the management over sales, purchases, inventories, credit, and accounts receivable and lower the ratio of inventories that are more than 60 days and carry the risk of being defaulted.

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

External competition:

The Company deals with e-commerce. Given the fierce competition on the market for the sale of electronic products, the Company has been maintaining an optimal corporate image, abundant group resources, a rigid operational and management mechanism, and continuing to constantly eliminate old products and add new products to cope with the operational environment in the future.

Regulatory setting:

To cope with environmental changes, laws and regulations are constantly modified to cope with needs in reality. The Company, by the same token, will proactively prepare respective measures and guidelines in compliance with applicable regulatory requirements to achieve the compliance goal.

Overall operational environment:

In 2022, with vaccination against COVID-19 and popularization of effective treatments, impacts from the pandemic will gradually die out. Employment and terminal demand continue to recover. The supply chain bottleneck and the geopolitical tension, however, pushed up global commodity prices and inhibited the strength of economic growths. It is expected that the global economic growth rate in 2023 will be 2.9%, showing a significantly reduced pace throughout the year.

For 2023, major economies in the world, to inhibit inflation, have followed one another in increasing their interest rates while manufacturing activities have obviously slowed down. Meanwhile, given the Russia-Ukraine war yet to see an end and the resurgence of the US-China tech war, the global economic outlook remains under a cloud and the international systematic risk climbs. The momentum for spending and investments in our country are held back. The Company will continue to devote itself to respective operational improvements, with the hope to create steady profits and a happy workplace.

Finally, I wish all of you

Health and the best in all of your endeavors!

Chairman Wen-Chi Chen

General Manager Wen-Kang Chen

II. Company Profile

1. **Date established: November 1, 1995**
2. **Company History:**

November 1995	The Company was established, with a capital size of NTD 50 million.
February 1997	Transformed to be a neutral IT logistics distributor.
June 1997	Obtained dealership for Hitachi displays and NS central processing units.
September 1997	Formed Kaohsiung Operating Location.
October 1997	Obtained the dealership for IBM hard disk drives.
November 1997	Obtained the dealership for Yuan Hsin displays. Obtained the dealership for AMD boxed CPUs. Obtained the dealership for SOYO motherboards.
April 1998	Obtained the dealership for EDIMAX network products.
May 1998	Obtained the dealership for TUL multi-media products. Formed Taichung Operating Location.
August 1998	Obtained the dealership for YOU GOT International Decaview displays.
October 1998	Capital increase in cash worth NTD 149 million; the paid-in capital size came to NTD 199 million.
December 1998	Obtained the dealership for KINGMAX memory modules.
January 1999	Obtained the dealership for WD hard disk drives. Obtained the dealership for Leadtek motherboards.
May 1999	Obtained the dealership for Taiwan NEC displays.
July 1999	Capital reduction worth NTD 89 million and capital increase in cash worth NTD 190 million; the paid-in capital size came to NTD 300 million and the Company was approved by the Securities and Futures Institute for public offering of shares. Obtained the exclusive dealership for Castlewood mobile hard disk drives (ORB).
August 1999	Obtained the dealership for US Lexmark printers.
October 1999	Honored with the Excellence Award from IBM for the sale of its hard disk drives in the Asia-Pacific Region.
January 2000	Formed Taoyuan Operating Location. Formed Tainan Operating Location.
April 2000	Obtained the dealership for EDIMAX hubs, routers, and switches.
July 2000	Capital increase in cash worth NTD 80 million; the paid-in capital size came to NTD 380 million.
August 2000	Obtained the dealership for SAMSUNG displays.
October 2000	Obtained the dealership for INTEL networks and servers.
November 2000	Obtained the dealership for US MAXTOR hard disk drives and network storage equipment.
December 2000	Obtained the dealership for MSI motherboards. Formed the System Department.
March 2001	Obtained the dealership for IBM's Redundant Array of Inexpensive Disks (RAID) units and RAID cards.
July 2001	Obtained the dealership for Maxtor's Quantum-series of hard disk drives as a result of Maxtor acquiring Quantum.

September 2001	Earnings-transferred capital increase worth NTD 60 million; the paid-in capital size came to NTD 440 million.
October 2001	TPEx-listed and traded officially over the counter. Reinvested in OXSI Technology Inc.
November 2001	Reinvested in Yongping Investment Ltd.
December 2001	Introduced the self-owned brand desktop personal computers.
January 2002	Obtained the dealership for VIA motherboards.
February 2002	Obtained the right of sell for DDR memory modules (manufactured in the Southern Taiwan Science Park).
March 2002	Capital increase in cash worth NTD 160 million; the paid-in capital size came to NTD 600 million. Obtained the exclusive dealership for Elite Mobility PC (DeskNote).
October 2002	Merged with Tian Han Information Co., Ltd.; capital increase worth NTD 46,675,730 and the paid-in capital size came to NTD 646,675,730. And obtained the dealership for HP printers, CANON printers, PHILIPS displays, and AUTODESK graphics software, etc. Acquired the equity of PRESTO as a result of the merger with Tian Han Information.
November 2002	Formed Hsinchu Operating Location, the branch office in Taichung, and the branch office in Kaohsiung. Reinvested in and formed the wholly-owned subsidiary DINGHAN INTERNATIONAL CORP.
January 2003	Earnings-transferred capital increase worth NTD 34,333,800; the paid-in capital size came to NTD 681,009,530. Introduced the multi-media product - Desktop II series.
March 2003	Obtained the exclusive dealership in Taiwan for Dyn whole series of fonts.
April 2003	Merged with Shuji Co., Ltd, and obtained the split for Department of Trading of Visual Equipment of REALLUSION INC.; capital increase worth NTD 135,000,000. The paid-in capital size came to NTD 816,009,530. Obtained the dealership for HP and COMPAQ servers and notebook computers, CISCO and ACCTON network products, CA safety management, storage and backup management, SYMANTEC anti-virus software, APC and PHOENIXTEC POWER CO., LTD. UPS, whose dealership originally belonged to Shuji. Obtained the dealership for NEC, IBM, PANASONIC, SHARP, SAMSUNG, and Coretronic computer projectors, INFOCUS, NEC, SHARP, and Coretronic AV projectors, FUJI, and XEROX color laser printers, among other products that were originally dealt with by Department of Trading of Visual Equipment of REALLUSION INC. Acquired ADVANCED SYSTEM & STORAGE CORP. as a result of merging with Shuji.
June 2003	Obtained the dealership for the IBM R-series and G-series of NOTEBOOKs.
September 2003	Earnings-transferred capital increase worth NTD 8,160,100; the paid-in capital size came to NTD 824,169,630.
December 2003	Issued unsecured convertible corporate bonds for the first time in the nation that are worth NTD 310 million.

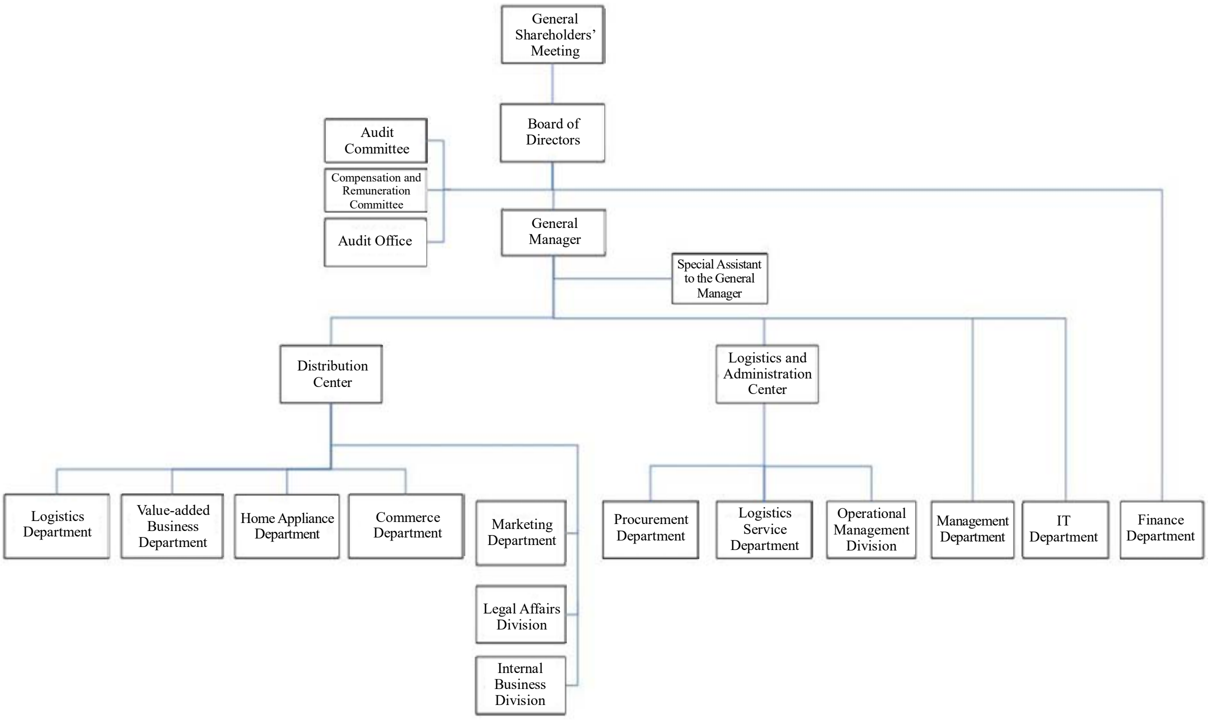
March 2004	Obtained the dealership for VIEWSONIC CRT and LCD displays.
April 2004	Obtained the dealership for IBM servers.
November 2004	Obtained the exclusive dealership for HP Compaq nc4010 ultra-thin nano Bluetooth notebook computers.
March 2005	Obtained the dealership for VIEWSONIC LCD TVs.
December 2005	Obtained the dealership for EPSON printers and consumables.
July 2006	Wrote off treasure stock shares worth NTD 770,000; the paid-in capital size came to NTD 823,399,630.
November 2006	Wrote off treasure stock shares worth NTD 49,670,000; the paid-in capital size came to NTD 773,729,630.
February 2007	Obtained the dealership for ALTINA satellite GPS.
March 2007	Corporate bonds-transferred shares worth NTD 65,971,530; the paid-in capital size came to NTD 839,711,160.
June 2007	Reinvested in Landi International Co., Ltd.
July 2007	Reinvested in Jiding International Co, Ltd.
August 2007	Issued the unsecured convertible corporate bonds worth NTD 300,000,000 for the second time in the country. Dealership for the distribution of TomTom One series GPS products.
October 2007	Dealership for HTC 3.5G Smart Phones and ultra-mobile mini computers (UMPCs).
February 2008	Dealership for BENQ projectors.
April 2008	Dealership for complete product lines of ADATA.
September 2008	Earnings-transferred capital increase worth NTD 25,191,030; the paid-in capital size came to NTD 864,892,190.
November 2008	Dealership for VIVITEC projectors. Dealership for BENQ LCD TVs.
January 2009	Dealership for MSI NBs and AIO.
April 2009	Dealership for add-on hard disk drives of Western Digital.
June 2009	Dealership for Galaxy display cards.
September 2009	Dealership for Team's ram modules and flash-related products.
October 2009	Earnings-transferred capital increase worth NTD 17,297,840; the paid-in capital size came to NTD 882,190,030.
January 2010	Dealership for AOC's LCD monitors.
February 2010	Dealership for Philips' monitors.
July 2010	Dealership for DELTA ELECTRONICS LED bulbs.
August 2010	Dealership for SAMSUNG LCD TVs. Dealership for Brother laser printers. Earnings-transferred capital increase worth NTD 26,465,700; the paid-in capital size came to NTD 908,655,730.
March 2011	Dealership for Dell home notebook computers. Dealership for Verbatin add-on hard disk drives.
May 2011	Dealership for Papago dashcams.
June 2011	Dealership for Tandberg video conference systems.
August 2011	Dealership for TP-Link network-related products.
December 2011	Dealership for AOC/Philip TVs.
January 2012	Dealership for Emerson UPS.
April 2012	Exercise of employee stock options with new shares issued worth NTD 240,000; the paid-in capital size came to NTD 908,895,730.

June 2012	Dealership for related products such as date core software products and support services.
July 2012	Dealership for SUNUP INTERNATIONAL GPS.
September 2012	Dealership for products such as Promise V Trak, Promise VessRAID. and others of PROMISE Technology.
	Dealership for products such as DotHill Servers and Storages
July 2013	Dealership for TOM TOM sports watch.
August 2013	Dealership for EPSON sports watches, NetAPP, big gorilla digital monitoring and image analytical software corporate servers.
October 2013	Dealership for JOYPLUX optical touch screens.
January 2014	Dealership for HEC Power Supply.
February 2014	Dealership for 3M humidifier, purifier, and Guider health watch.
August 2014	Dealership for Palo Alto Networks-related products.
March 2015	Dealership for Philips TV.
June 2015	Dealership for Seagate HDD.
August 2016	Dealership for Yuntu cloud tire pressure sensors series products.
September 2016	Dealership for Polaroid dashcams series products.
January 2017	Dealership for Lantic TV boxes, Bluetooth jukebox-related products.
March 2017	Dealership for Airmate fans, dehumidifiers, air purifiers, among other products.
June 2017	Dealership for TouchIT large touch-screen displays-related products.
September 2017	Dealership for Zspace virtual reality/augmented reality-series products.
	Dealership for Logitech video conference related products.
October 2017	Dealership for PQI SSD series products.
	Dealership for Aftershokz Bone Conduction Headphones series products.
December 2017	Dealership for AOC TV series products.
February 2018	Dealership for VIA SSD series products.
April 2018	Dealership for Philips illumination series products.
June 2018	Dealership for NEO FORZA SSD and storage memory card-series products.
August 2018	Dealership for NAKIVO backup software products.
October 2018	Dealership for XROUND audio-effect engine series products.
November 2018	Dealership for Ruckus network series products.
February 2019	Dealership for Panasonic batteries series products.
August 2019	Dealership for Philips AV series products.
September 2019	Dealership for Philips LCD products.
November 2019	Dealership for iON health management products.
December 2019	Dealership for PNY storage cards and memories series products.
March 2020	Dealership for AREX products.
July 2020	Dealership for DirtDevil vacuum cleaners products.
October 2020	Dealership for CleanMate robot cleaners series products.
March 2021	Dealership for Gigabyte servers series products.
June 2021	Dealership for Altos workstations series products.
August 2021	Dealership for ASUSTOR NAS series products.
September 2021	Dealership for DigiKing TV series products.
October 2021	Dealership for Philips water series products.
December 2021	Dealership for Philips massage series products.
March 2022	Dealership for AMD CPUs series products

III. Corporate Governance Report

1. Organization System

(1) Organizational Structure



(2) Major Departments and Their Scope of Operation

Department	Main responsibilities
Audit Committee	◎Appropriate expression of the Company's financial statements. ◎Selection (Dismissal) of CPAs and their independence and performance. ◎Effective implementation of the Company's internal control. ◎Compliance with applicable laws, regulations, and rules. ◎Control over existing or potential risks.
Compensation and Remuneration Committee	◎Periodically reflects upon the policies, systems, standards, and structures for the performance evaluation and compensation and remuneration for directors and managers. ◎Periodically evaluates and defines the compensation and remuneration for directors and managers.
General Manager's Office	◎Helps the General Manager plan the corporate operational policy. ◎Helps the General Manager keep track of operations at respective departments throughout the Company. ◎Helps the General Manager with external correspondences.
Audit Office	◎Promotes operational performance. ◎Helps the management team review internal control and enforce it. ◎Helps applicable enterprises with the overall strategic operational planning and implementation. ◎Enhances the reliability and integrity of information. ◎Effectively runs managerial control and accounting control and provides advice.
Distribution Center	◎Manages related operations at the Logistics Department, the Value-added Business Department, the Home Appliance Department, the Commercial Business Department, the Internal Service Division, the Marketing Department, and the Legal Affairs Department. ◎Defines and enforces the marketing and distribution strategies for distributors and products dealt with. ◎Explores distributors, dealers, and customers for exceptional products and maintains customer relations. ◎Plans and enforces strategic marketing activities of distributors and products dealt with. ◎Plans and enforces marketing of developers' new products. ◎Plans and enforces various marketing events and promotions for the year. ◎Sets up the website and plans platform-based distribution and strategies, and promotes operations. ◎Industrial intelligence on the market and industrial dynamics investigation.
Logistics Department	◎Distributes hard disk drives, CPUs, memory modules, printers, personal computers, and displays, among other peripheral computer equipment and takes charge of the development and management of distribution networks. ◎Manages, collaboratively distributes, and distributes projectors, video conference equipment and LCD displays, servers, personal computers, and network equipment, among other products. ◎Comprehensively evaluates, introduces and sells computer products and develops and maintains dealerships. ◎Takes charge of planning and enforcing product marketing, advertising, public relations, and promotional documents and boosting the promotion of commodities.

Department	Main responsibilities
Value-added Business Department	◎Takes charge of distributing value-added products and developing and managing distribution networks. ◎Comprehensively evaluates, introduces and sells computer products and develops and maintains dealerships. ◎Takes charge of planning and enforcing product marketing, advertising, public relations, and promotional documents and boosting the promotion of commodities.
Commerce Department	◎Takes charge of the sale of networks, information security, storage equipment, and software, among other commercial products and also the development and management of distribution networks. ◎Takes charge of servicing and technical support for product lines.
Home Appliance Department	◎Takes charge of distributing home appliance products and developing and managing home appliance distribution networks. ◎Comprehensively evaluates, introduces and sells home appliance and develops and maintains dealerships. ◎Takes charge of planning and enforcing product marketing, advertising, public relations, and promotional documents and boosting the promotion of commodities. ◎Takes charge of the safety transport of home appliances and after-sales service for Philips TVs/AOC TVs/PHILIPS filters, among others.
Marketing Department	◎Plans and enforces marketing events, analyzes data, and performs market surveys reflective of the internal needs of the Company and the needs of developers and customers and analyzes the benefits and provides advice. ◎Communicates and coordinates internally and creates and plans external images, prepares corporate promotional documents and public relations press releases, approaches collaborators for talks, and plans accordingly. ◎Plans and edits, designs, prepares, and updates the corporate website, B2B, FB, and Line@, among other media.
Logistics and Administration Center	◎Comprehensively plans and manages the Procurement Department, the Logistics Service Department, the Operational Management Division. ◎Takes charge of enforcing and managing the procurement process. ◎Centrally takes care of warehousing, delivery, and after-sales service-related operations of products. ◎Provides the operational management statement, plans the operating procedure, and assists in controlling related indicators.
Procurement Department	◎Comprehensively manages commodity archiving, procurement, order placement, receiving of materials, allocation of goods, and inventory control. ◎Takes charge of controlling prices, handling developer accounts, and reviewing related expenses. ◎Prepares the purchase/sale/inventory statements.
Logistics Service Department	◎Comprehensively handles logistics such as warehousing, delivery, and after-sales service of commodities, including the Warehouse Division, the Transport Division, and the Customer Service Division. ◎Takes charge of planning the receiving/dispatching operating procedures, preparing the warehousing efficiency and quality indicators, and improving the overall process. ◎Takes charge of ensuring safety on premises and safety of goods, managing and maintaining equipment, and managing the inventory of packaging materials for

Department	Main responsibilities
	goods received and dispatched. ◎Takes charge of allocating self-owned and contractor vehicles and planning the delivery routes to ensure timely shipments and deliveries and operational quality. ◎Takes charge of approving and reporting subsidies for self-owned vehicles/costs of warehousing and costs of contractor shipments. ◎Takes charge of customer service, service, RMA, and renovations, determining the operational time-efficiency and quality indicators, improving the overall process, and enhancing the level of customer service. ◎Takes charge of discussing and confirming after-sales service contracts with suppliers in order to secure after-sales service resources and manage service lots and parts. ◎Compiles, analyzes, and reports warehousing and customer service management statements.
Operational Management Division	◎Provides the operational management statements. ◎Takes charge of reviewing and managing receipt for related purchase/ sale/inventory processes. ◎Takes charge of summarizing respective internal and external benchmark goals of respective PMs and calculating and managing the performance. ◎Takes charge of managing the reviews of related costs submitted for approval.
IT Department	◎Plans the IT setting and develops its framework in the Company. ◎Manages the internal network system. ◎Manages and maintains the computer system. ◎Analyzes and designs the IT system. ◎Manages the database.
Management Department	◎Performs tasks inside the organization concerning human resources, including recruitment and screening, training and development, compensation/remuneration and welfare, employee relations, and performance evaluation, among others. ◎Maintains and purchases the equipment and corporate resources inside the institution, beautifies the office setting, plans repairs, repairs utilities, manages public vehicles, telecommunications and mails, industrial safety and health, etc.
Finance Department	◎Reviews annual budget and settlement. ◎Creates and enforces the accounting system. ◎Takes care of general accounting affairs. ◎Plans and allocates company-wide funds and interactions with financial institutions, general cashier operations, etc. ◎Takes charge of comprehensively managing corporate accounts and credit lines, among others.

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

(1) Information on Directors and Supervisors:

April 18, 2023

<table>
<tr><th rowspan="2">Job title</th><th rowspan="2">Nationality or place of registration</th><th rowspan="2">Name</th><th rowspan="2">Gender age</th><th rowspan="2">Commencement date</th><th rowspan="2">Term of office</th><th rowspan="2">Commencement date of first term</th><th colspan="2">No. of shares held at time of election</th><th colspan="2">Number of shares currently held</th><th colspan="2">Shares currently held by spouse and minor children</th><th colspan="2">Shares held through nominees</th><th rowspan="2">Principal work experience and academic qualifications</th><th rowspan="2">Positions held concurrently in the company and/or in any other company</th><th colspan="3">Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree</th><th rowspan="2">Rem-arks</th></tr>
<tr><th>Number of shares</th><th>Share-holding ratio</th><th>Number of shares</th><th>Share-holding ratio</th><th>Number of shares</th><th>Share-holding ratio</th><th>Number of shares</th><th>Share-holding ratio</th><th>Job title</th><th>Name</th><th>Relati-onship</th></tr>
<tr><td rowspan="2">Chairman</td><td>R.O.C.</td><td rowspan="2">Hung Mao Investment Co., Ltd.
Represent-ative: Wen-Chi Chen</td><td rowspan="2">Male
61 ~ 70 years old</td><td>20210720</td><td>3 years</td><td>19980309</td><td>22,989,868</td><td>25.29%</td><td>22,989,868</td><td>25.29%</td><td>0</td><td>0</td><td>0</td><td>0</td><td rowspan="2">Master in Electrical Engineering, California Institute of Technology
General Manager of US SYMPHONY</td><td rowspan="2">Chairman and General Manager of VIA Technologies
Director of HTC Corporation
Chairman of VIA Labs, Inc.
Chairman of TVBS Media Inc. (Corporate Representative)
Director of CW & ET Link Inc.
Director of Way-Chih Investment Co., Ltd.
Director of Hsin-Tong Investment Co., Ltd.
Director of Kun-ChangInvestment Co., Ltd.
Director of Hung Mao Investment Co., Ltd.
Director of Chuan Te Investment Co., Ltd.
Director of Liwei Investment Co., Ltd.
Director of Viveport Digital Corporation (Corporate Representative)
Director of REIGN Technology Corporation (Corporate Representative)
Director of DeepQ Technology Corp. (Corporate Representative)
Director of VIVE Arts Corporation (Corporate Representative)</td><td rowspan="2">Directors
Directors
General Manager</td><td rowspan="2">Cher Wang
Che Chen
Wen-Kang Chen</td><td rowspan="2">Spouse
Brother-in-law</td><td rowspan="2">Not applic-able</td></tr>
<tr><td>R.O.C.</td><td>20210720</td><td>3 years</td><td>19980309</td><td>4,834,147</td><td>5.32%</td><td>4,834,147</td><td>5.32%</td><td>3,584,748</td><td>3.94%</td><td>0</td><td>0</td></tr>
</table>

Directors	R.O.C.	Hung Mao Investment Co., Ltd. Representative: Cher Wang	Female 61 ~ 70 years old	20210720	3 years	19980309	22,989,868	25.29%	22,989,868	25.29%	0	0	0	0	Department of Economics, University of California, Berkeley General Manager at the PC Department of First International Computer	Chairman and General Manager of HTC Corporation Chairman of H.T.C. (B.V.I) Corp. (Corporate Representative) Chairman of HTC Investment One (BVI) Corporation (Corporate Representative) Chairman of HTC Investment Co. Ltd. (Corporate Representative) Director of High Tech Computer Asia Pacific Pte.Ltd. (Corporate Representative) Director of VIA Technologies Director of VIA Labs, Inc. Director of TVBS Media Inc. (Corporate Representative) Director of Formosa Plastics Corporation Independent non-executive director of Lenovo Group Ltd. Director of CW & ET Link Inc. Director of Way-Chih Investment Co., Ltd. Director of Hsin-Tong Investment Co., Ltd. Director of Kun-Chang Investment Co., Ltd. Director of Hung Mao Investment Co., Ltd. Director of Chuan Te Investment Co., Ltd. Director of Liwei Investment Co., Ltd. Chairman of Viveport Digital Corporation (Corporate Representative) Chairman of REIGN Technology Corporation (Corporate Representative) Chairman of DeepQ Technology Corp. (Corporate Representative) Director of VIVE Arts Corporation (Corporate Representative)	Chairman Directors General Manager	Wen-Chi Chen Che Chen Wen-Kang Chen	Spouse In-law In-law	Not applic-able
	R.O.C.			20210720	3 years	20170616	3,584,748	3.94%	3,584,748	3.94%	4,834,147	5.32%	0	0						
Directors	R.O.C.	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	Male 51 ~ 60 years old	20210720	3 years	19980309	2,694,647	2.96%	2,694,647	2.96%	0	0	0	0	Graduate Institute of Finance, National Taiwan University	Director of POWER RADIO CO., LTD. (Corporate Representative) Director of Neweb Technologies Co., Ltd. (Corporate Representative) Director of Chander Electronics Corp. (Corporate Representative) Director of TVBS Media Inc. (Corporate Representative) Independent Director of Ledlink				

	R.O.C.			20210720	3 years	20160329	0	0	0	0	0	0	0	0		Optics, Inc. Supervisor of CW & ET Link Inc. Supervisor of Way-Chih Investment Co., Ltd. Supervisor of Hsin-Tong Investment Co., Ltd. Supervisor of Kun-Chang Investment Co., Ltd. Supervisor of Hung Mao Investment Co., Ltd. Supervisor of Chuan Te Investment Co., Ltd. Supervisor of Liwei Investment Co., Ltd.	No	No	No	Not applic-able
Directors	R.O.C.	Chuan Te Investment Co., Ltd.		20210720	3 years	19980309	2,694,647	2.96%	2,694,647	2.96%	0	0	0	0	Ph.D in Chemical Engineering, University of Florida, USA Assistant Manager at the Doors/ Windows Department of Nan Ya Plastics Corporation	No	Chairman Directors	Wen-Chi Chen Cher Wang	Brother-In-law	Not applic-able
		Che Chen	Male 71 ~ 80 years old	20210720	3 years	19980309	918,763	1.01%	918,763	1.01%	9,763	0.01%	0	0						
Independe-nt Director	R.O.C.	Dao-Song Chen	Male 61 ~ 70 years old	20210720	3 years	20150602	0	0	0	0	0	0	0	0	Department of Business Administration, National Taipei University of Business CPA at Deryu Certified Public Accountants	Independent Director of Chander Electronics Corp. Independent Director of VATE TECHNOLOGY CO., LTD. Independent Director of HLJ TECHNOLOGY CO., LTD. CPA at Deryu Certified Public Accountants	No	No	No	Not applic-able
Independe-nt Director	R.O.C.	Hsuan-Hsuan Chen	Male 71 ~ 80 years old	20210720	3 years	20150602	0	0	0	0	0	0	0	0	Department of Electronics Computer Engineering, Tamkang University Associate Research Fellow at the ERSO of ITRI Associate Manager at the Marketing Department of United Microelectronics Corporation General Manager of the Branch Office in the US of Accton	Chairman of DiD Social Enterprise Co., Ltd. Taipei Chairman of the Taipei Parents' Association for the Visually Impaired	No	No	No	Not applic-able
Independe-nt Director	R.O.C.	Wen-Hua Liao	Male 41 ~ 50 years old	20210720	3 years	20210720	0	0	0	0	0	0	0	0	Chairman of ROC House of Dreams Association	Chairman of ROC House of Dreams Association Independent Director of Acer Synergy Tech Corp. Independent Director of Acer Gaming Inc.	No	No	No	Not applic-able

Major shareholders of corporate shareholders

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

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

Information on Directors (2)

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience	Independence analysis (Note 1)	No. of other public companies at which the person concurrently serves as an independent director
Directors Wen-Chi Chen	1. With engineering background and professional managerial skills as high-ranking officer. 2. For the education and experience, refer to the information provided under "Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers" for details.	Not applicable	0
Directors Cher Wang	1. With economics and sales backgrounds and professional managerial skills as high-ranking officer. 2. For the education and experience, refer to the information provided under "Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers" for details.	Not applicable	0
Directors Yuh-Ta Chang	1. With the work experience needed for commercial, financial, or corporate operations. 2. For the education and experience, refer to the information provided under "Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers" for details.	Not applicable	1

Directors Che Chen	1. With the work experience needed for commercial or corporate operations. 2. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details.	Not applicable	0
Independent Director Dao-Song Chen	1. With the work experience needed for commercial, financial, or corporate operations and none of the conditions under Article 30 of the Company Act. 2. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details.	Fulfillment of all conditions about independence analysis in (1) ~ (4)	3
Independent Director Hsuan-Hsuan Chen	1. With the work experience needed for commercial or corporate operations and none of the conditions under Article 30 of the Company Act. 2. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details.	Fulfillment of all conditions about independence analysis in (1) ~ (4)	0
Independent Director Wen-Hua Liao	1. With the work experience needed for commercial or corporate operations and none of the conditions under Article 30 of the Company Act. 2. For the education and experience, refer to the information provided under “Information about the Directors, Supervisors, General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers” for details.	Fulfillment of all conditions about independence analysis in (1) ~ (4)	2

Note 1: The independence analysis is as follows:

(1) Including, without limitation, the person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates.
(2) The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company.
(3) No a director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 3 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
(4) The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates in the most recent 2 years.

2. Diversification and Independence of Board of Directors:

(1) Diversification of Board of Directors:

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

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

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

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

1. Basic criteria and values: Gender, age, nationality, race or ethnicity, and culture, etc.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

Members of the Board of Directors shall possess the knowledge, skills, and attainments needed to perform their duties. The capabilities expected of the Board of Directors as a whole for the sake of achieving the ideal goals of corporate governance are as follows:

1. Operational judgment.
2. Accounting and financial analysis.
3. Operational management.
4. Crisis management.
5. Industrial knowledge.
6. International market views.
7. Leadership.
8. Decision-making.

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

Diversification project	Nationality	Gender	age			Industrial experience			Professionalism	
Names of Directors			60 years old and younger	61 ~ 70 years old	71 ~ 80 years old	Finance and accounting	Operation and management	Leadership	Finance and accounting	Risk management
Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	R.O.C.	Male		V		V	V	V		V
Hung Mao Investment Co., Ltd. Representative: Cher Wang	R.O.C.	Female		V		V	V	V		V
Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	R.O.C.	Male	V			V	V	V	V	V
Chuan Te Investment Co., Ltd. Representative: Che Chen	R.O.C.	Male			V	V	V	V		V
Dao-Song Chen	R.O.C.	Male		V		V	V	V	V	V
Hsuan-Hsuan Chen	R.O.C.	Male			V	V	V	V		V
Wen-Hua Liao	R.O.C.	Male	V			V	V	V		V

(2) Independence of Board of Directors:

The Company's Board of Directors consists of 7 directors in total, including 3 independent directors. The independent directors account for 43% of all directors. Members of the Board of Directors are independent and are free of the conditions specified in Paragraphs 3 and 4 under Article 26-3 of the Securities and Exchange Act. Among the members, only Director Wen-Chi Chen and Director Cher Wang are the spouse of each other. Other independent directors or directors are not the spouse or a relative within the second degree of kinship of one another.

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

April 18, 2023

Job title	Nation-ality	Name	Gender	Date inaugurated	Number of shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held in any other company	Other manager(s) with which the pers spouse or relative within the second degree			Remarks
					Number of shares	Sharehol-ding ratio	Number of shares	Sharehol-ding ratio	Number of shares	Sharehol-ding ratio			Job title	Name	Relati-on ship	
General Manager	R.O.C.	Wen-Kang Chen	Male	2016.10.11	0	0	0	0	0	0	College/university Manager of Cathay Pacific Airways	Chairman of DINGHAN INTERNATIONAL CORP.	No	No	No	Not applicable
Executive Vice President	R.O.C.	Hsun-Long Huang	Male	2018.01.01	0	0	0	0	0	0	Department of Business Administration, Lunghwa University of Science and Technology Product Manager of TECO Corporation Sales Manager of Hung Chi Network Co., Ltd.	Director of DINGHAN INTERNATIONAL CORP.	No	No	No	Not applicable
Vice President	R.O.C.	Cai-Rong Lin	Female	2023.01.01	6,720	0.01%	0	0	0	0	Department of International Trade, Ming Chuan University Sales Assistant, Homlan International Corporation Forwarding Administrator, Yuyin Trade	No	No	No	No	Not applicable
Senior Assistant Manager	R.O.C.	Chi-Ting Lee	Female	2023.01.01	3,215	0.00%	0	0	0	0	Department of Electronic Data Processing, National Taichung University of Science and Technology Project Associate Manager, Genuine C&C, Inc. Procurer of CHANCE PRESENT CO.	No	No	No	No	Not applicable
Assistant Manager	R.O.C.	Ying-Ji Lee	Male	2016.10.01	0	0	598	0.00%	0	0	Department of Computer Science, Chinese Culture University Sales Representative of Han Feng Technology Co., Ltd. Sales Representative of Jialun Technology	No	No	No	No	Not applicable
Assistant Manager (Financial Officer/Accounting Officer/Corporate Governance Officer)	R.O.C.	Bin-Hai He	Male	2019.08.06	0	0	0	0	0	0	Master in Business Administration, National Taiwan Normal University Chief Financial Officer of BAUI Biotech Co., Ltd. Assistant Manager at the Finance Department of PTSC	Director of DINGHAN INTERNATIONAL CORP.	No	No	No	Not applicable
Assistant Manager	R.O.C.	Guo-Kun Chen	Male	2018.04.01	0	0	0	0	0	0	Department of Business Administration, Tunghai University Manager of TAIWAN ARIES CO., LTD.	No	No	No	No	Not applicable
Assistant Manager	R.O.C.	Chih-Chiang Hu (Note 1)	Male	2020.01.01	0	0	0	0	0	0	Department of Business Administration, Jinwen University of Science and Technology Director, SAMSUNG ELECTRONICS TAIWAN CO., LTD. Manager of WORLDTECH CO., LTD.	No	No	No	No	Not applicable

Job title	Nation-ality	Name	Gender	Date inaugurated	Number of shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held in any other company	Other manager(s) with which the pers spouse or relative within the second degree			Remarks
					Number of shares	Sharehol-ding ratio	Number of shares	Sharehol-ding ratio	Number of shares	Sharehol-ding ratio			Job title	Name	Relati-on ship	
Assistant Manager	R.O.C.	Chi-Cai Zhan (Note 2)	Male	2020.12.10	0	0	0	0	0	0	Department of Computer Science and Information Engineering, Chung Yuan Christian University Director of CPT Technology (Group) Co., Ltd. Director of Chunghwa Picture Tubes, Ltd.	No	No	No	No	Not applicable
Assistant Manager	R.O.C.	Ming-Yi Pan (Note 3)	Male	2021.01.01	0	0	0	0	0	0	Department of Computer Science and Information Engineering, Tamkang University PM senior manager of Xander International Corp. Sales Officer of DELTA ELECTRONICS, INC.	No	No	No	No	Not applicable
Assistant Manager	R.O.C.	Chen-Hua Huang	Female	2023.01.01	0	0	0	0	0	0	Department of General Commerce, Qiang Shu High School Procurer of WRESELE CO., LTD. Procurer of TAIRONE Energy Saving Technology Co., Ltd.	No	No	No	No	Not applicable
Senior Assistant Manager	R.O.C.	Shih-Yu Fang	Male	2023.01.01	0	0	0	0	0	0	Division of Mechanical Engineering, Ming Chi University of Technology Manager of FUJIFILM Business Innovation Taiwan Co., Ltd. Assistant Manager of FUJI XEROX ASIA PACIFIC PTE LTD TAIWAN BRANCH (SINGAPORE)	No	No	No	No	Not applicable
Assistant Manager	R.O.C.	Yu-Ze Chang	Male	2023.01.01	0	0	0	0	0	0	Department of Mechanical Engineering, Hwa Hsia University of Technology Sales Representative of Taiwan Jih Jia Co., Ltd. Sales Representative of BETTER GROUP CO., LTD.	No	No	No	No	Not applicable
Assistant Manager	R.O.C.	Yi-Fan Liu	Male	2021.01.01	0	0	0	0	0	0	Department of Business Administration, Takming University of Science and Technology Project Associate Manager of MITAC INCORPORATED Project Associate Manager of D-Link Corporation	No	No	No	No	Not applicable

Note 1: Chih-Chiang Hu retired from the position on 2022/6/1.

Note 2: Chi-Cai Zhan resigned on 2022/8/31.

Note 3: Ming-Yi Pan resigned on 2022/8/25.

3. Remuneration to Directors, General Managers and Assistant General Managers in the Most Recent Year:

(1) Remuneration to Ordinary Directors and Independent Directors

2022; Unit: NTD thousand/thousand shares

Job title	Name	Remuneration to directors								Sum of A + B + C + D and ratio to net income after tax (%)		Remuneration received by directors for concurrent service as an employee								Sum of A + B + C + D + E + F + G and ratio to net income after tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Hung Mao Investment Co., Ltd. Representative Wen-Chi Chen	0	0	0	0	63	63	0	0	0.19	0.19	0	0	0	0	0	0	0	0	0.19	0.19	No
Directors	Hung Mao Investment Co., Ltd. Representative Cher Wang	0	0	0	0	63	63	2	2	0.19	0.19	0	0	0	0	0	0	0	0	0.19	0.19	No
Directors	Chuan Te Investment Co., Ltd. Representative Yuh-Ta Chang	0	0	0	0	63	63	10	10	0.22	0.22	0	0	0	0	0	0	0	0	0.22	0.22	No
Directors	Chuan Te Investment Co., Ltd. Representative Che Chen	0	0	0	0	63	63	2	2	0.19	0.19	0	0	0	0	0	0	0	0	0.19	0.19	No
Independent Director	Dao-Song Chen	240	240	0	0	63	63	25	25	0.98	0.98	0	0	0	0	0	0	0	0	0.98	0.98	No
Independent Director	Hsuan-Hsuan Chen	240	240	0	0	63	63	20	20	0.96	0.96	0	0	0	0	0	0	0	0	0.96	0.96	No
Independent Director	Wen-Hua Liao	240	240	0	0	63	63	20	20	0.96	0.96	0	0	0	0	0	0	0	0	0.96	0.96	No

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

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

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

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

2022; Unit: NTD thousand/thousand shares

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A + B + C + D and ratio to net income after tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consoli-dated entities	The Company	All consoli-dated entities	The Company	All consoli-dated entities	The Company		All consolidated entities		The Company	All consoli-dated entities	
								Amo-unt in cash	Amount in stock	Amo-unt in cash	Amount in stock			
General Manager	Wen-Kang Chen	11,042	11,042	0	0	0	0	0	0	0	0	33.11	33.11	No
Executive Vice President	Hsun-Long Huang													
Vice President	Cai-Rong Lin													

Note: 1. The actual retirement and pension paid was NTD 0 thousand and that set aside came to NTD 291 thousand.

Remuneration Range Table

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

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

2022; Unit: NTD thousand/thousand shares

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A + B + C + D and ratio to net income after tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolid-ated entities	The Company	All consolid-ated entities	The Company	All consolid-ated entities	The Company		All consolidated entities		The Company	All consolid-ated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Wen-Kang Chen	6,260	6,260	0	0	0	0	0	0	0	0	18.77	18.77	No
Executive Vice President	Hsun-Long Huang	2,945	2,945	0	0	0	0	0	0	0	0	8.83	8.83	No
Assistant Manager (Financial Officer/ Accounting Officer/ Corporate Governance Officer)	Bin-Hai He	2,076	2,076	0	0	0	0	0	0	0	0	6.22	6.22	No
Assistant Manager	Yi-Fan Liu	2,047	2,047	0	0	0	0	0	0	0	0	6.14	6.14	No
Assistant Manager	Chen-Hua Huang	1,940	1,940	0	0	0	0	0	0	0	0	5.82	5.82	No

Note: 1. The actual retirement and pension paid was NTD 0 thousand and that set aside came to NTD 423 thousand.

(4) Names of Managers Entitled to Remuneration to Employees and Distribution Status:

2022; Unit: NTD thousand

<table>
<tr><th></th><th>Job title</th><th>Name</th><th>Amount in stock</th><th>Amount in cash</th><th>Total</th><th>Ratio of sum to net income after tax (%)</th></tr>
<tr><td rowspan="14">Manager</td><td>General Manager</td><td>Wen-Kang Chen</td><td rowspan="14">0</td><td rowspan="14">0</td><td rowspan="14">0</td><td rowspan="14">0</td></tr>
<tr><td>Executive Vice President</td><td>Hsun-Long Huang</td></tr>
<tr><td>Vice President</td><td>Cai-Rong Lin</td></tr>
<tr><td>Senior Assistant Manager</td><td>Chi-Ting Lee</td></tr>
<tr><td>Senior Assistant Manager</td><td>Shih-Yu Fang</td></tr>
<tr><td>Assistant Manager (Financial Officer/Accounting Officer/Corporate Governance Officer)</td><td>Bin-Hai He</td></tr>
<tr><td>Assistant Manager</td><td>Yi-Fan Liu</td></tr>
<tr><td>Assistant Manager</td><td>Guo-Kun Chen</td></tr>
<tr><td>Assistant Manager</td><td>Ying-Ji Lee</td></tr>
<tr><td>Assistant Manager</td><td>Chi-Cai Zhan (Note 1)</td></tr>
<tr><td>Assistant Manager</td><td>Ming-Yi Pan (Note 2)</td></tr>
<tr><td>Assistant Manager</td><td>Chih-Chiang Hu (Note 3)</td></tr>
<tr><td>Assistant Manager</td><td>Chen-Hua Huang</td></tr>
<tr><td>Assistant Manager</td><td>Yu-Ze Chang</td></tr>
</table>

Note 1: Chi-Cai Zhan resigned on 2022/8/31.

Note 2: Ming-Yi Pan resigned on 2022/8/25.

Note 3: Chih-Chiang Hu retired from the position on 2022/6/1.

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

	Ratio of Total Remuneration of 2022 to Net Income After Tax		Ratio of Total Remuneration of 2021 to Net Income After Tax	
	The Company	All companies included in the Consolidated Statement	The Company	All companies included in the Consolidated Statement
Directors	3.70%	3.70%	2.39%	2.39%
Supervisor	-	-	0.05%	0.05%
General Managers and Assistant General Managers	33.11%	33.11%	11.56%	11.56%

Besides the fixed compensation claimed by the independent directors of the Company and the transportation subsidies claimed by the other directors and supervisors having attended the Board of Directors meeting, remuneration to directors/supervisors at no greater than 1% of annual earnings is distributed as required by the Articles of Incorporation.

Remuneration to managers includes the salary and bonus. The salary, in particular, takes into reference counterpart levels and the title, position, education and experience, professionalism, and responsibilities and follows the Salary Payment Criteria of the Company while the bonus is highly linked to operational performance and includes financial indicators (such as corporate revenue and net profit fulfillment rate) and non-financial indicators (such as the prevention against operational risk or major deficiencies) for its payment. In addition, the Company already set up its Compensation and Remuneration Committee on December 27, 2011 to periodically discuss the compensation and remuneration policy and structure of the Company’s directors, supervisors, and managers.

4. Status of Corporate Governance

(1) Operation of the Board of Directors:

1. Operation of the Board of Directors

The Board of Directors met 4 times in the most recent year and the attendance (seating) of directors in the meetings was as follows:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) [B/A]	Remarks
Chairman	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	0	4	0%	
Directors	Hung Mao Investment Co., Ltd. Representative: Cher Wang	1	2	25%	
Directors	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang	4	0	100%	
Directors	Chuan Te Investment Co., Ltd. Representative: Che Chen	2	0	50%	
Independent Director	Dao-Song Chen	4	0	100%	
Independent Director	Hsuan-Hsuan Chen	4	0	100%	
Independent Director	Wen-Hua Liao	3	1	75%	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
   (1) Any matter under Article 14-3 of the Securities and Exchange Act: The Company has the Audit Committee in place; the requirement under Article 14-3 of the Securities and Exchange Act does not apply. For related information, please refer to the Operation of the Audit Committee herein.
   (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any Board resolution: This did not happen.
2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: This did not happen.
3. For a TWSE or TPEx-listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Implementation of Evaluations of the Board of Directors:
   The Company already completed the 2022 Board of Directors evaluation before the first quarter of 2023, the Board of Directors as a whole, the functional committees (Compensation and Remuneration Committee and Audit Committee) and respective directors were evaluated. The fulfillment rates of both self or peer evaluations were above 90%; that is, operations in all respects were optimal and the Taiwan Corporate Governance Association was authorized to conduct external evaluations. The results were reported to the Board of Directors on 2023/3/15.

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once a year	January 1, 2022 to December 31, 2022	Board of Directors, Respective Directors, and Functional Committees (Compensation and Remuneration Committee and Audit Committee)	1. Internal self-assessment of Board of Directors 2. Self-assessment of directors 3. The evaluation is performed by an external professional independent organization or external expert team once every three years	1. Board of Directors Performance Evaluation: involvement in corporate operations, enhanced decision-making quality of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, internal control 2. Individual Directors Performance Evaluation: keeping track of the Company's goals and missions, awareness of the duties of directors, involvement in the Company's operation, internal relations management and communication, professional and continuing education

				for directors, internal control 3. Audit Committee Performance Evaluation: involvement in the Company's operation, awareness of the duties of Audit Committee, enhanced decision-making quality of Audit Committee, composition and member election of Audit Committee, internal control 4. Compensation and Remuneration Committee Performance Evaluation: involvement in the Company's operation, awareness of the duties of Compensation and Remuneration Committee, enhanced decision-making quality of Compensation and Remuneration Committee, composition and member election of Compensation and Remuneration Committee, internal control

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

   Give an evaluation of the company's targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years and the implementation status, please refer to "(II) Operation Status of the Audit Committee", "(III) Corporate Governance - Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons", and "(IV) Composition, Responsibilities, and Operations of the Compensation and Remuneration Committee, If Available" of "Status of Corporate Governance" herein.

(2) Operation of the Board of Directors

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

Job title	Name	Number of actual attendance (B)	No. of meetings attended by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Dao-Song Chen	4	0	100%	-
Independent Director	Hsuan-Hsuan Chen	4	0	100%	-
Independent Director	Wen-Hua Liao	3	0	75%	-

Other information required to be disclosed:

1. If the Audit Committee has any of the following circumstances, the date and session number of the meeting of the Audit Committee, proposal contents, independent directors' dissenting opinions, reservation, or major recommendations, the resolution made by the Audit Committee and the Company's reactions towards the Audit Committee's opinions shall be specified.
   (1) Any matter under Article 14-5 of the Securities and Exchange Act.

Audit Committee Meeting Session No./Date	Contents of the proposal	Date and session number of the meeting of the Audit Committee, proposal contents, independent directors' dissenting opinions, reservation, or major recommendations	Resolution made by the Audit Committee	Company's reactions towards the Audit Committee's opinions
No. 3 of the first intake on 20220325	1. The Company's 2021 self-evaluation of internal control system findings and Internal Control Declaration.	No	The proposal was approved as is unanimously by all Audit Committee	The case was brought forth to the Board of Directors and was approved by all attending directors
	2. The Company's 2021 Business Report and Financial			

	Statements. 3. Amendment to the "Procedure for the Acquisition or Disposal of Assets".		members	
No. 4 of the first intake on 20220510	1. Evaluation of the independence and suitability of the CPAs. 2. Delegation and compensation of CPAs for the Company's financial statements. 3. Financial statements for the first quarter of 2022.	No	The proposal was approved as is unanimously by all Audit Committee members	The case was brought forth to the Board of Directors and was approved by all attending directors
No. 5 of the first intake on 20220805	1. Financial statements for the second quarter of 2022. 2. Preparation of the "Risk Management Guidelines". 3. Delegation of the Company's Internal Audit Officer. 4. Revision of the "Authorization Requirements and Responsibility Table" and applicable operational requirements.	No	The proposal was approved as is unanimously by all Audit Committee members	The case was brought forth to the Board of Directors and was approved by all attending directors
No. 6 of the second intake on 20221104	1. Financial statements for the third quarter of 2022. 2. Revision of the "Operating Procedure for Handling Major Internal Information". 3. Revision of the "Management of Financial Statement Preparation Procedure". 4. 2023 Audit Plan.	No	The proposal was approved as is unanimously by all Audit Committee members	The case was brought forth to the Board of Directors and was approved by all attending directors

(2) Besides those mentioned in the foregoing, other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee: This did not happen.

2. The status of implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the director voted: This did not happen.
3. Communication among independent directors, internal audit supervisors and CPAs (including important matters, methods, and results of the Company's finance and business conditions):
   A. The Company's internal audit officer periodically submits the audit report to the independent directors and the Internal Audit Operation Report, the Annual Audit Plan, and the Amendment to the Internal Control System, among other proposals during the Audit Committee and the Board of Directors meetings so that independent directors can fully keep track of how operational internal control is enforced throughout the Company. The independent directors did not show any opposing or qualified opinion regarding each of the proposals. Communications regarding the audit operation is optimal.
   B. Before the Company issues its financial statements, the independent directors and CPAs communicate with each other in advance and reach consistent conclusions. The most recent communications were about clarifications by the CPAs on key audit matters regarding the 2022 Financial Statements. In other words, the Company's independent directors and CPAs are communicating with each other smoothly.

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

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?		✓	The Company has prepared its "Corporate Governance Best-Practice Principles" with reference to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reflective of the practical operation of the Company and such information is disclosed in the "Market Observation Post System (MOPS)" and on the corporate website as required by laws and regulations for enhanced information transparency in order to protect the rights of shareholders and stakeholders.	No significant difference.
2. Shareholding Structure and Shareholders' Rights				No significant difference.
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) The Company already has the spokesperson, acting spokesperson, and shareholder service units, among other specialist organizations to take care of shareholder advice or disputes, etc.	
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(2) The Company keeps track of the shareholding status of its directors, managers, and major shareholders holding at least 10% of its shares and declares the shares held by major shareholders on schedule.	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(3) All interactions between the Company and any of its affiliates follow applicable regulatory requirements and the internal control system of the Company.	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) The Company has defined the "Anti-Insider Trading Management Guidelines" to prevent against insider trading.	
3. Composition and responsibilities of the board of directors	✓			No significant difference.
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?			(1) The Company already specified in its "Corporate Governance Best-Practice Principles" that members of the Board of Directors shall be selected according to their professional background, skills, and industrial experience and shall possess the knowledge, skills, and attainments required to fulfill their duties that will help with corporate developments and operation to a certain extent. At present, the Company's Board of Directors consists of 7 directors; three of which are independent directors and the members are experienced in and	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	 ✓ ✓	✓	specialize in finance, administration, and technology, among others. For the fulfillment of diversification, refer to Page 19 herein. (2) Except for the Compensation and Remuneration Committee, which is set up as required by law, the remainder corporate governance operations are the responsibilities of respective departments; no other functional committees have been set up yet. (3) The Company already approved the establishment of the Board of Directors Performance Evaluation Guidelines and the evaluation method on 2020/3/12 and has performed the evaluations as required each year and results of the performance evaluations have been reported to the Board of Directors and referred to for the compensation and remuneration determined for and the nomination for a subsequent term in office of individual directors. The Taiwan Corporate Governance Association, the external professional independent institution, was authorized to perform the 2022 Board of Directors Performance Evaluation and the evaluation findings were reported to the Board of Directors on March 15, 2023. (4) The Company's Finance Department evaluates the independence of CPAs spontaneously regularly each year. For the independence and suitability of CPAs evaluation criteria submitted to the Board of Directors for review in 2022, refer to the notes for details.	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing Board of Directors meetings and shareholders' meetings as required by law, and compiling minutes of Board of Directors meetings and shareholders' meetings)?	✓		The Company already approved the setup of its Corporate Governance Officer through the Board of Directors meeting on August 5, 2022. The Officer will take charge of corporate governance-related affairs, including providing information necessary for directors to perform their duties, aiding directors in complying with laws and regulations, organizing Board of Directors meetings and shareholders' meetings as required by law, and compiling minutes of Board of Directors meetings and shareholders' meetings. The Company's Corporate Governance Officer completed 21 hours of continuing education in 2022.	No significant difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company has the spokesperson and acting spokesperson in place to communicate externally and to contact and speak with stakeholders directly.	No significant difference.
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company delegates the professional shareholder service agency - Registrar of CTBC - to take care of respective shareholder affairs and operational control for the shareholder service is defined in the internal control system to govern related affairs.	No significant difference.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓ ✓	✓	(1) The Company has established a corporate website to periodically disclose information regarding its financial, business,and corporate governance. The website is http://www.xander.com.tw/. (2) The Company has someone in place to take charge of collecting and disclosing information and adequately disclosing related information properly as required in the "Market Observation Post System"; the website is: https://mops.twse.com.tw/mops/web/index. The Company has the spokesperson and acting spokesperson in place to consolidate the spokesperson system. (3) The Company has not announced or declared its annual statements within two months after the end of the fiscal year but it announces and declares them by the specified deadline and also announces and declares its financial statements for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines.	No significant difference.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing	✓		(1) Employee rights: The Company protects the fundamental rights of its employees as required by the Labor Standards Act. (2) Employee care: Employees may fully express issues they have encountered in life and at work through the official or non-official communication channels available in the Company and someone will	No significant difference.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?</td><td></td><td></td><td>provide them with necessary assistance.
(3) Investor relations: The Company has the spokesperson to take charge of addressing opinions from shareholders.
(4) Supplier relations: The Company has been in an optimal collaborative relationship with suppliers.
(5) Rights of stakeholders: Stakeholders may communicate with the Company in order to protect their expected legal rights.
(6) Continuing education of directors: The Company’s directors take part in professional continuing education on finance and business from time to time. In 2022, directors and independent directors completed a total of 60 hours of such continuing education.
(7) Implementation of Risk Management Policies and Risk Measurement Standards: The Company has been adhering to the principle of robust operation and does not get involved in high-risk opportunistic behavior.
(8) Implementation of Customer Policies: The Company has always prioritized providing customers with products of optimal, reliable, and stable quality.
(9) Liability Insurance for the Company’s Directors: The Company already extended the liability insurance for its directors, independent directors, and managers on May 1, 2022.</td><td></td></tr>
<tr><td colspan="5">9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement:
1. Improvements already made:
＊Various employee welfare measures continue to be disclosed on the corporate website and in the Annual Report.
＊The Board of Directors Evaluation Guidelines were approved by the Board of Directors and evaluations have been performed accordingly. The evaluation process and findings are disclosed on the corporate website and in the Annual Report.
2. Priorities and measures:
＊The Company set up the Corporate Governance Officer in August 2022 to reinforce corporate governance operations.
＊The actual attendance rate in the Board of Directors meetings by all directors in the year of evaluation reached more than 85%.</td></tr>
</table>

Note: Criteria for assessing the independence and suitability of CPAs

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

Evaluator: Board of Directors

Date of evaluation: March 15, 2023

Conclusion of evaluation: CPA Chien-Ming Tseng and CPA Wen-Ya Hsu of Deloitte & Touche Taipei, Taiwan Republic of China fulfill the independence and suitability criteria and can serve as the CPAs of the Company.

(4) If the Company has set up the Compensation and Remuneration Committee, it shall disclose the composition, responsibilities and operation thereof:

Profile of Members of the Compensation and Remuneration Committee

Status \ Qualification \ Name		Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as a member of the Compensation and Remuneration Committee
Independent Director	Dao-Song Chen	Department of Business Administration, National Taipei University of Business CPA at Deryu Certified Public Accountants	1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates 2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company 3. Not a director, supervisor, or employee of a company related to the Company is a specific way 4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates in the most recent 2 years	3
Independent Director	Hsuan-Hsuan Chen	Department of Electronics Computer Engineering, Tamkang University Associate Research Fellow at the ERSO of ITRI Associate Manager at the Marketing Department of United Microelectronics Corporation General Manager of the Branch Office in the US of Accton		0
Independent Director (Convener)	Wen-Hua Liao	Chairman of ROC House of Dreams Association		2

Duties of the Compensation and Remuneration Committee

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

Information on the Operational of the Compensation and Remuneration Committee

1. The Company's Compensation and Remuneration Committee consists of 3 members in total.
2. Current members will serve a term from July 20, 2021 to July 19, 2024. The Compensation and Remuneration Committee met 2 times in the most recent year. The eligibility and attendance of members are as follows:

Job title	Name	Number of actual attendance	No. of meetings attended by proxy	Actual attendance rate (%)	Remarks
Convener	Wen-Hua Liao	1	1	50%	No
Member	Dao-Song Chen	2	0	100%	No
Member	Hsuan-Hsuan Chen	2	0	100%	No

Other information required to be disclosed:

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

Compensation and Remuneration Committee Meeting Session No./Date	Contents of the Proposal and Subsequent Treatment	Resolution	Company's reactions towards the Compensation and Remuneration Committee's opinions
No. 2 of the fifth intake 2022.03.25	1. The distribution of 2021 remuneration to employees and that to directors and supervisors. 2. Reflection upon the fulfillment of operational performance by managers of the Company for 2021 and review of the managers' compensation and remuneration. 3. Review of the Annual Salary Adjustment Plan for managers.	The proposal was approved as is unanimously by all attending members following inquiries by the chairperson	The case was brought forth to the Board of Directors for discussion and was approved by all attending directors
No. 3 of the fifth intake 2022.11.04	1. Reflection upon fulfillment of operational performance by directors, supervisors, and managers and allocation of bonus. 2. Discussion of the 2023 Action Plan of the Company's Compensation and Remuneration Committee.	The proposal was approved as is unanimously by all attending members following inquiries by the chairperson	The case was brought forth to the Board of Directors for discussion and was approved by all attending directors

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

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company has developed its "Sustainable Development Best Practice Principles" upon the resolution at a board of directors meeting on 2022.08.05. A dedicated unit was not established for the relevant activities; instead, the Management Department was assigned to be concurrently responsible for putting forward the implementation of sustainable development when the need arises.	No material difference
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	✓		The Company has yet to develop relevant risk management policies, but efforts have been made in the following directions: (1) Environment: Improve the efficiency in energy and water conservation, reduce the Company's impacts to the environment, and become an environmentally friendly corporate citizen. (2) Society: Create a positive and happy workplace with a comprehensive system being put in place to protect the rights of the employees and retain top talent for the Company, as well as match the right talent to the right roles. (3) Corporate governance: Demonstrate operational stability and efficiency, while look forward to creating social value with the Company's customers.	No material difference
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	✓		The Company's business is located in New Taipei City, and has no prior records of any violation of environmental laws and regulations or material violation. The Company has also created a comfortable environment to be a great place for the employees to work according to law.	No material difference
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		The Company is engaged in the distribution of electronic products, and has little possibility of generating pollution. Furthermore, to conserve energy efficiently is a rule abided by all the employees of	No material difference

			the Company. The Company is also moving towards to digitalized workflows which have cut down the resources spent on relevant consumables.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		The air-conditioner temperature setting is adjusted as appropriate within the office when the employees are at work. When repair or maintenance is performed for the air conditioning units, the need for their replacement shall be examined as well. The Company also purchases green, low-carbon products whenever it is possible.	No material difference
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		Although the Company did not collect the data on its greenhouse gas emissions, water consumption, and total waste weight for the past 2 years, many efforts have been put on energy conservation. The Company has taken the measures below: 1. Turn off the lights at public spaces during rest breaks, and increase the awareness of the employees to turn off the lights whenever they are not needed. 2. Promote the use of digitalized systems to reduce paper consumption.	No material difference
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Company adheres to all applicable labor laws including the Labor Standards Act (LSA) as well as to the International Bill of Human Rights to protect the rights to which the Company's employees are legally entitled. These include the prohibitions on the hiring child labor and on all forms of forced labor, the elimination of employment discrimination, and ensuring equal employment opportunity and equality of remuneration and opportunities of training and job promotion at the workplace.	No material difference
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		The Company has put work rules and human resource policies in place, which ensure that the Company's requirements relating to base salary, hours of work, and paid leaves are in compliance with the LSA. An employee welfare committee was also established to implement and provide all kinds of benefits for the employees. The Company's remuneration policy is designed to reflect the performance of an employee based on his/her skills and contribution to the Company. Further, the remunerations are positively related to the business performance of the Company.	No material difference

(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		1. The Company and its work areas are equipped with tight security and a 24-hour surveillance system. Access to the work areas requires authentication of an identification card to protect the safety of the employees at work 2. Periodic health check is performed 3. Periodic fire drills are performed	No material difference
(4) Has the Company established effective career development training programs for employees?	✓		To nurture and cultivate career skills for the employees, the Company encourages the employees to participate in external training so they can fully utilize their talents and enhance the quality of their work.	No material difference
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		The Company provides services for its products, and is committed to provide quality and services that can satisfy its customers. Communication channels are also provided on the Company website to handle customer complaints and grievances.	No material difference
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		The Company places great importance on the financial ability and product quality of a supplier before entering into a transaction with the supplier. The Company has a long-term relationship with most of its suppliers. The Company may terminate or cancel its agreement with a supplier if the Company finds that the supplier has an adverse impact on the environment or the occupational safety and health or labor rights of its employees.	No material difference
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	The Company did not prepare a sustainability report; the report will be prepared upon the performance of the business and the request of the competent authority, if required.	No material difference
6. If the Company has adopted its own sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any deviation from the principles in the Company's operations: The Company has developed its "Sustainable Development Best Practice Principles" upon the resolution at a board of directors meeting on 2022.08.05, and they are implemented in observance with the spirit and principles as defined in the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies".				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: None.				

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

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies"? (3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓ ✓ ✓		(1) The Company has yet to establish ethical corporate management policy. The Company, however, has always been in strict compliance with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and other applicable regulatory requirements. It is the basis of the Company in the implementation of its ethical corporate management. (2) During the orientation training, new employees will be informed of the Company's ethical requirements and code of conduct. Relevant policies will also be developed to reflect actual business operations. (3) To ensure ethical corporate management is strictly implemented, the Company has established effective accounting systems and internal control systems, with periodic review being conducted by internal auditors on the compliance with the internal controls.	No significant difference.
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		(1) For the purpose of establishing the integrity of counterparties, the Company makes inquiries on the website of the Department of Commerce, Ministry of Economic Affairs before transactions. The credit status of the counterparties is	No significant difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			also verified through a variety of other channels to confirm their business ethics.	
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		(2) The Company did not set up an exclusively (or concurrently) dedicated unit to be responsible for raising awareness on ethical corporate management. Relevant activities are currently being conducted by the audit department and Board of Directors which serve in supervisory and counseling roles.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(3) The Company's Rules and Procedures of Board of Directors Meetings clearly state that if a director has a stake in any agenda item at a board meeting, that director shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, that director may not participate in the discussion or vote on that agenda, shall recuse himself or herself from any discussion and voting.	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		(4) To ensure ethical corporate management is strictly implemented, the Company has established effective accounting systems and internal control system, with periodic review being conducted by internal auditors on the compliance with the internal controls.	
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		(5) New employees will be informed of the Company's policy on ethical corporate management during their orientation training. It is also being promoted at meetings from time to time to ensure its implementation.	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓ ✓ ✓		(1) The Company has established an employee conduct and discipline policy. In the event of a violation of the ethical corporate management policy by an employee, it will be reviewed by the responsible department head to determine relevant disciplinary actions for the employee, with the details of the misconduct being disclosed to the whole company via a notice sent by the human resource department. (2) Upon a discovery or receipt of a report of the involvement of unethical conduct by any of the Company personnel, and if, after investigation, it is found that such conduct is indeed a violation, the Company will immediately ask the personnel to cease such conduct, and appropriate disciplinary actions shall be given to, and, if necessary, compensations may be requested from the personnel through legal proceedings in order to protect the Company's reputation and interests. (3) The Company ensures the individual who made the report of misconduct will be protected in a confidential manner throughout the reporting procedure, and will not suffer any disciplinary actions as a result of his/her report.	No significant difference.
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?		✓	No disclosure has been made as the Company has yet to establish its ethical corporate management policy.	The policies will be established as required in the future.
5. If the company has adopted its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe any deviations between the principles and their implementation: The Company has yet to establish an ethical corporate management policy. Relevant activities, however, will be performed in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies".				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies: None.				

(7) If the Company has established corporate governance principles or other relevant guidelines, references to such principles should be disclosed: None.
(8) Other information material to the understanding of status of corporate governance: None.
(9) The following matters on the implementation status of the internal control system should be disclosed:

1. Internal Controls Declaration

XANDER INTERNATIONAL CORP.
Internal Control System Declaration

Date: March 15, 2023

Based on the findings of a self-assessment, Xander International Corp. (Xander) states the following with regard to its internal control system for the year 2022:

1. Xander is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and manager. Xander has established such a system. The aim is to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of Xander contains self-monitoring mechanisms, and Xander takes corrective actions whenever a deficiency is identified.
3. Xander evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the "Regulations" identify five components of internal control based on the process of management control: 1. control environment, 2. risk assessment and response, 3. control activities, 4. information and communication, and 5. monitoring. Each component further contains several items. Please refer to the "Regulations" for details.
4. Xander has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, Xander believes that, on December 31, 2022, its internal control system (including its supervision and management of subsidiaries), as well as its internal control system to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Declaration will be an integral part of Xander's Annual Report and Prospectus, which will be made available to the public. Any falsehood, concealment, or other illegality in the

content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This Declaration has been passed by the Board of Directors in their meeting held on March 15, 2023, with zero of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Declaration.

XANDER INTERNATIONAL CORP.

Chairman: Wen-Chi Chen

General Manager: Wen-Kang Chen

2. If CPA was engaged to conduct a special audit of internal control system, the audit report should be disclosed: None.

(10) The listing of penalties, major deficits, and state of any efforts to make improvements, arising from any legal penalties imposed by regulatory authorities on the Company or its employees, or any company punishment toward employees for violating internal control system rules, where such penalties or punishments may have material impacts on shareholders' interests or securities prices, in the most recent year and as of the date of this annual report: None.

(11) In the most recent year and as of the date of this annual report, major resolutions approved at shareholders' meetings and board of directors meetings are summarized below:

Date of meeting	Major resolution approved at shareholders' meetings	Implementation status
20220617	1. The Company's 2021 Business Report and Financial Statements. 2. The Company's 2021 Earnings Distribution Proposal. 3. Amendment to the "Procedure for the Acquisition or Disposal of Assets".	Set the ex-dividend date as September 2, 2022 and approved the cash dividend to be distributed on September 28, 2022. (NT$0.3 per share cash dividend for a total amount of NT$27,266,872)

Date of meeting	Major resolution approved at board of directors meetings
No. 4 of the eleventh intake on 20220325	1. 2022 Business Plan and Budget
	2. The Company's 2021 self-evaluation of internal control system findings and Internal Control Declaration
	3. The Company's 2021 Business Report and Financial Statements
	4. The distribution of 2021 remuneration to employees and that to directors
	5. The Company's 2021 Earnings Distribution Proposal
	6. Amendment to the "Procedure for the Acquisition or Disposal of Assets"

Date of meeting	Major resolution approved at board of directors meetings
	7. Determined the date, place, and reasons for convening of 2022 Shareholders' Regular Meeting
	8. Received shareholders proposals for 2022 Shareholders' Regular Meeting
No. 5 of the eleventh intake on 20220510	1. Evaluation of the independence and suitability of the CPAs.
	2. Delegation and compensation of CPAs for the Company's financial statements.
	3. Financial statements for the first quarter of 2022
	4. The fulfillment of operational performance by managers of the Company for 2021 and remuneration
	5. Annual Salary Adjustment Plan for managers of the company
No. 6 of the eleventh intake on 20220805	1. Financial statements for the second quarter of 2022
	2. Set the ex-dividend date and relevant matters
	3. Delegation of the Corporate Governance Officer
	4. Established the "Corporate Governance Best-Practice Principles"
	5. Established the "Sustainable Development Best Practice Principles"
	6. Preparation of the "Risk Management Guidelines"
	7. Delegation of the Company's Internal Audit Officer
	8. Revision of the "Authorization Requirements and Responsibility Table" and applicable operational requirements
	9. Established the "Operating Procedure for Handling Major Internal Information"
	10. Application for a business line of credit
No. 7 of the eleventh intake on 20221104	1. Financial statements for the third quarter of 2022
	2. Revision of the "Operating Procedure for Handling Major Internal Information"
	3. Revision of the "Management of Financial Statement Preparation Procedure"
	4. 2023 Audit Plan
	5. Application for a business line of credit
No. 8 of the eleventh intake on 20230315	1. 2023 Business Plan and Budget
	2. The Company's 2022 self-evaluation of internal control system findings and Internal Control System Declaration
	3. The Company's 2022 Business Report and Financial Statements
	4. The distribution of 2022 remuneration to employees and that to directors
	5. The Company's 2022 Earnings Distribution Proposal
	6. The fulfillment of operational performance by managers of the Company for 2022 and remuneration
	7. Manager promotion for the year
	8. Annual Salary Adjustment for managers
	9. CPA replacement due to internal adjustment in the accounting firm
	10. Evaluation of the independence and suitability of the CPAs
	11. Revision of some provisions of the Company's "Articles of Incorporation"
	12. Revision of some of articles of the "Rules of Procedure for Shareholders' Meetings"

Date of meeting	Major resolution approved at board of directors meetings
	13. Revision of some of articles of the "Rules and Procedures of Board of Directors Meetings"
	14. Established the "Standard Operating Procedures for Handling Requests from Directors"
	15. Revision of the "Authorization Requirements and Responsibility Table" and applicable operational requirements
	16. Determined the date, place, and reasons for convening of 2023 Shareholders' Regular Meeting
	17. Received shareholders proposals for 2023 Shareholders' Regular Meeting

(12) Major issues of record or written statements made by any director or supervisor dissenting to important resolutions passed by the Board of Directors in the most recent year and as of the date of this annual report: This did not happen.

(13) Resignation or dismissal of the Company Chairperson, General Manager, and heads of accounting, finance, internal audit officer, corporate governance officer and R&D officer in the most recent year and as of the date of this annual report: The internal audit officer, Hsiu-E Huang, resigned from the Company on May 10, 2022 due to her personal plan for the career.

5. Information on CPA Professional Fees:

Unit: NT$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche Taipei, Taiwan Republic of China	Shu-Lin Liu	2022	2,450 thousand	620 thousand	3,070 thousand	
	Wen-Ya Hsu	2022				

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

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

6. Information on Replacement of CPAs:

(1) Information regarding the former CPAs

Date of replacement	2023.03.15
Reason for replacement and explanation	Due to the internal job rotation of the accounting firm, the CPAs Shu-Lin Liu and Wen-Ya Hsu will be replaced by Chien-Ming Tseng and Wen-Ya Hsu starting from 2023 Q1, who shall be responsible for the audit of the Company's financial reports.

<table>
<tr><td rowspan="3">Describe whether the Company terminated or the CPAs terminated or did not accept the engagement</td><td colspan="2">Parties
Circumstances</td><td colspan="2">CPAs</td><td>The Company</td></tr>
<tr><td colspan="2">Terminated the engagement</td><td colspan="3" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">No longer accepted (discontinued) the engagement</td></tr>
<tr><td>If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons</td><td colspan="5">No</td></tr>
<tr><td rowspan="7">Disagreement with the Company?</td><td rowspan="5">Yes</td><td colspan="2"></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td colspan="2"></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td colspan="2"></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td colspan="2"></td><td colspan="2">Other</td></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td>No</td><td colspan="4">V</td></tr>
<tr><td colspan="5">Specify details</td></tr>
<tr><td>Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)</td><td colspan="5">Not applicable</td></tr>
</table>

(2) Information Regarding the Successor CPAs

Name of accounting firm	Deloitte & Touche Taipei, Taiwan Republic of China
Names of CPAs	Chien-Ming Tseng, Wen-Ya Hsu
Date of engagement	Approved by the Board of Directors on 2023.03.15
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be	Not applicable

issued on the company's financial report	
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Not applicable

(3) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: Not applicable.

7. For the Company's Chairman of the Board, General Managers, or any manager in charge of financial or accounting operations who has, in the most recent year, held a position at the accounting firm of its CPA or its related companies, the name, title, and duration of service in the firm that the CPAs belong to or its affiliate shall be disclosed: This did not happen.

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

Job title	Name	2022		As of April 18 of the current fiscal year	
		Increase (decrease) in share held	Increase (decrease) in share pledged	Increase (decrease) in share held	Increase (decrease) in share pledged
Chairman	Hung Mao Investment Co., Ltd. Representative: Wen-Chi Chen	0	0	0	0
Directors	Hung Mao Investment Co., Ltd. Representative: Cher Wang				
Shareholder with 10% shareholdings or more	Hung Mao Investment Co., Ltd.				
Directors	Chuan Te Investment Co., Ltd. Representative: Che Chen	0	0	0	0
Directors	Chuan Te Investment Co., Ltd. Representative: Yuh-Ta Chang				
Independent directors	Dao-Song Chen	0	0	0	0
Independent directors	Hsuan-Hsuan Chen	0	0	0	0
Independent directors	Wen-Hua Liao	0	0	0	0
General Manager	Wen-Kang Chen	0	0	0	0
Executive Vice President	Hsun-Long Huang	0	0	0	0
Vice President	Cai-Rong Lin	0	0	0	0
Assistant Manager	Ying-Ji Lee	0	0	0	0

Senior Assistant Manager	Chi-Ting Lee	0	0	0	0
Assistant Manager	Guo-Kun Chen	0	0	0	0
Assistant Manager/Financial Officer/Accounting Officer/Corporate Governance Officer	Bin-Hai He (Inauguration date for Corporate Governance Officer: 20222/8/5)	0	0	0	0
Assistant Manager	Chih-Chiang Hu (Dismissal date: 2022/06/01)	0	0	0	0
Assistant Manager	Chi-Cai Zhan (Dismissal date: 2022/08/31)	0	0	0	0
Assistant Manager	Ming-Yi Pan (Dismissal date: 2022/08/25)	0	0	0	0
Assistant Manager	Yi-Fan Liu	0	0	0	0
Senior Assistant Manager	Shih-Yu Fang (Inauguration date: 2022/09/01)	0	0	0	0
Assistant Manager	Yu-Ze Chang (Inauguration date: 2023/01/01)	0	0	0	0
Assistant Manager	Chen-Hua Huang (Inauguration date: 2023/01/01)	0	0	0	0
Shareholder with 10% shareholdings or more	Mu-Chuan Lin (Dismissal date: 2022/04/22)	0	0	0	0
		(112,000)	0	0	0

9. Information of relationship among Top 10 shareholders:

NAME	Number of shares held by the person		Shares held by spouse and minor children		Total shares held through nominees		NAME AND RELATIONSHIP OF among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship.		Rem-arks
	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Name	Relatio-nship	
Hung Mao Investment Co., Ltd.	22,989,868	25.29%	-	-	-	-	Kun-Chang, Chuan Te, Hsin-Tong, Chinese Christian Faith and Love Foundation	Note	-
Representative: Su-Lan Chiang	-	-	-	-	-	-			
Wen-Chi Chen	4,834,147	5.32%	3,584,748	3.94%	-	-	Cher Wang Che Chen	Spouse Brother-	-
VIA Technologies, Inc.	4,558,870	5.02%	-	-	-	-	-	-	-
Representative: Wen-Chi Chen	4,834,147	5.32%	3,584,748	3.94%	-	-			
Kun-Chang Investment Co., Ltd.	4,172,179	4.59%	-	-	-	-	Hung Mao, Chuan Te, Hsin-Tong, Chinese Christian Faith and Love Foundation	Note	-
Representative: Su-Lan Chiang	-	-	-	-	-	-			
Mu-Chuan Lin	3,979,000	4.38%	-	-	-	-	-	-	-
Cher Wang	3,584,748	3.94%	4,834,147	5.32%	-	-	Wen-Chi Chen Che Chen	Spouse In-law	-
Chuan Te Investment Co., Ltd.	2,694,647	2.96%	-	-	-	-	Hung Mao, Kun-Chang, Hsin-Tong, Chinese Christian Faith and Love Foundation	Note	-
Representative: Su-Lan Chiang	-	-	-	-	-	-			
Hsin-TongInvestment Co., Ltd.	1,635,436	1.80%	-	-	-	-	Hung Mao, Kun-Chang, Chuan Te, Chinese Christian Faith and Love Foundation	Note	-
Representative: Su-Lan Chiang	-	-	-	-	-	-			
Chinese Christian Faith and Love Foundation	1,271,226	1.40%	-	-	-	-	Hung Mao, Kun-Chang, Chuan Te, Hsin-Tong	Note	-
Responsible person: Su-Lan Chiang	-	-	-	-	-	-			
Che Chen	918,763	1.01%	9,763	0.01%	-	-	Wen-Chi Chen Cher Wang	Brother- In-law	-

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

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

December 31, 2023

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio
DINGHAN INTERNATIONAL CORP.	3,200	100%	0	0%	3,200	100%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method

IV. Financing

1. Capital and Shares:

(1) Source of share capital:

1. Capitalization:

Unit: In New Taiwan Dollars; Share

Month/ Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital paid in by assets other than cash	Other
October 1995	10	5,000,000	50,000,000	5,000,000	50,000,000	Establishment	No	-
September 1998	10	19,900,000	199,000,000	19,900,000	199,000,000	Capital increase in cash NT$149,000,000	No	-
July 1999	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital reduction NT$89,000,000 Capital increase in cash (Note 1) NT$190,000,000	No	-
July 2000	10	60,000,000	600,000,000	38,000,000	380,000,000	Capital increase in cash (Note 2) NT$80,000,000	No	-
September 2001	10	60,000,000	600,000,000	44,000,000	440,000,000	Earnings-transferred capital increase (Note 3) NT$60,000,000	No	-
March 2002	10	60,000,000	600,000,000	60,000,000	600,000,000	Capital increase in cash (Note 4) NT$160,000,000	No	-
October 2002	10	78,000,000	780,000,000	64,667,573	646,675,730	Capital increase after merger (Note 5) NT$46,675,730	No	-
January 2003	10	78,000,000	780,000,000	68,100,953	681,009,530	Earnings-transferred capital increase (Note 6) NT$34,333,800	No	-
April 2003	10	104,000,000	1,040,000,000	81,600,953	816,009,530	Capital increase after merger and spin-off (Note 7) NT$135,000,000	No	-
September 2003	10	104,000,000	1,040,000,000	82,416,963	824,169,630	Earnings-transferred capital increase (Note 8) NT$8,160,100	No	-
June 2004	10	154,000,000	1,540,000,000	82,416,963	824,169,630	(Note 9)	No	-
July 2006	10	154,000,000	1,540,000,000	82,339,963	823,399,630	Wrote off treasure stock shares (Note 10) NT$770,000	No	-
November 2006	10	154,000,000	1,540,000,000	77,372,963	773,729,630	Wrote off treasure stock shares (Note 11) NT$49,670,000	No	-
March 2007	10	154,000,000	1,540,000,000	83,970,116	839,701,160	Corporate bonds-transferred shares (Note 12) NT$65,971,530	No	-
September 2008	10	154,000,000	1,540,000,000	86,489,219	864,892,190	Earnings-transferred capital increase (Note 13) NT$25,191,030	No	-
October 2009	10	154,000,000	1,540,000,000	88,219,030	882,190,030	Earnings-transferred capital increase (Note 14) NT$17,297,840	No	-
August 2010	10	154,000,000	1,540,000,000	90,865,573	908,655,730	Earnings-transferred capital increase (Note 15) NT$26,465,700	No	-
April 2012	10	154,000,000	1,540,000,000	90,889,573	908,895,730	Employee stock options with new shares issued (Note 16) NT$240,000	No	-
August 2020	10	170,000,000	1,700,000,000	90,889,573	908,895,730	(Note 17)	No	-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 15: This earnings-transferred capital increase was approved by the FSC with the official letter FSC Security Issuance No. 0990033829 dated

June 30, 2010.

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

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

2. Type of shares:

Unit: Shares

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

(2) Composition of shareholders:

April 18, 2023

Composition of shareholders	Government agencies	Financial institutions	Other legal entities	Foreign institutions and foreigners	Domestic individuals	Treasury shares	Total
Number of shareholders	0	0	24	18	11,974	0	12,016
Number of shares held	0	0	39,196,469	736,670	50,956,434	0	90,889,573
Shareholding percentage %	0%	0%	43.13%	0.81%	56.06%	0%	100.00%

(3) Distribution of shareholding:

April 18, 2023

Shareholding range	Number of shareholders	Number of shares held	Shareholding percentage %
1-999	2,717	447,092	0.49%
1,000-5,000	7,806	15,059,334	16.57%
5,001-10,000	879	7,043,066	7.75%
10,001-15,000	229	2,948,889	3.24%
15,001-20,000	131	2,451,902	2.70%
20,001-30,000	113	2,873,105	3.16%
30,001-40,000	57	2,101,836	2.31%
40,001-50,000	18	828,532	0.91%
50,001-100,000	42	2,849,586	3.14%
100,001-200,000	10	1,629,108	1.79%
200,001-400,000	1	240,002	0.26%
400,001-600,000	2	944,000	1.04%
600,001-800,000	0	0	0.00%
800,001-1,000,000	2	1,753,000	1.93%
Over 1,000,001 shares	9	49,720,121	54.71%
Total	12,016	90,889,573	100.00%

(4) List of major shareholders:

April 18, 2023

No.	Account number	Name of major shareholder	Number of shares held	Shareholding percentage %
1	14	Hung Mao Investment Co., Ltd.	22,989,868	25.29%
2	8	Wen-Chi Chen	4,834,147	5.32%
3	1	VIA Technologies, Inc.	4,558,870	5.02%
4	3	Kun-Chang Investment Co., Ltd.	4,172,179	4.59%
5	33546	Mu-Chuan Lin	3,979,000	4.38%
6	9	Cher Wang	3,584,748	3.94%
7	4	Chuan Te Investment Co., Ltd.	2,694,647	2.96%
8	7	Hsin-Tong Investment Co., Ltd.	1,635,436	1.80%
9	13001	Chinese Christian Faith and Love Foundation	1,271,226	1.40%
10	11	Che Chen	918,763	1.01%

(5) Market price, net worth, earnings, dividends per share, and related information for the last two years

Unit: In New Taiwan Dollars

Item \ Fiscal year			2021	2022	As of March 31 of the year 2023
Market price per share	Highest		49.2	51.5	43.5
	Lowest		10.9	20.75	35.25
	Average		23.86	38.41	39.16
Net worth per share	Before distribution		11.42	11.49	-
	After distribution		11.12	11.49	-
Earnings per share (Note 2)	Weighted average share (thousand shares)		90,890	90,890	90,890
	Before retrospective adjustments		0.60	0.37	-
	After retrospective adjustments		-	-	-
Dividends per share	Cash dividends		0.3	-	-
	Stock dividends	Stock dividends appropriated from retained earnings	-	-	-
		Stock dividends appropriated from capital surplus	-	-	-
	Accumulated unappropriated dividends		-	-	-
Return on investment	Price/earnings ratio (Note 3)		39.77	103.81	-
	Price/dividend ratio (Note 4)		79.53	-	-
	Cash dividend yield (Note 5)		1.26%	-	-

Note 1: The figures for after distribution above are based on the resolution for appropriation approved at the Shareholders' Regular Meeting in the year that follows; however, the Shareholders' Regular Meeting for 2023 has yet to be convened.

Note 2: The earnings per share before and after adjustment are shown due to the retrospective adjustments made with respect to circumstances including stock dividends.

Note 3: Price/earnings ratio = average price for the year/earnings per share.

Note 4: Price/dividend ratio = average closing price for the year/cash dividends per share.

Note 5: Cash dividend yield = cash dividends per share/average closing price per share for the year.

(6) Dividend policy and its implementation:

1. Dividend policy:

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

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

2. The proposal on the distribution of dividends at the current year's shareholder meeting: (Has yet to be determined by the shareholder meeting this year)

XANDER INTERNATIONAL CORP.
2022 Earnings Distribution Table

Unit: In New Taiwan Dollars

Unappropriated retained earnings at the start of the period	28,200,658
Add: Remeasurements of defined benefit plans are recognized under retained earnings	294,609
Net income after tax for 2022	33,350,158
Less: Provision of 10% as the legal reserve	(3,364,477)
Provision of special reserve	(124,000)
Unappropriated retained earnings at the end of the period	58,356,948

(7) The effects of the stock dividends approved at the current year's shareholder meeting on the Company's business performance and earnings per share: Not applicable.

(8) Remuneration to employees and that to directors:

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

   If the Company makes profits for the year, remuneration to employees at no less than 5% shall be set aside. It shall be distributed in stock or in cash as determined by the Board of Directors. Eligible employees include employees of its subsidiaries that meet certain criteria. With the foregoing profits, the Company may decide to set aside the remuneration to directors at no higher than 1% resolved by the Board of Directors. The proposal for the remuneration to employees and that to directors shall be presented during the shareholders' meeting. In cases of further accumulated deficits, on the other hand, the Company shall first retain the amount sufficient to offset the deficits and then set aside the remuneration to employees and that to directors according to the ratios indicated in the foregoing.

2. The basis for the estimation of the amounts of remuneration to employees and that to directors accrued for the period and for the calculation of the number of shares to be distributed as employee profit-sharing, as well as the accounting treatment for the discrepancy, if any, between the appropriated and accrued amounts:
   (1) The basis for the estimation of the amounts of remuneration to employees and that to directors accrued for the period: Estimation is made in accordance with the requirements set forth in the Articles of Incorporation and with reference to previous experiences on the appropriation.
   (2) The basis for the calculation of the number of shares to be distributed as employee profit-sharing, as well as the accounting treatment for the discrepancy, if any, between the appropriated and accrued amounts: The Company distributes the profit sharing to its employees in the form of cash.
3. The approval from the Board of Directors on the sharing of profit:
   (1) The amounts of the remuneration to employees and that to directors in the form of cash or shares:
      ① Remuneration to employees in cash: NT$2,218,950.
      ② Remuneration to employees in shares: None.
      ③ Remuneration to directors: NT$443,790.
   (2) The amount of remuneration to employees in the form of shares, and the proportion of such amount to the aggregate amount of net income after tax and total employee remuneration in the parent company only financial reports or standalone financial reports for the period: None.
4. The appropriation of remuneration to employees and that to director and supervisor for the prior year (including the number, monetary amount, and price, of the shares distributed), and, if there is any discrepancy between the appropriation and recognition of remuneration to employees, director and supervisor, the discrepancy and its cause as well as its treatment should be disclosed:
   The appropriation of remuneration to employees for the prior year was NT$3,796,864 and to director and supervisor were NT$759,372, which were identical to the amounts recognized without any discrepancy.

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

2. Corporate Bonds Processing Status: None.

3. Preferred Stock Processing Status: None.

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

5. Employee Stock Option Warrants Processing Status: None.

6. Restricted Stock Award Processing Status: None.

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

8. Implementation Status of Capital Utilization Plan: None.

V. Operational Overview

1. Scope of Operation:

(1) Business scope:

1. Main business operations:

   Audiovisual multimedia, DIY components, computer peripherals, computer systems, storage devices, networking/surveillance/software, household appliances, office equipment, smart lighting, as well as project planning, maintenance, bidding, and other related services.

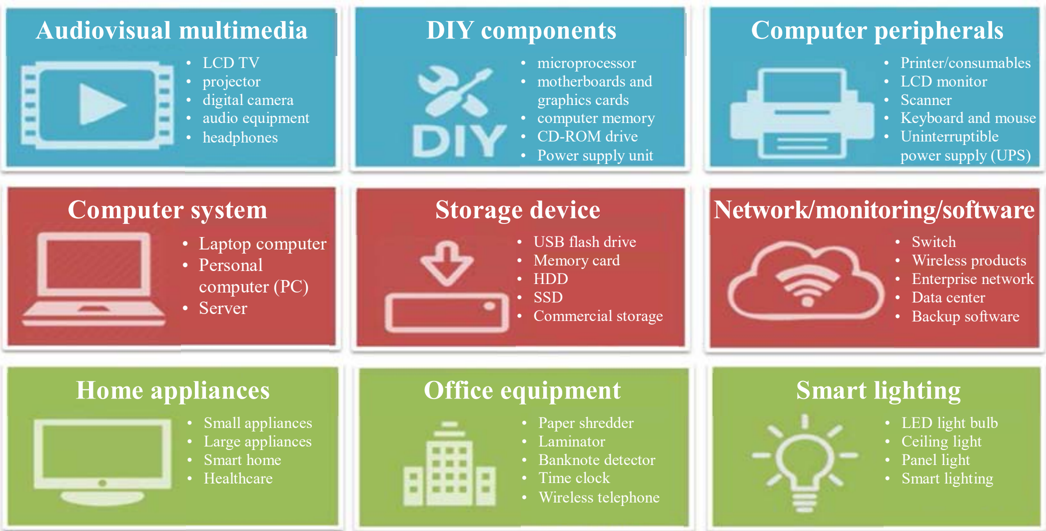
2. Proportion of business:

   The revenue breakdown of our main products for year 2022 is as follows:

Unit: In Thousands of New Taiwan Dollars

Product item	Operating revenue	Proportion of business
Sales revenue	9,693,907	99.91%
Service income	7,897	0.09%
Total	9,701,804	100.00%

3. Current product (service) the company offers:



4. Planned new products and services:

Home market	Enterprise market
• Widely develop small household appliances • Health and stress relief related products • Increase safety and maintenance services • Expand IoT product sales	• Continue to strive for ASUS • Integrate medical solutions • Integrate the development of enterprise market for distribution goods • Enterprise-level system structure Dell Technologies • Enterprise-level storage equipment Dell Technologies

(2) Industry overview:

1. Current situation and development of the industry

(1) Continued Decline in Global Demand for Business and Consumer Notebooks in 2023

In 2022, affected by global political and economic situations, the demand for laptops quickly reversed, and global laptop shipments declined each quarter. According to TrendForce, the total shipments for the year were only about 186 million units, a year-on-year decrease of 24.5%. In 2023, the global laptop market is still suppressed by uncertain political and economic situations, with an estimated year-on-year decline of about 7.8%, and shipments are expected to be only 171 million units.

At the beginning of 2023, the global market's demand for commercial and consumer laptops continues to decline. The shrinkage of demand in the retail market is due to weak demand in the worldwide labor market, which makes it challenging to increase procurement momentum for commercial laptops. The shrinkage of demand in the consumer market is due to "sustained inflation" and "insufficient motivation for upgrading," which reduces consumers' need for laptops.

TrendForce sees gaming and creative laptops as still being the cash cows, despite the global decline in laptop shipments. Faced with the challenge of declining global laptop shipments, major manufacturers are competing to expand by offering high specifications and customization to enhance the user experience, while stimulating potential demand and becoming a sustainable growth category for laptops. PC brand manufacturers that primarily focus on consumer models will continue to strengthen their existing hardware and software technology capabilities, attempting to cover as many sub-markets as possible (such as consumer market and retail market) with a single laptop product and stimulating demand in the consumer market.

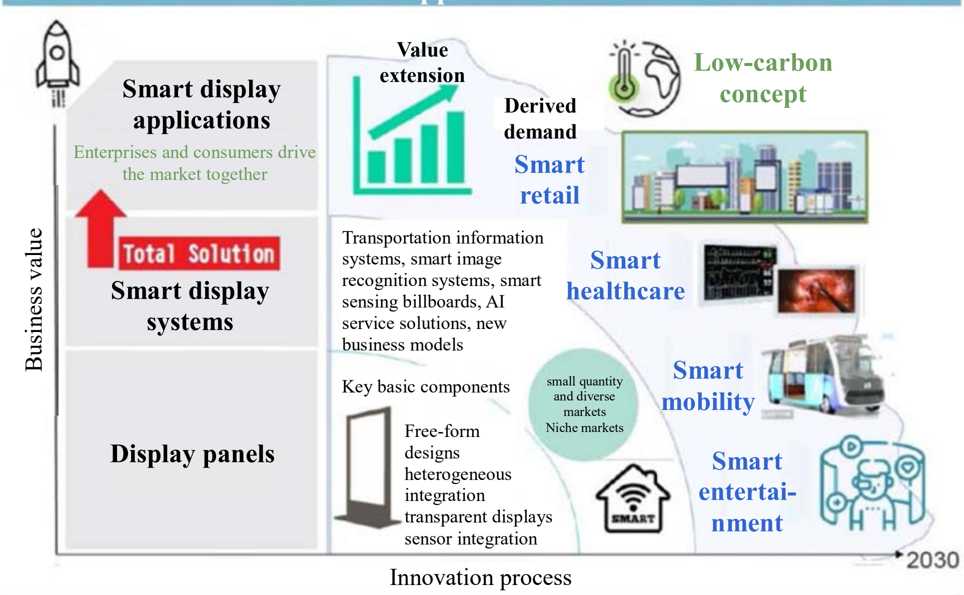
(2) Economic Weakness Impacts TV Sales, with Estimated 2.8% Decrease in TV Panel Shipments in 2023

In 2023, the global political and economic environment is still shrouded in the shadow of the Russia-Ukraine war and high inflation, and the weak economy will inevitably impact TV sales that rely solely on consumer markets. TrendForce states that the risk of supply and demand imbalance in the TV panel market in 2023 is smaller than in the IT panel market. This is because, due to the large size of TV panels, they can effectively absorb excess production capacity. However, suppose the production capacity of IT panels remains idle for too long due to a supply and demand imbalance. In that case, it could flow back to the production of TV panels, which will also impact the market.

On the other hand, in the OLED market, Korean panel manufacturers have shifted their focus to OLED after withdrawing from the LCD market in 2022. As a result, more products will be launched one after another, which will have a particular impact on shipment volume. In contrast, the LCD TV panel market is mature and has a relatively large supply, so economic downturns will more severely impact it. As a result, the shipment volume of LCD TV panels in 2023 is estimated to decline by 3.1% compared to last year, reaching 256 million pieces. Despite the still uncertain global political and economic situation, the demand for panels in the market has yet to return to the peak level seen during the pandemic outbreak. However, with panel prices hitting rock bottom, TrendForce believes that the panel market will gradually warm up throughout 2023, especially during the traditional peak season in the third quarter. The significant increase in panel demand is expected to drive the recovery of panel driver IC demand.

(3) The era of coexistence between reality and virtuality drives the development of next-generation display technologies, creating diverse service and business opportunities, and bringing value to multi-screen, interactive, and smart applications

Taiwan Panel Manufacturers Develop Overall Solutions and Export Opportunities



Source: Industry, Science and Technology International Strategy Center, Industrial Technology Research Institute (2022/11)

The display technology industry will break through in application, field, and technology, driving the flourishing development of various areas such as smart education and entertainment, smart retail, smart healthcare, and smart mobility. This brings huge smart city opportunities and gradually transforms and upgrades our country's panel industry into a smart display technology industry. Moreover, constructing a complete smart display industry chain will drive domestic demand and exports, enhancing international competitiveness.

Looking ahead to Taiwan's display industry, with the advent of the digital economy era, the industry is responding to transformation and upgrading with new thinking, shifting from a manufacturing-oriented approach to a cross-domain integration model, creating new user-centered values, and creating new experiences through cross-disciplinary and cross-industry integration. As a result, it will expand vertically oriented markets guided by various applications, seizing new business opportunities in the smart display application market with a potential size of USD170 billion.

(4) Mature Cloud-Based Print Management and Continued Development of Continuous Ink Supply for Consumer Inkjet Printers

As printing environments continue to develop and move towards cloud-based solutions and mixed office environments, printing devices have become an important part of the Internet of Things (IoT), and the attack surface created by printing devices is broader than ever before. The fixed boundary cybersecurity structure that was adopted in the past is no longer effective against increasingly complex threats, so zero-trust architecture has become an important direction for enterprises in the deployment of printing products and services. IDC believes this will drive two primary transformation directions for the printing industry. It was first creating new product designs that fully incorporate security features. Second, redefining competition strategies with ecosystem partners to address their cybersecurity gaps. In addition, various inkjet printer manufacturers are moving towards continuous ink supply, and inkjet printers' types and additional features are becoming more diverse. Traditional cartridge-based printers are developing towards both ends of the spectrum, with low-priced models for students and high-priced models with 8/10 colors.

(5) Continued Growth in Demand for Servers and Workstations in Response to 5G IoT and Cloud Development

As 5G technology matures and virtual services derived from remote work and converged infrastructure applications, as well as the hardware-intensive demands of industrial automation and big data analysis, the demand for enterprise-level servers (GPU, HCI) and professional workstations continues to grow. The industry is developing towards four major trends in the future: ① Big data applications: HPC high-speed computing needs, data storage management, and applications, including the edge computing needs generated by 5G and AIoT. ②Increasing investment in GPUs and AI: Booming AI applications with a large-scale deployment of GPU servers. ③Popularization of hyper-converged infrastructure: integrates storage devices and virtual computing into an information infrastructure framework. ④Semiconductor and IC design are gearing up for large-scale production: enterprise and server demands and corresponding storage expansion, backup, and security needs rapidly increase.

(6) Energy Conservation and Sustainability will Drive the Next Wave of Cloud Market Development

Energy conservation and carbon reduction are important global issues, and the pursuit of sustainability by businesses has become an irreversible trend. According to IDC research, the development of cloud computing is closely related to environmental issues, and moving data centers to the cloud over the next four years can help reduce global carbon emissions by at least one billion tons. Therefore, Hyperscalers are actively pursuing various measures to reduce carbon emissions and promote environmental sustainability through renewable energy. IDC surveys show that more than 80% of global enterprises believe that sizeable public cloud data centers have more sustainable planning and operation advantages. It is expected that promoting sustainable policies by governments worldwide will promote a new wave of cloud market development, helping enterprises achieve sustainable business goals while deploying cloud services.

(7) Post-Pandemic Economy Accelerated Cloud Transformation for Small and Medium Enterprises and Information Service Providers

According to the 2023 Taiwan ICT Market Trends announced by IDC: Despite the easing of the pandemic, factors such as labor shortages, supply chain issues, and inflation continue to affect the market. Small and medium-sized enterprises (SMEs) need clear digitalization strategies, digital technology layouts, and internal governance to survive and stand out. Leveraging cloud-based solutions to improve services, enhance customer experience, increase operational agility, and enhance market competitiveness will be a critical technology investment for SMEs under economic pressure. Therefore, in response to the growing demand for cloud-based solutions among SMEs, not only are SMEs but also information service providers actively moving towards cloud-based transformation, and the investment growth rate for cloud deployment is expected to be higher than that of other large and medium-sized enterprises. IDC estimates that by 2025, 30% of small and medium-sized enterprises worldwide will transfer half of their core workloads to the cloud to increase business agility and continue to promote enterprise flexibility.

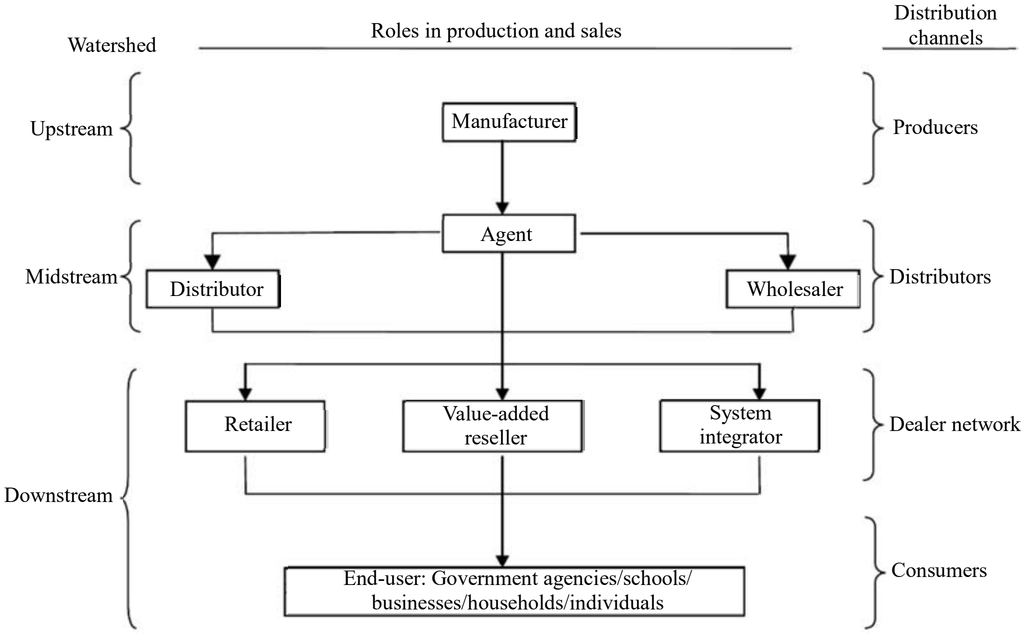
(8) Future Consumer Trends

In the post-pandemic era, geopolitical issues, supply-demand imbalances, and monetary policies have caused inflation to ferment in many countries. In addition, it is expected that consumers will need to reallocate their consumption demand due to reduced disposable income. IDC predicts that in addition to digital considerations, future consumers will be more concerned about whether products and services can provide consumers with more intuitive, efficient, manageable, highly engaging, and cost-effective usage. To meet the needs of future consumers, IDC expects that voice shopping platforms, smart sets of devices, and consumer electronics product subscription services will be the focus of future development in the electronic consumer market.

(9) Digital Population Wave Drives Payment Reform and B2C Industry Development

As the pandemic changes people’s consumption patterns, shopping habits, and lifestyles, physical services have become digitized, and payment methods have significantly changed. IDC’s 2022 global survey shows that in addition to using cash for shopping, consumers today prefer to pay through credit cards, mobile payments, and even BNPL (buy now, pay later) options. As a result, such frictionless payment methods are becoming increasingly important. IDC expects that as the age range of consumers gradually decreases and payment models continue to evolve, companies will be better equipped to develop Data as a Service (DaaS) applications, further driving the development of the B2C industry and creating new business models.

2. The relationship between upstream, midstream, and downstream industries.



3. Various trends and competitive situations in product development

(1) PC/NB: MSI dominates the gaming market in PC/NB brands, actively developing the commercial value-added market and consolidating its target customers in the household consumer market. HP's household system products focus on online shopping. Through Xander, a chain channel, they expand their peripheral customer base, increase market exposure and sales opportunities, and minimize Lenovo's impact on public sector sales. In the future, the sales focus will be on SMB.

(2) Display equipment: LCD and TV are developing towards larger sizes, with the mainstream size of LCD increasing from 22 inches to 24 inches and TV increasing from 32 inches to 50 inches. Commercial displays will also see a gradual increase in demand in the future.

(3) Printers/copiers: Inkjet printers are mainly for SOHO, students, and small and medium-sized enterprises. Low-cost laser models are almost not produced by any brand, and the trend is developing towards high-end models and copiers. There is still a market for photo printers, mainly for professional photographers.

(4) According to IDC statistics, in 2022, Dell servers and storage devices were ranked first in global enterprise procurement and use, and hyper-converged devices occupy 35% of the worldwide market. Dell Technologies has maintained its No. 1 position worldwide for 21 consecutive quarters.

(5) Network equipment: WIFI 6 is upgraded to WIFI 6E & WIFI 7, with the addition of the 6G frequency band (expected in Q2).The range of IoT products,

such as IP Cams, smart light bulbs, light strips/outlets, smart doorbells, and other products, is expanding. Wireless network equipment for small and medium-sized enterprises and hotels is developed and providing network equipment solutions for department stores.

(6) Automatic tracking cameras: Continuing the hot sales of automatic tracking cameras during the pandemic, they continue to develop leading-edge AI humanoid recognition technology and demonstrate sensitive and accurate tracking capabilities. The “speaker tracking” and “area tracking” modes can simultaneously capture the speaker and the screen content behind them, smoothly switching preset areas. In addition, the all-new “composite tracking” mode combines the advantages mentioned above. When the speaker leaves the preset area, the camera automatically switches to speaker tracking mode, focusing on every move of the speaker in the venue.

(3) Technical and R&D Overview: Our company does not have an R&D department, so this assessment is not applicable.

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

1. Short-term plan:

In 2023, we plan to focus on two primary strategies: “Participation” and “Sharing”.

Since 2016, our operational goals have evolved from minimizing losses to achieving breakeven and finally to profitability in the past two years. This success is a testament to our core value of “teamwork”. Our “Participation” and “Sharing” strategies are built around this core value this year. We aim to establish good partnerships with our upstream suppliers, allowing them to participate deeply in our channel operations. Through close collaboration and information sharing, our suppliers can participate and share in the fruitful results of our channel operations. For our downstream customers, we deeply understand their needs and their current operation conditions through our frontline sales colleagues and our senior executives’ regular visits. We actively help our customers find and solve problems and make suggestions for future development, aiming to establish longer-term partnerships with them. In addition, we share our strategic direction and business results with our customers, fostering a mutually beneficial relationship for everyone’s growth.

For our internal team, we actively communicate and involve them in our plans, aiming to build consensus and move forward in a shared direction. By sharing our business results with our team, we can further foster a culture of teamwork and collaboration.

2. Long-term plan:

Organize the company into four business units (BUs) based on product and channel attributes: Distribution Business Group, Home Appliance Business Group, Value-added Business Group, and Commercial Business Group. Through the independent operation of these four business groups, actively develop a dual-axis development trend in both consumer and commercial markets.

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

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

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

Commercial: Focus on key brands and target customer management.

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

Marketing channel strategy: Fully cooperate between virtual and physical channels and complement each other to expand the business scale.

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

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

2. Market and Production/Distribution Overview:

(1) Market analysis:

1. Sales regions of main products:

Unit: NTD thousand; %

sales area	2022		2021	
	Amount	%	Amount	%
Export	0	0.00%	4,055	0.01%
Domestic sales	9,693,907	99.91%	9,425,018	99.9%
Maintenance and service income	7,897	0.09%	8,150	0.09%
Operating revenue	9,701,804	100.00%	9,437,223	100.00%

2. Market share: Overview of the market share of our main product lines

Home market	Enterprise market
• HP has a market share of 9% in the NB market • MSI has a market share of 6.2% in the NB market • MSI has a market share of 3.7% in the PC market • AOC/Philips has a market share of 11% in the TV market • Canon has a market share of 20% in the inkjet printer market	• Dell/SuperMicro server market share is 36% • Dell Technologies has a storage equipment market share of 40% • Dell Technologies has a global market share of 35% in hyper-converged equipment • Dell Technologies has held the No.1 position globally for 21 consecutive quarters

3. Market future supply and demand situation and growth prospects:

(1) Market future supply and demand situation:

- The current shortage of IC chips has affected the supply chain, while panels and RAM are expected to see an increase in demand. On the other hand, the mining industry's demand for components has weakened, and the supply of gaming PC graphics cards is becoming more stable.
- The supply chain for system products has improved compared to last year's shortage, and demand has also slowed down in the post-pandemic era. There are still opportunities for commercial and educational markets in terms of economic scale as businesses return to the office and small and medium-sized enterprises drive digitalization and hybrid work models, leading to a wave of commercial computer upgrades.
- In the server market, HPE and Dell have stable market shares in the distribution market. At the same time, electronics manufacturers mainly use other brands, and large-scale projects can affect their sales and market share.

(2) Growth prospects

- System brand manufacturers have collaborated with chip manufacturing technologies such as Intel, AMD CPUs, and Nvidia graphics cards to launch innovative new products in the year’s first half. The trend of building high-performance and more efficient products for the metaverse is fermenting in the market. Under the continued demand and increasing population and revenue of remote work, video conferencing, and gaming, the outlook for gaming laptops during the summer vacation is still optimistic.
- Home PCs/NBs: Sales performance remained stable in the first quarter compared to the same period last year due to inventory adjustments and economic pressures. However, the second quarter stimulated positive growth by releasing new products and channel sales stocking up. The second half of the year is expected to grow further, with sales boosted by online shopping events like 618 and 1111 and back-to-school promotions from chain stores.
- With the development of 5G and big data, the growth prospects for enterprise products such as servers and storage are also promising in the long term.
- Market research reports indicate that the annual compound growth rate of the video conferencing market from 2019 to 2030 is expected to be 9%, and physical and automatic tracking cameras are developing in the post-pandemic era. In addition, companies continue to invest in and develop AI functionality, integrating it into remote and on-site digital teaching. This has led to increased investment in hardware R&D and integration with intelligent software and major teaching software platforms such as Microsoft, Google Meet, Zoom, and Tencent in the cloud video ecosystem. As video-related products continue to rise steadily, both the market and demand are positive. There may be future opportunities for virtual meeting rooms and virtual offices, where people’s voices and images can be applied to virtual environments. This is similar to the recent hot topic of the metaverse, which will require gradual development. Overall, the future growth prospects for video conferencing business opportunities are “positive and optimistic”.

4. Competitive niche:

(1) The systems and components represented by the company have long been distributed through household channels and have close relationships with

suppliers and distributors. In addition, the product department has extensive experience in product management, and the number of peripheral sales outlets and revenue of the Xander distribution network has grown.

(2) Printers/copiers: FujiFilm, our main distributor, combines its advantages in application software and printing with the advantage of information security management, and its products have differentiation. In addition, it also possesses key manufacturing technology and specifications that lead its competitors. Canon and Brother, Japanese brands, also perform well in sales due to the combined effect of brand influence.

(3) AOC/PHILIPS LCDs have market share advantages in Taiwan, and in the case of panel shortages, they have priority over other countries in terms of distribution. Xander also holds the exclusive agency niche for large AOC LCD TVs.

(4) For the enterprise market, Xander has high familiarity with the storage market and channels and has rich experience in operating with Bank of Taiwan’s standards.

(5) Dell Technologies has the advantages of the overall structure planning, such as high efficiency, high CP value, and original one-stop service in the global enterprise. The combined effect of brand influence and global market share will be immeasurable in the future.

5. Favorable and unfavorable factors and coping strategies for future development:

(1) Favorable factors:

- The demand for mobile video devices, remote work and education markets is increasing.
- Leading the industry to launch high-end LCD displays, with manufacturers investing actively in marketing resources.
- 5G popularity, increased AI applications, and hardware equipment upgrades.
- Although printing output demand is shrinking, it is still indispensable office equipment for small and medium-sized enterprises, making it a rigid need.
- Xander has high complementarity with second-line server and storage equipment manufacturers in terms of warranty and maintenance capabilities.
- The existing commercial team has a competitive advantage in the second-line distribution market for commercial use, with good utilization of manufacturer resources and familiarity with channel operations.

(2) Unfavorable factor

- Output printing equipment: The demand for output equipment has decreased due to the trend of paperless data storage, such as cloud storage and decreased printing needs.
  ◎ Coping strategies: The company can focus on other market demands such as photo printers and portable printers, and enhance its sales capabilities for high-end models.
- Large LCD displays: Higher prices may affect consumer demand.
  ◎ Coping strategies: The company can strengthen the sales skills of its salespeople and channel partners for selling high-end products.
- Commercial systems products: The effect of decentralization and loss of sales opportunities in the public department sector.
  ◎ Coping strategies: Strengthen development of SMB customers.
- Servers and storage devices: Lack of first-tier brands, not pursuing large-scale SI, dealers and professional talents.
  ◎ Coping strategies: Quickly develop second-tier brands to higher visibility and market share, pursue first-tier brand agency, establish a new talent training system, and cultivate future talent through the Xander system itself.

(2) The important usage and production processes of the main products:

1. Main product usage:

Product line	Goods and service items	Important usage or function
Information products	Product types: • Hard disk drive • Central processing unit • Computer memory module • Display • Printer • Scanner • Personal computer (PC) • projector • Personal computer components (motherboards, graphics cards, case, mouse, keyboards)	• To assist computer users in expanding or updating their peripheral devices as needed. • Providing various peripheral application technical support services.
system equipment	Product types: • Server and private cloud solutions • Storage solutions • Backup solutions • Backup and disaster recovery solutions	• IT infrastructure solution integration
Internet Product	Product types: • Wireless routers • Switch • Wireless network card • Network camera	• Connect to wide area network and local area network. • Connect to user’s network environment exchange equipment.

Product line	Goods and service items	Important usage or function
	• Smart home devices (outlets, light bulbs)	• Use network card to connect to wireless network. • Use network to connect to IP Cam for real-time viewing. • Use network to connect to smart home devices and control via APP.
Software	Product types: • VPN secure network • Network management • Big data solutions • AI artificial intelligence solutions • Cloud service solutions	• Network performance and security management. • Big data solution applications for data collection, integration, and analysis. • AI artificial intelligence solution applications. • Solutions for public cloud, private cloud, and hybrid cloud.
Maintenance service	Service items: • Troubleshooting and repair services • Hardware consultation	• Ensure the normal operation of customer-related equipment. • Provide customer after-sales maintenance services.

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

(3) Supply status of main raw materials:

1. Our company is not a manufacturing industry, so there is no problem with the supply of raw materials.
2. Our company belongs to the information and communication services industry, and our suppliers are primarily large domestic and foreign manufacturers with good quality and reputation in this industry. We have had years of business dealings with them and maintain a good and stable cooperative relationship. As a result, the supply of our primary purchased goods is still steady, and we maintain relationships with at least two suppliers to ensure a stable supply source. Therefore, we do not expect any shortage of supply.

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

1. Information on the major suppliers in the past two years

Unit: NTD thousand

	2021				2022				Fiscal 2023 as of the previous quarter			
Item	Name	Amount	Percentage of net purchase amount for the entire year (%)	Relation-ship with Issuer	Name	Amount	Percentage of net purchase amount for the entire year (%)	Relation-ship with Issuer	Name	Amount	Percentage of net purchases as of the end of the previous quarter of the current fiscal year (%)	Relation-ship with Issuer
1	A Company	2,900,933	31.26%	No	A Company	2,567,893	26.98%	No	A Company	485,754	21.20%	No
2	B Company	1,439,557	15.51%	No	B Company	1,484,247	15.59%	No	B Company	456,024	19.90%	No
3	C Company	1,031,926	11.12%	No	C Company	1,159,089	12.18%	No	C Company	334,441	14.59%	No
	Other	3,920,079	42.11%	-	Other	4,306,258	45.25%	-	Other	1,015,381	44.31%	-
	Net Purchase	9,292,495	100.00%	-	Net Purchase	9,517,487	100.00%	-	Net Purchase	2,291,600	100.00%	-

2. Main sales customers data in the past two years

Unit: NTD thousand

	2021				2022				Fiscal 2023 as of the previous quarter			
Item	Name	Amount	Percentage of net sales amount for the entire year (%)	Relation-ship with Issuer	Name	Amount	Percentage of net sales amount for the entire year (%)	Relation-ship with Issuer	Name	Amount	Percentage of net sales as of the end of the previous quarter of the current fiscal year (%)	Relation-ship with Issuer
1	A Customer	1,567,194	16.61%	No	A Customer	1,377,920	14.20%	No	A Customer	356,397	14.84%	No
	Other	7,870,029	83.39%	-	Other	8,323,884	85.80%	-	Other	2,044,617	85.16%	-
	net sales	9,437,223	100.00%	-	net sales	9,701,804	100.00%	-	net sales	2,401,014	100.00%	-

(5) Recent production volume and values for the past two years:

Our company is not a manufacturing industry, so we present the purchase volume and values as follows:

Unit: In Thousands of New Taiwan Dollars; pcs

Fiscal year / Production volume and values / Main Product	2021			2022		
	Production capacity	Purchase quantity	Purchase value	Production capacity	Purchase quantity	Purchase value
Personal computer (PC)	-	279,839	3,887,070	-	209,203	3,657,408
Display	-	120,182	1,447,667	-	131,452	1,619,660
Online products	-	664,574	726,678	-	801,598	1,091,073
Hard disk drive	-	159,904	395,250	-	121,495	329,475
Graphics cards		279,561	1,690,137		248,441	1,484,582
Printer	-	43,490	262,206	-	46,850	286,626
Projector	-	1,200-	865-	-	787	562
Printer consumables	-	383,696	346,195	-	344,763	366,621
Other	-	1,125,519	525,233	-	1,482,194	681,480
Total	-	3,057,965	9,281,304	-	3,386,783	9,517,487

Note: Our company is not a manufacturing industry and therefore we do not have production capacity issues.

(6) Recent sales volume and values for the past two years:

Unit: In Thousands of New Taiwan Dollars; pcs

Fiscal year / Sales volume and values / Main Product	2021				2022			
	Domestic sales		Export		Domestic sales		Export	
	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
Personal computer (PC)	273,848	4,091,217	8	196	132,571	3,378,128	-	-
Display	290,823	2,122,780	5	18	353,695	2,338,361	-	-
Online products	73,036	933,732	160	693	728,857	1,136,241	-	-
Hard disk drive	607,637	656,555	-	-	126,864	316,106	-	-
Graphics cards	152,428	387,472	-	-	52,586	641,002	-	-
Printer	48,800	293,277	-	-	46,036	299,815	-	-
Projector	21,005	271,245	-	-	27,982	272,366	-	-
Printer consumables	431,663	448,722	-	-	377,726	485,063	-	-
Other	1,022,210	231,318	-	-	1,400,799	834,722	-	-
Total	2,921,450	9,436,317	173	906	3,247,116	9,701,804	-	-

3. Data on the number of employees in the past two years:

Fiscal year		2021	2022	As of March 15 of the year 2023
Number of employee	Sales personnel	127	122	125
	Administrative personnel	21	24	24
	Customer service personnel	80	81	79
	Technical personnel	21	23	23
	Total	249	250	251
Average age		41.76	42.49	42.61
Average years of service (in years)		8.49	8.41	8.60
Educational background distribution ratio	Doctoral degree	0.00%	0.00%	0.0%
	Master degree	2.01%	2.40%	2.39%
	College/university	77.91%	76.80%	76.89%
	High school degree or equivalent	18.88%	19.20%	18.73%
	Less than high school degree	1.20%	1.60	1.99%

4. Condition on Environmental Protection Expenditure:

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

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

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

5. Labor-Management Relations:

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

1. Employee welfare measures and implementation status

   To enhance employee welfare, our company has established a employee welfare committee following the law and allocated a certain proportion of welfare funds. The main welfare measures are as follows:

   (1) Employee profit sharing and stock options.
   (2) Providing health and labor insurance for employees.
   (3) Group insurance for employees, their spouses, and children.
   (4) Mid-Autumn Festival and Dragon Boat Festival bonuses.
   (5) Meal subsidies.
   (6) Year-end banquet and lucky draw activities.
   (7) Subsidies for travel and medical examinations.
   (8) Subsidies for club activities.
   (9) Employee travel activities, birthday parties, ball games, and Mid-Autumn Festival gifts.
   (10) Provide subsidies for employees' marriage, funeral, childbirth, and hospitalization.
   (11) Complete education and training courses.

2. Implementation of employee training and development programs

2022

Item	Number of shifts	Total number of employees	Total hours	Total cost (NTD)
New employee training	39	46	234	0
Professional skills training	32	85	1,021	471,281

3. Retirement system and implementation status

   Our company established the Labor Retirement Reserve Supervisory Committee on April 13, 1999, to establish retirement procedures for handling employee retirement matters, and follows relevant labor laws and regulations such as the Labor Standards Act and the Labor Retirement Pension Act, respecting basic labor rights and protecting the rights and interests of colleagues. In addition, we have established both old and new retirement pension systems and set aside retirement funds every month to provide reasonable protection for the retirement life of our colleagues.

   (1) Old system:

   Following the provisions of the "Labor Standards Act", our company has established a retirement system which applies to the length of service of all regular employees before the implementation of the "Labor Pension Act" on July 1, 2005, as well as to the subsequent length of service of employees who choose to continue to apply the "Labor Standards Act". For employees subject to the old retirement pension payment system, for those with less than fifteen years of service, two bases are given for each full year of service rendered. For those with over fifteen years of service, one base is given for each full year of service rendered. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months. The total number of bases shall be no more than 45 and is calculated based on the average monthly salary at the time of retirement approval. Each month, 2% of the total salary is contributed to the retirement fund, which is deposited and managed in the Bank of Taiwan's account for the labor retirement reserve based on old system.

(2) New system:

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

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

Our company has always adhered to the management philosophy of coexistence and mutual prosperity of labor and management in dealing with labor and management issues. We attach great importance to the opinions of our employees. Employees can express their problems in their daily lives and work through formal or informal communication channels provided by the company at any time. We can consolidate our consensus and create excellent results through this understanding and mutual consideration. As a result, there have been no major labor disputes between labor and management so far. In addition, we held labor-management elections in 2000 and regular labor-management meetings to coordinate the opinions of both sides and promote labor-management harmony.

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

(1) Access control safety:

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

(2) Equipment maintenance and inspection:

Following the Fire Services Act, external contractors conduct annual fire safety inspections. Various equipment undergoes periodic maintenance and inspections, with elevators and water dispensers inspected monthly, high and low-voltage electrical equipment inspected every six months, and air conditioning equipment and firefighting appliances maintained and inspected annually.

(3) Disaster prevention measures:
A fire prevention and disaster response team has been established, and fire safety training and drills are conducted annually.

(4) Physical and mental health:
Following government regulations, smoking is prohibited in the workplace, and no smoking signs are posted to remind employees not to smoke to maintain the work environment's quality. Regular employee health check-ups are arranged, and the office environment is regularly cleaned and disinfected to maintain employees' physical and mental health. Employee feedback and complaint mailbox is established to provide channels for employees to express their opinions and for communication and resolution. A sexual harassment prevention and response policy is established, which sets out related complaint-handling procedures.

(5) Insurance:
The company is legally required to purchase labor insurance (including occupational accident insurance) and national health insurance. In addition, the company has contacted insurance companies to provide its employees and their families with discounted rates for accident insurance, accidental medical insurance, and cancer insurance.

(2) Regarding the company's losses due to labor disputes in the most recent year and up to the date the Annual Report was printed, as well as estimated losses and corresponding measures that may occur in the future, the company has not experienced any major labor disputes.

6. Important Contracts:

Contracting Party	Contract Period	Main Content
Lenovo Technology B.V. Taiwan Branch (Netherlands)	2022.10.01 ~ 2023.09.30	Agency sales of Lenovo related products.
HEWLETT-PACKARD Taiwan LTD	2010.12.17 ~ Either party may terminate this agreement by providing written notice at least 30 days in advance. Otherwise, it will be continually extended.	Agency sales of HP related products.

Contracting Party	Contract Period	Main Content
Dell B.V. Taiwan Branch	2022.07.29 ~ 2023.07.28	1. Agency sales of Dell related products. 2. The contract can be automatically extended for one year upon expiration.
Seagate Singapore International Headquarters Pte. Ltd.	2015.05.27 ~ Either party may terminate this agreement by providing written notice at least 30 days in advance. Otherwise, it will be automatically extended.	Agency sales of Seagate related products.
ViewSonic International Corporation	2023.01.01 ~ 2023.12.31	1. Agency sales of projectors, smart touch products, and LCD/LED displays. 2. one-year contract renewal.
Samsung Electronics Taiwan Co., Ltd	2023.01.01 ~ 2023.12.31	1. Agent sales products: Computer monitors, printers, home appliances, and accessory consumables. 2. The contract can be automatically extended for one year upon expiration.
Brother International Taiwan Ltd.	2022.07.01 ~ 2023.06.30	1. Agent sales products: Printer and consumables. 2. The contract can be automatically extended for another year upon expiration.
Canon Marketing Taiwan Co., Ltd	2023.01.01 ~ 2023.12.31	1. Agent sales products: Printer. 2. The contract can be automatically extended for one year upon expiration.
Sunup International Payment Solutions Inc.	2022.07.04 ~ 2023.07.03	1. Agent sales products: Satellite navigator. 2. The contract can be automatically extended for one year upon expiration.
Advanced Micro Devices, Inc.	2022.02.22 ~ Either party may terminate this agreement by providing written notice at least 30 days in advance. Otherwise, it will be continually extended.	Agent sales of CPU, APU and AMD series products.
ASRock Inc.	2022.05.23 ~ 2023.05.23	Agent for minicomputers, VGA, and other related products.

VI. Financial Overview

1. Condensed Balance Sheet and Statement of Comprehensive Income in the Most Recent Five Years

(1) Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed Balance Sheet - Combination

Unit: In Thousands of New Taiwan Dollars

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2023 of the current fiscal year
		2018	2019	2020	2021	2022	
Current assets		2,333,072	2,212,882	2,384,269	2,462,367	3,122,389	2,740,566
Property, Plant and Equipment		137,876	134,082	144,039	149,078	147,633	144,575
Intangible assets		2,053	1,817	1,009	431	342	267
Other assets		42,275	65,967	62,822	70,490	60,168	63,148
Total assets		2,515,276	2,414,748	2,592,139	2,682,366	3,330,532	2,948,556
Current liabilities	Before distribution	1,528,503	1,449,658	1,590,040	1,615,285	2,271,598	1,896,115
	After distribution (Note 2)	1,528,503	1,449,658	1,590,040	1,642,552	2,271,598	-
Non-current liabilities		12,819	16,804	18,734	28,818	14,418	11,169
Total liabilities	Before distribution	1,541,322	1,466,462	1,608,774	1,644,103	2,286,016	1,907,284
	After distribution (Note 2)	1,541,322	1,466,462	1,608,774	1,671,370	2,286,016	-
Equity attributable to owners of the parent company		973,954	948,286	983,365	1,038,263	1,044,516	1,041,272
Share capital		908,896	908,896	908,896	908,896	908,896	908,896
Capital surplus		67,418	67,418	67,418	67,418	67,418	67,418
Retained earnings	Before distribution	625	(25,743)	9,530	64,814	71,191	67,947
	After distribution (Note 2)	625	(25,743)	9,530	37,547	71,191	-
Other equity		(2,985)	(2,285)	(2,479)	(2,865)	(2,989)	(2,989)
Treasury shares		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	973,954	948,286	983,365	1,038,263	1,044,516	1,041,272
	After distribution (Note 2)	973,954	948,286	983,365	1,010,996	1,044,516	-

Note 1: All the financial information presented above has been audited or reviewed by CPA.

Note 2: The figures for after distribution above are based on the resolution for appropriation approved at the shareholders meeting in the year that follows; however, the Shareholders' Regular Meeting for 2023 has yet to be convened.

(2) Condensed Balance Sheet - Standalone

Unit: In Thousands of New Taiwan Dollars

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years				
		2018	2019	2020	2021	2022
Current assets		2,334,263	2,198,492	2,371,366	2,447,547	3,109,840
Property, Plant and Equipment		137,876	134,082	144,039	149,078	147,633
Intangible assets		2,053	1,817	1,009	431	342
Other assets		39,837	76,067	73,901	81,551	71,336
Total assets		2,514,029	2,410,458	2,590,315	2,678,607	3,329,151
Current liabilities	Before distribution	1,526,708	1,445,368	1,588,216	1,611,526	2,270,217
	After distribution	1,526,708	-	-	1,638,793	-
Non-current liabilities		13,367	16,804	18,734	28,818	14,418
Total liabilities	Before distribution	1,540,075	1,462,172	1,606,950	1,640,344	2,284,635
	After distribution	1,540,075	-	-	1,667,611	-
Share capital		908,896	908,896	908,896	908,896	908,896
Capital surplus		67,418	67,418	67,418	67,418	67,418
Retained earnings	Before distribution	625	(25,743)	9,530	64,814	71,191
	After distribution	625	-	-	37,547	-
Other equity		(2,985)	(2,285)	(2,479)	(2,865)	(2,989)
Treasury shares		-	-	-	-	-
Total equity	Before distribution	973,954	948,286	983,365	1,036,263	1,044,516
	After distribution	973,954	-	-	1,008,996	-

Note 1: All the financial information presented above has been audited by CPA.

Note 2: The figures for after distribution above are based on the resolution for appropriation approved at the shareholders meeting in the year that follows; however, the Shareholders' Regular Meeting for 2023 has yet to be convened.

2. Condensed Statement of Comprehensive Income

(1) Condensed Statement of Comprehensive Income - Combination

Unit: In Thousands of New Taiwan Dollars (Except EPS: NT$)

Item \ Fiscal year	Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2023 of the current fiscal year
	2018	2019	2020	2021	2022	
Operating revenue	7,458,767	7,290,920	8,507,056	9,437,223	9,701,804	2,029,137
Gross profit	284,780	288,115	368,884	413,227	408,129	68,045
Operating income (loss)	(28,949)	(28,208)	31,628	43,498	46,132	(10,599)
Non-operating revenue and expenses	(5,262)	(50)	7,372	27,883	(4,416)	6,449
Net profit (loss) before tax	(34,211)	(28,258)	39,000	71,381	41,716	(4,150)
Net income (loss) for the period	(29,386)	(25,966)	36,121	54,330	33,350	(3,244)
Other comprehensive income (loss) for the period (net of Income Tax)	(525)	298	(1,042)	568	170	-
Total comprehensive income for the period	(29,911)	(25,668)	35,079	54,898	33,520	(3,244)
Net income attributable to owners of parent	(29,386)	(25,966)	36,121	54,330	33,350	(3,244)
Net income (loss) attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to owners of parent	(29,911)	(25,668)	35,079	54,898	33,520	(3,244)
Total comprehensive income, attributable to non-controlling interests	-	-	-	-	-	-
Earnings (loss) per share	(0.32)	(0.29)	0.40	0.60	0.37	(0.04)

Note: All the financial information presented above has been audited or reviewed by CPA.

(2) Condensed Statement of Comprehensive Income - Standalone

Unit: In Thousands of New Taiwan Dollars (Except EPS: NT$)

Item \ Fiscal year	Financial Information for Most Recent 5 Fiscal Years				
	2018	2019	2020	2021	2022
Operating revenue	7,458,570	7,276,936	8,502,837	9,433,464	9,700,185
Gross profit	284,583	287,993	368,702	413,040	407,995
Operating income (loss)	(28,981)	(28,154)	31,598	43,465	46,139
Non-operating revenue and expenses	(5,113)	(222)	7,402	27,916	(4,423)
Net profit (loss) before tax	(34,094)	(28,376)	39,000	71,381	41,716
Net income (loss) for the period	(29,386)	(25,966)	36,121	54,330	33,350
Other comprehensive income (loss) for the period (net of Income Tax)	(525)	298	(1,042)	568	170
Total comprehensive income for the period	(29,911)	(25,668)	35,079	54,898	33,520
Earnings (loss) per share	(0.32)	(0.29)	0.40	0.60	0.37

Note: All the financial information presented above has been audited by CPA.

(2) CPAs' names and audit opinions for the last five years

Fiscal year	Name of accounting firm	Names of CPAs	Audit opinion
2018	Deloitte & Touche Taipei, Taiwan Republic of China	Te-Chen Cheng, Shu-Lin Liu	An unqualified opinion
2019	Deloitte & Touche Taipei, Taiwan Republic of China	Shu-Lin Liu, Wen-Ya Hsu	An unqualified opinion
2020	Deloitte & Touche Taipei, Taiwan Republic of China	Shu-Lin Liu, Wen-Ya Hsu	An unqualified opinion
2021	Deloitte & Touche Taipei, Taiwan Republic of China	Shu-Lin Liu, Wen-Ya Hsu	An unqualified opinion
2022	Deloitte & Touche Taipei, Taiwan Republic of China	Shu-Lin Liu, Wen-Ya Hsu	An unqualified opinion

2. Financial Information in the Most Recent Five Years

(1) Financial analysis - Combination

Item	Fiscal year	Financial Information in the Most Recent Five Years					As of March 31, 2023 of the current fiscal year
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	61	61	62	61	69	65
	Ratio of long-term capital to property, plant and equipment	716	720	696	716	694	703
Solvency (%)	Current ratio	153	153	150	152	137	145
	Quick ratio	90	80	81	76	86	83
	Times interest earned	(3)	(3)	8	28	8	(0)
Operating performance	Accounts receivable turnover (times)	6	6	7	8	7	5
	Average collection days	59	60	51	46	52	67
	Inventory turnover (times)	8	8	9	10	10	8
	Accounts payable turnover (times)	9	9	10	11	9	10
	Average days in sales	44	46	39	37	37	46
	Property, plant and equipment turnover (times)	54	54	61	64	64	54
	Total asset turnover (times)	3	3	3	4	3	3
Profitability	Return on total assets (%)	(1)	(1)	2	2	1	(0)
	Return on shareholder equity (%)	(3)	(3)	4	5	3	(0)
	Ratio of income before tax to paid-in capital (%)	(4)	(3)	4	8	5	(0)
	Net profit margin (%)	-	-	0.42	0.58	0.34	-
	Earnings per share (NT$) (adjustment)	(0.32)	(0.29)	0.40	0.60	0.37	(0.04)
Cash flow	Cash flow ratio (%)	-	-	7	21	-	-
	Cash flow adequacy ratio (%)	143	51	63	62	75	34
	Cash reinvestment ratio (%)	-	-	11	31	-	-
Leverage	Operating leverage	(7)	(7)	9	7	7	(5)
	Financial leverage	1	1	1	1	1	1

The causes of changes in the financial ratios in the most recent 2 fiscal years:

1. Decrease in times interest earned: Due to an increase in interest expenses for the year.
2. Profitability: A decrease in all indicators was due to a decrease in net operating profit for the year compared to that of the prior year.
3. Increase in cash flow adequacy ratio: Mainly due to the good profits generated by the Company in the recent years and an increase in cash generated by inventories.
4. Decrease in cash reinvestment ratio: Mainly due to an increase in net cash used in operating activities compared to that of the prior year.

Note 1: All the financial information presented above has been audited or reviewed by CPA.

Note 2: The computation formula used in the table above are as follows:

1. Financial structure
   (1) Debt to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Net shareholder equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses - other current assets) / current liabilities.
   (3) Times interest earned = earnings before tax and interest expenses / current interest expenses (capitalization amount with interest included).
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
   (2) Average collection days = 365 / accounts receivable turnover.
   (3) Inventory turnover = cost of goods sold / average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
   (5) Average days in sales = 365 / inventory turnover.
   (6) Property, plant and equipment turnover = net sales / net property, plant and equipment.
   (7) Total asset turnover = net sales / total assets.
4. Profitability
   (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
   (2) Return on shareholder equity = net income after tax / average net shareholder equity.
   (3) Net profit margin = net income after tax / net sales.
   (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. If the capital is decreased to offset accumulated losses, the calculation of earnings per share for all periods presented shall be adjusted retrospectively.
5. Cash flow
   (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
   (2) Cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
   (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other assets + working capital).
6. Leverage
   (1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating income
   (2) Financial leverage = operating income / (operating income - interest expenses)

(2) Financial analysis - Standalone

Item	Fiscal year	2018	2019	2020	2021	2022
		Financial Information in the Most Recent Five Years				
Financial structure (%)	Debt to assets ratio	61	61	62	61	69
	Ratio of long-term capital to property, plant and equipment	716	720	696	716	694
Solvency (%)	Current ratio	153	152	149	152	137
	Quick ratio	90	79	80	76	86
	Times interest earned	(3)	(3)	8	28	8
Operating performance	Accounts receivable turnover (times)	6	6	7	8	7
	Average collection days	60	60	51	46	51
	Inventory turnover (times)	8	8	9	10	10
	Accounts payable turnover (times)	9	9	11	11	9
	Average days in sales	44	47	39	37	38
	Property, plant and equipment turnover (times)	54	54	61	64	64
	Total asset turnover (times)	3	3	3	4	3
Profitability	Return on total assets (%)	(1)	(1)	2	2	1
	Return on shareholder equity (%)	(3)	(3)	4	5	3
	Ratio of income before tax to paid-in capital (%)	(4)	(3)	4	8	5
	Net profit margin (%)	-	-	0.43	0.58	0.34
	Earnings per share (NT$) (adjustment)	(0.32)	(0.29)	0.40	0.60	0.37
Cash flow	Cash flow ratio (%)	-	-	7	21	-
	Cash flow adequacy ratio (%)	144	58	71	65	82
	Cash reinvestment ratio (%)	-	1	11	31	-
Leverage	Operating leverage	(7)	(7)	9	7	7
	Financial leverage	1	1	1	1	1

The causes of changes in the financial ratios in the most recent 2 fiscal years:

1. Decrease in times interest earned: Due to an increase in interest expenses for the year.
2. Profitability: A decrease in all indicators was due to a decrease in net operating profit for the year compared to that of the prior year.
3. Increase in cash flow adequacy ratio: Mainly due to the good profits generated by the Company in the recent years and an increase in cash generated by inventories.
4. 4.Decrease in cash reinvestment ratio: Mainly due to an increase in net cash used in operating activities compared to that of the prior year.

Note 1: All the financial information presented above has been audited by CPA.

Note 2: The computation formula used in the table above are as follows:

1. Financial structure
   (1) Debt to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Net shareholder equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses - other current assets) / current liabilities.
   (3) Times interest earned = earnings before tax and interest expenses / current interest expenses (capitalization amount with interest included).
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
   (2) Average collection days = 365 / accounts receivable turnover.
   (3) Inventory turnover = cost of goods sold / average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
   (5) Average days in sales = 365 / inventory turnover.
   (6) Property, plant and equipment turnover = net sales / net property, plant and equipment.
   (7) Total asset turnover = net sales / total assets.
4. Profitability
   (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
   (2) Return on shareholder equity = net income after tax / average net shareholder equity.
   (3) Net profit margin = net income after tax / net sales.
   (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. If the capital is decreased to offset accumulated losses, the calculation of earnings per share for all periods presented shall be adjusted retrospectively.
5. Cash flow
   (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
   (2) Cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
   (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other assets + working capital).
6. Leverage
   (1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating income
   (2) Financial leverage = operating income / (operating income - interest expenses)

3. Financial Report reviewed and reported by Audit Committee in the Most Recent Year:

Xander International Corp.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 business report and financial statements, among which the financial statements were certified by Deloitte & Touche, and issued an audit report with unqualified opinion. The abovementioned business report and financial statements are approved by the Audit Committee, and it is considered that there is no disagreement. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report..

Sincerely yours,

2023 shareholders meeting of Xander International Corp.

Chairman of the Audit Committee：Dao-Song Chen
March 15, 2023

4. **Financial Statements of the Most Recent Year:** Please refer to Annual Report on pages 87~ 148.
5. **Standalone Financial Report of the Company Having Been Audited and Certified by CPAs in the Most Recent Year:** Please refer to Annual Report on pages 149 ~ 218.
6. **If Financial Difficulties Encountered by the Company and its Affiliates in the Most Recent Year and up to the Date the Annual Report was Printed, the Financial Impact to the Company shall be Disclosed:** None.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" (the "Criteria") for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the reporting purposes under the Criteria.

Very truly yours,

XANDER INTERNATIONAL CORP.

March 15, 2023

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, 2022 and 2021, 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 significant accounting policies (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, 2022 and 2021, 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, 2022. 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, 2022 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, 2022, we identified the consignment revenue recognition as a key audit matter.

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

We obtained the necessary understanding and verified the accounting policy and the design and implementation of internal controls with respect to the Group's revenue recognition. We reviewed the relevant contractual provisions, and we verified and confirmed that the accounting treatments of revenue recognition complied with the accounting policy adopted by the Group and IFRS 15. We reviewed and verified the consignment transaction and the reconciliation data and confirmed that revenues were recognized within the appropriate period in accordance with the accounting policy.

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, 2022 and 2021 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, 2022 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 Shu-Lin Liu and Wen-Ya Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

<u>*Notice to Readers*</u>

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 363,277	11	$ 95,540	4
Notes receivable (Notes 4, 5 and 9)	99,095	3	105,334	4
Trade receivables, net (Notes 4, 5 and 9)	1,486,163	45	1,028,998	38
Trade receivables - related parties (Notes 4, 5, 9 and 27)	9,839	-	1,922	-
Other receivables (Notes 4 and 9)	1,587	-	193	-
Current tax assets (Notes 4 and 23)	-	-	4,926	-
Inventories (Notes 4, 5 and 10)	935,378	28	952,617	36
Prepayments (Note 15)	2,103	-	6,077	-
Other current assets (Note 15)	136,640	4	141,940	5
Right to recover a product (Notes 4, 15 and 21)	88,307	3	124,820	5
Total current assets	3,122,389	94	2,462,367	92
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	2,356	-	2,480	-
Property, plant and equipment (Notes 4, 12 and 28)	147,633	4	149,078	6
Right-of-use assets (Notes 4 and 13)	23,016	1	36,511	1
Computer software (Notes 4 and 14)	342	-	431	-
Deferred tax assets (Notes 4 and 23)	12,052	-	14,524	-
Refundable deposits (Notes 4, 15 and 28)	17,704	1	16,975	1
Other non-current assets (Note 15)	5,040	-	-	-
Total non-current assets	208,143	6	219,999	8
TOTAL	$ 3,330,532	100	$ 2,682,366	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 26)	$ 525,597	16	$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	3	-	68	-
Notes payable (Note 17)	16	-	617	-
Trade payables (Note 17)	1,145,300	34	918,922	34
Other payables (Note 18)	247,041	7	278,536	10
Current tax liabilities (Notes 4 and 23)	6,397	-	429	-
Lease liabilities - current (Notes 4 and 13)	14,091	1	14,036	1
Other current liabilities (Notes 4, 18 and 21)	333,153	10	402,677	15
Total current liabilities	2,271,598	68	1,615,285	60
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 13)	10,051	1	23,524	1
Net defined benefit liabilities - non-current (Notes 4 and 19)	4,325	-	5,252	-
Guarantee deposits received (Note 18)	42	-	42	-
Total non-current liabilities	14,418	1	28,818	1
Total liabilities	2,286,016	69	1,644,103	61
EQUITY				
Share capital - common stock (Note 20)	908,896	27	908,896	34
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	1
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	3
Retained earnings (Note 20)				
Legal reserve	6,481	-	953	-
Special reserve	2,865	-	-	-
Unappropriated earnings	61,845	2	63,861	2
Total retained earnings	71,191	2	64,814	2
Other equity (Note 20)	(2,989)	-	(2,865)	-
Total equity	1,044,516	31	1,038,263	39
TOTAL	$ 3,330,532	100	$ 2,682,366	100

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
REVENUES (Notes 4, 21, 27 and 34)				
Net sales	$ 9,693,907	100	$ 9,429,073	100
Other revenues	7,897	-	8,150	-
Total revenues	9,701,804	100	9,437,223	100
COST OF REVENUES (Notes 10 and 22)				
Cost of goods sold	9,289,353	96	9,023,076	95
Other operating costs	4,322	-	920	-
Total cost of revenues	9,293,675	96	9,023,996	95
GROSS PROFIT	408,129	4	413,227	5
OPERATING EXPENSES (Notes 9, 19, 22 and 27)				
Operating expenses	364,382	4	370,425	4
Expected credit gain	(2,385)	-	(696)	-
Total operating expenses	361,997	4	369,729	4
OPERATING PROFIT	46,132	-	43,498	1
NON-OPERATING INCOME AND EXPENSES (Notes 7, 22, 27 and 32)				
Other income	5,435	-	9,606	-
Other gains and losses	(3,995)	-	20,526	-
Finance costs	(6,483)	-	(2,688)	-
Interest income	627	-	439	-
Total non-operating income and expenses	(4,416)	-	27,883	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	41,716	-	71,381	1
INCOME TAX EXPENSE (Notes 4 and 23)	(8,366)	-	(17,051)	-
NET PROFIT FOR THE YEAR	33,350	-	54,330	1

(Continued)

XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	$ 368	-	$ 1,192	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(124)	-	(386)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(74)	-	(238)	-
Other comprehensive income for the year, net of income tax	170	-	568	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 33,520	-	$ 54,898	1
NET PROFIT ATTRIBUTABLE TO				
Owners of the Company	$ 33,520	-	$ 54,330	1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the Company	$ 33,520	-	$ 54,898	1
EARNINGS PER SHARE (Note 24)				
Basic	$0.37		$0.60	
Diluted	$0.37		$0.60	

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

		Capital Surplus				Retained Earnings			Other Equity	
	Share Capital Common Stock	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	Total Equity
BALANCE, JANUARY 1, 2021	$ 908,896	$ 34,164	$ 8,600	$ 46	$ 24,608	$ -	$ -	$ 9,530	$ (2,479)	$ 983,365
Appropriation of 2020 net earnings										
Legal reserve offset accumulated deficits	-	-	-	-	-	953	-	(953)	-	-
Net loss for the year ended December 31, 2021	-	-	-	-	-	-	-	54,330	-	54,330
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	954	(386)	568
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	-	55,284	(386)	54,898
BALANCE, DECEMBER 31, 2021	908,896	34,164	8,600	46	24,608	953	-	63,861	(2,865)	1,038,263
Appropriation of 2021 net earnings										
Legal reserve	-	-	-	-	-	5,528	-	(5,528)	-	-
Special reserve	-	-	-	-	-	-	2,865	(2,865)	-	-
Cash dividends	-	-	-	-	-	-	-	(27,267)	-	(27,267)
Net income for the year ended December 31, 2022	-	-	-	-	-	-	-	33,350	-	33,350
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	294	(124)	170
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	33,644	(124)	33,520
BALANCE, DECEMBER 31, 2022	$ 908,896	$ 34,164	$ 8,600	$ 46	$ 24,608	$ 6,481	$ 2,865	$ 61,845	$ (2,989)	$ 1,044,516

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 41,716	$ 71,381
Adjustments for:		
Depreciation	26,668	24,290
Amortization	331	946
Expected credit loss reversed on trade receivables	(2,385)	(696)
Finance costs	6,483	2,688
Interest income	(627)	(439)
Loss on disposal of property, plant and equipment	88	3
Net changes in operating assets and liabilities		
Notes receivable	6,239	(40,337)
Trade receivables	(454,780)	144,793
Trade receivables - related parties	(7,917)	(1,860)
Other receivables	(1,394)	426
Inventories	17,239	(154,440)
Prepayments	3,974	(4,601)
Other current assets (including right to recover a product)	41,813	29,661
Financial liabilities at fair value through profit or loss	(65)	68
Notes payable	(601)	(58)
Trade payables	226,378	105,255
Other payables	(31,892)	86,736
Other current liabilities	(69,524)	85,261
Net defined benefit liabilities	(559)	(558)
Cash (used in) generated from operations	(198,815)	348,519
Interest received	627	439
Interest paid	(6,086)	(2,576)
Income tax refunds	4,926	157
Net cash (used in) generated from operating activities	(199,348)	346,539
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(10,403)	(13,190)
Increase in refundable deposits	(869)	(11,323)
Decrease in refundable deposits	140	1,353
Acquisition of intangible assets - computer software	(242)	(368)
Increase in prepayments for equipment	(5,040)	-
Net cash used in investing activities	(16,414)	(23,528)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	525,597	-
Decrease in short-term borrowings	-	(256,000)
Decrease in guarantee deposits	-	(98)

(Continued)

XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Repayment of the principal portion of lease liabilities	$ (14,831)	$ (15,712)
Distribution of cash dividends	(27,267)	-
Net cash generated from (used in) financing activities	483,499	(271,810)
NET INCREASE IN CASH AND CASH EQUIVALENTS	267,737	51,201
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	95,540	44,339
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 363,277	$ 95,540

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

XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Xander International Co., Ltd ("Xander" or "the Company") was established in November 1995 in accordance with the Company Law and relevant laws and regulations. Its main business is acting agency and distributing electronic components, integrated circuits, and computer equipment. In August 2001, Securities and Futures Commission, Ministry of Finance (now renamed the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan, referred to as the Securities and Futures Bureau) approved the listing of Company's shares on the Taipei Exchange, and the shares were officially listed for public trading in October of the same year.

In order to expand the scale of opertaion, reduce costs, and improve operating performance, Xander merged Tienhan Information Co., Ltd. on September 1, 2002, and merged Shuji Co., Ltd. and the video equipment buying and selling department of Jiashang Co., Ltd.'s on April 1, 2003.

Dinghan International Co., Ltd (Dinghan) was established in November 2002. Its main business is wholesale of transactional machinery and equipment, information software, electronic materials, electronic components and services of information software. Dinghan is invested and established by Xander, holding 100% equity.

The functional currency of Company is New Taiwan dollars. The consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 15, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for an asset or liability.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

Business Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11 and Table 3 for detailed information on subsidiaries

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement are recognized in profit or loss in the period they arise.

Exchange differences arising on the retranslation of non-monetary items measured at fair value are included in profit or loss for the period at the rates prevailing at the end of reporting period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Properties, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible Assets

a. Intangible assets acquired separately

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Derecognition of intangible assets

   On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Impairment of Property, Plant and Equipment, Right-of-use Asset, Investment Properties, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset and cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities other than financial assets and financial liabilities at FVTPL are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

   1) Measurement categories

      Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

      a) Financial asset at FVTPL

         Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26 to the consolidated financial statements.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable selection to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime Expected Credit Losses (ECLs) on accounts receivable. On all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest paid on the financial liabilities. Fair value is determined in the manner described in Note 26 to the consolidated financial statements.

2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

d. Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange rate risks. Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Revenue Recognition

The Group identifies the performance obligations in the contract with customers, allocates the transaction price to the performance obligations in the contracts and recognizes revenue when the Group satisfies a performance obligation.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic equipment. Sales of electronic equipment are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently. Electronic equipment products sold online are recognized as revenue when the products arrive at the location designated by the customer.

Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating lease, lease payments (less any lease incentives payable) are recognized as income on a straight-line basis over the terms of the relevant lease. Initial direct costs incurred in obtaining operating lease are added to the carrying amount of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Income tax payable is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit and it is remeasured at the end of each reporting period and recognized to the extent that it has become probable that there will be future taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Group's critical accounting judgments and key sources of estimation uncertainty is below:

a. Impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Group uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Valuation of inventory

Inventories are measured at the lower of cost or net realizable value. Judgment and estimation are applied in the determination of net realizable value at the end of the reporting period.

This inventory evaluation is based on the current market conditions and historical sales experience of similar products. Changes in product demand and market conditions within a specific period in the future may significantly affect the results of these estimates

As of December 31, 2022 and 2021, the carrying amounts of inventories were $935,378 thousand and $952,617 thousand, respectively (the net amount after deducting the inventory allowance for impairment losses of $37,370 thousand and $29,900 thousand, respectively)

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 110	$ 110
Checking accounts and demand deposits	363,167	95,430
	$ 363,277	$ 95,540

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	**2021**
Financial liabilities at FVTPL - current		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	$ 3	$ 68
Current	$ 3	$ 68

The Group entered into derivative financial instruments contracts in the 2022 and 2021 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The derivative financial instruments contracts entered into by the Group did not meet the criteria of hedge accounting; therefore, the Group did not apply hedge accounting treatment.

The net losses arising from financial assets and liabilities for trading purposes of the Group in 2022 and 2021 were $596 thousand and $1 thousand, respectively, which were accounted for under the items of financial product appraisal gains and losses and net foreign currency exchange gains and losses, net.

At the date of balance sheet, the outstanding derivative foreign exchange contracts not under hedge accounting were as follows:

	Currencies	**Maturity Date**	**Contract Amount (In Thousands)**
December 31, 2022			
Buy forward exchange contracts	USD to NTD	2023.01.19	USD200/NTD6,138
December 31, 2021			
Buy forward exchange contracts	USD to NTD	2022.01.26	USD1,000/NTD27,719

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2022	December 31 2021
Non-current		
Investments in equity instruments	$ 2,356	$ 2,480

Investments in equity instruments

	December 31 2022	December 31 2021
Non-current		
Domestic unlisted and emerging stock		
Advanced System & Storage Corp.	$ 2,356	$ 2,480

The Group acquired the common stock of the Advanced System & Storage Corp. through the combination of Digital Technology Co., Ltd. on April 2003, which is designated as a medium- and long-term strategic investment and is designated to be measured at fair value through other comprehensive gains and losses.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31 2022	December 31 2021
Notes receivable		
Notes receivable - operating	$ 99,124	$ 105,363
Less: Allowance for impairment loss	(29)	(29)
	$ 99,095	$ 105,334
Trade receivables		
At amortized cost		
Trade receivables	$ 1,489,401	$ 1,030,918
Trade receivables - related parties	9,839	1,922
Less: Allowance for impairment loss	(3,238)	(1,920)
	$ 1,496,002	$ 1,030,920
Other receivables		
Others	$ 1,587	$ 193

Trade Receivables

At amortized cost

The average credit period of sales of goods was 60 to 90 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that with good credit ratings, where appropriate, as a means of mitigating the risk of financial loss from defaults. Before accepting new clients, the Group evaluates the potential customer's credit quality and sets the customer's credit limit through external letter inquiries, inter-bank notes, and review of the customer's financial statements. The customer's credit limit is reviewed from time to time, and 80% of the accounts receivable that are neither overdue nor impaired are considered to be the best credit rating according to the credit system and rating results used by the Group. In addition, the credit risk is managed through the counterparty's credit line reviewed and approved by the credit account administrator of the finance department every year.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group estimates expected credit losses based on past due days. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

When there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. The Group will be reclassified to overdue receivables (reported under non-current assets), see Note 15.

The following table details the loss allowance of trade receivables (include related parties) based on the Group's provision matrix.

December 31, 2022

	Not Overdue	Overdue under 90 Days	Over 90 Days	Total
Expected credit loss rate	0.05%	0.68%-48.21%	100%	
Gross carrying amount	$ 1,417,734	$ 81,506	$ -	$ 1,499,240
Loss allowance (lifetime ECLs)	(709)	(2,529)	-	(3,238)
Amortized cost	$ 1,417,025	$ 78,977	$ -	$ 1,496,002

December 31, 2021

	Not Overdue	Overdue under 90 Days	Over 90 Days	Total
Expected credit loss rate	0.01%	0.25%-29.17%	100%	
Gross carrying amount	$ 933,673	$ 99,167	$ -	$ 1,032,840
Loss allowance (lifetime ECLs)	(93)	(1,827)	-	(1,920)
Amortized cost	$ 933,580	$ 97,340	$ -	$ 1,030.920

The movements of loss allowance of accounts receivable were as follows:

	2022	2021
Notes receivable		
Balance at January 1	$ 29	$ 29
Balance at December 31	$ 29	$ 29
Trade receivables		
Balance at January 1	$ 1,920	$ 7,631
Add: Recognized impairment loss	1,318	-
Less: Reversal of impairment loss	-	(5,711)
Balance at December 31	$ 3,238	$ 1,920
Overdue receivables		
Balance at January 1	$ 88,864	$ 83,849
Add: Recognized impairment loss	-	5,015
Less: Reversal of impairment loss	(3,703)	-
Balance at December 31	$ 85,161	$ 88,864

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 935,378	$ 952,617

Cost of goods sold for the years ended December 31, 2022 and 2021 included inventories, scrap of inventories and inventory write-downs (reversal of write-downs) for $10,635 thousand and $(17,028) thousand, respectively. The main reason of net realizable value of inventories rebounded is the company successively cleared the sluggish inventories in 2021.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%)	
		Nature of	December 31	
Investor	Investee	Activities	2022	2021
Xander Corporation	Dinghan International Corp.	Buying and selling	100	100

The financial statements of above subsidiary have been audited by accountants. In addition, when the Group prepared the consolidated financial statements, the major inter-company transactions have been eliminated.

b. Subsidiaries excluded in the consolidated financial statements: None

12. PROPERTY, PLANT AND EQUIPMENT

	December 31 2022	December 31 2021
Assets used by the Group	$ 132,237	$ 130,354
Assets leased under operating leases	15,396	18,724
	$ 147,633	$ 149,078

a. Assets used by the Group

	December 31 2022	December 31 2021
Carrying amount		
Land	$ 101,563	$ 101,563
Buildings	22,641	23,818
Computer equipment	1,044	873
Transportation equipment	2,133	1,597
Facilities	3,762	1,740
Leasehold improvement	1,094	763
	$ 132,237	$ 130,354

	Land	Buildings	Computer Equipment	Transportation Equipment	Facilities	Leasehold Improvement	Total
Cost							
Balance at January 1, 2022	$ 101,563	$ 39,310	$ 12,548	$ 13,774	$ 8,476	$ 6,840	$ 182,511
Additions	-	-	609	1,040	3,160	714	5,523
Disposals	-	-	(349)	-	(348)	(114)	(811)
Balance at December 31, 2022	$ 101,563	$ 39,310	$ 12,808	$ 14,814	$ 11,288	$ 7,440	$ 187,223
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ (15,492)	$ (11,675)	$ (12,177)	$ (6,736)	$ (6,077)	$ (52,157)
Disposals	-	-	331	-	348	44	723
Depreciation expense	-	(1,177)	(420)	(504)	(1,138)	(313)	(3,552)
Balance at December 31, 2022	$ -	$ (16,669)	$ (11,764)	$ (12,681)	$ (7,526)	$ (6,346)	$ (54,986)
Cost							
Balance at January 1, 2021	$ 101,563	$ 39,310	$ 12,578	$ 3,870	$ 7,556	$ 6,726	$ 171,603
Additions	-	-	110	265	920	114	1,409
Disposals	-	-	(140)	-	-	-	(140)
Reclassified	-	-	-	9,639	-	-	9,639
Balance at December 31, 2021	$ 101,563	$ 39,310	$ 12,548	$ 13,774	$ 8,476	$ 6,840	$ 182,511
Accumulated depreciation							
Balance at January 1, 2021	$ -	$ (14,315)	$ (11,129)	$ (2,199)	$ (5,991)	$ (5,835)	$ (39,469)
Disposals	-	-	137	-	-	-	137
Depreciation expense	-	(1,177)	(683)	(339)	(745)	(242)	(3,186)
Reclassified	-	-	-	(9,639)	-	-	(9,639)
Balance at December 31, 2021	$ -	$ (15,492)	$ (11,675)	$ (12,177)	$ (6,736)	$ (6,077)	$ (52,157)

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	29-33 years
Computer equipment	3-5 years
Transportation equipment	5 years
Facilities	3-5 years
Lease improvement	3 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 28.

Increase in real property, plant and equipment in 2021 was due to the transfer of right-of-use assets-transportation equipment to real property, plant and equipment-transportation equipment at the expiry of the lease period.

b. Assets leased under operating leases

	Office Equipment
Cost	
Balance at January 1, 2022	$ 25,334
Additions	4,880
Balance at December 31, 2022	$ 30,214
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ 6,610
Depreciation expense	8,208
Balance at December 31, 2022	$ 14,818
Cost	
Balance at January 1, 2021	$ 13,553
Additions	11,781
Balance at December 31, 2021	$ 25,334
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ 1,648
Depreciation expense	4,962
Balance at December 31, 2021	$ 6,610

The Group leases office equipment under operating leases for 3 to 5 years. The lease contract includes the clause that the lessee will adjust the rent according to the market rent when exercising the right to renew the lease. At the end of the lease term, the lessee does not have the option to acquire the equipment.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2022	2021
Year 1	$ 10,017	$ 7,706
Year 2	6,675	7,227
Year 3	4,471	3,885
Year 4	854	2,430
	$ 22,017	$ 21,248

The Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Office equipment	3-5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Buildings	$ 23,016	$ 36,511

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 1,413	$ 31,086
Depreciation charge for right-of-use assets		
Buildings	$ 14,908	$ 14,375
Transportation equipment	-	1,767
	$ 14,908	$ 16,142

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 14,091	$ 14,036
Non-current	$ 10,051	$ 23,524

Range of discount rate for lease liabilities are as follows:

	December 31	
	2022	2021
Buildings	1.01%-1.23%	1.08%-1.23%
Transportation equipment	-	8.84%

c. Material lease-in activities and terms

The Group leases certain buildings for use as offices and warehouses for a period of 1 to 6 years. At the termination of the lease period, the Group does not have options to acquire the leasehold buildings, and it is agreed that without the consent of the lessor, the merging company shall not sublease or transfer all or part of the leased object.

The Group leases certain transportation equipment for business use, and the lease period is 5 years. At the expiration of the lease period, the Group may choose to purchase the transportation equipment at the agreed amount.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ -	$ 45
Expenses relating to low-value asset leases	$ 443	$ 559
Total cash outflow for leases	$ (15,630)	$ (16,763)

The Group leases certain machinery and equipment, transportation equipment qualify as short-term leases and certain office equipment qualify as low-value lease. The Group has selected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	December 31	
	2022	2021
Computer software	$ 342	$ 431

	Computer Software
Cost	
Balance at January 1, 2022	$ 3,219
Additions	242
Disposals	(2,251)
Balance at December 31, 2022	$ 1,210
Accumulated amortization and impairment	
Balance at January 1, 2022	$ (2,788)
Amortization	(331)
Disposals	2,251
Balance at December 31, 2022	$ (868)
Cost	
Balance at January 1, 2021	$ 3,140
Additions	368
Disposals	(289)
Balance at December 31, 2021	$ 3,219
Accumulated amortization and impairment	
Balance at January 1, 2021	$ (2,131)
Amortization	(946)
Disposals	289
Balance at December 31, 2021	$ (2,788)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-5 years

15. OTHER ASSETS

	December 31	
	2022	2021
Overpaid sales tax	$ 135,885	$ 140,575
Right to recover a product (Note 21)	88,307	124,820
Refundable deposits	17,704	16,975
Prepayment	2,103	6,077
Temporary payments	755	1,365
Prepayment of equipment	5,040	-
Overdue receivables (Note 9)	85,161	88,864
Less: Loss allowance	(85,161)	(88,864)
	$ 249,794	$ 289,812
Current	$ 227,050	$ 272,837
Non-current	22,744	16,975
	$ 249,794	$ 289,812

The amount of the refundable deposits for false sequestration and sales contract guarantee was both $1,500 thousand in 2022 and 2021. Please refer to Note 28.

16. BORROWINGS

Short-term borrowings

	December 31			
	2022		2021	
	Interest Rate	Amount	Interest Rate	Amount
Unsecured borrowings				
Line of credit borrowings	1.69%-1.97%	$ 482,000	1.00%-1.10%	$ -
Loan for purchase of materials	1.78%-6.08%	43,597	1.00%	-
		$ 525,597		$ -

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
Notes payable	$ 16	$ 617
Trade payables	1,145,300	918,922
	$ 1,145,316	$ 919,539

The average credit period of trade payables is about 30 days to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2022	2021
Other payables		
Payables for rebate or reward	$ 172,085	$ 201,000
Payables for salaries or bonuses	39,302	40,961
Payables for service	2,547	2,764
Payables for freight	2,349	4,957
Payables for employee compensation	2,219	3,797
Payables for pension	1,971	1,900
Receipts under custody	1,614	1,405
Payables for import and export	1,177	652
Remuneration payable to directors and supervisors	444	759
Others	23,333	20,241
	$ 247,041	$ 278,536
Other liabilities		
Temporary receipts	$ 237,822	$ 267,136
Refund liabilities (Note 21)	92,075	130,335
Unearned receipts	3,256	5,205
Deposits received	42	42
Others	-	1
	$ 333,195	$ 402,719
Current		
Other payables	$ 247,041	$ 278,536
Other liabilities	$ 333,153	$ 402,677
Non-current		
Other payables	$ -	$ -
Other liabilities	$ 42	$ 42

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plans adopted by the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average of monthly salaries of the 6 months before retirement. The Company contributed amounts equal to 2% of total monthly salaries and wages; NTC contributed amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee of the Company. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amount included in the consolidated balance sheet in respect of the Group's obligation to its defined benefit plan was as follows:

	December 31	
	2022	**2021**
Present value of the defined benefit obligation	$ 24,035	$ 26,589
Fair value of the plan assets	(19,710)	(21,337)
Contributions fall short	4,325	5,252
Net defined benefit liabilities	$ 4,325	$ 5,252

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 28,916	$ (21,914)	$ 7,002
Service cost			
Current service cost	44	-	44
Net interest expense (income)	145	(111)	34
Recognized in profit or loss	189	(111)	78
Remeasurement			
Actuarial (gain) loss			
Plan asset compensation (except amount included in net interest)	-	(332)	(332)
Changes in demographic assumptions	676	-	676
Changes in financial assumptions	(415)	-	(415)
Experience adjustments	(1,121)	-	(1,121)
Recognized in other comprehensive income	(860)	(332)	(1,192)
Contributions from the employer	-	(636)	(636)
Benefits paid	(1,656)	1,656	-
Balance at December 31, 2021	$ 26,589	$ (21,337)	$ 5,252

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 26,589	$ (21,337)	$ 5,252
Service cost			
Current service cost	43	-	43
Net interest expense (income)	166	(135)	31
Recognized in profit or loss	209	(135)	74
Remeasurement			
Actuarial (gain) loss			
Plan asset compensation (except amount included in net interest)	-	(1,663)	(1,663)
Changes in demographic assumptions	78	-	78
Changes in financial assumptions	(2,194)	-	(2,194)
Experience adjustments	3,411	-	3,411
Recognized in other comprehensive income	1,295	(1,663)	(368)
Contributions from the employer	-	(633)	(633)
Benefits paid	(4,058)	4,058	-
Balance at December 31, 2022	$ 24,035	$ (19,710)	$ 4,325

(Concluded)

Amounts recognized in profit or loss in respect of these defined benefit plans analyzed by function were as follows:

	For the Year Ended December 31	
	2022	2021
Operating cost	$ -	$ -
Operating expenses	74	78
	$ 74	$ 78

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rates	1.375%	0.625%
Expected rates of salary increase	2.000%	2.000%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	2021
Discount rates		
0.25% increase	$ (679)	$ (822)
0.25% decrease	$ 704	$ 855
Expected rates of salary		
0.25% increase	$ 687	$ 829
0.25% decrease	$ (665)	$ (801)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
The expected contribution to the plan for the next year	$ 638	$ 616
The average duration of defined benefit obligation	11.47 years	12.51 years

20. EQUITY

	December 31	
	2022	2021
Common stock	$ 908,896	$ 908,896
Capital surplus	67,418	67,418
Retained earnings	71,191	64,814
Other equity	(2,989)	(2,865)
	$ 1,044,516	$ 1,038,263

a. Share capital

Common stock

	December 31	
	2022	2021
Number of shares authorized (in thousands)	170,000	170,000
Shares authorized	$ 1,700,000	$ 1,700,000
Number of shares issued and fully paid (in thousands)	90,890	90,890
Shares issued	$ 908,896	$ 908,896

The issued common stock have a par value of 10 per share, and each share has one voting right and the right to receive dividends. The share capital reserved for the issuance of employee stock options is 8,000 thousand shares

b. Capital surplus

	December 31	
	2022	2021
Arising from issuance of share capital	$ 34,164	$ 34,164
Arising from treasury share transactions	8,600	8,600
Disposal asset gain	46	46
Others	24,608	24,608
	$ 67,418	$ 67,418

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, convertible bonds and arising from treasury share transactions) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital. The capital surplus from share of changes in equities of subsidiaries and associates may be used to offset a deficit. however, when generated from issuance of restricted shares for employees, such capital surplus may not be used for any purpose.

c. Retained earnings and dividend policy

According to the Company's Articles, if there is a surplus in the annual final accounts, except to make up for the accumulated losses of the past years, it will be distributed in the following order:

1) Pay tax.

2) Make up for losses from previous years.

3) The Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company.

4) Special reserves are accrued or reversed in accordance with applicable laws and regulation.

5) After allocating in the order of items 1. to 4. above. If there is any balance, the board of directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution of distributing bonuses and dividends to shareholders.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including distributable surplus for the year and funding needs, and distributed to shareholders in accordance with the regulations of the competent authority, the distribution of cash dividend shall not be less than 20% of total dividends.

For information about the accrual basis of the employees' compensation and remuneration of directors and the actual appropriations, refer to Note 22-(8).

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

In accordance with Order No. 1010012865 issued by the FSC (repealed on December 31, 2021), Order No. 1030006415 issued by the FSC (repealed on December 31, 2021), Order No. 1090150022 issued by the FSC, Order No. 10901500221 issued by the FSC, and "Q&A the Adoption of International Financial Reporting Standards (IFRSs)", the Company has appropriated and reversed special reserve. The Company has appropriated and reversed the special reserve in accordance with the "IFRSs Adoption". If there is a reversal of the remaining balance of the reduction in other shareholders' equity, the reversed portion of earnings may be distributed.

The appropriations of earnings and the dividends per share for 2021 and 2020 were approved in the shareholders' meeting on June 17, 2022 and July 20, 2021, respectively, as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Legal reserve	$ 5,528	$ 953	$ -	$ -
Special reserve	2,865	-	-	-
Cash dividends	27,267	-	0.3	-

The appropriations of earnings and the dividends per share for 2022 were approved in the shareholders' meeting on March 15, 2023, as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 3,364	$ -
Special reserve	124	-

The 2022 appropriations of earnings is yet to be resolved at the shareholders' meeting expected to be held in June 2023.

Proposal for the appropriations of earnings in relation to the proposal passed by the board of directors of the Company and the resolution of the general meeting of shareholders, please refer to Taiwan Stock Exchange - Market Observation Post System

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ -	$ -
Appropriations in respect of		
Debits to other equity items	2,865	-
Balance at December 31	$ 2,865	$ -

e. Other equity items

Unrealized losses on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (2,865)	$ (2,479)
Unrealized gains and losses in the current period equity instruments	(124)	(386)
Balance at December 31	$ (2,989)	$ (2,865)

21. OPERATING REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Sale of goods	$ 9,693,907	$ 9,429,073
Other operating income	7,897	8,150
	$ 9,701,804	$ 9,437,223

Description of Customer Contract

Revenue from sales of merchandise

In accordance with business practice, the Group accepts returns of electronic equipment and peripheral products. Considering the experience accumulated in the past, the Group estimates the return rate based on the most probable amount and recognizes the refund liability (recorded as other current liabilities) and the related rights to return products. Please refer to Notes 15 and 18.

22. NET (LOSS) GAIN FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2022	2021
Rental income		
Other operating leases	$ 5,195	$ 5,264
Transfer of overdue liability to other income	-	1,065
Others	240	3,277
	$ 5,435	$ 9,606

b. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain on valuation of financial instruments at fair value through profit or loss	$ (3)	$ (68)
Net loss on disposal of property, plant and equipment	(88)	(3)
Indemnity income	-	17,000
Other expenses	(10)	(15)
Net foreign exchange gain	(3,894)	3,612
	$ (3,995)	$ 20,526

Other gains and losses - Indemnity income represents the settlement amount received from the litigation case with the former manager in 2021.

c. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 6,056	$ 2,210
Interest on lease liabilities	356	447
Others	71	31
	$ 6,483	$ 2,688

d. Interest income

	For the Year Ended December 31	
	2022	2021
Interest income		
Bank deposits	$ 627	$ 439

e. Impairment loss recognized (reversed) on non-financial assets

	For the Year Ended December 31	
	2022	2021
Scrap of inventories and write-downs (reversal of write-downs)	$ 10,635	$ (17,028)

f. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 11,760	$ 8,148
Right-of-use assets	14,908	16,142
Intangible assets	331	946
	$ 26,999	$ 25,236
An analysis of depreciation - by function		
Operating costs	$ -	$ -
Operating expenses	26,668	24,290
	$ 26,668	$ 24,290
An analysis of amortization - by function		
Operating costs	$ -	$ -
Operating expenses	331	946
	$ 331	$ 946

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 196,351	$ 203,907
Post-employment benefits		
Defined contribution plans	7,800	7,518
Defined benefit plans (Note 19)	74	78
	7,874	7,596
Total employee benefits expense	$ 204,225	$ 211,503
An analysis of employee benefits expense - by function		
Operating costs	$ -	$ -
Operating expenses	204,225	211,503
	$ 204,225	$ 211,503

h. Employees' compensation and remuneration of directors and supervisors

The Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 5% and of no more than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors and supervisors.

However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses and then allocate compensation of employees and remuneration of directors according to the percentage set forth in the preceding paragraph.

The compensation of employees and remuneration of directors and supervisors for 2022 and 2021 were approved in the shareholders' meeting on March 15, 2023 and March 25, 2022, respectively, as follows:

Accrual rate

	2022	2021
Compensation of employees	5%	5%
Remuneration of directors and supervisors	1%	1%

Amount

	2022	2021
Compensation of employees	$ 2,219	$ 3,797
Remuneration of directors and supervisors	444	759

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

For any further information on the compensation of employees and remuneration of directors and supervisors approved in the meeting of the board of directors, see disclosures in the Market Observation Post System.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax benefit recognized in profit or loss

Major components of income tax expense are as follow:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ (5,416)	$ -
Income tax on unappropriated earnings	(981)	(429)
Adjustments for prior years	429	-
Deferred tax		
In respect of the current year	(2,398)	(16,622)
Income tax expense recognized in profit or loss	$ (8,366)	$ (17,051)

A reconciliation of accounting profit and income tax expense and the applicable tax rate were as follows:

	For the Year Ended December 31	
	2022	2021
Profit before income tax	$ 41,716	$ 71,381
Income tax benefit calculated at the statutory rate	$ (8,343)	$ (14,276)
Effect of expenses that were not deductible in determining taxable profit	(124)	(481)
Income tax on unappropriated earning	(981)	(429)
Tax-exempt income	6	(3)
Unrecognized deductible temporary differences	1,076	(1,862)
Income tax expense recognized in profit or loss	$ (8,366)	$ (17,051)

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ (74)	$ (238)

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	$ -	$ 4,926
Current tax liabilities		
Income tax payable	$ 6,397	$ 429

d. Deferred tax balances

The Group offset certain deferred tax assets and deferred tax liabilities which met the offset criteria. The movements of deferred tax assets and deferred tax liabilities were as follows:

	2022			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory write-downs	$ 5,980	$ 1,494	$ -	$ 7,474
Allowance for uncollectible accounts	3,095	(63)	-	3,032
Others	2,120	(500)	(74)	1,546
Effect of loss carryforward	3,329	(3,329)	-	-
	$ 14,524	$ (2,398)	$ (74)	$ 12,052

Deferred tax assets	Opening Balance (2021)	Recognized in Profit or Loss (2021)	Recognized in Other Comprehensive Income (2021)	Closing Balance (2021)
Temporary differences				
Allowance for inventory write-downs	$ 10,061	$ (4,081)	$ -	$ 5,980
Allowance for uncollectible accounts	6,963	(3,868)	-	3,095
Others	2,761	(403)	(238)	2,120
Effect of loss carryforward	11,599	(8,270)	-	3,329
	$ 31,384	$(16,622)	$ (238)	$ 14,524

e. Amounts of deductible temporary differences for which deferred tax assets have not been recognized

	December 31 2022	December 31 2021
Deductible temporary differences		
Allowance over tax limit	$ 47,787	$ 53,767

f. Income tax assessments

The income tax returns of Xander International Corp and Dinghan International Co., Ltd for the years through 2020 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Basic earnings per share	$ 0.37	$ 0.60
Diluted earnings per share	$ 0.37	$ 0.60

Net Profit for the Period

	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Earnings used in the computation of basic earnings per share	$ 33,350	$ 54,330
Earnings used in the computation of diluted earnings per share	$ 33,350	$ 54,330

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	90,890	90,890
Effect of potentially dilutive ordinary shares: Compensation of employees	90	93
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	90,980	90,983

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive.

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments Not Measured at Fair Value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

Fair Value of Financial Instruments Measured at Fair Value on A Recurring Basis

a. Fair value hierarchy

December 31, 2022

	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 3	$ -	$ 3
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 2,356	$ 2,356

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 68	$ -	$ 68
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 2,480	$ 2,480

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

b. Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ 2,480
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	(124)
Balance at December 31, 2022	$ 2,356

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 2,866
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	(386)
Balance at December 31, 2021	$ 2,480

c. Valuation techniques and inputs applied to Level 2 financial instruments at fair value

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

d. Valuation techniques and inputs applied to Level 3 financial instruments at fair value

Financial Instruments	Valuation Techniques and Inputs
Domestic unlisted shares	Market approach: 1) The fair value is measured by the share price and liquidity of similar listed company. 2) The fair value is measured based on transaction price of similar listed company with an appropriate multiplier.

Investments in equity instruments are categorized within Level 3 of the fair value measurement hierarchy due to the lack of quoted prices in an active market; the fair values of financial assets categorized into Level 3 are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

e. Valuation process for Level 3 fair value measurement

The Group evaluates and confirms the reliability, independence and correspondence of the information sources of the estimated value. Appropriate adjustments are made to ensure the rationality of the valuation presented.

f. Sensitivity analysis of the fair value regarding reasonable and possible alternative assumption within Level 3

No sensitivity analysis using alternatives assumptions is done since the valuation of the financial instruments did not adopt self-estimation model.

Categories of Financial Instruments

	December 31	
	2022	**2021**
Financial assets		
Amortized cost (Note 1)	$ 1,977,665	$ 1,248,962
Financial assets at FVTOCI		
Equity instruments	2,356	2,480
Financial liabilities		
Financial liabilities at FVTPL	3	68
Amortized cost (Note 2)	2,155,818	1,465,253

Note 1: These balances include financial assets measured at amortized cost which comprise of cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables and refundable deposits.

Note 2: These balances include financial liabilities measured at amortized cost, which comprise of short-term borrowings, notes payable and trade payables, other payables, guarantee deposits, and temporary receipts.

Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business and coordinates access to domestic and international financial markets. It also monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze the exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

a. Market risk

The activities of the Group exposed it to the financial risks of fluctuations in foreign currency exchange rates and interest risk.

There was no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The Group undertook transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arose. Approximately 0% of the Group's sales is denominated in currencies other than the functional currency of the entity in the Group making the sale, whilst almost 9% of costs is denominated in currencies other than the functional currency of the entity in the Group. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year were as follows:

	December 31	
	2022	**2021**
Assets		
USD	$ 16,804	$ 8,633
Liabilities		
USD	59,765	37,116
HKD	111	100

The carrying amounts of the Group's derivatives which are exposed to foreign currency risk at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Liabilities		
USD	$ 3	$ 68

Sensitivity analysis

The Company was mainly exposed to currency fluctuations of the United States dollar (USD).

The following table shows the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	Currency USD Impact	
	2022	**2021**
Post-tax profit or loss	$ (295)	$ (6)

2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial liabilities	$ 24,142	$ 37,560
Cash flow interest rate risk		
Financial liabilities	525,597	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the period was outstanding for the whole year. A sensitivity rate of 0.1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Group's net income for the years ended December 31, 2022 and 2021 would have increased/decreased by $420 thousand and $0 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its cash flow interest rate risk.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparty to discharge an obligation and due to the financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group basically adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group's accounts receivable cover a wide range of customers and are not specifically focused on a single counterparty. The Group also continuously evaluates the financial position of its accounts receivable customers and therefore has no significant credit risk on accounts receivable as of the balance sheet date.

The clients of the Group are widely spread and the Group analyzes its numerous trade receivable clients' financial status continuously.

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

1) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

Bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing	-	$ 1,357,243	$ 166,811	$ 106,125	$ 42	$ 1,630,221
Variable interest rate liabilities	2.12	525,597	-	-	-	525,597
Fixed interest rate liabilities	1.01-1.23	1,251	3,731	9,307	10,114	24,403
		$ 1,884,091	$ 170,542	$ 115,432	$ 10,156	$ 2,180,221

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing	-	$ 1,330,067	$ 12,163	$ 122,981	$ 42	$ 1,465,253
Fixed interest rate liabilities	1.08-8.84	1,446	3,796	9,311	23,783	38,336
		$ 1,331,513	$ 15,959	$ 132,292	$ 23,825	$ 1,503,589

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As of December 31, 2022 and 2021, the aggregate undiscounted principal amounts of these bank loans amounted to $525,597 thousand and $0 thousand, respectively. Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that settle on a gross basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 6,135	$ -	$ -	$ -	$ -
Outflows	(6,138)	-	-	-	-
	$ (3)	$ -	$ -	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 27,651	$ -	$ -	$ -	$ -
Outflows	(27,719)	-	-	-	-
	$ (68)	$ -	$ -	$ -	$ -

2) Financing facilities

	December 31	
	2022	2021
Financing facilities		
Amount used	$ 533,597	$ 2,000
Amount unused	266,403	658,000
	$ 800,000	$ 660,000

As of December 31, 2022 and 2021, the amount of banking facilities and lines of credit utilized was $8,000 and $2,000 thousand of guarantee line for import goods before and after taxation, respectively.

27. RELATED-PARTY TRANSACTIONS

Transactions, account balances and revenue and expense between Xander and its subsidiaries, had been eliminated on consolidation and were not disclosed in this note. Details of transactions between the Group and other related parties were as follows:

a. Related party name and category

Related Party	Related-party Category
VIA Technologies, Inc.	The chairman of the Group and the chairman of the affiliated company are the same person.
VIA Next Technologies, Inc.	The chairman of the Group and the chairman of the affiliated company are the same person. (Note)
VIA Labs, Inc.	The chairman of the Group and the chairman of the affiliated company are the same person.
TVBS Media Inc.	The chairman of the Group and the chairman of the affiliated company are the same person.
Fantastic Production Co., Ltd	The chairman of the Group and the chairman of the affiliated company are the same person.
Chander Electronics Corp.	Other related party
HTC Corporation	The chairman of the Group and the chairman of a related company are spouses
Viveport Digital Corporation	The chairman of the Group and the chairman of a related company are spouses

Note: On August 5, 2021, VIA Next Technologies, Inc. rename its legal name and the former name was VIA CPU Platform (Taiwan) Co., Ltd.

b. Operating revenues

	For the Year Ended December 31	
	2022	2021
Sales		
The chairman of the Group and the chairman of the affiliated company are the same person	$ 21,969	$ 3,313
The chairman of the Group and the chairman of a related company are spouses	628	598
	$ 22,597	$ 3,911
Other revenue		
The chairman of the Group company and the chairman of the affiliated company are the same person	$ 1,400	$ -
The chairman of the Group and the chairman of a related company are spouses	1,235	-
	$ 2,635	$ -

Selling prices and terms of credit of the Group from related parties were the same with external customers.

c. Receivables from related parties (excluding loans to related parties)

The following balances of trade receivables from related parties were outstanding at the end of the reporting period:

	For the Year Ended December 31	
	2022	2021
The chairman of the Group and the chairman of the affiliated company are the same person	$ 9,549	$ 1,648
The chairman of the Group and the chairman of a related company are spouses	290	274
	$ 9,839	$ 1,922

d. Other transactions with related parties

Rental income

	For the Year Ended December 31	
	2022	2021
The chairman of the Group and the chairman of the affiliated company are the same person (VIA Technologies, Inc.)	$ -	$ 180

The Group rented out part of its land and building and improvements to the related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

e. Compensation of key management personnel

For the years ended December 31, 2022 and 2021, the amounts of compensation of directors and key management personnel were as follows:

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 10,580	$ 7,120
Post-employment benefits	216	228
	$ 10,796	$ 7,348

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

28. PLEDGED ASSETS

The following assets of the Company have been provided as collateral for financing loans, court-executed provisional charges (call loans to other banks) and sales contracts.

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 89,896	$ 90,760
Refundable deposits	1,500	1,500
	$ 91,396	$ 92,260

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2022, the amount of customs duties confirmed by banks for importing goods was $8,000 thousand.

30. SIGNIFICANT CONTRACTS

The Company specializes in the electronic components, integrated circuits, and computer equipment.

To enhance the quality of its products and manufacturing technologies, the Company has patent agreements, as follows:

Contractor	Term	Description
Lenovo Technology B.V. Taiwan Branch (Netherlands)	October 1, 2022 - September 30, 2023	Rental services of Lenovo product line.

(Continued)

Contractor	Term	Description
HEWLETT-PACKARD Taiwan Ltd.	December 17, 2010 The contract is automatically renewed unless either party issues a notice of discontinuance within 30 days before contract expiry.	Rental services of HP product line.
Dell B.V. Taiwan Branch	July 29, 2022 - July 28, 2023	1. Rental services of Dell product line. 2. The lease term is one year, and the contract is renewed every year.
Seagate Singapore International Headquarters Pte. Ltd.	May 27, 2015 The contract is automatically renewed unless either party issues a notice of discontinuance within 30 days before contract expiry.	Rental services of SEAGATE product line
ViewSonic Corporation	January 1, 2023 - December 31, 2023	1. Rental services of projectors, smart touch display and liquid-crystal display. 2. Renew a contract for a period of one year following the end of a signed contract.
Samsung Electronics Taiwan Co., Ltd.	January 1, 2023 - December 31, 2023	1. Rental services of computer monitors, printers, home appliances and accessories supplies. 2. The lease term is one year, and the contract is renewed every year.
Brother International Taiwan Ltd.	July 1, 2022 - June 30, 2023	1. Rental services of printers and printer supplies. 2. The lease term is one year, and the contract is renewed every year.
Canon Marketing Taiwan Co., Ltd.	January 1, 2023 - December 31, 2023	1. Rental services of printers. 2. The lease term is one year, and the contract is renewed every year.
MiTAC International Corp.	July 4, 2022 - July 3, 2023	1. Rental services of Global Positioning System (GPS). 2. The lease term is one year, and the contract is renewed every year.
Advanced Micro Devices, Inc.	February 22, 2023 The contract is automatically renewed unless either party issues a notice of discontinuance within 30 days before contract expiry.	Rental services of CPU, APU and AMD product line.
Asrock Inc.	May 23, 2022 - May 23, 2023	Rental services of Mini PC, VGA and other products.

(Concluded)

31. OTHER ITEMS

Due to the spread of the novel coronavirus (Covid-19) all over the world, some suppliers have stopped working or implemented self-isolation; hence, distributors psychologically expected a supply shortage which caused them to place orders in advance.

The Group evaluated that there is no significant impact on the overall business operation and financial position of the Group. There are no concerns about the capability of the Group to be going concern, and the risk of assets impairment and fund raising.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information includes foreign currencies other than functional currencies of the group entities. Exchange rates between foreign currencies and respective functional currencies are disclosed.

The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary item			
USD	$ 547	30.72	$ 16,804
Financial liabilities			
Monetary item			
USD	1,945	30.72	59,765
HKD	28	3.94	111
Non-monetary items			
USD (forward exchange contracts)	-	30.72	3

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary item			
USD	$ 312	27.67	$ 8,633
Financial liabilities			
Monetary item			
USD	1,341	27.67	37,116
HKD	28	3.55	100
Non-monetary items			
USD (forward exchange contracts)	2	27.67	68

The significant realized and unrealized foreign exchange gains and losses were as follows:

	For the Year Ended December 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	29.84 (USD:NTD)	$ (3,901)	27.99 (USD:NTD)	$ 3,594
HKD	3.81 (HKD:NTD)	7	3.60 (HKD:NTD)	18
		$ (3,894)		$ 3,612

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (Notes 7 and 26)

10) Intercompany relationships and significant intercompany transactions (Table 2)

11) Information on investees (Table 3)

b. Information on investments in mainland China (None)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 4)

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Under IFRS 8 “Operating Segments”, the Group is organized and managed as a single reportable business segment. The Group’s operations are mainly in the electronic components, integrated circuits, and computer equipment.

Geographical Information

The Group’s revenue from continuing operations from external customers by location of operations are detailed below:

	For the Year Ended December 31	
	2022	2021
Taiwan	$ 9,701,804	$ 9,433,168
Hong Kong and China	-	4,055
	$ 9,701,804	$ 9,437,223

Information on Major Customers

Single customers contributing 10% or more to the Group’s revenue were as follows:

	For the Year Ended December 31			
	2022		2021	
	Amount	Percentage of Operating of Net Sales	Amount	Percentage of Operating of Net Sales
Customer A	$ 1,377,920	14	$ 1,567,194	17
Customer B	$ 1,233,115	13	$ 916,788	9

TABLE 1

XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

MARKETABLE SECURITIES HELD
(In Thousands of New Taiwan Dollars, In Thousands of Shares)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Xander International Corp.	Unlisted stocks							
	Advanced System & Storage Corp.	None	Financial assets at FVTOCI - non-current	608	$ 2,356	5	$ 2,356	

XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Xander International Corp.	Dinghan International Corp.	a	Revenue	$ 191	Regular settlement or offset by debts, the collection period is the same as the general object	-
		〃	a	Receivable to related parties	9	〃	-

Note 1: Business relationships between parent company and subsidiaries are identified and numbered (in the first column) as follows:

a. "0" for parent company.
b. Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

a. From a parent company to its subsidiary.
b. From a subsidiary to its parent company.
c. Between subsidiaries.

Note 3: The percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 2022. The percentage to consolidated total revenue is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenue for the year ended December 31, 2022.

XANDER INTERNATIONAL CORP. AND ITS SUBSIDIARY

INFORMATION ON INVESTEES
(In Thousands of New Taiwan Dollars, In Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income of the Investee	Share of Profit of Investee	Remark
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
Xander International Corp.	Dinghan International Corp.	5F., No. 531, Zhongzheng Rd., Xindian Dist., New Taipei City	Wholesale of transactional machinery equipment	$ 12,000	$ 12,000	3,200	100	$ 11,169	$ 29	$ 29	

TABLE 4

XANDER INTERNATIONAL CORP.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hung Mao Investment Co., Ltd.	22,989,868	25.29
Mu-Chuan Lin	5,476,000	6.02
Wen-Chi Chen	4,834,147	5.31
VIA Technologies, Inc.	4,558,870	5.01

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

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 balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies. (collectively referred to as the " financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Xander International Corp. as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the 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 financial statements for the year ended December 31, 2022 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 on the financial statements for the year ended December 31, 2022,we identified the consignment revenue recognition as a key audit matter.

The relevant accounting policies of revenue recognition are referred to in Note 4.

We obtained the necessary understanding and verified the accounting policy and the design and implementation of internal controls with respect to the Company's revenue recognition. The accounting treatments of revenue recognition have been verified by reviewing the relevant contractual provisions to ensure compliance with the accounting policy adopted by the Company and IFRS 15. We reviewed and verified the consignment transaction and the reconciliation data and confirmed that the revenues were recognized within the appropriate period in accordance with the accounting policy.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 company to express an opinion on the 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 financial statements for the year ended December 31, 2022 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 Shu-Lin Liu and Wen-Ya Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

<u>*Notice to Readers*</u>

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.

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 354,446	11	$ 84,463	3
Notes receivable (Notes 4, 5 and 9)	99,095	3	105,334	4
Trade receivables, net (Notes 4, 5 and 9)	1,484,701	44	1,027,491	38
Trade receivables - related parties (Notes 4, 5, 9 and 27)	9,848	-	1,930	-
Other receivables (Notes 4 and 9)	1,587	-	193	-
Current tax assets (Notes 4 and 23)	-	-	4,926	-
Inventories (Notes 4, 5 and 10)	935,378	28	952,617	36
Prepayments (Note 15)	2,103	-	6,077	-
Other current assets (Note 15)	134,375	4	139,696	5
Right to recover a product (Notes 4, 15 and 21)	88,307	3	124,820	5
Total current assets	3,109,840	93	2,447,547	91
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	2,356	-	2,480	-
Investments accounted for using the equity method(Notes 4 and 11)	11,169	-	11,140	-
Property, plant and equipment (Notes 4, 12 and 28)	147,633	5	149,078	6
Right-of-use assets (Notes 4 and 13)	23,016	1	36,511	1
Computer software (Notes 4 and 14)	342	-	431	-
Deferred tax assets (Notes 4 and 23)	12,051	-	14,523	1
Refundable deposits (Notes 4, 15 and 28)	17,704	1	16,897	1
Other non-current assets (Note 15)	5,040	-	-	-
Total non-current assets	219,311	7	231,060	9
TOTAL	$ 3,329,151	100	$ 2,678,607	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 26)	$ 525,597	16	$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	3	-	68	-
Notes payable (Note 17)	16	-	617	-
Trade payables (Note 17)	1,144,045	34	915,258	34
Current tax liabilities (Notes 4 and 23)	6,397	-	429	-
Other payables (Note 18)	246,915	7	278,441	10
Lease liabilities - current (Notes 4 and 13)	14,091	1	14,036	1
Other current liabilities (Notes 4, 18 and 21)	333,153	10	402,677	15
Total current liabilities	2,270,217	68	1,611,526	60
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 13)	10,051	1	23,524	1
Net defined benefit liabilities - non-current (Notes 4 and 19)	4,325	-	5,252	-
Guarantee deposits received (Note 18)	42	-	42	-
Total non-current liabilities	14,418	1	28,818	1
Total liabilities	2,284,635	69	1,640,344	61
EQUITY				
Share capital - common stock (Note 20)	908,896	27	908,896	34
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	1
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	3
Retained earnings (Note 20)				
Legal reserve	6,481	-	953	-
Special reserve	2,865	-	-	-
Unappropriated earnings	61,845	2	63,861	2
Total retained earnings	71,191	2	64,814	2
Other equity (Note 20)	(2,989)	-	(2,865)	-
Total equity	1,044,516	31	1,038,263	39
TOTAL	$ 3,329,151	100	$ 2,678,607	100

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

XANDER INTERNATIONAL CORP.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
REVENUES (Notes 4, 21 and 27)				
Net sales	$ 9,692,288	100	$ 9,425,314	100
Other revenues	7,897	-	8,150	-
Total revenues	9,700,185	100	9,433,464	100
COST OF REVENUES (Notes 10 and 22)				
Cost of goods sold	9,287,868	96	9,019,504	95
Other operating costs	4,322	-	920	-
Total cost of revenues	9,292,190	96	9,020,424	95
GROSS PROFIT	407,995	4	413,040	5
OPERATING EXPENSES (Notes 9, 19, 22 and 27)				
Operating expenses	364,241	4	370,271	4
Expected credit gain	(2,385)	-	(696)	-
Total operating expenses	361,856	4	369,575	4
OPERATING PROFIT	46,139	-	43,465	1
NON-OPERATING INCOME AND EXPENSES (Notes 7, 11, 22, 27 and 32)				
Other income	5,471	-	9,641	-
Other gains and losses	(4,054)	-	20,543	-
Finance costs	(6,483)	-	(2,688)	-
Interest income	614	-	437	-
Share of the profit or loss of subsidiary	29		(17)	-
Total non-operating income and expenses	(4,423)	-	27,916	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	41,716	-	71,381	1
INCOME TAX EXPENSE (Notes 4 and 23)	(8,366)	-	(17,051)	-
NET PROFIT FOR THE YEAR	33,350	-	54,330	1
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				

(Continued)

XANDER INTERNATIONAL CORP.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	368	-	1,192	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(124)	-	(386)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(74)	-	(238)	-
Other comprehensive income for the year, net of income tax	170	-	568	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 33,520	-	$ 54,898	1
EARNINGS PER SHARE (Note 24)				
Basic	$0.37		$0.60	
Diluted	$0.37		$0.60	

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

XANDER INTERNATIONAL CORP.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

		Capital Surplus				Retained Earnings			Other Equity	
	Share Capital Common Stock	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	Total Equity
BALANCE, JANUARY 1, 2021	$ 908,896	$ 34,164	$ 8,600	$ 46	$ 24,608	$ -	$ -	$ 9,530	$ (2,479)	$ 983,365
Appropriation of 2020 net earnings										
Legal reserve offset accumulated deficits	-	-	-	-	-	953	-	(953)	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	54,330	-	54,330
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	954	(386)	568
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	-	55,284	(386)	54,898
BALANCE, DECEMBER 31, 2021	908,896	34,164	8,600	46	24,608	953	-	63,861	(2,865)	1,038,263
Appropriation of 2021 net earnings										
Legal reserve	-	-	-	-	-	5,528	-	(5,528)	-	-
Special reserve	-	-	-	-	-	-	2,865	(2,865)	-	-
Cash dividends	-	-	-	-	-	-	-	(27,267)	-	(27,267)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	33,350	-	33,350
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	294	(124)	170
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	33,644	(124)	33,520
BALANCE, DECEMBER 31, 2022	$ 908,896	$ 34,164	$ 8,600	$ 46	$ 24,608	$ 6,481	$ 2,865	$ 61,845	$ (2,989)	$ 1,044,516

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

XANDER INTERNATIONAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 41,716	$ 71,381
Adjustments for:		
Depreciation	26,668	24,290
Amortization	331	946
Expected credit loss reversed on trade receivables	(2,385)	(696)
Finance costs	6,483	2,688
Interest income	(614)	(437)
Share of the profit or loss of subsidiary	(29)	17
Loss on disposal of property, plant and equipment	88	3
Net changes in operating assets and liabilities		
Notes receivable	6,239	(40,337)
Trade receivables	(454,825)	144,562
Trade receivables - related parties	(7,918)	(1,839)
Other receivables	(1,394)	426
Inventories	17,239	(154,440)
Prepayments	3,974	(4,601)
Other current assets (including right to recover a product)	41,834	29,640
Financial liabilities at fair value through profit or loss	(65)	68
Notes payable	(601)	(58)
Trade payables	228,787	103,285
Other payables	(31,923)	86,771
Other current liabilities	(69,524)	85,261
Net defined benefit liabilities	(559)	(558)
Cash (used in) generated from operations	(196,478)	346,372
Interest received	614	437
Interest paid	(6,086)	(2,576)
Income tax refunds	4,926	-
Net cash (used in) generated from operating activities	(197,024)	344,233
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(10,403)	(13,190)
Increase in refundable deposits	(869)	(11,322)
Decrease in refundable deposits	62	1,353
Acquisition of intangible assets - computer software	(242)	(368)
Increase in prepayments for equipment	(5,040)	-
Net cash used in investing activities	(16,492)	(23,527)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	525,597	-
Decrease in short-term borrowings	-	(256,000)
Decrease in guarantee deposits	-	(98)
Repayment of the principal portion of lease liabilities	(14,831)	(15,712)
Distribution of cash dividends	(27,267)	-

(Continued)

XANDER INTERNATIONAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Net cash generated from (used in) financing activities	483,499	(271,810)
NET INCREASE IN CASH AND CASH EQUIVALENTS	269,983	48,896
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	84,463	35,567
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 354,446	$ 84,463

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

XANDER INTERNATIONAL CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Xander International Co., Ltd ("Xander" or "the Company") was established in November 1995 in accordance with the Company Law and relevant laws and regulations. Its main business is acting agency and distributing electronic components, integrated circuits, and computer equipment. In August 2001, Securities and Futures Commission, Ministry of Finance (now renamed the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan, referred to as the Securities and Futures Bureau) approved the listing of Company's shares on the Taipei Exchange, and the shares were officially listed for public trading in October of the same year.

In order to expand the scale of opertaion, reduce costs, and improve operating performance, Xander merged Tienhan Information Co., Ltd. on September 1, 2002, and merged Shuji Co., Ltd. and the video equipment buying and selling department of Jiashang Co., Ltd.'s on April 1, 2003.

The functional currency of Company is New Taiwan dollars. The financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 15, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments and defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for an asset or liability.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

Foreign Currencies

In preparing the financial statements of each individual company entity, transactions in currencies other than the entity's foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement are recognized in profit or loss in the period they arise.

Exchange differences arising on the retranslation of non-monetary items measured at fair value are included in profit or loss for the period at the rates prevailing at the end of reporting period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to company similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Properties, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible Assets

a. Intangible assets acquired separately

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Derecognition of intangible assets

   On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Impairment of Property, Plant and Equipment, Right-of-use Asset, Investment Properties, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset and cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities other than financial assets and financial liabilities at FVTPL are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

   1) Measurement categories

      Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

      a) Financial asset at FVTPL

         Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26 to the financial statements.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable selection to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime Expected Credit Losses (ECLs) on accounts receivable. On all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest paid on the financial liabilities. Fair value is determined in the manner described in Note 26 to the financial statements.

2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

d. Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange rate risks. Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Revenue Recognition

The Company identifies the performance obligations in the contract with customers, allocates the transaction price to the performance obligations in the contracts and recognizes revenue when the Company satisfies a performance obligation.

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic equipment. Sales of electronic equipment are recognized as revenue when the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently. Electronic equipment products sold online are recognized as revenue when the products arrive at the location designated by the customer.

Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating lease, lease payments (less any lease incentives payable) are recognized as income on a straight-line basis over the terms of the relevant lease. Initial direct costs incurred in obtaining operating lease are added to the carrying amount of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Income tax payable is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit and it is remeasured at the end of each reporting period and recognized to the extent that it has become probable that there will be future taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Company's critical accounting judgments and key sources of estimation uncertainty is below:

a. Impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Company uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Valuation of inventory

Inventories are measured at the lower of cost or net realizable value. Judgment and estimation are applied in the determination of net realizable value at the end of the reporting period.

This inventory evaluation is based on the current market conditions and historical sales experience of similar products. Changes in product demand and market conditions within a specific period in the future may significantly affect the results of these estimates

As of December 31, 2022 and 2021, the carrying amounts of inventories were $935,378 thousand and $952,617 thousand, respectively (the net amount after deducting the inventory allowance for impairment losses of $37,370 thousand and $29,900 thousand, respectively)

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 110	$ 110
Checking accounts and demand deposits	354,336	84,353
	$ 354,446	$ 84,463

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial liabilities at FVTPL - current		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	$ 3	$ 68
Current	$ 3	$ 68

The Company entered into derivative financial instruments contracts in the 2022 and 2021 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The derivative financial instruments contracts entered into by the Company did not meet the criteria of hedge accounting; therefore, the Company did not apply hedge accounting treatment.

The net losses arising from financial assets and liabilities for trading purposes of the Company in 2022 and 2021 were $596 thousand and $1 thousand, respectively, which were accounted for under the items of financial product appraisal gains and losses and net foreign currency exchange gains and losses, net.

At the date of balance sheet, the outstanding derivative foreign exchange contracts not under hedge accounting were as follows:

	Currencies	Maturity Date	Contract Amount (In Thousands)
December 31, 2022			
Buy forward exchange contracts	USD to NTD	2023.01.19	USD200/NTD6,138
December 31, 2021			
Buy forward exchange contracts	USD to NTD	2022.01.26	USD1,000/NTD27,719

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
Non-current		
Investments in equity instruments	$ 2,356	$ 2,480

Investments in equity instruments

	December 31	
	2022	2021
Non-current		
Domestic unlisted and emerging stock		
Advanced System & Storage Corp.	$ 2,356	$ 2,480

The Company acquired the common stock of the Advanced System & Storage Corp. through the combination of Digital Technology Co., Ltd. on April 2003, which is designated as a medium- and long-term strategic investment and is designated to be measured at fair value through other comprehensive gains and losses.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
Notes receivable - operating	$ 99,124	$ 105,363
Less: Allowance for impairment loss	(29)	(29)
	$ 99,095	$ 105,334
Trade receivables		
At amortized cost		
Trade receivables	$ 1,487,939	$ 1,029,411
Trade receivables - related parties	9,848	1,930
Less: Allowance for impairment loss	(3,238)	(1,920)
	$ 1,494,549	$ 1,029,421
Other receivables		
Others	$ 1,587	$ 193

Trade Receivables

At amortized cost

The average credit period of sales of goods was 60 to 90 days. No interest was charged on trade receivables. The Company adopted a policy of only dealing with entities that with good credit ratings, where appropriate, as a means of mitigating the risk of financial loss from defaults. Before accepting new clients, the Company evaluates the potential customer's credit quality and sets the customer's credit limit through external letter inquiries, inter-bank notes, and review of the customer's financial statements. The customer's credit limit is reviewed from time to time, and 80% of the accounts receivable that are neither overdue nor impaired are considered to be the best credit rating according to the credit system and rating results used by the Company. In addition, the credit risk is managed through the counterparty's credit line reviewed and approved by the credit account administrator of the finance department every year.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company estimates expected credit losses based on past due days. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

When there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. The Company will be reclassified to overdue receivables (reported under non-current assets), see Note 15.

The following table details the loss allowance of trade receivables (include related parties) based on the Company's provision matrix.

December 31, 2022

	Not Overdue	Overdue under 90 Days	Over 90 Days	Total
Expected credit loss rate	0.05%	0.68%-48.21%	100%	
Gross carrying amount	$ 1,416,281	$ 81,506	$ -	$ 1,497,787
Loss allowance (lifetime ECLs)	(709)	(2,529)	-	(3,238)
Amortized cost	$ 1,415,572	$ 78,977	$ -	$ 1,494,549

December 31, 2021

	Not Overdue	Overdue under 90 Days	Over 90 Days	Total
Expected credit loss rate	0.01%	0.25%-29.17%	100%	
Gross carrying amount	$ 932,172	$ 99,169	$ -	$ 1,031,341
Loss allowance (lifetime ECLs)	(93)	(1,827)	-	(1,920)
Amortized cost	$ 932,079	$ 97,342	$ -	$ 1,029.421

The movements of loss allowance of accounts receivable were as follows:

	2022	2021
Notes receivable		
Balance at January 1	$ 29	$ 29
Balance at December 31	$ 29	$ 29
Trade receivables		
Balance at January 1	$ 1,920	$ 7,631
Add: Recognized impairment loss	1,318	-
Less: Reversal of impairment loss	-	(5,711)
Balance at December 31	$ 3,238	$ 1,920
Overdue receivables		
Balance at January 1	$ 67,345	$ 62,330
Add: Recognized impairment loss	-	5,015
Less: Reversal of impairment loss	(3,703)	-
Balance at December 31	$ 63,642	$ 67,345

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 935,378	$ 952,617

Cost of goods sold for the years ended December 31, 2022 and 2021 included inventories, scrap of inventories and inventory write-downs (reversal of write-downs) for $10,635 thousand and $(17,028) thousand, respectively. The main reason of net realizable value of inventories rebounded is the company successively cleared the sluggish inventories in 2021.

11. INVENESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Dinghan International Corp.	$ 11,169	$11,140

At the end of reporting period , the proportion of ownership and voting rights in subsidiaries held by the Company were fllows :

	December 31	
Name of Subsidiaries	2022	2021
Dinghan International Corp.	100.00%	100.00%

The share of profit of subsidiaries , associates and join ventures accounted for under equity method ended December 31 , 2022 and 2021 were $29 thousand and $ (17) thousand , respectly .

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Assets used by the Company	$ 132,237	$ 130,354
Assets leased under operating leases	15,396	18,724
	$ 147,633	$ 149,078

a. Assets used by the Company

	December 31	
	2022	2021
Carrying amount		
Land	$ 101,563	$ 101,563
Buildings	22,641	23,818
Computer equipment	1,044	873
Transportation equipment	2,133	1,597
Facilities	3,762	1,740
Leasehold improvement	1,094	763
	$ 132,237	$ 130,354

	Land	Buildings	Computer Equipment	Transportation Equipment	Facilities	Leasehold Improvement	Total
Cost							
Balance at January 1, 2022	$ 101,563	$ 39,310	$ 12,548	$ 13,774	$ 8,476	$ 6,840	$ 182,511
Additions	-	-	609	1,040	3,160	714	5,523
Disposals	-	-	(349)	-	(348)	(114)	(811)
Balance at December 31, 2022	$ 101,563	$ 39,310	$ 12,808	$ 14,814	$ 11,288	$ 7,440	$ 187,223
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ (15,492)	$ (11,675)	$ (12,177)	$ (6,736)	$ (6,077)	$ (52,157)
Disposals	-	-	331	-	348	44	723
Depreciation expense	-	(1,177)	(420)	(504)	(1,138)	(313)	(3,552)
Balance at December 31, 2022	$ -	$ (16,669)	$ (11,764)	$ (12,681)	$ (7,526)	$ (6,346)	$ (54,986)
Cost							
Balance at January 1, 2021	$ 101,563	$ 39,310	$ 12,578	$ 3,870	$ 7,556	$ 6,726	$ 171,603
Additions	-	-	110	265	920	114	1,409
Disposals	-	-	(140)	-	-	-	(140)
Reclassified	-	-	-	9,639	-	-	9,639
Balance at December 31, 2021	$ 101,563	$ 39,310	$ 12,548	$ 13,774	$ 8,476	$ 6,840	$ 182,511
Accumulated depreciation							
Balance at January 1, 2021	$ -	$ (14,315)	$ (11,129)	$ (2,199)	$ (5,991)	$ (5,835)	$ (39,469)
Disposals	-	-	137	-	-	-	137
Depreciation expense	-	(1,177)	(683)	(339)	(745)	(242)	(3,186)
Reclassified	-	-	-	(9,639)	-	-	(9,639)
Balance at December 31, 2021	$ -	$ (15,492)	$ (11,675)	$ (12,177)	$ (6,736)	$ (6,077)	$ (52,157)

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	29-33 years
Computer equipment	3-5 years
Transportation equipment	5 years
Facilities	3-5 years
Lease improvement	3 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 28.

Increase in real property, plant and equipment in 2021 was due to the transfer of right-of-use assets-transportation equipment to real property, plant and equipment-transportation equipment at the expiry of the lease period.

b. Assets leased under operating leases

	Office Equipment
Cost	
Balance at January 1, 2022	$ 25,334
Additions	4,880
Balance at December 31, 2022	$ 30,214
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ 6,610
Depreciation expense	8,208
Balance at December 31, 2022	$ 14,818
Cost	
Balance at January 1, 2021	$ 13,553
Additions	11,781
Balance at December 31, 2021	$ 25,334
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ 1,648
Depreciation expense	4,962
Balance at December 31, 2021	$ 6,610

The Company leases office equipment under operating leases for 3 to 5 years. The lease contract includes the clause that the lessee will adjust the rent according to the market rent when exercising the right to renew the lease. At the end of the lease term, the lessee does not have the option to acquire the equipment.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2022	2021
Year 1	$ 10,017	$ 7,706
Year 2	6,675	7,227
Year 3	4,471	3,885
Year 4	854	2,430
	$ 22,017	$ 21,248

The Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Office equipment	3-5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Buildings	$ 23,016	$ 36,511

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 1,413	$ 31,086
Depreciation charge for right-of-use assets		
Buildings	$ 14,908	$ 14,375
Transportation equipment	-	1,767
	$ 14,908	$ 16,142

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 14,091	$ 14,036
Non-current	$ 10,051	$ 23,524

Range of discount rate for lease liabilities are as follows:

	December 31	
	2022	2021
Buildings	1.01%-1.23%	1.08%-1.23%
Transportation equipment	-	8.84%

c. Material lease-in activities and terms

The Company leases certain buildings for use as offices and warehouses for a period of 1 to 6 years. At the termination of the lease period, the Company does not have options to acquire the leasehold buildings, and it is agreed that without the consent of the lessor, the merging company shall not sublease or transfer all or part of the leased object.

The Company leases certain transportation equipment for business use, and the lease period is 5 years. At the expiration of the lease period, the Company may choose to purchase the transportation equipment at the agreed amount.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ -	$ 45
Expenses relating to low-value asset leases	$ 443	$ 559
Total cash outflow for leases	$ (15,630)	$ (16,763)

The Company leases certain machinery and equipment, transportation equipment qualify as short-term leases and certain office equipment qualify as low-value lease. The Company has selected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	December 31	
	2022	2021
Computer software	$ 342	$ 431

	Computer Software
Cost	
Balance at January 1, 2022	$ 3,219
Additions	242
Disposals	(2,251)
Balance at December 31, 2022	$ 1,210
Accumulated amortization and impairment	
Balance at January 1, 2022	$ (2,788)
Amortization	(331)
Disposals	2,251
Balance at December 31, 2022	$ (868)
Cost	
Balance at January 1, 2021	$ 3,140
Additions	368
Disposals	(289)
Balance at December 31, 2021	$ 3,219
Accumulated amortization and impairment	
Balance at January 1, 2021	$ (2,131)
Amortization	(946)
Disposals	289
Balance at December 31, 2021	$ (2,788)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-5 years

15. OTHER ASSETS

	December 31	
	2022	2021
Overpaid sales tax	$ 133,620	$ 138,331
Right to recover a product (Note 21)	88,307	124,820
Refundable deposits	17,704	16,897
Prepayment	2,103	6,077
Temporary payments	755	1,365
Prepayment of equipment	5,040	-
Overdue receivables (Note 9)	63,642	67,345
Less: Loss allowance	(63,642)	(67,345)
	$ 247,529	$ 287,490
Current	$ 224,785	$ 270,593
Non-current	22,744	16,897
	$ 247,529	$ 287,490

The amount of the refundable deposits for false sequestration and sales contract guarantee was both $1,500 thousand in 2022 and 2021. Please refer to Note 28.

16. BORROWINGS

Short-term borrowings

	December 31			
	2022		2021	
	Interest Rate	Amount	Interest Rate	Amount
Unsecured borrowings				
Line of credit borrowings	1.69%-1.97%	$ 482,000	1.00%-1.10%	$ -
Loan for purchase of materials	1.78%-6.08%	43,597	1.00%	-
		$ 525,597		$ -

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
Notes payable	$ 16	$ 617
Trade payables	1,144,045	915,258
	$ 1,144,061	$ 915,875

The average credit period of trade payables is about 30 days to 60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2022	2021
Other payables		
Payables for rebate or reward	$ 172,085	$ 201,000
Payables for salaries or bonuses	39,302	40,961
Payables for freight	2,349	4,957
Payables for employee compensation	2,219	3,797
Payables for service	2,422	2,673
Payables for pension	1,971	1,900
Receipts under custody	1,614	1,405
Remuneration payable to directors and supervisors	444	652
Payables for import and export	1,177	759
Others	23,332	20,237
	$ 246,915	$ 278,441
Other liabilities		
Temporary receipts	$ 237,822	$ 267,136
Refund liabilities (Note 21)	92,075	130,335
Unearned receipts	3,256	5,205
Deposits received	42	42
Others	-	1
	$ 333,195	$ 402,719
Current		
Other payables	$ 246,915	$ 278,441
Other liabilities	$ 333,153	$ 402,677
Non-current		
Other payables	$ -	$ -
Other liabilities	$ 42	$ 42

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plans adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average of monthly salaries of the 6 months before retirement. The Company contributed amounts equal to 2% of total monthly salaries and wages; NTC contributed amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee of the Company. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amount included in the balance sheet in respect of the Company's obligation to its defined benefit plan was as follows:

	December 31	
	2022	**2021**
Present value of the defined benefit obligation	$ 24,035	$ 26,589
Fair value of the plan assets	(19,710)	(21,337)
Contributions fall short	4,325	5,252
Net defined benefit liabilities	$ 4,325	$ 5,252

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2021	$ 28,916	$ (21,914)	$ 7,002
Service cost			
Current service cost	44	-	44
Net interest expense (income)	145	(111)	34
Recognized in profit or loss	189	(111)	78
Remeasurement			
Actuarial (gain) loss			
Plan asset compensation (except amount included in net interest)	-	(332)	(332)
Changes in demographic assumptions	676	-	676
Changes in financial assumptions	(415)	-	(415)
Experience adjustments	(1,121)	-	(1,121)
Recognized in other comprehensive income	(860)	(332)	(1,192)
Contributions from the employer	-	(636)	(636)
Benefits paid	(1,656)	1,656	-
Balance at December 31, 2021	$ 26,589	$ (21,337)	$ 5,252

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 26,589	$ (21,337)	$ 5,252
Service cost			
Current service cost	43	-	43
Net interest expense (income)	166	(135)	31
Recognized in profit or loss	209	(135)	74
Remeasurement			
Actuarial (gain) loss			
Plan asset compensation (except amount included in net interest)	-	(1,663)	(1,663)
Changes in demographic assumptions	78	-	78
Changes in financial assumptions	(2,194)	-	(2,194)
Experience adjustments	3,411	-	3,411
Recognized in other comprehensive income	1,295	(1,663)	(368)
Contributions from the employer	-	(633)	(633)
Benefits paid	(4,058)	4,058	-
Balance at December 31, 2022	$ 24,035	$ (19,710)	$ 4,325

(Concluded)

Amounts recognized in profit or loss in respect of these defined benefit plans analyzed by function were as follows:

	For the Year Ended December 31	
	2022	2021
Operating cost	$ -	$ -
Operating expenses	74	78
	$ 74	$ 78

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rates	1.375%	0.625%
Expected rates of salary increase	2.000%	2.000%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	2021
Discount rates		
0.25% increase	$ (679)	$ (822)
0.25% decrease	$ 704	$ 855
Expected rates of salary		
0.25% increase	$ 687	$ 829
0.25% decrease	$ (665)	$ (801)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
The expected contribution to the plan for the next year	$ 638	$ 616
The average duration of defined benefit obligation	11.47 years	12.51 years

20. EQUITY

	December 31	
	2022	2021
Common stock	$ 908,896	$ 908,896
Capital surplus	67,418	67,418
Retained earnings	71,191	64,814
Other equity	(2,989)	(2,865)
	$ 1,044,516	$ 1,038,263

a. Share capital

Common stock

	December 31 2022	December 31 2021
Number of shares authorized (in thousands)	170,000	170,000
Shares authorized	$ 1,700,000	$ 1,700,000
Number of shares issued and fully paid (in thousands)	90,890	90,890
Shares issued	$ 908,896	$ 908,896

The issued common stock have a par value of 10 per share, and each share has one voting right and the right to receive dividends. The share capital reserved for the issuance of employee stock options is 8,000 thousand shares

b. Capital surplus

	December 31 2022	December 31 2021
Arising from issuance of share capital	$ 34,164	$ 34,164
Arising from treasury share transactions	8,600	8,600
Disposal asset gain	46	46
Others	24,608	24,608
	$ 67,418	$ 67,418

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, convertible bonds and arising from treasury share transactions) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital. The capital surplus from share of changes in equities of subsidiaries and associates may be used to offset a deficit. however, when generated from issuance of restricted shares for employees, such capital surplus may not be used for any purpose.

c. Retained earnings and dividend policy

According to the Company's Articles, if there is a surplus in the annual final accounts, except to make up for the accumulated losses of the past years, it will be distributed in the following order:

1) Pay tax.

2) Make up for losses from previous years.

3) The Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company.

4) Special reserves are accrued or reversed in accordance with applicable laws and regulation.

5) After allocating in the order of items 1. to 4. above. If there is any balance, the board of directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution of distributing bonuses and dividends to shareholders.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including distributable surplus for the year and funding needs, and distributed to shareholders in accordance with the regulations of the competent authority, the distribution of cash dividend shall not be less than 20% of total dividends.

For information about the accrual basis of the employees' compensation and remuneration of directors and the actual appropriations, refer to Note 22-(h).

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

In accordance with Order No. 1010012865 issued by the FSC (repealed on December 31, 2021), Order No. 1030006415 issued by the FSC (repealed on December 31, 2021), Order No. 1090150022 issued by the FSC, Order No. 10901500221 issued by the FSC, and "Q&A the Adoption of International Financial Reporting Standards (IFRSs)", the Company has appropriated and reversed special reserve. The Company has appropriated and reversed the special reserve in accordance with the "IFRSs Adoption". If there is a reversal of the remaining balance of the reduction in other shareholders' equity, the reversed portion of earnings may be distributed.

The appropriations of earnings and the dividends per share for 2021 and 2020 were approved in the shareholders' meeting on June 17, 2022 and July 20, 2021, respectively, as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Legal reserve	$ 5,528	$ 953	$ -	$ -
Special reserve	2,865	-	-	-
Cash dividends	27,267	-	0.3	-

The appropriations of earnings and the dividends per share for 2022 were approved in the shareholders' meeting on March 15, 2023, as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 3,364	$ -
Special reserve	124	-

The 2022 appropriations of earnings is yet to be resolved at the shareholders' meeting expected to be held in June 2023.

Proposal for the appropriations of earnings in relation to the proposal passed by the board of directors of the Company and the resolution of the general meeting of shareholders, please refer to Taiwan Stock Exchange -Market Observation Post System

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ -	$ -
Appropriations in respect of		
Debits to other equity items	2,865	-
Balance at December 31	$ 2,865	$ -

e. Other equity items

Unrealized losses on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (2,865)	$ (2,479)
Unrealized gains and losses in the current period equity instruments	(124)	(386)
Balance at December 31	$ (2,989)	$ (2,865)

21. OPERATING REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Sale of goods	$ 9,692,288	$ 9,425,314
Other operating income	7,897	8,150
	$ 9,700,185	$ 9,433,464

Description of Customer Contract

Revenue from sales of merchandise

In accordance with business practice, the Company accepts returns of electronic equipment and peripheral products. Considering the experience accumulated in the past, the Company estimates the return rate based on the most probable amount and recognizes the refund liability (recorded as other current liabilities) and the related rights to return products. Please refer to Notes 15 and 18.

22. NET (LOSS) GAIN FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2022	2021
Rental income		
Other operating leases	$ 5,231	$ 5,300
Transfer of overdue liability to other income	-	1,065
Others	240	3,276
	$ 5,471	$ 9,641

b. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain on valuation of financial instruments at fair value through profit or loss	$ (3)	$ (68)
Net loss on disposal of property, plant and equipment	(88)	(3)
Indemnity income	-	17,000
Other expenses	(10)	(15)
Net foreign exchange gain	(3,953)	3,629
	$ (4,054)	$ 20,543

Other gains and losses - Indemnity income represents the settlement amount received from the litigation case with the former manager in 2021.

c. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 6,056	$ 2,210
Interest on lease liabilities	356	447
Others	71	31
	$ 6,483	$ 2,688

d. Interest income

	For the Year Ended December 31	
	2022	2021
Interest income		
Bank deposits	$ 614	$ 437

e. Impairment loss recognized (reversed) on non-financial assets

	For the Year Ended December 31	
	2022	2021
Scrap of inventories and write-downs (reversal of write-downs)	$ 10,635	$ (17,028)

f. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 11,760	$ 8,148
Right-of-use assets	14,908	16,142
Intangible assets	331	946
	$ 26,999	$ 25,236
An analysis of depreciation - by function		
Operating costs	$ -	$ -
Operating expenses	26,668	24,290
	$ 26,668	$ 24,290
An analysis of amortization - by function		
Operating costs	$ -	$ -
Operating expenses	331	946
	$ 331	$ 946

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 196,351	$ 203,907
Post-employment benefits		
Defined contribution plans	7,800	7,518
Defined benefit plans (Note 19)	74	78
	7,874	7,596
Total employee benefits expense	$ 204,225	$ 211,503
An analysis of employee benefits expense - by function		
Operating costs	$ -	$ -
Operating expenses	204,225	211,503
	$ 204,225	$ 211,503

h. Employees' compensation and remuneration of directors and supervisors

The Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 5% and of no more than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors and supervisors.

However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses and then allocate compensation of employees and remuneration of directors according to the percentage set forth in the preceding paragraph.

The compensation of employees and remuneration of directors and supervisors for 2022 and 2021 were approved in the shareholders' meeting on March 15, 2023 and March 25, 2022, respectively, as follows:

Accrual rate

	2022	**2021**
Compensation of employees	5%	5%
Remuneration of directors and supervisors	1%	1%

Amount

	2022	**2021**
Compensation of employees	$ 2,219	$ 3,797
Remuneration of directors and supervisors	444	759

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

For any further information on the compensation of employees and remuneration of directors and supervisors approved in the meeting of the board of directors, see disclosures in the Market Observation Post System.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax benefit recognized in profit or loss

Major components of income tax expense are as follow:

	For the Year Ended December 31	
	2022	**2021**
Current tax		
In respect of the current year	$ (5,416)	$ -
Income tax on unappropriated earnings	(981)	(429)
Adjustments for prior years	429	-
Deferred tax		
In respect of the current year	(2,398)	(16,622)
Income tax expense recognized in profit or loss	$ (8,366)	$ (17,051)

A reconciliation of accounting profit and income tax expense and the applicable tax rate were as follows:

	For the Year Ended December 31	
	2022	**2021**
Profit before income tax	$ 41,716	$ 71,381
Income tax benefit calculated at the statutory rate	$ (8,343)	$ (14,276)
Effect of expenses that were not deductible in determining taxable profit	(124)	(481)
Income tax on unappropriated earning	(981)	(429)
Tax-exempt income	6	(3)
Unrecognized deductible temporary differences	1,076	(1,862)
Income tax expense recognized in profit or loss	$ (8,366)	$ (17,051)

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2022	**2021**
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ (74)	$ (238)

c. Current tax assets and liabilities

	December 31	
	2022	**2021**
Current tax assets		
Tax refund receivable	$ -	$ 4,926
Current tax liabilities		
Income tax payable	$ 6,397	$ 429

d. Deferred tax balances

The Company offset certain deferred tax assets and deferred tax liabilities which met the offset criteria. The movements of deferred tax assets and deferred tax liabilities were as follows:

	2022			
Deferred tax assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Temporary differences				
Allowance for inventory write-downs	$ 5,980	$ 1,494	$ -	$ 7,474
Allowance for uncollectible accounts	3,095	(63)	-	3,032
Others	2,119	(500)	(74)	1,545
Effect of loss carryforward	3,329	(3,329)	-	-
	$ 14,523	$ (2,398)	$ (74)	$ 12,051

Deferred tax assets	2021 Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Allowance for inventory write-downs	$ 10,061	$ (4,081)	$ -	$ 5,980
Allowance for uncollectible accounts	6,963	(3,868)	-	3,095
Others	2,760	(403)	(238)	2,119
Effect of loss carryforward	11,599	(8,270)	-	3,329
	$ 31,383	$(16,622)	$ (238)	$ 14,523

e. Amounts of deductible temporary differences for which deferred tax assets have not been recognized

	December 31 2022	December 31 2021
Deductible temporary differences		
Allowance over tax limit	$ 47,787	$ 53,767

f. Income tax assessments

The income tax returns of Xander International Corp and Dinghan International Co., Ltd for the years through 2020 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Basic earnings per share	$ 0.37	$ 0.60
Diluted earnings per share	$ 0.37	$ 0.60

Net Profit for the Period

	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Earnings used in the computation of basic earnings per share	$ 33,350	$ 54,330
Earnings used in the computation of diluted earnings per share	$ 33,350	$ 54,330

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	90,890	90,890
Effect of potentially dilutive ordinary shares: Compensation of employees	90	93
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	90,980	90,983

The Company may settle the compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive.

25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments Not Measured at Fair Value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

Fair Value of Financial Instruments Measured at Fair Value on A Recurring Basis

a. Fair value hierarchy

December 31, 2022

	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 3	$ -	$ 3
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 2,356	$ 2,356

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 68	$ -	$ 68
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 2,480	$ 2,480

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

b. Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ 2,480
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	(124)
Balance at December 31, 2022	$ 2,356

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 2,866
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	(386)
Balance at December 31, 2021	$ 2,480

c. Valuation techniques and inputs applied to Level 2 financial instruments at fair value

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

d. Valuation techniques and inputs applied to Level 3 financial instruments at fair value

Financial Instruments	Valuation Techniques and Inputs
Domestic unlisted shares	Market approach: 1) The fair value is measured by the share price and liquidity of similar listed company. 2) The fair value is measured based on transaction price of similar listed company with an appropriate multiplier.

Investments in equity instruments are categorized within Level 3 of the fair value measurement hierarchy due to the lack of quoted prices in an active market; the fair values of financial assets categorized into Level 3 are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

e. Valuation process for Level 3 fair value measurement

The Company evaluates and confirms the reliability, independence and correspondence of the information sources of the estimated value. Appropriate adjustments are made to ensure the rationality of the valuation presented.

f. Sensitivity analysis of the fair value regarding reasonable and possible alternative assumption within Level 3

No sensitivity analysis using alternatives assumptions is done since the valuation of the financial instruments did not adopt self-estimation model.

Categories of Financial Instruments

	December 31	
	2022	**2021**
Financial assets		
Amortized cost (Note 1)	$ 1,967,381	$ 1,236,308
Financial assets at FVTOCI		
Equity instruments	2,356	2,480
Financial liabilities		
Financial liabilities at FVTPL	3	68
Amortized cost (Note 2)	2,154,437	1,461,494

Note 1: These balances include financial assets measured at amortized cost which comprise of cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables and refundable deposits.

Note 2: These balances include financial liabilities measured at amortized cost, which comprise of short-term borrowings, notes payable and trade payables, other payables, guarantee deposits, and temporary receipts.

Financial Risk Management Objectives and Policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings and lease liabilities. The Company's Corporate Treasury function provides services to the business and coordinates access to domestic and international financial markets. It also monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze the exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

a. Market risk

The activities of the Company exposed it to the financial risks of fluctuations in foreign currency exchange rates and interest risk.

There was no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The Company undertook transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arose. Approximately 0% of the Company's sales is denominated in currencies other than the functional currency of the entity in the Company making the sale, whilst almost 9% of costs is denominated in currencies other than the functional currency of the entity in the Company. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year were as follows:

	December 31	
	2022	**2021**
Assets		
USD	$ 16,204	$ 8,090
Liabilities		
USD	59,765	37,116
HKD	111	100

The carrying amounts of the Company's derivatives which are exposed to foreign currency risk at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Liabilities		
USD	$ 3	$ 68

Sensitivity analysis

The Company was mainly exposed to currency fluctuations of the United States dollar (USD).

The following table shows the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	Currency USD Impact	
	2022	**2021**
Post-tax profit or loss	$ (299)	$ (10)

2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial liabilities	$ 24,142	$ 37,560
Cash flow interest rate risk		
Financial liabilities	525,597	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the period was outstanding for the whole year. A sensitivity rate of 0.1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's net income for the years ended December 31, 2022 and 2021 would have increased/decreased by $420 thousand and $0 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its cash flow interest rate risk.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk which would cause a financial loss to the Company due to failure of counterparty to discharge an obligation and due to the financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Company basically adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company's accounts receivable cover a wide range of customers and are not specifically focused on a single counterparty. The Company also continuously evaluates the financial position of its accounts receivable customers and therefore has no significant credit risk on accounts receivable as of the balance sheet date.

The clients of the Company p are widely spread and the Company analyzes its numerous trade receivable clients' financial status continuously.

c. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

1) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table shows the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

Bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing	-	$ 1,355,862	$ 166,811	$ 106,125	$ 42	$ 1,628,840
Variable interest rate liabilities	2.12	525,597	-	-	-	525,597
Fixed interest rate liabilities	1.01-1.23	1,251	3,731	9,307	10,114	24,403
		$ 1,882,710	$ 170,542	$ 115,432	$ 10,156	$ 2,178,840

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing	-	$ 1,326,308	$ 12,163	$ 122,981	$ 42	$ 1,461,494
Fixed interest rate liabilities	1.08-8.84	1,446	3,796	9,311	23,783	38,336
		$ 1,327,754	$ 15,959	$ 132,292	$ 23,825	$ 1,499,830

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As of December 31, 2022 and 2021, the aggregate undiscounted principal amounts of these bank loans amounted to $525,597 thousand and $0 thousand, respectively. Taking into account the Company's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that settle on a gross basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 6,135	$ -	$ -	$ -	$ -
Outflows	(6,138)	-	-	-	-
	$ (3)	$ -	$ -	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 27,651	$ -	$ -	$ -	$ -
Outflows	(27,719)	-	-	-	-
	$ (68)	$ -	$ -	$ -	$ -

2) Financing facilities

	December 31	
	2022	2021
Financing facilities		
Amount used	$ 533,597	$ 2,000
Amount unused	266,403	658,000
	$ 800,000	$ 660,000

As of December 31, 2022 and 2021, the amount of banking facilities and lines of credit utilized was $8,000 and $2,000 thousand of guarantee line for import goods before and after taxation, respectively.

27. RELATED-PARTY TRANSACTIONS

Details of transactions between the Company and other related parties were as follows:

a. Related party name and category

Related Party	Related-Party Category
VIA Technologies, Inc.	The chairman of the Group and the chairman of the affiliated company are the same person.
VIA Next Technologies, Inc.	The chairman of the Group and the chairman of the affiliated company are the same person. (Note)
VIA Labs, Inc.	The chairman of the Group and the chairman of the affiliated company are the same person.
TVBS Media Inc.	The chairman of the Group and the chairman of the affiliated company are the same person.
Fantastic Production Co., Ltd	The chairman of the Group and the chairman of the affiliated company are the same person.
Chander Electronics Corp.	Other related party
HTC Corporation	The chairman of the Group and the chairman of a related company are spouses
Viveport Digital Corporation	The chairman of the Group and the chairman of a related company are spouses

Note: On August 5, 2021, VIA Next Technologies, Inc. rename its legal name and the former name was VIA CPU Platform (Taiwan) Co., Ltd.

b. Operating revenues

	For the Year Ended December 31	
	2022	2021
Sales		
The chairman of the Group and the chairman of the affiliated company are the same person	$ 21,969	$ 3,313
The Company's subsidiary / others	191	285
The chairman of the Group and the chairman of a related company are spouses	628	598
	$ 22,788	$ 4,196
Other revenue		
The chairman of the Group company and the chairman of the affiliated company are the same person	$ 1,400	$ -
The chairman of the Group and the chairman of a related company are spouses	1,235	-
	$ 2,635	$ -

Selling prices and terms of credit of the Group from related parties were the same with external customers.

c. Receivables from related parties (excluding loans to related parties)

The following balances of trade receivables from related parties were outstanding at the end of the reporting period:

	For the Year Ended December 31	
	2022	2021
The chairman of the Group and the chairman of the affiliated company are the same person	$ 9,549	$ 1,648
The Company's subsidiary / Dinghan International Corp.	9	8
The chairman of the Group and the chairman of a related company are spouses	290	274
	$ 9,848	$ 1,930

d. Other transactions with related parties

Rental income

	For the Year Ended December 31	
	2022	2021
The chairman of the Group and the chairman of the affiliated company are the same person, (VIA Technologies, Inc.)	$ -	$ 180
The Company's subsidiary / others	36	36
	$ 36	$ 216

The Company rented out part of its land and building and improvements to the related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

e. Compensation of key management personnel

For the years ended December 31, 2022 and 2021, the amounts of compensation of directors and key management personnel were as follows:

	For the Year Ended December 31	
	2022	**2021**
Short-term benefits	$ 10,580	$ 7,120
Post-employment benefits	216	228
	$ 10,796	$ 7,348

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

28. PLEDGED ASSETS

The following assets of the Company have been provided as collateral for financing loans, court-executed provisional charges (call loans to other banks) and sales contracts.

	For the Year Ended December 31	
	2022	**2021**
Property, plant and equipment	$ 89,896	$ 90,760
Refundable deposits	1,500	1,500
	$ 91,396	$ 92,260

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2022, the amount of customs duties confirmed by banks for importing goods was $8,000 thousand.

30. SIGNIFICANT CONTRACTS

The Company specializes in the electronic components, integrated circuits, and computer equipment.

To enhance the quality of its products and manufacturing technologies, the Company has patent agreements, as follows:

Contractor	Term	Description
Lenovo Technology B.V. Taiwan Branch (Netherlands)	October 1, 2022-September 30, 2023	Rental services of Lenovo product line.

(Continued)

Contractor	Term	Description
HEWLETT-PACKARD Taiwan Ltd.	December 17, 2010 The contract is automatically renewed unless either party issues a notice of discontinuance within 30 days before contract expiry.	Rental services of HP product line.
Dell B.V. Taiwan Branch	July 29, 2022-July 28, 2023	1. Rental services of Dell product line. 2. The lease term is one year, and the contract is renewed every year.
Seagate Singapore International Headquarters Pte. Ltd.	May 27, 2015 The contract is automatically renewed unless either party issues a notice of discontinuance within 30 days before contract expiry.	Rental services of SEAGATE product line
ViewSonic Corporation	January 1, 2023-December 31, 2023	1. Rental services of projectors, smart touch display and liquid-crystal display. 2. Renew a contract for a period of one year following the end of a signed contract.
Samsung Electronics Taiwan Co., Ltd.	January 1, 2023-December 31, 2023	1. Rental services of computer monitors, printers, home appliances and accessories supplies. 2. The lease term is one year, and the contract is renewed every year.
Brother International Taiwan Ltd.	July 1, 2022-June 30, 2023	1. Rental services of printers and printer supplies. 2. The lease term is one year, and the contract is renewed every year.
Canon Marketing Taiwan Co., Ltd.	January 1, 2023-December 31, 2023	1. Rental services of printers. 2. The lease term is one year, and the contract is renewed every year.
MiTAC International Corp.	July 4, 2022-July 3, 2023	1. Rental services of Global Positioning System (GPS). 2. The lease term is one year, and the contract is renewed every year.
Advanced Micro Devices, Inc.	February 22, 2023 The contract is automatically renewed unless either party issues a notice of discontinuance within 30 days before contract expiry.	Rental services of CPU, APU and AMD product line.
Asrock Inc.	May 23, 2022-May 23, 2023	Rental services of Mini PC, VGA and other products.

(Concluded)

31. OTHER ITEMS

Due to the spread of the novel coronavirus (Covid-19) all over the world, some suppliers have stopped working or implemented self-isolation; hence, distributors psychologically expected a supply shortage which caused them to place orders in advance.

The Company evaluated that there is no significant impact on the overall business operation and financial position of the Company. There are no concerns about the capability of the Company to be going concern, and the risk of assets impairment and fund raising.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information includes foreign currencies other than functional currencies of the company entities. Exchange rates between foreign currencies and respective functional currencies are disclosed.

The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary item			
USD	$ 527	30.72	$ 16,204
Financial liabilities			
Monetary item			
USD	1,945	30.72	59,765
HKD	28	3.94	111
Non-monetary items			
USD (Forward exchange contracts)	-	30.72	3

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary item			
USD	$ 292	27.67	$ 8,090
Financial liabilities			
Monetary item			
USD	1,341	27.67	37,116
HKD	28	3.55	100
Non-monetary items			
USD (Forward exchange contracts)	2	27.67	68

The significant realized and unrealized foreign exchange gains and losses were as follows:

	For the Year Ended December 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	29.84 (USD:NTD)	$ (3,960)	27.99 (USD:NTD)	$ 3,609
HKD	3.81 (HKD:NTD)	7	3.60 (HKD:NTD)	18
		$ (3,953)		$ 3,627

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (Notes 7 and 26)

10) Information on investees (Table 2)

b. Information on investments in mainland China (None)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 3)

TABLE 1

XANDER INTERNATIONAL CORP.

MARKETABLE SECURITIES HELD
(In Thousands of New Taiwan Dollars, In Thousands of Shares)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Xander International Corp.	Unlisted stocks Advanced System & Storage Corp.	None	Financial assets at FVTOCI - non-current	608	$ 2,356	5	$ 2,356	

XANDER INTERNATIONAL CORP.

INFORMATION ON INVESTEES
(In Thousands of New Taiwan Dollars, In Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income of the Investee	Share of Profit of Investee	Remark
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
Xander International Corp.	Dinghan International Corp.	5F., No. 531, Zhongzheng Rd., Xindian Dist., New Taipei City	Wholesale of transactional machinery equipment	$ 12,000	$ 12,000	3,200	100	$ 11,169	$ 29	$ 29	

XANDER INTERNATIONAL CORP.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hung Mao Investment Co., Ltd.	22,989,868	25.29%
Mu-Chuan Lin	5,476,000	6.02%
Wen-Chi Chen	4,834,147	5.31%
VIA Technologies, Inc.	4,558,870	5.01%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

XANDER INTERNATIONAL CORP.

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XANDER INTERNATIONAL CORP.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 110
Cash in banks		
Checking accounts		101
Demand deposits	Includes foreign currency deposits US$502 thousand × 30.72	354,235
		$ 354,446

XANDER INTERNATIONAL CORP.

STATEMENT OF NOTE RECEIVABLES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Client A	Payment for goods	$ 40,044
Others	〃	59,080
		99,124
Less: Allowances for impairment loss		(29)
		$ 99,095

Note: The amount due from individual customers included in others does not exceed 5% of the account balance.

STATEMENT 3

XANDER INTERNATIONAL CORP.

STATEMENT OF TRADE RECEIVABLES, NET
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Client A	Payment for goods	281,979
Client B	〃	190,524
Client C	〃	135,317
Others(Note)	〃	880,119
		1,487,939
Less: Allowances for impairment loss		(3,238)
		$ 1,484,701

Note: The amount due from individual customers included in others does not exceed 5% of the account balance.

STATEMENT 4

XANDER INTERNATIONAL CORP.

STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net Realizable Value
Finished goods	$ 972,748	$ 935,378
Less: Allowance for valuation loss	(37,370)	
	$ 935,378	

Note: The Company's inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item.

XANDER INTERNATIONAL CORP.

STATEMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Thousands Shares Except Unit Price in New Taiwan Dollars)

	Beginning Balance		Increase in Investment		Decrease in Investment		Ending Balance			Market Value of Equity	
Name of Securities	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership(%)	Amount	Unit Price	Total Amount
Dingan International Corp.(Note)	3,200	$ 11,140	-	$ 29	-	$ -	3,200	100.00	$ 11,169	3.49	$ 11,169

Note :The amount increased by NT 29 thousand is due to recognized the share of loss of investee company using equity method.

XANDER INTERNATIONAL CORP.

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Vendor Name	Description	Amount
Client A	Payment for goods	$260,340
Client B	〃	200,209
Client C	〃	116,756
Client D	〃	77,189
Client E	〃	58,072
Others (Note)	〃	431,479
		$1,144,045

Note: The amount due to individual vendors included in others does not exceed 5% of the account balance.

STATEMENT 7

XANDER INTERNATIONAL CORP.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Operating Revenue, Net	
PC/NB	$3,378,128
LCD Monitor and TV	2,338,361
Network relevant goods	1,136,241
VGA Card	641,002
Materials	485,063
Others(Note)	1,713,493
	9,692,288
Other Revenue	7,897
Maintenance Revenue	$9,700,185

Note: The amount for each item in others does not exceed 5% of the account balance.

STATEMENT 8

XANDER INTERNATIONAL CORP.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of merchandise inventories	
Inventory at beginning of year	$ 982,517
Add: Purchased during the year(net)	9,263,830
Import costs	6,799
Less: Inventory at end of year	(972,748)
Scrap of inventory	(3,165)
Count losses of inventory	(326)
	9,276,907
Scrap of inventory	3,165
Inventory write-downs	7,470
Count losses of inventory	326
Cost of sales	9,287,868
Other cost	4,322
Operating cost	$9,292,190

XANDER INTERNATIONAL CORP.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Payroll	$ 167,511
Pension	7,874
Rent	7,705
Stationery supplies	1,046
Travel	4,457
Freight	67,925
Postage	4,634
Repair and maintenance	3,316
Advertisement	4,509
Utilities	3,112
Insurance	25,766
Entertainment	3,790
Taxes	305
Depreciation	26,668
Amortization	331
Expect credit reversal gain	(2,385)
Meal allowance	5,366
Employee’s benefits	6,156
Professional	4,940
Package	2,784
Miscellaneous purchase	2,908
Others	13,138
	$ 361,856

XANDER INTERNATIONAL CORP.

STATEMENT OF EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31							
	2022				2021			
項 目	Classified as Operating Costs	Classified as Operating Expenses	Other operating revenue and expense	Total	Classified as Operating Costs	Classified as Operating Expenses	Other operating revenue and expense	Total
Labor cost								
Payroll expense	$ -	$ 166,712	$ -	$ 166,712	$ -	$ 173,127	$ -	$ 173,127
Labor and health insurance	-	15,865	-	15,865	-	17,892	-	17,892
Pension	-	7,874	-	7,874	-	7,596	-	7,596
Remuneration to director	-	799	-	799	-	397	-	397
Others	-	12,975	-	12,975	-	12,491	-	12,491
	$ -	$ 204,225	$ -	$ 204,225	$ -	$ 211,503	$ -	$ 211,503
Depreciation expense	$ -	$ 26,668	$ -	$ 26,668	$ -	$ 24,290	$ -	$ 24,290
Amortization expense	$ -	$ 331	$ -	$ 331	$ -	$ 946	$ -	$ 946

Note 1: As of December 31, 2022 and 2021, the Company had average of 263 and 259 employees (not contain non-employee directors).The employees are not hold several post in Company. There were 7 and 5 non-employee directors for 2022 and 2021, respectively.

Note 2: The Stocks have already traded in Taiwan Stock Exchange Company and Taipei Exchange. The Company should disclosure the bellows:

(1) Average labor cost for the year ended December 31, 2022 was NT$773 thousand. ((Total labor cost of the current year - Total remuneration to director of the current year)/(Employees of the current year - Non-employee directors of the current year))
Average labor cost for the year ended December 31, 2021 was NT$815thousand. ((Total labor cost of the current year - Total remuneration to director of the current year)/(Employees of the current year - Non-employee directors of the current year))

(2) Average payroll and bonus expense for the year ended December 31, 2022 was NT$634 thousand. (Total payroll and bonus expense of the current year/(Employees of the current year - Non-employee directors of the current year))
Average payroll and bonus expense for the year ended December 31, 2021 was NT$668 thousand. (Total payroll and bonus expense of the current year/(Employees of the current year - Non-employee directors of the current year))

(3) There was a -5% adjusted change in the average payroll and bonus expense. ((Average payroll and bonus expense of the current year - Average payroll and bonus expense of the prior year)/Average payroll and bonus expense of the prior year)

(4) The payroll and bonus expense of the supervisors were $0 of the current year and prior year.

(5) The salary policy of the Company are as follow:

a. Directors, supervisor and manager: In accordance with the Company's Article 6 ,The Company's Remuneration of directors,supervisors and managers were decided by reaching the goal of company in short and long-term period, the situation of rationality of financial ,operating and the risk of the Company.

b. Directors and managers : The payroll and benefit of the directors and managers of the Company shall be implemented by the board of directors ,should suggested first by remuneration committee, and discussed by the board of directors ,finally.

c. The payroll and benefit of the supervisors shall be discussed by the board of directors, based on the Company's Article, or the resolution of board of directors authorized with the shareholders' meeting.

d. Employees : The payroll and benefits are discussed and determined with employees and Company . The payroll and benefits which employee received during working period are not below the average employee payroll.

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

1. Financial Status:

Financial Status Comparison Analysis

Unit: In Thousands of New Taiwan Dollars

Item \ Fiscal year	2022	2021	Difference	
			Amount	%
Current assets	3,122,389	2,462,367	660,022	27
Non-current financial assets measured through other comprehensive income	2,356	2,480	(124)	(5)
Property, Plant and Equipment	147,633	149,078	(1,445)	(1)
Intangible assets	342	431	(89)	(21)
Other assets	57,812	68,010	(10,198)	(15)
Total assets	3,330,532	2,682,366	648,166	24
Current liabilities	2,271,598	1,615,285	656,313	41
Non-current liabilities	14,418	28,818	(14,400)	(50)
Total liabilities	2,286,016	1,644,103	641,913	39
Equity attributable to owners of the parent company	1,044,516	1,038,263	6,253	1
Share capital	908,896	908,896	0	0
Capital surplus	67,418	67,418	0	0
Retained earnings	71,191	64,814	6,377	10
Other equity	(2,989)	(2,865)	(124)	4
Total equity	1,044,516	1,038,263	6253	1

Analysis of deviation:

1. The current assets for the period were increased by NT$660,022 thousand, mainly due to an increase of NT$267,737 thousand in cash and cash equivalents and an increase of NT$457,165 thousand in net accounts receivable, compared to the prior period.
2. The current liabilities for the period were increased by NT$656,313 thousand, mainly due to an increase of NT$525,597 thousand in short-term borrowings and an increase of NT$226,378 thousand in accounts payable, compared to the prior period.
3. The retained earnings for the period were increased by NT$6,377 thousand, mainly due to the appropriation of legal reserve and special reserve in 2022 in the amounts of NT$5,528 thousand and NT$2,865 thousand, respectively.

2. Financial Performance:

(1) Primary reasons for major changes in operating revenue, net revenue, and net income after tax in the last two years:

Unit: In Thousands of New Taiwan Dollars

Item \ Fiscal year	2022	2021	Difference	
			Amount	%
Operating revenue	9,701,804	9,437,223	264,581	3%
Operating cost	9,293,675	9,023,996	269,679	3%
Gross profit	408,129	413,227	(5,098)	-1%
Gross profit ratio	4.207%	4.379%	-0.172%	-4%
Operating expense	361,997	369,729	(7,732)	-2%
Operating income	46,132	43,498	2,634	6%
Non-operating revenue and expenses	(4,416)	27,883	(32,299)	-116%
Net income from continuing operations before tax	41,716	71,381	(29,665)	-42%
Income tax expense (income)	8,366	17,051	(8,685)	-51%
Net income (loss) for the period	33,350	54,330	(20,980)	-39%
Other comprehensive income or loss	170	568	(398)	-70%
Comprehensive income or loss for the period	33,520	54,898	(21,378)	-39%

Analysis of deviation: (Deviation over 20%)

1. The decrease in net income before tax, net income, and comprehensive income or loss for the year was mainly due to a decrease of NT$32,299 thousand in non-operating revenue and expenses compared to that of the prior period.

2. The non-operating revenue and expenses for the year were decreased by NT$32,299 thousand, mainly due to a decrease of NT$24,521 thousand in other incomes and losses, compared to the prior period.

3. The income tax expense for the year was decreased by NT$8,685 thousand, mainly due to a decrease of NT$29,665 thousand in profit this year.

4. The other comprehensive income or loss for the year was decreased by NT$398 thousand, mainly due to a decrease in the remeasurements of the defined benefit plan for the period.

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

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

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

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

3. Cash flow:

Cash Flow Analysis

Unit: In Thousands of New Taiwan Dollars

Cash balance for beginning of year	Net cash generated by operating activities for the year	Cash generated (used) for the year	Cash balance remained (shortfall)	Remedy for expected cash shortfall	
				Investment plan	Financing plan
95,540	(199,348)	467,085	363,277	-	-

1. Analysis of deviation in cash flow for the year:
   (1) The net cash generated by operating activities for the period was decreased by NT$545,887 thousand, mainly due to a decrease of NT$599,573 thousand in net cash generated from accounts receivable and an increase of NT$171,679 thousand in cash generated from inventory, compared to the prior period. In addition, the cash generated from accounts receivable, other receivables, and other current liabilities was decreased by NT$152,833 thousand, compared to the prior period. All of these have contributed to the decrease in the cash generated by operating activities for the period.
   (2) The net cash generated by investing activities was decreased by NT$7,114 thousand, compared to the prior period, mainly due to a decrease of NT$2,787 thousand in the cash used in the acquisition of property, plant, and equipment; a decrease of NT$9,241 thousand in the cash used in refundable deposits, and an increase of NT$5,040 thousand in the cash used in prepayments of business facilities, compared to the prior period.
   (3) The net cash generated by financing activities was increased by NT$755,309 thousand, mainly due to an increase of NT$781,597 thousand in the cash generated by short-term borrowings and an increase of NT$27,267 thousand in the cash used in distribution of cash dividends, compared to the prior period.
2. Remedy for cash shortfall and the liquidity analysis: None.
3. Cash flow liquidity analysis for the coming year:
   (1) Cash balance for beginning of year: NT$ 363,277 thousand.
   (2) Expected net cash used in operating activities for the year: NT$ 231,662 thousand.
   (3) Expected cash generated for the year: NT$ 19,007 thousand.
   (4) Expected cash balance remained (shortfall): NT$ 150,622 thousand.
   (5) Remedy for cash shortfall: None.

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

(1) Spending in major capital expenditures and sources of funds: None.

(2) Expected possible benefits: None.

5. Policies on investment in other companies, main reasons for their profit or loss and improvement plans in the most recent year, and investment plans for the coming year:

(1) The Company’s investment policy is to focus on strategic investments for the development of business in the industry, with the aim of enhancing the Company’s overall profitability by generating non-operating revenue through strategic investments.

(2) The investment gains from the reinvestment in Dinghan International Corp. recognized using the equity method in 2022 was NT$29 thousand. The Company will continue to provide support for the company, with the belief that it will soon generate profits for its business as well as non-operating revenue for the Company.

(3) The Company has no investment plan for the coming year.

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

(1) The impacts of interest rate fluctuation, foreign exchange volatility, and inflation on the Company's profit and loss and responsive measures for such impacts:

1. Interest rate risk:

   The revolving credits currently available to the Company allow its use of loans at a floating interest rate. The short-term interest rate for the Company in 2022 ranged from 1.69% ~ 1.97%, and the balance of short-term borrowing at the end of 2022 was NT$525,597 thousand. The financial planning of the Company follows a conservative and prudent approach in principle. For the management of Company's asset allocation, safe investments are its top priority. With regular evaluation on money market interest rates and financial information, the Company selects the most favorable approach to use its financial resources based on the costs of the investments and their possible returns and risk, and takes measures against such risks.

2. Effects of foreign exchange volatility:

   The currency exchange loss for the Company on a consolidated basis in 2022 was NT$3,894 thousand. The impacts of foreign exchange volatility on the Company's profit and loss in the most recent year were limited.

3. Inflation risk:

   The fluctuation on inflation rates in the most recent year did not have a material impact on the Company's operating performance and profitability.

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

1. The Company did not engage in any high-risk/highly leveraged investments and endorsements or guarantees for other parties in the most recent year and up to the date the Annual Report was printed.
2. All financial derivative transactions engaged by the Company were forward exchange contracts that the Company entered into to manage risk exposures from its foreign currency liability due to fluctuations of foreign exchange rates and not for trading purposes. The objective of the Company's hedging strategy is to achieve mitigation against price risks in most of its markets. The Company uses financial derivative products that have a strong negative correlation with the changes in the fair value of the hedged item as hedging instruments and evaluates these instruments periodically.
3. Lending to other parties in the most recent year and up to the date the Annual Report was printed: This did not happen.

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

(4) The impacts of major changes in domestic and foreign government policies and regulatory environment on the Company's financial performance and responsive measures for such impacts: There was no impact on the Company's financial performance resulted from major changes in domestic and foreign government policies and regulatory environment in the most recent year and up to the date the Annual Report was printed.

(5) The impacts of changes in technology and industry on the Company's financial performance and responsive measures for such impacts: The Company is specialized in the agency of IT products. With the development in technology and the industry, IT products will become more user-friendly orientated and supplicated, and the products under the Company's agency will become more diversified and specialized.

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

(7) Expected benefits and possible risks on business merger/acquisition and responsive measures for such risks: None.

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

(9) Risks on vendor and customer concentration and responsive measures for such risks: None.

(10) The impacts and risks of a transfer of significant numbers of shares by any of Company's directors, supervisors, and/or shareholders holding more than 10% of outstanding shares on the Company and responsive measures for such risks: None.

(11) The impacts and risks of a change of control on the Company and responsive measures for such risks: Not applicable.

(12) Litigious or non-litigious disputes:

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

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

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

(2) Security management for computer systems

A. Before outsourcing any activities relating to information technology to a third party, the requirements for the security of information technology should be prepared and the responsibilities and obligations of the vendor with respect to data security and confidentiality should be explicitly stated and included in the contract arrangement with the vendor. The vendor will be asked to comply with these requirements and performance review will be conducted on a periodic basis.

B. All actions involving copying or use of software should follow applicable regulatory or contractual requirements. A management system on the use of software is developed.

C. Necessary preventive and protective measures are taken to detect and avoid computer viruses and other malware to ensure proper operations of systems.

(3) Network safety management

Information systems that allow access with external connections should adopt technologies or measures of different security levels based on the importance and value of their information and systems for the protection of such information and systems from breach, damage, alteration, deletion and unauthorized access.

(4) System access control

A. When an employee leaves the Company, all his/her access to information resources is immediately removed. This procedure is listed as a mandatory protocol for the employee termination process. When there is a change in job duties or a job role of an employee, the employee's access privileges should be adjusted accordingly within the established time frame in accordance with the system access control requirements.

B. The access password management of users are strengthened and access passwords are changed regularly.

C. A stronger safety control should be enforced on system service vendors who perform system repair/maintenance remotely; and such vendors should follow applicable security and confidentiality requirements.

(5) Security management for development and maintenance of application systems

A. When developing a system independently or by an outsourced party, information security requirements should be taken into consideration during the initial phase of the system's lifecycle. Security controls should be established for the maintenance, update, online implementation, and version control to prevent improper software, trapdoors, and computer viruses from damaging the system's security.

B. Requirements and restrictions should be defined on the extent of systems and data to which vendor personnel for software/hardware system development and maintenance is allowed to access; the issuance of long-term system identification and access passwords is strictly forbidden. Short-term and temporary system identification and access passwords may be issued to vendors if there is an actual need for operations; however, such access privileges should be revoked immediately upon completion of their works.

C. An outsourced vendor may only establish and perform maintenance on important software/hardware and facilities under the supervision of, and accompanied by, relevant department personnel.

(6) Physical and environmental security management

Proper physical and environmental security management measures should be established for relevant equipment with respect to its placement, surrounding environment, and access control of personnel.

7. Other Important Matters: None.

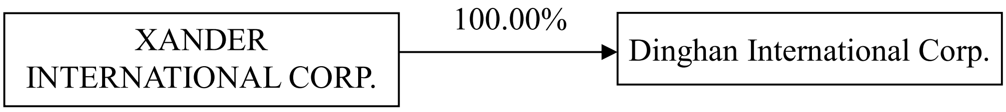
VIII. Special Notes

1. Information of Affiliates:

(1) Affiliate Consolidated Business Report

1. Organizational chart for the affiliate

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



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

2. General information for the affiliate

Unit: In Thousands of New Taiwan Dollars

Business name	Date established	Address	Paid-in capital	Major business or manufacturing activities
Controlling entity: XANDER INTERNATIONAL CORP.	1995.11.02	5F, No. 531, Zhongzheng Road, Xindian District, New Taipei City	908,896	Distribution and agency of sales of electronic components, parts, integrated circuits, and computer equipment and peripherals.
Controlled entity: Dinghan International Corp.	2002.11.05	5F, No. 531, Zhongzheng Road, Xindian District, New Taipei City	32,000	Wholesale and retail sales of office equipment.

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

4. Business activities of the affiliates and their association:

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

① Distribution of IT products: Distribution and agency of sales of electronic components, parts, integrated circuits, and computer equipment and peripherals.

② International trade: Wholesale and retail sales of office equipment.

③ Repair for IT equipment: Repair, maintenance, and installation of electronic, computer, network communication equipment and products, and their distribution of sales.

(2) Distribution in business activities among the affiliates:

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

5. Directors, supervisors, and general manager of the affiliate

Unit: In Thousands of New Taiwan Dollars; Share

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

6. Operational overview of the affiliate

Unit: In Thousands of New Taiwan Dollars

Business name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Income (loss) for the period (after tax)	Earnings per share (loss) (NT$) (after tax)
Controlling entity:								
XANDER INTERNATIONAL CORP.	908,896	3,329,151	2,284,635	1,044,516	9,700,185	46,139	33,350	0.37
Controlled entity:								
Dinghan International Corp.	32,000	12,558	1,389	11,169	13,507	(44)	29	(0.01)

(2) Affiliate Consolidated Financial Statements

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

(3) Affiliation report

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

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

3. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the date the Annual Report was printed: None.

4. Other Matters Requiring Supplementary Information: None.

IX. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 2 Subparagraph 2 of the Act over the past year and up to the date the Annual Report was printed: None.

XANDER INTERNATIONAL CORP.

Chairman: Wen-Chi Chen