

**Stock Code: 2362**

**Annual Report Website: <https://mops.twse.com.tw/mops/web/index>**

**Company Website: <https://www.clevo.com.tw/>**

# **CLEVO CO.**

## **2023**

# **Annual Report**

**Publication Date: May 10, 2024**

**Clevo CO.**  
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# One. Letter to Shareholders

Dear Shareholders:

## I. 2023 Business Report

### (I) Results of the operation plan implementation for 2023

According to the IMF report, the global real GDP growth in 2023 was 3.1%. Although there are still many challenges such as intensifying geopolitical tensions and tightening monetary policies, the factors at both ends of the demand and supply have supported the growth of major economies. As inflation eases and economic growth stabilizes, the global economy is entering the final stage of achieving a soft landing. The global notebook industry was deeply impacted by the high inflation, with shipments declining by 10.8% for several years, but the decline has narrowed from the previous year. The consumption and investment activities of China's economy are still relatively sluggish, and the growth is weak. Under the challenging backdrop of global economic recovery, the Group's annual consolidated operating revenue was MTD 24.4 billion, the second highest in history, and achieved the quarterly and yearly growth of 9.8%.

#### Notebook Business Group

In 2023, global notebook shipments totaled 166 million units due to the impact of inflation, a year-on-year decrease of 10.8%. Despite the trend, the Company's shipment volume grew to 1.68 million units, up 4% year-on-year. Its revenue reached NTD 21.3 billion, up 13% year-on-year, the second highest performance in history. In the face of the challenges of destocking and price cut, the Company continues to optimize its product portfolio and provide channel customers with a product competition strategy that favors them, allowing them to jointly secure a niche market in a timely manner. The blue ocean ratio has remained stable at 60% while taking into account the shipment volume. Even under the pressure of the global notebook market declining, through precise market positioning and effective cost control of the Company, coupled with the efforts of co-existence and co-prosperity with channel customers, the Company was able to bring its revenue back to the track of double-digit annual growth. Due to profit sharing with customers, marginal contribution rate decreased by 2 points; however, the operating margin was maintained at 4.2% or higher thanks to higher factory productivity and overall expense ratio control.

#### Buynow Business Group

In 2023, China's GDP grew by 5.2% year-on-year, and the total retail sales of consumer goods increased by 7.2% year-on-year. 2023 was a year when the economy slowly recovered after the lifting of pandemic restrictions. The Buynow Business Group of Buynow Plaza is closely linked to the consumer promotion policies and the return of consumers after the pandemic. The number and scale of marketing activities expanded in the second half of 2023. The overall weekend traffic in Q4 increased by 36% compared to the same period last year. Merchants closely followed the market consumption trend and gradually got out of the haze of rent reduction subsidies due to the pandemic in Q2 of the year. The single rental income in Q4 reached CNY 174 million, an annual increase of 6%. The annual rental income was CNY 695 million, a year-on-year increase of 3%. Due to the increase in operating expenses of various stores' marketing activities, the operating profit of Buynow for the year was flat at CNY 200 million, and the operating margin remained stable at 29%.

### (II) Financial analysis

In 2023, the Group's consolidated operating revenue was NTD 24.4 billion, the second highest in history, with an annual increase of 10%; operating gross profit was NTD 4.89 billion, gross profit margin was 20%, operating profit was NTD 1.73 billion, operating profit margin was 7%, a decrease of 2% from the previous period. This was mainly due to the destocking and price reduction of the global notebook market in Q1. With the efforts of the operations team, the implementation of inventory reduction in the current period was effective, and the number of inventory turnover days fell by 28 days compared to the previous year. The net profit after tax for the year was NTD 1.06 billion, a year-on-year increase of 28%, and the EPS for the year was NTD 1.81.

### (III) Review of research and development

In 2023, the Company combined technology, fashion, green energy, carbon reduction, and environmental protection trends in its product innovation and design. We have continued to develop a series of new models with fashionable features and high-added value in addition to pursuing beauty and fashion in appearance design. The entire series has an Intel Raptor Lake platform that offers ultra-long performance battery and ultra-power-saving designs and integrates wireless transmission frequency, Bluetooth 5.x, and LTE 4G/5G wireless communication functions. The units are also equipped with a touch screen, fingerprint

recognition, and an optional Hello FHD Camera with facial recognition functions, turning them into mobile computing platforms with rich support for high-quality audio-visual and external devices.

The Company has also worked with hundreds of channel customers to proactively plan for the AI PC replacement wave. At the end of 2023, the Company launched L24, L26, V54, and V56 models equipped with INTEL's next-generation Meteor Lake Core Ultra platform, as well as V35 and V36 models equipped with AMD's next-generation Phoenix platform, paired with Windows system to provide generative AI applications with optimized AUDIO sound quality.

In 2024, the Company will continue to collaborate with Intel to develop a new series equipped with "Raptor Lake H/HX Refresh", "Meteor Lake H/U", "Lunar Lake MX U" platform products, with AMD to develop "Dragon Range", "Phoenix", and "Hawk Point", and "Strix Point" platform products; as well as with NVIDIA's next-generation independent graphics card GN22 Refresh to develop a full range of products, achieve excellent multitasking processing technology and ultimate graphics performance. Our goal is to enable users to enjoy perfect 3D effects in various environments at home or traveling abroad, or provide options such as superior graphics and image capabilities and large format display. We aim to surpass other manufacturers' notebook computers at the same price level to meet computing needs and provide a unique computing experience.

## II. 2024 business plan

### (I) Operating policies, expected sales quantity, and its basis, and important production and marketing policies

#### Notebook Business Group

Looking forward to 2024, with the gradual recovery of the global economy, after the inventory adjustment in the notebook market for more than a year, brands are confident that their inventory has returned to a normal level. Furthermore, Intel launched a new processor platform at the end of 2023 and announced the AI PC acceleration program, raising the market's expectation for the industry rejuvenation in 2024. In addition, as there was a surge in notebook demand during the pandemic period, we have now entered the period where people are replacing their notebooks. It is expected that the global notebook market will gradually return to positive growth. The research firm OMDIA forecasts that the global notebook shipments will reach 186 million units in 2024. Our management team set a shipment of 1.95 million units for the whole year, exceeding the challenging target of 270,000 units last year.

2024 is widely regarded as the first year of AI PC. According to IDC forecast, the shipment of AI PC will reach 167 million units by 2027, and most of them will be deployed in the commercial field. To follow the development trend of the PC industry, technological innovation and AI applications will become important driving forces in the market in the future. Clevo will continue to customize products with market competitiveness for different regions or countries, while also join forces with international major companies to develop products that meet the market demand. The Company will continue to cultivate niche models in the blue ocean and adopt a shipment strategy that centers on quality. In addition to responding to the replacement needs of large enterprises in mature markets and the procurement needs of governments and SMEs in emerging markets, the Company also targets the growing e-sports notebooks. In the market, by actively planning for commercial and gaming notebooks with high unit prices and high profits, in order to increase the Company's overall revenue and profit. The shipment volume in the first quarter of 2024 will account for 20% of the annual target. We will continue to challenge ourselves to deliver better results than last year's quarterly growth.

#### Buynow Business Group

China's economic situation in 2024 started off stable with improvement. Consumer confidence has gradually recovered, and the Lunar New Year holiday strongly boosted the economy. Total retail sales of consumer goods in January and February 2024 increased by 5.5% compared to the same period last year. China's full-year economic growth target has been set at around 5%. The comprehensive deployment of key policies, including the issuance of additional ultra-long-term special treasury bond, together with the continuous effect of policies such as RRR cuts and tax fee cuts implemented in the past, will help support the continued recovery of the economy.

Buynow Business Group has weathered the impact of COVID-19 and lockdowns, and gradually returned to normal operations. Starting from the second half of 2023, Buynow Business Group accumulated a solid customer base. The increase in footfall and the release of consumption potential have boosted the overall rental income in 2024. In the first quarter of 2024, the rental income was CNY 175 million, with a yearly increase of 1.4%, which brought stable driving force for the annual growth of the Buynow Business Group. With 30% of the investment in Chicony Plaza, the main business was able to come out of the impact of the

pandemic and return to the normal operation track. The effect of foreign currency exchange rate was significantly reduced. In addition, under the circumstance that people's consumption gradually increased, the revenue in Q1 2024 totaled CNY1.02 billion. Overall, as the market conditions continue to improve and the management team's strategic deployment of the department store is careful, the businesses of the Buynow Business Group and Chicony Plaza are expected to grow steadily in performance and profits this year, and thus contributing to the overall profitability of the group.

**(II) Influence of the Company's development strategy by external competitive environment, regulatory environment, and overall operating environment in the future**

Under the background of the global economy turning to green economic development, the Company upholds the business philosophy of integrity and pragmatism, establishes the sustainable development working group and establishes the Group's ESG roadmap. As well as this, the Company strives to pay attention to issues such as energy conservation and carbon reduction, climate change and energy transition. In addition to taking account these issues into product R&D and design, shopping mall operations, and property management, we will increase investment in the research of environment-friendly technologies and materials, promote the establishment of a green supply chain, and proactively respond to the business environment. We aim to expand our business to address the challenges of changes in the operating environment, and demonstrate our commitment to, and action on, environmental protection.

The rise of AI PC has brought significant impact and growth potential to the notebook market. As the global economy gradually recovers, it is expected that AI PC will become a key factor driving the growth of technology investment. These devices are specially optimized for the processing power of generative AI and are expected to stimulate new demands from enterprises and consumers, thereby stimulating overall sales. As AI functions become increasingly important, the research firm IDC forecasts that AI PCs will account for nearly 60% of all global PC shipments by 2027, and the notebook market will usher in a new period of growth. The Company will continue to work with international big firms to update product lines to ensure synchronization with market demand, and to seize the business opportunities brought by AI PC to promote business growth.

At present, Buynow Plaza is the most professional and largest physical channel in the fields of smart technology and the Internet of Things in China. Seven major categories of products sold in the shopping mall include high-tech, wearables, audio and video, smart life, creative digital products, gaming notebooks and peripherals, and smart toys. In the future, we will closely follow the trend of investment promotion and consumption expansion in China, continue to strengthen our leading and professional position, and improve our products and services to meet consumer demand for high-quality smart products. Through the introduction of big data and combining online and offline resources, the loyalty of existing customers is enhanced, the consumption experience of new customers elevated, the flow of people is increased in order to expand the contact rate of potential consumers. With consumption vitality and attraction of tenants provided, a virtuous cycle is generated with merchants to steadily achieve performance and profit growth targets.

Looking back on the journey full of challenges and achievements in the past year, thanks to the support of friendly operating partners and the efforts of all employees, the Company has maintained a stable financial performance and achieved business growth, and has accumulated momentum to invest in tow major development projects, namely C1D1 and E1E2 in Taiwan. The advantageous resources of the Group in commercial real estate development and operation and smart green building system over the years will be combined into these two major development projects to build a new world of beauty for the gateway to the western district of Taipei City, which our shareholders will be able to see, allowing the Group to reach another level of profits. All colleagues of Clevo will strive to achieve our goals, create better profits for the Company, share the benefits with shareholders, and give back to the society.

Finally, I wish you

good health  
and all the best.

Chairman: Hsu Kun-Tai    Vice Chairman and President: Tsai Ming-Hsien    Chief Accounting Officer: Wu Mai

## Two. Company Profile

I. Date of Incorporation: October 4, 1983

### II. Company History

1983	<ul style="list-style-type: none"> <li>The Company was founded and named as Clevo Computer Ltd., located at Section 3, Zhongxiao East Road. It was engaged in the business of computer's power converters and keyboards. Its approved capital and paid-in capital was NT\$ 1,000,000.</li> </ul>
1984	<ul style="list-style-type: none"> <li>The approved and paid-in capital was increased to NT\$ 5,000,000 and the Company was moved to Section 5, Nanjing East Road.</li> </ul>
1985	<ul style="list-style-type: none"> <li>Moved to No. 17, Yongji Road, Taipei City</li> </ul>
1986	<ul style="list-style-type: none"> <li>Established the keyboard business division, and built up a keyboard factory at Yongji Road. Annual sales increased greatly to NT\$ 101,313,069.</li> <li>Completed the development of large-scale IBM compatible XT/AT keyboard, and mass-produced for sales.</li> </ul>
1987	<ul style="list-style-type: none"> <li>The approved and paid-in capital was increased to NT\$ 35,000,000, and the company type was changed from limited company to incorporated company. Annual sales were NT\$ 274,352,582.</li> <li>Successfully developed small-scale IBM compatible XT/AT keyboard, and mass-produced for sales.</li> </ul>
1988	<ul style="list-style-type: none"> <li>The approved and paid-in capital was increased to NT\$ 70,000,000.</li> <li>Led in the industry to complete the development and design of 286 laptops.</li> </ul>
1989	<ul style="list-style-type: none"> <li>Established the personal computer business division, and built up a personal computer factory in Xizhi.</li> <li>Keyboard factory was moved from Yongji Road to Xizhi.</li> <li>Established president office and general administration office.</li> <li>Annual sales increased greatly to NT\$ 657,836,467.</li> <li>Successfully developed keyboard for the use of laptop.</li> <li>Led in the industry to complete the design of VGA laptop.</li> <li>Took the lead in completing the mass-production of VGA laptop, and successfully developed 386SX laptop.</li> </ul>
1990	<ul style="list-style-type: none"> <li>The approved and paid-in capital was increased to NT\$ 198,000,000.</li> <li>Officially invested in Malaysia Clevo Computer Private Service Ltd. with 100% of shareholding to build up overseas production base for keyboard.</li> <li>Personal computer factory was moved from Xizhi to Wugu, and expanded the production capacity for portable personal computers.</li> <li>Annual sales increased greatly to NT\$ 1,751,257,424.</li> <li>Developed the first 386DX laptop in the domestic industry.</li> <li>Led in the domestic industry to complete the first 286 and 386SX of notebook's development and design, and it was the first domestic manufacturer to pass the FCC's accreditation.</li> </ul>
1991	<ul style="list-style-type: none"> <li>Established the Clevo Computer U.S. Co., Ltd. in the U.S. and the European office in Germany respectively in order to build up a complete sales network in overseas markets.</li> <li>For the long-term demand of sound development, the Company purchased the lands to build up factory and office building at home.</li> <li>Annual sales increased to NT\$ 1,888,874,127.</li> <li>First manufacturer in the domestic industry to complete 386DX of notebook's design and passed the FCC's accreditation.</li> <li>First manufacturer in the domestic industry to complete 486DX of notebook's design and passed the FCC's accreditation.</li> </ul>
1992	<ul style="list-style-type: none"> <li>The Securities Management Commission of Ministry of Finance approved the Company's stock public offering.</li> <li>The approved and paid-in capital was increased to 42,000,000 shares and NT\$ 420,000,000.</li> <li>Annual sales increased to NT\$ 3,303,410,169.</li> <li>Reinvested in the Zhengda Technology Co., Ltd. to mainly produce the monitor.</li> <li>In order to build up a complete sales network in overseas markets, the European office in Germany established the German Clevo Ltd..</li> <li>The export sales' growth in Europe was ranked the third for the Awards of Excellent Trading Businesses.</li> </ul>
1993	<ul style="list-style-type: none"> <li>The approved and paid-in capital was increased to 54,600,000 shares and NT\$ 546,000,000.</li> <li>The 486DX-2 series of color notebooks was mass-produced and passed the FCC's accreditation.</li> <li>Reinvested in domestics trade-type of subsidiary with the name of Kapok Computer Co., Ltd. who was the second brand and mainly focused on professional marketing to expand the market share.</li> <li>Established the U.K. Clevo Ltd. in the U.K. in order to build up a complete sales network in overseas markets.</li> </ul>

	<ul style="list-style-type: none"> <li>• Researched/developed the PENTIUM 80586 series of color notebook and conducted the pilot production</li> <li>• Clevo building was completed at the end of the year at No.35, Wugong 6th Rd., Wugu Industrial Park and started to officially launch in order to increase production volume and efficiency.</li> </ul>
1994	<ul style="list-style-type: none"> <li>• The approved and paid-in capital was increased to 68,250,000 shares and NT\$ 682,500,000.</li> <li>• 586 series of color notebooks were mass-produced and passed the FCC's accreditation.</li> <li>• Established France Clevo Ltd. in France in order to build up a complete sales network in overseas markets.</li> <li>• Passed the certification of ISO-9002 international quality.</li> <li>• Annual sales increased to NT\$ 5,973,247,006.</li> </ul>
1995	<ul style="list-style-type: none"> <li>• The paid-in capital was increased to 81,900,000 shares and NT\$ 819,000,000.</li> <li>• The stock was approved to be traded in the Securities Brokerage.</li> <li>• Research/developed 586 high-end multimedia notebooks and mass-produced.</li> </ul>
1996	<ul style="list-style-type: none"> <li>• The paid-in capital was increased to 99,918,000 shares and NT\$ 999,180,000.</li> <li>• The stock was publicly traded at OTC on March 4.</li> </ul>
1997	<ul style="list-style-type: none"> <li>• The stock was listed and traded in Taiwan Stock Exchange on April 2.</li> <li>• The approved capital was increased to 500,000,000 shares and NT\$ 5,000,000,000.</li> <li>• Conducted the capital increased by cash to issue 27,228 thousand shares of new stock. Each share had a premium of NT\$ 76. Total raised fund was NT\$ 2,069,328,000.</li> <li>• The paid-in capital was NT\$ 2,500,000,000.</li> <li>• Spent NT\$ 700 million to purchase the original Makro's land for building the Clevo second phase of the factory in Wugu.</li> </ul>
1998	<ul style="list-style-type: none"> <li>• Passed the certification of ISO-9001 international quality and strictly asked for the product's quality starting from research and development.</li> <li>• Handled the increase of capital from the earnings and the capital surplus; each share was distributed by NT\$ 2 from earnings and NT\$ 2 from surplus; the paid-in capital was NT\$ 3,570,000,000.</li> <li>• In June, the Clevo Computer Singapore Pte Ltd. was established to engage in the business of consultant relating to computer; through this company, the Clevo reinvested in the establishment of the Clevo (Sichuan) Computer Ltd. and the Clevo Computer (Beijing) Ltd., that were engaged in production and sales of computer related industries in China.</li> <li>• In August, established the Clevo Investment Corporation with the capital of NT\$ 190,000,000.</li> <li>• In October, the Sanchong factory was constructed completely and officially launched.</li> </ul>
1999	<ul style="list-style-type: none"> <li>• In January, Vice President, Tsai, Ming-Hsien, was promoted as President.</li> <li>• In February, the headquarter was transferred from Wugu factory to Sanchong factory.</li> <li>• In July, the earnings and the capital surplus were transferred to increase capital; each share was distributed by NT\$ 0.5 from earnings and NT\$ 0.5 from surplus; the paid-in capital was NT\$ 3,942,700,000.</li> <li>• In September, reinvested in the establishment of the Clevo (Nanking) Computer Ltd. through Clevo Computer Singapore Pte Ltd.</li> <li>• In December, invested in Xubang Venture Capital Co., Ltd. with NT\$ 50,000,000.</li> <li>• Developed the 5101 largest-scale 3-SPINDLE notebook in the world.</li> </ul>
2000	<ul style="list-style-type: none"> <li>• In February, invested in Avita Corporation with NT\$ 80,700,000.</li> <li>• In March, all employees in the Wugu factory were moved to the Sanchong factory.</li> <li>• In April, the sales volume of the notebook broke through 50,000 units to reach 50,106 units.</li> <li>• In April, the Wugu factory was leased to the Desheng Enterprise Co., Ltd.</li> <li>• In May, invested in Taiwan Fixed Network Co., Ltd. with NT\$ 400,000,000.</li> <li>• In September, handled the increase of capital from the capital surplus; each share was distributed by NT\$ 1.0 from surplus; the paid-in capital was NT\$ 4,336,970,000.</li> </ul>
2001	<ul style="list-style-type: none"> <li>• In September, invested in Chicony Software Inc. with US\$1,500,000.</li> <li>• In September, established the Clevo (Cayman Islands) Holding Company; through this company, the Clevo reinvested in the establishment of the Buynow Electronic Information (Wuhan) Ltd.</li> <li>• In October, established the Kapok Computer (Samoa) Corporation; through this company, the Clevo reinvested in the establishment of the Kapok Computer (Kunshan) Ltd. that was engaged in production and sales of the computer related industries in China.</li> <li>• In October, the Buynow Plaza of the Clevo (Nanking) Computer Ltd. was inaugurated.</li> <li>• Successfully developed the first 8880 model in support of P4 WILLAMETTE 2G CPU and 5 SPINDLE in the world.</li> </ul>
2002	<ul style="list-style-type: none"> <li>• In January, increased capital to Chicony Software Inc. with US\$1,500,000. The accumulated investment to this company reached US\$3,000,000 and accounted for 50% of its shareholding.</li> </ul>



	<ul style="list-style-type: none"> <li>• In January, invested in the establishment of the First Choice Logistics Limited with US\$1,000,000, which was engaged in the trading of computers and its peripherals.</li> <li>• In July, handled the increase of capital. The original shareholders were distributed by NT\$ 0.5 per share from surplus and NT\$ 0.5 per share from earnings. The paid-in capital was NT\$ 4,819,757,000.</li> <li>• In September, invested in the establishment of the Buynow Electronic Information (Hangzhou) with US\$2,000,000.</li> </ul>
2003	<ul style="list-style-type: none"> <li>• In March, increased capital to Buynow Electronic Information (Hangzhou) with US\$3,000,000.</li> <li>• In March, invested in the Buynow Electronic Information (Shanghai) with US\$1,500,000.</li> <li>• In May, sold out the Avita Corporation to Chicony Power.</li> <li>• In July, sold out the Wugu factory to Prodisc Technology Inc.</li> <li>• In August, handled the increase of capital. The original shareholders were distributed by NT\$ 0.3 per share from surplus. The paid-in capital was NT\$ 4,982,093,010.</li> <li>• In September, the Jinan Store of the Buynow Plaza was inaugurated.</li> <li>• In October, the Kunshan factory completed the assembly production line and began to mass-produce the machinery and ship out.</li> <li>• In December, the whole building of the factory located at Wuquan Road, Wugu Industrial Park was leased to the HANNspree Co., Ltd. with a monthly rental of NT\$ 6,384,000.</li> </ul>
2004	<ul style="list-style-type: none"> <li>• In July, the Changsha Store of the Buynow Plaza was inaugurated.</li> <li>• In July, handled the increase of capital. The original shareholders were distributed by NT\$ 0.5 per share of cash dividend and NT\$ 0.5 per share of stock dividend (NT\$ 0.2 from earnings and NT\$ 0.3 from capital surplus). After capital increased, the paid-in capital was NT\$ 5,296,950,000.</li> <li>• In September, the Zhengzhou Store of the Buynow Plaza was inaugurated.</li> <li>• In December, the Tianjin Store of the Buynow Plaza was inaugurated.</li> </ul>
2005	<ul style="list-style-type: none"> <li>• In January, the Hefei Store of the Buynow Plaza was inaugurated.</li> <li>• In January, the Clevo M38EW multimedia luxury video/audio series models of notebook was honored with the 13th term of Taiwan Excellence Awards.</li> <li>• In March, the Kapok Computer (Samoa) Corporation finished the contract's signature for US\$30,000,000 of the bank syndicated loan program with five year of term.</li> <li>• In June, the Hangzhou Store of the Buynow Plaza was inaugurated.</li> <li>• In August, handled the increase of capital. The original shareholders were distributed by NT\$ 0.5 per share of cash dividend and NT\$ 0.5 per share of stock dividend (NT\$ 0.3 from earnings and NT\$ 0.2 from capital surplus). After capital increased, the paid-in capital was NT\$ 5,582,273 thousand.</li> <li>• In August, the Sanchong factory's production line was transferred to the Kunshan factory.</li> </ul>
2006	<ul style="list-style-type: none"> <li>• In March, the outbound volume of the Kapok Computer (Kunshan) Co., Ltd. reached a new high record of 60,063 units in a single month since transfer of factory. Its production efficiency was gradually enhanced.</li> <li>• In July, the Guangzhou Store of the Buynow Plaza was inaugurated. Its measurements were 38,539.89 square meters which was the biggest Buynow plaza at the moment.</li> </ul>
2007	<ul style="list-style-type: none"> <li>• In March, the Changchun Store of the Buynow Plaza was inaugurated. It was the tenth store.</li> <li>• In April, the outbound volume of the Kapok Computer (Kunshan) Co., Ltd. reached a new high record of 80,000 units in a single month. Its production efficiency was greatly enhanced.</li> <li>• In April, sold out 28,000,000 shares of the Taiwan Fixed Network Co., Ltd.'s shareholding. After selling out, the shareholding was zero.</li> <li>• In June, the outbound volume of the Kapok Computer (Kunshan) Ltd. reached a new high record of 100,000 units in a single month.</li> <li>• In August, handled the increase of capital. The original shareholders were distributed by NT\$ 0.4 of stock dividend per share (NT\$ 0.2 from earnings and NT\$ 0.2 from capital surplus). After capital increased, the paid-in capital was NT\$ 5,825,204 thousand.</li> <li>• In September, the Shanghai (Pudong) Store of the Buynow Plaza was inaugurated. It was the eleventh store.</li> <li>• In November, the sales of notebooks reached a new high record of NT\$ 1.5 billion.</li> <li>• In December, the Xi'an Store of the Buynow Plaza was inaugurated. It was the twelfth store.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• In March, the Harbin Store of the Buynow Plaza was inaugurated. It was the thirteenth store.</li> <li>• In March, the flow of people for the Buynow Plaza's Guangzhou Store broke through 100,000 person-time on a single day. The total flow of people for the Buynow Plaza's 13 stores broke through 500,000 person-time that set a new high record.</li> <li>• In June, the Xiamen Store of the Buynow Plaza was inaugurated. It was the fourteenth store.</li> <li>• In August, handled the increase of capital. The original shareholders were distributed NT\$ 0.5 of stock dividend per share and NT\$ 0.5 of cash dividend per share. After capital increased, the paid-in capital was increased to NT\$ 6,246,000 thousand.</li> <li>• In September, the sales of notebooks reached a new high record of NT\$ 1.76 billion.</li> </ul>
2009	<ul style="list-style-type: none"> <li>• In January, the Wuxi Store of the Buynow Plaza was inaugurated. It was the fifteenth store.</li> <li>• In April, the Beijing Store of the Buynow Plaza was inaugurated. It was the sixteenth store.</li> <li>• In July, handled the increase of capital. The original shareholders were distributed by NT\$0.5043 of stock dividend per share. After capital increased, the paid-in capital was NT\$6,556,000 thousand.</li> </ul>

	<ul style="list-style-type: none"> <li>• In August, the Xuhui Store of the Buynow Plaza was inaugurated. It was the seventeenth store.</li> <li>• In September, the Qingdao Store of the Buynow Plaza was inaugurated. It was the eighteenth store.</li> </ul>
2010	<ul style="list-style-type: none"> <li>• In February, the Changzhou Store of the Buynow Plaza was inaugurated. It was the nineteenth store.</li> <li>• In April, the Chongqing Store of the Buynow Plaza was inaugurated. It was the twentieth store.</li> <li>• In June, handled the cancellation of treasury shares to reduce the capital. After reduction of capital, the paid-in capital was NT\$ 6,384,670 thousand.</li> <li>• In July, the original shareholders were distributed by NT\$ 1.5 of cash dividend per share.</li> <li>• In October, the Chengdu Store in the Chicony Plaza Department Store was officially inaugurated.</li> <li>• In December, the Daqing Store of the Buynow Plaza was inaugurated. It was the twenty-first store.</li> <li>• In October, obtained the land in Shantou.</li> </ul>
2011	<ul style="list-style-type: none"> <li>• In February, obtained the land used for Buynow in Yancheng.</li> <li>• In April, the Taiwan Excellence Pavilion was inaugurated in Buynow.</li> <li>• In June, the Zibo Store of the Buynow Plaza was inaugurated.</li> <li>• In June, obtained land in Yingkou and Anshan.</li> <li>• In June, the Buynow's headquarter was transferred to the Epoque Building in Shanghai.</li> <li>• In July, the original shareholders were distributed by NT\$ 1 of cash dividend per share.</li> <li>• In August, obtained the land in Guiyang.</li> <li>• In November, obtained the real estate in Taizhou.</li> </ul>
2012	<ul style="list-style-type: none"> <li>• In January, signed the letter of intent for industry-academia collaboration with Taipei University of Technology.</li> <li>• In July, the original shareholders were distributed by NT\$ 1.5 of cash dividend per share.</li> <li>• In July, obtained land used for Buynow in Dezhou.</li> <li>• In September, obtained land used for Buynow in Luoyang.</li> <li>• In November, the Company's board of directors resolved the capital increase by cash in 2012; every share was issued at a price of NT\$ 32; and this program was declared to the Financial Supervisory Commission in this month with the Letter No. 1020048919 to take effect on record. and this program was declared to the Financial Supervisory Commission in this month with the November 20, 2012 Letter No. 1020048919 to take effect on record. The increase of capital by cash issued 62,500,000 shares with the total amount of NT\$ 2 billion that was fully received on December 26, 2012.</li> <li>• In December, the Taizhou Store of the Buynow Plaza was inaugurated.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• In January, handled the increase of capital by cash to the Ministry of Economic Affairs for the issuance of 62,500,000 shares. After capital increased, the capital was NT\$ 7,009,670,000.</li> <li>• In January, disposed of the Company's factory located at the Wugu Industrial Park and the disposed price was NT\$ 2.67 billion.</li> <li>• In March, obtained the land used for Buynow in Quanzhou.</li> <li>• In July, the original shareholders were distributed by NT\$ 2.0 of cash dividend per share.</li> <li>• In August, obtained the land used for Buynow in Jinzhou.</li> <li>• In December, cancelled 11,804,000 shares of the treasury shares to reduce the capital. After change, the capital was NT\$ 6,891,630,000.</li> </ul>
2014	<ul style="list-style-type: none"> <li>• In March, obtained land No. 850, 851, and 852, Dingkan Section, Sanchong District, New Taipei City.</li> <li>• In May, cancelled 6,000,000 shares of the treasury shares to reduce the capital. After change, the capital was NT\$ 6,831,630,000.</li> <li>• In June, completed the Clevo's syndicated loan program of NT\$ 6 billion with five year of term.</li> <li>• In June, the Chairman, Hsu, Kun-Tai was awarded the honorary doctorate of the Engineering Institute, Taipei University of Technology.</li> <li>• In July, the original shareholders were distributed NT\$ 3.15 of cash dividend per share.</li> <li>• In November, obtained three property buildings in Tokyo, Japan. The total measurement was 4,000 pings.</li> <li>• The Wuhan Store of the Buynow Plaza was officially opened on October 18, 2014.</li> <li>• The Suzhou Store of the Buynow Plaza was officially opened on November 22, 2014.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• In March, according to evaluation and testing from the European Notebook Check.Net on the category of Lightweight Gaming and Workstation, the Clevo's notebooks, P651SG and P750ZM, were dazzlingly ascended to the top one respectively; it was in the lead of other global brands of machine.</li> <li>• In April, the Company was evaluated as A-grade in the 12th term of the Information Disclosure Evaluation for TWSE/TPEX Listed Companies.</li> <li>• In May, completed the five-year term of the syndicated loan program for Clevo (Cayman Islands) Holding Company with US\$120 million.</li> <li>• In July, the original shareholders were distributed by NT\$ 2.5 of cash dividend per share.</li> <li>• In July, the resolution of the board of directors passed to issue the Company's first secured ordinary corporate bond in 2015 with NT\$ 5 billion. This program was declared to the Financial Supervisory Commission on August 12, 2015 with the letter No. 1040030770 to take effect on record; and the fund was raised completely on August 28, 2015; the predetermined programs for fund application were all finished on September 30, 2015.</li> <li>• In August, the board of directors passed the program for the first buy-back of the Company's shares in 2015 to transfer to the employees; it bought back a total of 3,400 shares on October 12 with the average price of NT\$ 32.75 per share.</li> <li>• In November, terminated the assignment agreement for the right-of-use land of the national construction with the National Land Resources Bureau in Yancheng City to end the land development project in Yancheng.</li> <li>• In December, the board of directors passed the program for the second buy-back of the Company's shares with 10,000 shares in 2015 to transfer to the employees.</li> </ul>

2016	<ul style="list-style-type: none"> <li>In February, finished the treasury shares' buy-back with 10,000 shares; the average buy-back price was NT\$ 31.22.</li> <li>In April, according to the announcement of the Harvard Business Review for the investigation of top 50 Taiwanese CEO in 2016, Hsu, Kun-Tai, the Chairman of the affiliate, the Chicony Electronics (2385), was selected as one of top 50 to be ranked 24th in the overall ranking; furthermore, he was ranked the top one in the ranking of the electronics components.</li> <li>In May, the Hyatt Place Luoyang was officially inaugurated.</li> <li>In May, disposed of the Company's land No. 848, 850, 851 and 85, Dingkan Section, Sanchong District, New Taipei City.</li> <li>In July, the original shareholder was distributed by NT\$ 1.1 of cash dividend per share.</li> <li>On July 16, the Chengdu Grand Hyatt in the Chicony Plaza Department Store was officially inaugurated.</li> <li>In October, the Xuhui Store in Shanghai was reopened and upgraded as the first technological and intelligent plaza in China to render the consumers more comprehensive services.</li> </ul>
2017	<ul style="list-style-type: none"> <li>In July, the original shareholders were distributed by NT\$ 0.7 of cash dividend per share.</li> <li>In August, completed the first issuance of 2016 CSR Report.</li> <li>On November 11, the Xi'an Store of the Chicony Plaza Department Store was officially inaugurated.</li> <li>In December, the board of directors decided to dispose of the Wuhan Store of the Buynow Plaza to the Chicony Plaza Department Store in order to enhance the group's overall business performance. After disposing, the Company still held 30% of the shareholding indirectly.</li> </ul>
2018	<ul style="list-style-type: none"> <li>In February, the board of directors passed the program of the first buy-back of the Company's shares in 2018 to transfer to the employees. It bought back a total of 10,000 shares on April 8 with the average price of NT\$ 29.42.</li> <li>In March, the shareholding and the management power of the Buynow Plaza's Wuhan Store were handed over to the Chicony Plaza Department Store.</li> <li>For the 4th term of the corporate governance evaluation, the Company made a leap from 6th range to the first 3 range by the improvement of performance.</li> <li>In April, the board of directors passed the program of the second buy-back of the Company's shares in 2018 to transfer to the employee. It bought back a total of 10,000 shares on June 8 with the average price of NT\$ 31.38.</li> <li>In July, the capital surplus was distributed to the shareholders by NT\$ 0.8 of cash dividend per share.</li> <li>In October, cancelled 3,400 shares of treasury stock to reduce capital. After change, the capital was NT\$ 6,797,630,000.</li> <li>In November, the board of directors passed the program of the third buy-back of the Company's 10,000 shares in 2018 to transfer to the employee.</li> <li>In October, the Dezhou Store of the Chicony Plaza Department Store was inaugurated.</li> <li>In December, the Shantou Store of the Chicony Plaza Department Store was inaugurated.</li> </ul>
2019	<ul style="list-style-type: none"> <li>For the program of the third buy-back of the Company's shares in 2018 to transfer to the employee, it bought back a total of 7,500 shares on January 14 with the average price of NT\$ 30.08.</li> <li>In February, cancelled 10,000 shares of the treasury stock to reduce the capital. After change, the capital was NT\$ 6,697,630,000.</li> <li>Kept in the third range for the 5th term of the corporate governance evaluation.</li> <li>In May, the board of directors approved the disposal of Chicony Malls in Shantou City to Chicony Industry (Wuhan) Co., Ltd. in order to enhance the business synergy within the group, boost the return on investment and maximize the group's operational efficiency.</li> <li>In June, the board of directors passed the program of the first buy-back of the Company's shares in 2019 to transfer to the employees. It bought back a total of 10,000 shares on August 16 with an average price of NT\$ 32.01.</li> <li>In July, a cash dividend of 0.2 dollar per share and a capital reserve of 0.8 dollar per share, totaling to a cash dividend of 1 dollar per share to shareholders.</li> <li>In July, the resolution of the board of directors passed to issue the Company's first secured ordinary corporate bond in 2019 with NT\$ 5 billion. This program was declared to the Taipei Exchange on August 22, 2019 with the Zheng-Gui-Zhai-Zi No. 10800100371 to take effect on record; and the fund was raised completely on August 26, 2019; the predetermined programs for fund implementation were all completed on August 28, 2019.</li> <li>In July, the Company disposed three investment properties in Tokyo.</li> <li>The Company received the Taipei City MRT Area I No. 1086001632 Notification from the Department of Rapid Transit Systems, Taipei City Government on October 18 that the Company had taken over the priority and acquired the right to negotiate the contract of the "Land development project in the special zone C1/D1 (east half of the street) of Taipei Main Station."</li> <li>On November 11, the Ministry of Economic Affairs approved the establishment of "Taipei Twin Towers Limited" with issuance of 200 million shares and a paid-up capital of NT\$ 2 billion; and 50% of the shares will be held by Clevo and Epoque Group respectively.</li> <li>On December 17, Taipei Twin Towers Limited and the Department of Rapid Transit Systems, Taipei City Government signed the investment contract for the land development of the special zone C1/D1 (east half of the street) of Taipei Main Station.</li> </ul>
2020	<ul style="list-style-type: none"> <li>In February, the board approved the first repurchase of the Company's 10,000,000 shares in 2020. On April 30, a total of 10,000,000 shares were repurchased, at an average price of NT\$ 29.66 per share.</li> <li>For the results of the 6th term of the corporate governance evaluation released in April, the Company made an improvement by 2 points, remained in the top 3 range in the listed companies, and advanced one level in the third level of the electronics sector with a market value of more than NT\$ 10 billion.</li> <li>In May, the Chicony-CLEVO group was ranked the 44th in CommonWealth Magazine's list of Top 50 Business Groups for 2020.</li> <li>In July, cash dividends of NT\$ 0.4 per share were issued with capital surplus.</li> </ul>
	<ul style="list-style-type: none"> <li>In April, capitalization was reduced with the cancelation of 10,000 treasury shares. The resulting share capital was NT\$ 6,597,630,000.</li> <li>For the results of the 7th term of the corporate governance evaluation released in April, the Company made a significant improvement by moving up from the third level to the second level according to the rankings of listed companies and among electronics companies with a market capitalization of more than NT\$ 10 billion.</li> <li>In June, 10,000 treasury shares were canceled. After the change, the share capital was NT\$6,497,630,000.</li> <li>In July, cash dividends at NT\$0.6 per share were distributed to the original shareholders.</li> </ul>

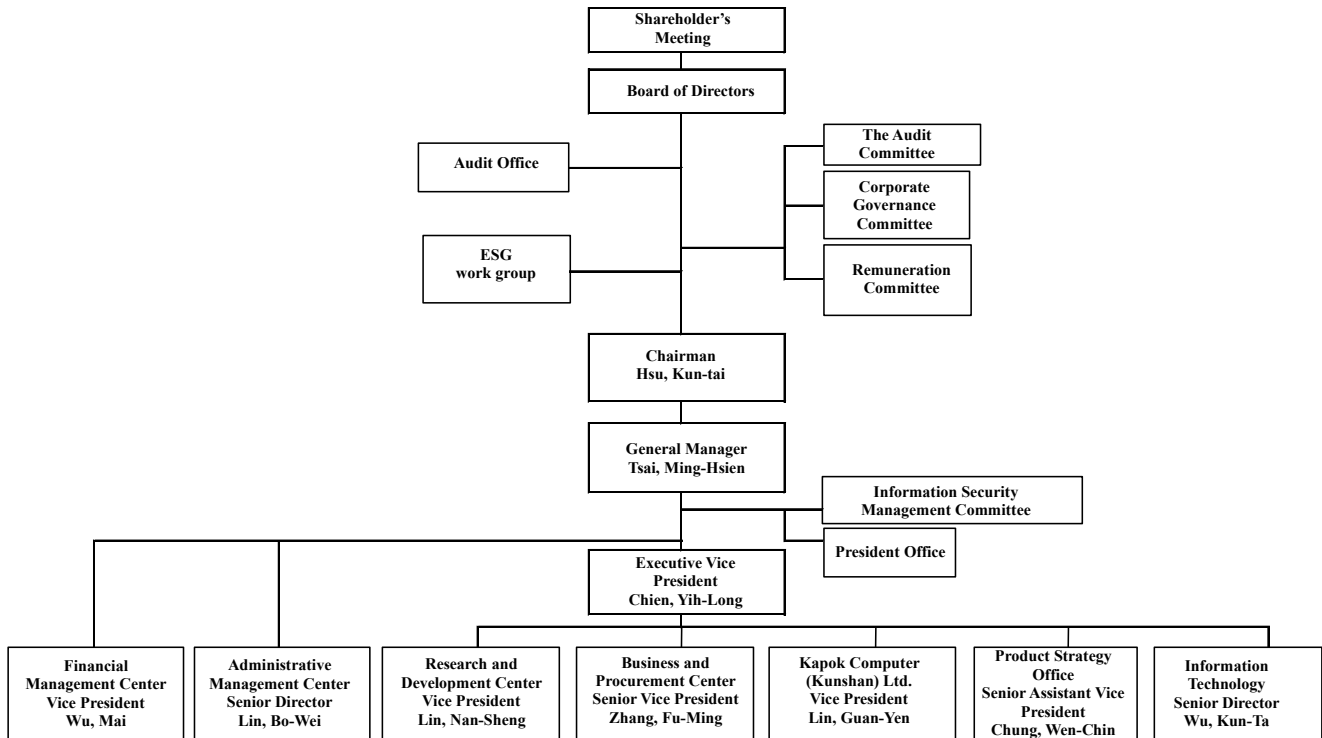
	<ul style="list-style-type: none"> <li>• In October, the Company's factory office building in Sanchong District was disposed of for NT\$4.1 billion.</li> <li>• In October, the board of directors approved the first buyback in 2021 for 10,000 shares, to be transferred to employees. On November 11, a total of 10,000 shares were repurchased at an average price of NT\$32.91.</li> <li>• Our shipments totaled 2.07 million units, and the group's consolidated revenues exceeded NT\$26.99 billion, both record-high levels.</li> </ul>
2022	<ul style="list-style-type: none"> <li>• In January, 7,500 treasury shares were canceled. After the change, the share capital was NT\$6,422,630,000.</li> <li>• In January, the Global Views Monthly magazine published the list of top 100 evergreen heritage stocks among the TWSE/TPEx listed companies in Taiwan with over 30 years of history. Chicony Group under Chairman Hsu ranked the fourth. CLEVO Group was ranked the 62nd.</li> <li>• The Environmental Impact Comparative Analysis Report on the development of the Taipei Twin Towers, reinvested by the Company, passed the Environmental Impact Assessment Review Committee, Taipei City, review on March 16. The application for the construction permit was filed in April.</li> <li>• In March, the Company was relocated to 35F, No. 555, Siyuan Rd, Xinzhuang District, New Taipei City.</li> <li>• In April, the Company maintained in the second range (6%-20%) among the TWSE-listed companies for the 8th term of the corporate governance evaluation. It was the second year in the first half of the league.</li> <li>• On July 15, the Company entered into a joint venture with Kindom Construction Corp. and Hua Tai Investment to establish "Tua Tiann Co., Ltd." with a paid-in capital of 2 billion yuan. The Company holds 24.5% of the shares. That company is responsible for signing and implementing the "Taipei Main Station Designated Area E1E2 Street Profile Public Urban Renewal Investment Proposal" with the Taipei Urban Regeneration Center.</li> <li>• Selected as a constituent stock of the "Corporate Governance 100 Index" on July 18.</li> <li>• In July, the original shareholders were distributed NT\$2.1 as a cash dividend per share.</li> <li>• In September, 10,000 shares of the treasury stock were canceled to reduce the capital. After the change, the capital was NT\$ 6,322,630,000.</li> <li>• Buynow (Quanzhou) shopping mall was sold on September 23.</li> <li>• The groundbreaking ceremony for the Taipei Twin Towers Development Project was held on November 11.</li> </ul>
2023	<ul style="list-style-type: none"> <li>• The Company enter into a 5 years Syndicated Loan Agreement of NT\$7.2 billion with a group of banks on March 30.</li> <li>• In April, the Company maintained the second range (6%-20%) among the TWSE-listed companies for the third consecutive year during the 9th corporate governance evaluation.</li> <li>• In July, the original shareholders were distributed NT\$1.5 as a cash dividend per share.</li> <li>• The Taipei Twin Towers Limited development project held its column-raising ceremony on November 14th.</li> </ul>
2024	<ul style="list-style-type: none"> <li>• In April, the Company maintained the second range (6%-20%) among the TWSE-listed companies for the fourth consecutive year during the 10th corporate governance evaluation.</li> <li>• Signed a five-year, ten-million-dollar social welfare public trust with the Land Bank, continuing to promote social welfare.</li> </ul>

# Three. Corporate Governance Report

## I. Organization System

### (I) Organization Structure

Chart creation date: 2024.04.30



### (II) Main Departments' Business

Name of Department	Responsible Business
Audit Office	Examine and review the internal control system of the Company and the subsidiaries, and audit all rules and systems.
President Office	Establish the Company's business targets and policies, operate each business and supervise/execute the affiliates' management.
Administrative Management Center	1.Be responsible for the human resource management and general administration management for the entire enterprise. 2. Be responsible for the legal and intellectual property management for the entire enterprise.
Financial Management Center	1. Engage in the accounting and tax affairs, set up the budget, analyze the business, and prepare the financial statement. 2. Fund planning, long-term and short-term investment, foreign exchange hedging, and interbank transactions. 3. Services of stock affairs, investor and media relations management, and corporate governance operations.
Research and Development Center	Be responsible for product's research, development, design and technological application.
Business and Procurement Center	1. Plan the global marketing, promote the business and sales; push the global deployment as well as deepen the regions and channel market. 2. Strengthen the after-sales services, meet the customers' demand, intensify the relationships with customers, reduce the risk of the bad debt and take charge of materials' support. 3. Strategic purchase, price negotiation and enquiry for the market price of the components of electrons and mechanisms. 4. Enhance the Company's image, participate in exhibition, advertise, plan and implement.
Kapok Computer (Kunshan) Ltd.	1. Be responsible for planning and coordination of orders received from Taiwan as well as production and manufacture in China. 2. Analyze the production capacity and set up the plans of production and manpower according to the plans of production and sales. 3. Prepare the material plans according to production plans, and control the issuance of material orders to maintain the lowest inventory volume. 4. Establish the production system with high-flexibility, high-efficiency, high-quality and low-cost to meet the customers' demand. 5. Implement the on-site real time service to enhance the service quality for the customers.
Product Strategy Office	Be responsible for new products' development and market development's planning.
Information Technology	1. Plan and Implement the IT operation and e-operation, integrate the IT and communication. 2. Application of systemic plans and design as well as information security and management.

## II. Information for Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Chiefs of Each Department and Branches

### (I) Information for Directors and Supervisors

#### 1.1 Name, sex, age, nationality or location of registration, education, experience, and other positions in the Company or other companies and other information of each director and supervisor

April 2, 2024

Title (Note 1)	Nationality/ Place of Registration	Name	Sex/ age (Note 2)	Date Elected (Assumed)	Term	First election/ appointment date (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding by the Spouse and Minor Children		Shareholding Under Other Persons' Names		Education and experience (Note 4)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remarks (Note 5)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Chairman	R.O.C.	Hsu, Kun- Tai	Male 61~70 years old	August 26, 2021	3 Years	October 4, 1983	51,701,335	7.96%	46,701,335	7.39%	21,371,784	3.38%	0	0.00%	Honorary doctorate of the Engineering Institute, Taipei University of Technology. Department of Electronic Engineering, National Taipei Institute of Technology Chairman, Clevo Co. Chairman, Chicony Electronics CO., Ltd Chairman, the Group of Buynow and the Group of the Chicony Plaza Department Store	Chairman, the Company Chairman, Chicony Electronics CO., Ltd Chairman, the Group of Buynow Chairman, Chicony Plaza Department Store Chairman, Epoque Group Chairman, Taipei Twin Towers Limited Chairman of Tua Tiann Co., Ltd.	-	-	-	-
Vice Chairperson and President	R.O.C.	Tsai, Ming- Hsien	Male 61~70 years old	August 26, 2021	3 Years	May 27, 1993	10,084,224	1.55%	10,084,224	1.59%	3,054,593	0.48%	0	0.00%	Executives Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice Chairman and President, Clevo Co. Direct, Chicony Electronics CO., Ltd. President, the Buynow Group	President, the Company Director, Clevo Investment Co., Ltd. Chairperson and President, Kapok Computer Co., Ltd. Chairman, Kapok Computer (Kunshan) Co., Ltd. President, the Buynow Group Vice Chairman, Chicony Plaza Department Store Vice Chairman, Taipei Twin Towers Limited Direct, Chicony Electronics CO., Ltd.	-	-	-	-
Director	R.O.C.	Lu, Jin- Zong	Male 61~70 years old	August 26, 2021	3 Years	June 12, 1992	0	0.00%	0	0.00%	11,543	0.002%	0	0.00%	Graduate School of Business Administration, National Cheng-Chi University Department of Enterprise Management, National Cheng-Chi University General Manager of Chicony Electronics Co., Ltd. Director, Clevo Co.	Director and President of Chicony Electronics Co., Ltd. Legal Representative Chairman of Chicony Power Technology Co., Ltd., Zhanda Communication Co., Ltd., and Youkang Electronics Co., Ltd. Legal Representative of Hipro Electronics (Taiwan) Co., Ltd.; Kuang Sheng Investment, Chicony Energy, Newmax, and SOE Co., Ltd. Director, Subsidiary of Chicony Overseas Group Director and Secretary, Chicony U.S.A. Director and General Manager, Chicony Electronics (Dongguan) Supervisor of Maorui (Dongguan) and Chicony (Chongqing)	-	-	-	-
Director	R.O.C.	Chien, Yih- Long	Male 51~60 years old	August 26, 2021	3 Years	June 15, 2012	1,673,376	0.26%	1,673,376	0.26%	0	0.00%	0	0.00%	MBA, Phillips University, USA Director, Clevo Co. Executive Vice President, Notebook Business Group, Clevo Co.	Executive Vice President, Notebook Business Group, the Company President, Kapok Computer (Kunshan) Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality/ Place of Registration	Name	Sex/age (Note 2)	Election (appointment date)	Term	First election/ appointment date (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding by the Spouse and Minor Children		Shareholding Under Other Persons' Names		Education and experience (Note 4)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remarks (Note 5)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Independent Director	R.O.C.	Chou, Po- Chiao	Male 71~80 years old	August 26, 2021	3 Years	June 15, 2018	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor, Department of Accountancy, NCKU Qualified Senior Examination of Accounting and Auditing Personnel Executive Director and President, First Commercial Bank Director and Vice President, First Financial Holding Chairman, US First Commercial Bank Chairman, First Venture Capital and First Consulting Vice Chairman, Waterland Financial Holdings Director, Taipei Financial Center Corporation	Independent Director, ITEQ Corporation	-	-	-	-
Independent Director	R.O.C.	Chen, Tsung- Ming	Male 71~80 years old	August 26, 2021	3 Years	June 16, 2015	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Tamsui Vocational High School Director, Zippy Materials Science Inc. Chairman, Betterment Co., Ltd.	Director, Zippy Materials Science Inc. Chairman, Betterment Co., Ltd.	-	-	-	-

Note 1: The name of corporate shareholders and the representatives of corporate shareholders should be listed separately (the representatives of corporate shareholders shall indicate the name of the corporate shareholders).

Note 2: Please list the actual ages. Indication by age groups allowed, such as 41~50 years old or 51~60 years old.

Note 3: First-time service as the Company's director or supervisor. Details required in case of gaps.

\* Director Chin-Tsung Lu was elected as a supervisor of the Company for the first time on June 12, 2003; his term as a supervisor was finished on June 15, 2018 and he was re-elected as a director of the Company at the regular shareholders' meeting on June 18, 2019.

Note 4: Experience relevant to the current role. The positions and responsible tasks should be provided if previously working for the external auditing firm or its affiliates.

Note 5: If Chairman and President or the holder of an equivalent position (the highest level manager) are the same person, spouses or first-degree relative to each other, it is necessary to explain the reason, reasonableness, necessity and countermeasures (e.g., increase of independent directors and over half of the directors not serving as employees or managers).

## 1.2 Major Shareholders of the Corporate Shareholders (all of the directors of the Company are natural persons)

## 1.3 Professional qualifications of directors and supervisors and independence of independent directors

April 2, 2024

Criteria Full name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Hsu, Kun-Tai	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	(Note 3)	None
Tsai, Ming-Hsien	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	(Note 3)	None
Lu, Jin-Zong	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	(Note 3)	None
Chien, Yih-Long	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	(Note 3)	None
Chou, Po-Chiao (Independent Director)	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act Work experience: Executive Director and President of First Commercial Bank; Director and Vice President of First Financial Holding Co., Ltd. (page 12)	(Note 4)	1
Chen, Tsung-Ming (Independent Director)	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act Work experience: Chairman of Betterment Co., Ltd.; Director of Zippy Materials Science Inc. (page 12)	(Note 4)	None

Note 1: Professional qualification and experience: Please describe the professional qualifications and experience of each director and supervisor. It is necessary to describe accounting or financial background and work experience if in the Audit Committee and equipped with accounting or financial expertise. Please also explain whether there are circumstances described in Article 30 of the Company Act.

Note 2: It is required to describe the compliance of independence for independent directors. This includes but not limits to whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or its affiliated enterprises; the number of shares and the percentage of shareholdings owned by the director, the director's spouse or any relative within two degrees (or under other people's names); whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the enterprises with specific relations with the Company (in reference to the fifth to the eighth paragraphs of Article 3-1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) and whether any business, legal, financial or accounting services were provided to the Company and its affiliated enterprises during the most recent two years and if so, the amount of compensations obtained.

Note 3: The members of the board of directors did not have the provisions Article 26-3 of the Securities and Exchange Act (the directors have more than half of the seats with spouses or relatives within the second degree) Items 3 and 4 (between supervisors or between supervisors and directors, no Spouse, kinship within the second degree) occurs under the prescribed circumstances.

Note 4: Compliance of independence is as follows:

- (1) None of the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or affiliated enterprises.
- (2) None of the directors, the director's spouse, or any relative within two degrees hold any company shares or do so under the name of others as of April 2, 2023.
- (3) Not serving as a director, supervisor or employee of any enterprise with specific relations with the Company.
- (4) No rendering of services in business, law, finance or accounting to the Company or its affiliated enterprises during the most recent two years and hence no amount obtained as compensations.



#### 1.4 Board Diversity Policy and Independence:

##### (1) Board diversity

① Article 20 of the Company's Practical Guidelines on Corporate Governance stipulates the board diversity policy. The board members' nomination and election are executed according to the Company's Articles of Incorporation. The candidate nomination system is adopted. In addition to assessing each candidate's education, experience, and qualifications, the Company also refers to stakeholder feedback. The Procedures for Election of Directors and the Practical Guidelines on Corporate Governance are observed to the board diversity and independence.

The Company's current directors are all citizens of the Republic of China. Independent director Ling-Ming Lai resigned on May 31, 2023, resulting in a change from the original 7 directors to 6. Therefore, by the end of 2023, the proportion of directors with an employee status was 33%, while independent directors constituted 33%. One independent director has served for 3 to 6 years, and another has a 6 to 9-year tenure. Among the directors, 2 are aged 70 or above, 3 are between 61 and 70 years old, and 1 falls within the same age range. The Company places significant emphasis on gender equality in the composition of its board of directors. During the 2024 shareholders' meeting, including independent directors, the Company plans to recruit 2 professional and outstanding women to serve as directors. The proportion of female directors is estimated to increase to 29% by December 31, 2023. The implementation of diversity is summarized in the table below:

Name of Director	Nationality	Sex	Age	Independent director's tenure	Aspect I: Experiences Background						Aspect II: Overall Capability					
					Professional Background	Professional Techniques	Industrial Experiences	Capability for judging the business.	Capability for analyzing accounting and finance.	Capability for business management.	Capability for dealing with risks.	Industrial knowledge.	International market viewpoint.	Capability of leadership.	Capability of decision-making.	National Exam Certifications in line with the Company's business needs
Hsu, Kun-Tai	R.O.C.	Male	61~70		V	V	V	V	V	V	V	V	V	V	V	
Tsai, Ming-Hsien	R.O.C.	Male	61~70		V	V	V	V	V	V	V	V	V	V	V	
Lu, Jin-Zong	R.O.C.	Male	61~70		V	V	V	V	V	V	V	V	V	V	V	
Chien, Yih-Long	R.O.C.	Male	51~60		V	V	V	V	V	V	V	V	V	V	V	
Chou, Po-Chiao (Independent Director)	R.O.C.	Male	71~80	3~6 years	V	V	V	V	V	V	V	V	V	V	V	V
Chen, Tsung-Ming (Independent Director)	R.O.C.	Male	71~80	6~9 years	V	V	V	V	V	V	V	V	V	V	V	

Note: All of the Company's six directors have the aforesaid background, experience and professional expertise. Among the directors, Kuntai Hsu, Tsai, Ming-Hsien, Lu, Jin-Zong and Chien, Yih-Long are equipped with IT industry knowledge and international market perspectives. Chou, Po-Chiao has expertise in audit and experience with the financial industry. Chen, Tsung-Ming's deep understanding about the Japan helps the Company to promote business there.

##### ② The specific management objectives of the Company's diversification policy and the current achievement

status:

- (a) Management targets: At least two directors on the board should be equipped with one of the above capabilities. An individual director should have at least four of the above capabilities.
- (b) Achievements to date: The current board composition has achieved the diversity policy targets.

(2) Board independence

As of December 31, 2024, among the Company's six directors, two are independent (33%). None of the directors (including independent directors) is the spouse or relative within two degrees to each other. There is no government agency or legal person or its subsidiaries accounting for at least one third of the Company's board seats.

## (II) Information for Presidents, Vice Presidents, Assistant Vice Presidents, and Chiefs of Each Department and Branches

April 2, 2024

Title (Note 1)	Nationality	Name	Sex	Date Elected (Assumed)	Shareholding		Shareholding of Spouse & Minor Children		Shareholding Under Other Persons' Names		Education and Experience (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Vice Chairperson and President	R.O.C.	Tsai, Ming-Hsien	Male	January 1999	10,084,224	1.57%	3,054,593	0.48%	0	0.00%	Executives Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice Chairman and President, Clevo Co. Direct, Chicony Electronics CO., Ltd. President, the Buynow Group	Director, Clevo Investment Co., Ltd. Director and President, Kapok Computer Co., Ltd. Chairman, Kapok Computer (Kunshan) Co., Ltd. President, the Buynow Group Chicony Plaza Department Store Vice Chairman Taipei Twin Towers Limited Vice Chairman Direct, Chicony Electronics CO., Ltd.	-	-	-	-
Executive Vice President	R.O.C.	Chien, Yih-Long	Male	August 2003	1,673,376	0.26%	0	0.00%	0	0.00%	MBA, Phillips University, USA Director, Clevo Co. Executive Vice President, Notebook Business Group, Clevo Co.	President, Kapok Computer (Kunshan) Co., Ltd.	-	-	-	-
Senior Vice President	R.O.C.	Zhang, Fu-Ming	Male	August 2003	640,226	0.10%	0	0.00%	0	0.00%	Department of Computer Science & Information Engineering, National Taiwan University Assistant manager, Chaplet Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Vice President, Chief of Finance/ Accounting and Officer of Corporate Governance	R.O.C.	Wu, Mai	Female	November 2007	118,809	0.02%	0	0.00%	0	0.00%	Department of Business Administration, Chung Yuan Christian University Guang-Nan Enterprise, Igee Technology Vice President of Finance and Accounting Office, Clevo Co.	None	-	-	-	-
Vice President	R.O.C.	Li, Wen-Hua	Male	December 2004	143,538	0.02%	0	0.00%	0	0.00%	Department of Industrial Design, Tatung Institute of Technology Section Head, Yuanxing Technology Corp Director of Planning Office, Buynow Vice President, Buynow Asset Management Center	None	-	-	-	-
Vice President	R.O.C.	Chen, Hsueh-Wen	Male	April 2010	238,040	0.04%	0	0.00%	0	0.00%	Master, School of Management, National Central University Sales Engineer, Jinyi Co., Ltd. Sales Assistant Manager, Xusheng Technology President of Business Division, Synnex Technology International Corporation Vice President, Buynow Malls Operation Center	None	-	-	-	-
Vice President	R.O.C.	Lin, Nan-Sheng	Male	September 2013	95,000	0.02%	0	0.00%	0	0.00%	Master of Computer Science and Information Engineering, Fu Jen Catholic University Formal Engineer, Chaplet Manager, Zhi-Sheng Computer Senior Manager, Elitegroup Computer Senior Assistant Vice President of Sales Center, Clevo Co.	None	-	-	-	-
Vice President	R.O.C.	Lin, Guan-Yen	Male	September 2011	184,338	0.03%	50	0.00%	0	0.00%	Department of Mass Communications, Private Chinese Culture University Engineer, Phihong Technology Senior Assistant Vice President, Kunshan factory, CLEVO CO.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Wang, Feng-Zhu	Female	May 2005	139,311	0.02%	10,324	0.002%	0	0.00%	EMBA, National Cheng-Chi University Section Manager of Sales, Acer Section Manager of Sales, Ligitek Assistant Vice President of Sales Center, Clevo Co.	None	-	-	-	-

Title (Note 1)	Nationality	Name	Sex	Date Elected (Assumed)	Shareholding		Shareholding of Spouse & Minor Children		Shareholding Under Other Persons' Names		Education and Experience (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Senior Assistant Vice President	R.O.C.	Zhang, Wen-Song	Male	September 2003	251,236	0.04%	0	0.00%	0	0.00%	Department of Electrical Engineering, National Taiwan Ocean College Supervisor, Wei-Lu Assistant Vice President of the Procurement Office, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Chung, Wen-Chin	Male	October 2009	0	0.00%	0	0.00%	0	0.00%	Department of Industrial Engineering, Feng Chia University Director, Quanta Computer Assistant Vice President, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Cheng, Yu-Ming	Male	August 2003	0	0.00%	0	0.00%	0	0.00%	Master of Industrial Management, National Taiwan University of Science and Technology Senior Manager, Getac Senior Manager, American Megatrends Incorporated Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Lin, Sheng-Hsiang	Male	November 2007	228,716	0.04%	0	0.00%	0	0.00%	Two-Year of Nanya Industrial and Technological Junior College Deai Enterprise Ltd. Zhanxin Electric Ltd. Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Lin, Liang-Shih	Male	September 2012	45,825	0.01%	0	0.00%	0	0.00%	Department of Electronic Engineering, Lien Ho Industrial and Technological Junior College Senior Engineer, First International Computer Yuan Yi Technology Taiteng Company Jixin Computer Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Chen, Tsung-Chih	Male	October 2009	139,965	0.02%	0	0.00%	0	0.00%	Department of Electrical Engineering, Chinese Culture University Assistant Manager, Hexing Technology Manager, HTC Corporation Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-

Note 1: It should include the President, deputy President, assistant vice president, supervisors of all departments and divisions, and the information for any position that is equivalent to the President, deputy President or assistant vice president should also be disclosed.

Note 2: For experience related to the current position, if the person had worked in a CPA accounting firm or its associated company during the aforesaid period, the position title and responsibility of the person shall be stated.

Note 3: Where the President and the chairman or person of an equivalent position (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response (such as increasing the number of independent directors and more than half of the directors shall not serve as employees or managers, etc.) thereto.

### III. Remuneration of Directors, Supervisors, President and Vice Presidents during the most recent year

(1) Remuneration of general directors and independent directors (names are disclosed by the way of gathering the amount together and tie-in with the range of remuneration)

Unit: NT\$ thousand

Title	DismissedFull name	Remuneration of Directors								Sum of A, B, C and D and as % of net income (Note 10)	
		Base Compensation (A)(Note 2)		Severance Pay (B)		Bonus to Directors (C)(Note 3)		Business Allowances (C)(Note 4)			
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements
Chairman	Hsu, Kun-tai	0	0	0	0	10,700	10,700	560	560	11,260 1.06%	11,260 1.06%
Vice Chairperson and President	Tsai, Ming-Hsien										
Director	Lu, Jin-Zong										
Director and Executive Vice President	Chien, Yih-Long										
Independent Director	Chou, Po-Chiao	0	0	0	0	2,000	2,000	1,150	1,150	3,150 0.30%	3,150 0.30%
	Chen, Tsung-Ming										
	Lai, Ling-Ming (Resignation on 2024/05/31)										

Title	Full name	Relevant Remuneration Received by Directors Who are Also Employees								Sum of A, B, C, D, E, F and G and as % of net income (Note 10)		Compensation from an invested company other than the Company's subsidiaries or from its parent company (Note 11)
		Salary, Bonuses, and Special Allowances (E) (Note 5)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)(Note 6)						
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements (Note 7)		The Company	All companies in the financial statements	
						Cash amount	Amount of Stock	Amount of Cash	Amount of Stock			
Chairman	Hsu, Kun-tai	10,773	57,738	201	201	6,827	0	6,827	0	29,061 2.74%	76,026 7.17%	7,200
Vice Chairperson and President	Tsai, Ming-Hsien											
Director	Lu, Jin-Zong											
Director and Executive Vice President	Chien, Yih-Long											
Independent Director	Chou, Po-Chiao	0	0	0	0	0	0	0	0	3,150 0.30%	3,150 0.30%	None
	Chen, Tsung-Ming											
	Lai, Ling-Ming (Resignation on 2024/05/31)											

1. Please state the policies, systems, standards and structure of the remuneration for independent directors, and describe the relevance for the amount of payment based on factors such as responsibilities, risks, and dedicated time:

According to Article 5 of the "Rules for Duties and responsibilities of Independent Directors" of the Company, "the remuneration of independent directors of the Company shall be stipulated in the articles of incorporation upon the resolution in the shareholders' meeting and their remuneration may be different from general directors and supervisors that is in a reasonable range. On the basis of relevant legal procedures, the independent director's remuneration may also be determined as a fixed amount of monthly remuneration and not to join the Company's appropriation of earnings." Taking into consideration that responsibilities, risks, and dedicated time for independent directors are higher than that for general directors, and thus they should be given a reasonable annual remuneration. However, in addition to the supervisory duty as well as independent and external perspectives, the independent directors are also expected to fulfill the duties of strategic advice and performance enhancement as other board members. Therefore, the independent directors' performance will be taken into consideration for their remuneration as other general directors. The Company's independent directors also serve as members of the Audit Committee, the Remuneration Committee, and the Corporate Governance Committee. Attendance fees are set up for each meeting attended in person, depending on the responsibilities, risks, time commitments assigned by committee charters.

2. Other than the above disclosed, any compensations received by the Company's directors by rendering services (e.g., consulting not in an employee's capacity for the parent, any companies/investees included in the financial statements) during the most recent year: none

\*Relevant information on directors (non-independent) and independent directors to be separately listed

Range Table for Remuneration:

Range of Remuneration Paid to The Company's Directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) I
Under NTS 1,000,000	Lai, Ling-Ming	Lai, Ling-Ming	Lai, Ling-Ming	Lai, Ling-Ming
NT\$ 1,000,000 ~ NT\$ 1,999,999	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming
NT\$ 2,000,000 ~ NT\$ 3,499,999	Chien, Yih-Long	Chien, Yih-Long		
NT\$ 3,500,000 ~ NT\$ 4,999,999	Hsu, Kun-tai / Tsai, Ming-Hsien	Hsu, Kun-tai / Tsai, Ming-Hsien		
NT\$ 5,000,000 ~ NT\$ 9,999,999			Hsu, Kun-tai / Tsai, Ming-Hsien	Hsu, Kun-tai
NT\$ 10,000,000 ~ NT\$ 14,999,999			Chien, Yih-Long	
NT\$ 15,000,000 ~ NT\$ 29,999,999				Chien, Yih-Long
NT\$ 30,000,000 ~ NT\$ 49,999,999				Tsai, Ming-Hsien
NT\$ 50,000,000 ~ NT\$ 99,999,999				
Over NT\$ 100,000,000				
Total	7 Persons	7 Persons	7 Persons	7 Persons

Note1: The names of the directors shall be listed individually (the corporate shareholders shall list the names of the corporate shareholders and their representatives individually). The general directors and independent directors shall be listed separately and the payment of each item shall be disclosed in an accumulated amount. If a director has also served as a president or vice president, this table and the following table (3-1), or (3-2-1) and (3-2-2) shall be filled in.

Note 2: Refer to the remuneration of the directors (including the directors' salary, position allowances, severance pay, various bonus and rewards etc.) in the most recent year.

Note 3: Fill in the remuneration of the directors which was passed by the board of directors in the most recent year.

Note 4: Refers to the directors' related business allowances (including transportation allowances, special allowances, various allowances, dormitory and equipping car etc.) in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration.

Note 5: Refers to relevant remuneration received by directors who are also employees (including concurrently serves as a president, vice president, other manager or employee), including salary, position allowances, severance pay, various bonus, rewards, transportation allowances, special allowances, various allowances, dormitory and equipping car etc. in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration. In addition, the salary expenses which were recognized according to the IFRS 2 "Share-Based Payment," including exercisable employee stock options, new restricted employee shares and participating in subscribing shares for capital increased by cash etc., shall be counted into remuneration.

Note 6: Refers to a director who is also an employee (including concurrently serves as a president, vice president, other manager or employee) received the employee's compensation (including stock and cash) in the most recent year, the amount of such employee's compensation passed by the board of director in the most recent year shall be disclosed. If it is unable to estimate, the amount to which it will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount, and shall fill in Appendix 1-3 additionally.

Note 7: The total remuneration paid by the companies in the consolidated financial statements (including the Company) to the Company's directors shall be disclosed.

Note 8: Upon each item's total remuneration paid by the Company to directors, the names of the directors shall be disclosed in the corresponding range.

Note 9: Each item's total remuneration paid by companies in the consolidated financial statements (including the Company) to the Company's directors shall be disclosed, the names of the directors shall be disclosed in the corresponding range.

Note 10: The net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 11: a. This column shall specifically fill in the related compensation of directors of the Company which was received from an invested company other than the Company's subsidiary or from its parent company (please fill in "None" if it is not applicable).

b. If the compensation of the Company's director was received from an invested company other than the Company's subsidiary or from its parent company, such compensation received by the Company's directors from an invested company other than the Company's subsidiary or from its parent company shall be combined into the "I" column of the range table of remuneration, and the name of the column shall be renamed as "The parent company and all invested businesses."

c. Remuneration refers to the compensation, remuneration (including employee, director and supervisor) and business allowances received by the Company's directors who serve as directors, supervisors or managers of its parent company or an invested company other than the Company's subsidiary.

Note 12: Events specified under Clause 2 of Article 10, Section 3 of the Guidelines for Matters to be Recorded in the Annual Reports of Publicly Issued Companies have not occurred in our company.

\* The concept of income from the remuneration disclosed in this table is different from the Income Tax Act. So the purpose of this table shall be the purpose of disclosure only without using for tax.

(II) Remuneration of Supervisor (The Company has established the Audit Committee in 2018, so this is not applicable.)

(III) Remuneration of Presidents and Vice Presidents (names are disclosed by the way of gathering the amount together and tie-in with the range of remuneration)

Unit: NT\$ thousand

Title	Full name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and Special Allowances (C) (Note 3)		Total Employee Remuneration (Note 4)				Sum of A, B, C and D and as % of net income (Note 8)		Compensation from an invested company other than the Company's subsidiaries or from its parent company (Note 9)
		The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company		All companies in the consolidated financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash amount	Amount of Stock	Amount of Cash	Amount of Stock			
Vice Chairman and President	Tsai, Ming-Hsien	14,665	25,315	1,275	1,275	4,227	53,317	17,754	0	17,754	0	37,921 3.58%	97,661 9.21%	3,600
Executive Vice President	Chien, Yih-Long													
Senior Vice President	Zhang, Fu-Ming													
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai													
Vice President	Li, Wen-Hua													
Vice President	Chen, Hsueh-Wen													
Vice President	Lin, Nan-Sheng													
Vice President	Lin, Guan-Yen													

Range Table of Remuneration:

Range of Remuneration Paid to the Company's Presidents and Vice President	Name of President and Vice Presidents	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Under NTD 1,000,000		
NTD 1,000,000 ~ NTD 1,999,999		
NTD 2,000,000 ~ NTD 3,499,999	Wu, Mai / Lin, Guan-Yen / Chen, Hsueh-Wen	
NTD 3,500,000 ~ NTD 4,999,999	Tsai, Ming-Hsien / Lin, Nan-Sheng / Li, Wen-Hua	Wu, Mai / Lin, Guan-Yen /
NTD 5,000,000 ~ NTD 9,999,999	Chien, Yih-Long / Zhang, Fu-Ming	Li, Wen-Hua / Chen, Hsueh-Wen / Lin, Nan-Sheng
NTD 10,000,000 ~ NTD 14,999,999		Zhang, Fu-Ming
NTD 15,000,000 ~ NTD 29,999,999		Chien, Yih-Long
NTD 30,000,000 ~ NTD 49,999,999		Tsai, Ming-Hsien
NTD 50,000,000 ~ NTD 99,999,999		
Over NTD 100,000,000		
Total	8 people	8 people

Note 1: The names of the presidents and vice presidents shall be listed individually and shall disclose each item's amount gathered together. If a director has also served as a president or vice president, this table and the above table (1-1), or (1-2-1) and (1-2-2) shall be filled in.

Note 2: Fill in president's and vice presidents' salary, position allowances, severance pay in the most recent year.

Note 3: Various bonuses, rewards, transportation allowances, special allowances, various allowances, dormitories, and company cars, etc. and other remunerations to President and Vice Presidents during the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration. In addition, the salary expenses which were recognized according to the IFRS 2 "Share-Based Payment," including exercisable employee stock options, new restricted employee shares and participating in subscribing shares for capital increased by cash etc., shall be counted into remuneration.

Note 4: Fill in the amount of the employee's compensation of presidents and vice presidents passed by the board of director in the most recent year. If it is unable to estimate, the amount to which will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount, and shall fill in Appendix 1-3 additionally.

Note 5: Total amounts of all remunerations to the Company's president and vice presidents paid by all companies (including the Company) in the consolidated statements should be disclosed.

Note 6: Upon each item's total remuneration paid by the Company to presidents and vice presidents, the names of the presidents and vice presidents shall be disclosed in the corresponding range.

Note 7: Each item's total remuneration paid by companies in the consolidated financial statements (including the Company) to the Company's presidents and vice presidents shall be disclosed, and the names of the presidents and vice presidents shall be disclosed in the corresponding range.

Note 8: Net income refers to the net income of the parent or individual financial reports during the most recent year.

Note 9: a. This column is for the amount of remunerations to the Company's president and vice presidents paid by non-subsiary investees or the parent company. (Please indicate "none" if there isn't any.)

b. If the related compensation of the Company's presidents and vice presidents was received from the parent company or an invested company other than the Company's subsidiary, such compensation received by the Company's presidents and vice presidents from the parent company or an invested company other than the Company's subsidiary shall be combined into the "E" column of the range table of remuneration, and the name of column shall be renamed as "The parent company and all invested businesses."

c. Remunerations refer to rewards, compensations (including those paid to employees, directors and supervisors) and business execution expenses, etc. paid to the Company's president and vice presidents as directors, supervisors, or managers for non-subsiary investees or the parent company.

\* The concept of income from the remuneration disclosed in this table is different from the Income Tax Act. So the purpose of this table shall be the purpose of disclosure only without using for tax.

(IV) According to the Regulations Governing Information to be Published in Annual Reports of Public Companies, it is necessary to disclose the remuneration to the top five highest paid executives in event of the following circumstances: not applicable to the Company

- (1) It is necessary to disclose the remuneration to each director and supervisor in case of net losses in individual or unconsolidated financial statements during the most recent three years. However, this does not apply to the circumstances where net incomes have been reported in individual or unconsolidated financial statements during the most recent year and such net incomes are sufficient to offset accumulated losses.
- (2) If the TWSE/TPEX listed company that ranked in the bottom two tiers in the corporate governance evaluation during the most recent year or the trading method was changed, suspended or delisted during the most recent year and as of the publication date of the annual report, or was not accepted by the Corporate Governance Evaluation Committee.

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## (V) Names of managers who received compensations as employees

Unit: NT\$ thousand				December 31, 2023		
	Title (Note 1)	Full name (Note 1)	Amount of Stock	Amount of Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Vice Chairman and President	Tsai, Ming-Hsien	0	36,273	36,273	3.42%
	Executive Vice President	Chien, Yih-Long				
	Senior Vice President	Zhang, Fu-Ming				
	Vice President	Li, Wen-Hua Chen, Hsueh-Wen Wu, Mai Lin, Nan-Sheng Lin, Guan-Yen				
	Senior Assistant Vice President	Zhang, Wen-Song Wang, Feng-Zhu Cheng, Yu-Ming Lin, Sheng-Hsiang Chung, Wen-Chin Lin, Liang-Shih Chen, Tsung-Chih				

Note 1: The individual name and title shall be disclosed, but appropriation of earnings shall be disclosed with the amount gathered.

Note 2: Fill in the amount of the employee's compensation of the managers (including stock and cash) passed by the board of directors in the most recent year. If it is unable to estimate, the amount to which it will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount. Net income refers to the net income in the most recent year. ; for those adopted the IFRS, the net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 3: According to the Letter No. 0920001301 released by the Institute on March 27, 2003, the applicable scope of the manager is as follows:

- (1) president and the equivalent grade, (2) vice president and the equivalent grade, (3) assistant vice president and the equivalent grade, (4) chief of finance department, (5) chief of accounting department, (6) other persons who manage the Company's affairs and have the authority of signature.

Note 4: If the directors, presidents and vice presidents received the employees' compensation (including stock and cash), except for filling in the Appendix 1-2, this table shall be filled in additionally.

(VI) Analysis on the total remuneration paid by the Company and all companies in the consolidated financial statements to the Company's directors, supervisors, President and vice presidents during the most recent two years as a percentage of net incomes in individual or unconsolidated financial statements and explanation of the remuneration policy, standard and combination, the procedure of determining the remuneration and the relation with operating performance and future risks:

1. The ratio of the total remuneration paid to directors, supervisors, presidents and vice presidents of the Company in the last two years, by the Company and by all companies included in the consolidated financial statements, to the net income in the parent or individual financial statement is analyzed as follows:

Title	2022				2023			
	Total Remuneration (NT\$ thousand)		Ratio to Net Income (%)		Total Remuneration (NT\$ thousand)		Ratio to Net Income (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director (Note 1)	12,540	12,540	1.52%	1.52%	14,410	14,410	1.36%	1.36%
Presidents and Vice Presidents (Note 2)	43,176	101,803	5.24%	12.35%	32,263	92,509	3.04%	8.73%
Total	55,716	114,343	6.76%	13.87%	46,673	106,919	4.40%	10.09%

Expense of Share-Based Payment (Note 3)	0	0	0%	0%	0	0	0%	0%
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Note 1: The remuneration of directors has deducted the related compensation received by the directors for serving as the Company's internal managers concurrently.

Note 2: The compensation of presidents and vice presidents has deducted the related remuneration received for serving as the Company's directors concurrently.

Note 3: Refers to the compensation cost transferred from treasury shares which is recognized based on No. 2 of IFRSs.

2. Correlation between remuneration payment policies, standards, and combinations; remuneration setting procedures; business performance; and future risks:

- (1) The remuneration of directors and managers shall be paid according to Article 23 and Article 26 of the Company's Article of Incorporation. The Company's earnings, based on final accounts of the period, shall be reserved first for payable income tax according to laws and for offsetting of losses from previous years. The remaining amount shall be set aside 10% for legal reserve, and reserve or reverse the special reserve as required by law or the competent authority. The remaining earnings, if any, shall be reserved at 5%-15% as remuneration to the employees (including managers) and no more than 1% as remuneration to directors.
- (2) The evaluation of the remuneration of the Chairman, vice Chairman, directors and supervisors shall be based on the Company's Regulations Governing the Board Performance assessment.
- (3) The compensation of the president shall be paid upon Article 29 of the Company Act and Article 24 of the Company's Article of Incorporation.
- (4) The compensation of vice presidents shall be paid according to the Company's personnel rules, employment rules and performance assessment guidelines and based on overall contribution to the Company.
- (5) The regular assessment of salaries and remunerations to directors and managers is based on the participation in the Company's operations, the individual's performance, target achievement rates, profit margins, and contributions, as well as indicators in legal compliance and operational risks. The percentage of remunerations is determined after all factors considered, in order to provide reasonable compensations. The review of the remuneration system for directors and managers also involves a constant and timely process of evaluating the operational status and relevant laws, in order to balance between sustainable operations and risk control. The important decisions of the Company's management level are made after balancing various risk factors. The performance of relevant decisions is reflected in the Company's profit status, and the management level's remuneration is related to the risk control performance. The remunerations for directors and managers in 2023 shall be submitted to the Board of Directors' meeting for approval after deliberation by the Remuneration Committee.

#### IV. Implementation of Corporate Governance

##### (I) Information of the Board of Directors Operation

The Board of Directors held 6 (A) meetings in 2023. The attendance of the director was as follows:

Title	Name (Note 1)	Attendance in Person (B)	No. of attendance by proxy	Attendance Rate (%) 【B/A】 (Note 2)	Remark
Chairman	Hsu, Kun-tai	6	0	100%	
Director	Tsai, Ming-Hsien	6	0	100%	
Director	Chien, Yih-Long	6	0	100%	
Director	Lu, Jin-Zong	6	0	100%	
Independent Director	Chou, Po-Chiao	6	0	100%	
Independent Director	Chen, Tsung-Ming	6	0	100%	
Independent Director	Lai, Ling-Ming	3	0	100%	Resigned on May 31, 2024, so actual attendance of 3 times

Other mentionable items:

I. If the operation of the board of director has one of the following circumstances, the dates of the board's meetings, sessions, contents of motion, all independent directors' opinions and the actions taken by the Company for the opinions of independent directors shall be specified:

(I) The circumstances listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee in 2018. Pursuant to Article 14-5 of the Securities and Exchange Act, the Article 14-3 shall not be applicable.

(II) Except for the aforesaid circumstances, any resolution of the board of directors was objected by or subject to a qualified opinion from any of independent directors with record or written statement: No such circumstance in this year.

II. If there are directors' avoidance of motions in conflict of interest, the names of directors, contents of motion, causes for avoidance and voting shall be specified:

◆ Board meeting date: 2023.01.12

Name of Director: Hsu, Kun-Tai and Tsai, Ming-Hsien

Proposal: Discuss the annual bonus plan for managers of 2022 reviewed by Compensation Committee.

Causes for recusal: Chairman Hsu, Kun-Tai and Vice-chairperson Tsai, Ming-Hsien were interested parties and were recused due to the interest relationship. Director Lu, Jin-Zong was publicly recommended as the chairman for the case.

Participation in Voting: Except the directors (Mr. Hsu, Kun-Tai and Tsai, Ming-Hsien) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2023.03.15

Directors: Kuntai Hsu, Tsai, Ming-Hsien, Lu, Jin-Zong, Chien, Yih-Long

Proposal: Distribution of 2022 remuneration to directors

Reason for recusal due to conflict of interest: Chairman Kuntai Hsu, Vice Chairman Tsai, Ming-Hsien, and directors Lu, Jin-Zong and Chien, Yih-Long were interested parties and recused themselves. The independent director Chou, Po-Chiao was elected to chair this proposal.

Voting: Directors Mr. Kuntai Hsu, Mr. Tsai, Ming-Hsien, Mr. Lu, Jin-Zong and Mr. Chien, Yih-Long did not participate in voting due to conflict of interest. All the other directors approved the proposal without objection.

◆ Board meeting date: 2023.03.15

Directors: Chou, Po-Chiao, Chen, Tsung-Ming, Lai, Ling-Ming

Proposal: Distribution of 2022 remuneration to independent directors

Reason for recusal due to conflict of interest: Independent directors Chou, Po-Chiao, Chen, Tsung-Ming, Lai, Ling-Ming were interested parties and hence recused themselves. They did not participate in the voting.

Voting: Independent directors Mr. Chou, Po-Chiao, Mr. Chen, Tsung-Ming and Ms. Lai, Ling-Ming were interested parties and hence recused themselves from the discussion and the voting. All the other directors approved the proposal without objection.

◆ Board meeting date: 2023.07.05

Directors: Kuntai Hsu, Tsai, Ming-Hsien, Lu, Jin-Zong, Chien, Yih-Long

Proposal: Distribution of 2022 remuneration to directors

Reason for recusal due to conflict of interest: Chairman Kuntai Hsu, Vice Chairman Tsai, Ming-Hsien, and directors Lu, Jin-Zong and Chien, Yih-Long were interested parties and recused themselves. The independent director Chou, Po-Chiao was elected to chair this proposal.

Voting: Directors Mr. Kuntai Hsu, Mr. Tsai, Ming-Hsien, Mr. Lu, Jin-Zong and Mr. Chien, Yih-Long did not participate in voting due to conflict of interest. All the other directors approved the proposal without objection.

◆ Board meeting date: 2023.07.05

Directors: Chou, Po-Chiao, Chen, Tsung-Ming

Proposal: Distribution of 2022 remuneration to independent directors

Reason for recusal due to conflict of interest: Independent directors Chou, Po-Chiao, Chen, Tsung-Ming were interested parties and hence recused themselves. They did not participate in the voting.

Voting: Independent directors Mr. Chou, Po-Chiao, Mr. Chen, Tsung-Ming and were interested parties and hence recused themselves from the discussion and the voting. All the other directors approved the proposal without objection.

- ◆ Board meeting date: 2023.07.05  
Director: Tsai, Ming-Hsien, Chien, Yih-Long  
Proposal: Distribution of 2022 remuneration to employees.  
Reason for recusal due to conflict of interest: Vice Chairman Tsai, Ming-Hsien and Director Chien, Yih-Long are the Company's managers and hence recused from voting as interested parties.  
Participation in Voting: Except the directors (Mr. Tsai, Ming-Hsien and Chien, Yih-Long) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.
- ◆ Board meeting date: 2023.08.11  
Name of Director: Hsu, Kun-Tai and Tsai, Ming-Hsien  
Proposal: Capital increase of NT\$3.75 billion in Taipei Twin Towers Limited.  
Causes for recusal: Chairman Hsu, Kun-Tai and Vice-chairperson Tsai, Ming-Hsien were interested parties and were recused due to the interest relationship. Director Lu, Jin-Zong was publicly recommended as the chairman for the case.  
Participation in Voting: Except the directors (Mr. Hsu, Kun-Tai and Tsai, Ming-Hsien) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.

III. The exchange-listed and OTC-listed companies shall disclose the information on the evaluation period and duration, evaluation scope, evaluation method and evaluation content from the self (or peer) evaluation of the Board of Directors, and the following table for the board's evaluation status shall be filled out.

- (1) To implement the corporate governance and functional committees, the performance assessment for the Board of Directors and functional committees are conducted in accordance with the Company's "Regulations Governing the Board Performance assessment" as follows:

Evaluation period	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conduct once a year	2023/01/01 to 2023/12/31	Board of Directors	Internal self-assessment of the Board of Directors	(1) Participating level for the Company's business. (2) Enhancing the decision quality for the board. (3) Composition and structure of the Board of Directors. (4) Directors' election and continuous education. (5) Internal control.
Conduct once a year	2023/01/01 to 2023/12/31	Individual board members	Self-assessment by directors	(1) Mastery of company goals and tasks (2) Acknowledgement of directors' duties and responsibilities (3) Participation level for the Company's operations (4) Management and communication of internal relations (5) Professionalism and continued education of directors (6) Internal control
Conduct once a year	2023/01/01 to 2023/12/31	Functional Committees (Audit Committee, Remuneration Committee, and Corporate Governance Committee)	Internal self-assessment of the functional committee	(1) Participating level for the Company's business. (2) Understanding of the functional committee's responsibilities. (3) Improvement of decision-making quality of functional committees. (4) Composition of the functional committee and selection of members (5) Internal control.

- (2) The Company's board, individual directors, and functional committees have completed the internal self-assessments for 2023. The assessment results were presented to the Board of Directors on March 14, 2024, as shown on pages 39-40.

IV. Targets for the enhancement of the board's functioning during the year and the most recent year and assessment of implementations:

- (I) Establishment of Corporate Governance Committee

To enhance the performance of corporate governance and the image of company operations, the Board of Directors approved the Corporate Governance Committee Charter on November 12, 2020, and established the Corporate Governance Committee accordingly. Directors Mr. Tsai, Ming-Hsien and Mr. Chien, Yih-Long and independent directors Mr. Chou, Po-Chiao, Mr. Chen, Tsung-Ming, and Ms. Lai, Ling-Ming (resigned on May 31, 2023, the vacancy is planned to be filled after the re-election of directors at the shareholders' meeting on May 31, 2024) serve as the committee members. The Corporate Governance Committee submitted its 2024 implementation plan for the board's approval on November 10, 2023. The overall functioning was healthy and effective in contributing to the board's performance.

- (II) Effectiveness assessment of the board and functional committees

The Company has completed the internal performance review of the Board of Directors and the functional committees for 2023. The assessment results were presented to the Board of Directors on 2024.03.14 to enhance the board's effectiveness. The board's overall functioning was robust. The assessment results are available on pages 39-40.

Note 1: If a director or a supervisor is a juridical person, the name of corporate shareholder and its representatives shall be disclosed.

Note 2: (1) If a director or a supervisor resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the board's meeting in the period of service and such person's actual number of attendance in person.

(2) If a director or supervisor is re-elected before the end of the year, both new and old directors or supervisors shall be filled in, and the information that such person is an old or a new director or supervisor, as well as the date of renewal or re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the board's meeting in the period of service and such person's actual number of attendance in person.

## **(II) Operation of Audit Committee or Supervisors' Participation in the Board of Director:**

### **1. Operation of the Audit Committee:**

The Company's Audit Committee consists of three independent directors. One independent director is elected by all the members as the convener and meeting chair. The operational methods are carried out in accordance with the Company's "Audit Committee Charter." The Audit Committee aims to assist the Board of Directors in the quality and level of integrity when implementing the supervision in regards to accounting, auditing, financial report process and financial control for the Company. The matters for review and resolution include: The company's financial statements, auditing and accounting policies and procedures, internal control systems, transaction of major asset or derivative commodities, fund loan or endorsement guarantee, raising or issuing securities, and appointment, dismissal or remuneration of CPAs, as well as finance and accounting or the appointment and dismissal of internal audit officers.

### **2023 Task Highlights:**

#### **(1) Review the financial report**

The Company's Board of Directors has prepared the Company's 2022 Business Report, financial statements, and proposal for earnings distributions. The financial statements have been audited by CPA Wu, Han-Chi Wu and CPA Lin, Po-Chuan with PwC Taiwan, and the audit report has been duly issued. The Audit Committee has reviewed the Business Report, the financial statements and the proposal for earnings distributions mentioned above and found non-conformity.

#### **(2) Evaluate the effectiveness of internal control system**

The Audit Committee evaluates the effectiveness of the Company's internal control policies and procedures (including financials, operations, risk management, information security, outsourcing, and compliance). It reviews the regular reports (including those on risk management and compliance) by the Company's audit department, CPAs, and management. The online evaluation for the design and implementation of the Company's internal control system should be effective.

#### **(3) Independence and suitability of CPAs**

In accordance with Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and in order to ensure the independence of the CPA firm, the Audit Committee has designed an independence assessment form by referring to Article 47 of the Certified Public Accountant Act and Article 10 of the Norm of Professional Ethics for Certified Public Accountants regarding integrity, objectivity and independence. The purpose is to evaluate the independence, professionalism and suitability of CPAs and examine whether CPAs are related parties or have business or financial interest with the Company.

The 11th meeting of the second Audit Committee on March 15, 2023, reviewed and approved that both CPA Wu, Han-Chi Wu and CPA Lin, Po-Chuan with PwC Taiwan meet the independence standard and are qualified to serve as the Company's attestation auditors.

The 13th meeting of the second Audit Committee on August 11, 2023, reviewed and approved CPA Feng, Min-Juan with PwC Taiwan meet the independence standard and are qualified to serve as the Company's attestation auditors.

The Audit Committee held a total of 4 (A) meetings in 2023. The attendance of the independent directors was as follows:

Title	Full name	No. of attendances (B)	By Proxy	Attendance rate (%) (B/A) (Note 1, Note 2)	Remark
Independent Director (Convener of the Audit Committee)	Chou, Po-Chiao	4	0	100%	
Independent Director (Member of the Audit Committee)	Chen, Tsung-Ming	4	0	100%	
Independent Director (Member of the Audit Committee)	Lai, Ling-Ming	2	0	100%	Resigned on May 31, 2024, so actual attendance of 2 times

Other mentionable items:

I. In case of any of the following circumstances with the Audit Committee's functioning, it is necessary to describe the date, session, discussions of the Audit Committee meeting, opposition or reservation from independent directors, or contents of important suggestions, decisions by the Audit Committee and the Company's handling of the Audit Committee's opinions.

(I) Issues listed in Article 14-5 of the Securities Exchange Act:

Board Resolution Date	Contents of motion and the follow-up measures	Article 14-5 of the Securities and Exchange Act The matters listed in	Matters not approved by the Audit Committee , but approved by two-thirds or more of all directors:
2023 First 2023.03.15	1. In order to cooperate with the accountant rotation policy of PwC Taiwan, it is proposed to change the CPAs who issue financial reports to the Company.	V	None
	2. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."	V	
	3. Passed the Company's 2022 finalized account and business report proposal.	V	
	4. Passed the Company's 2022 earning distribution proposal.	V	
	5. Passed the proposal to amend the Company’s relevant operating procedures according to the “Regulations Governing Establishment of Internal Control Systems by Public Companies.”	V	
	6. Passed the proposal for the Company’s 2022 internal control system and issued an internal control system statement according to the self-assessment results.	V	
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2023.03.15		
The Company’s handling process based on the opinions of the Audit Committee was passed by all the directors present.			
2023 Second 2023.05.10	1. Passed the Company’s consolidated financial statements for Q1 of 2023.	V	None
	2. Passed the proposal to formulate the Company's "Non-Certified Services Pre-Authorization Policy.”	V	
	3. Passed the proposal to increase the capital of KAPOK COMPUTER (SAMOA) CORPORATION by US\$4 million.	V	
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2023.05.10		
The Company’s handling process based on the opinions of the Audit Committee was passed by all the directors present.			

2023 Third 2023.08.11	1. Passed the proposal to amend CPA independence and qualification for certification and evaluation of the Company's financial statements according to PwC Taiwan's CPA rotation policy.	V	None
	2. Passed the Company's consolidated financial statements for the second quarter of 2023	V	
	3. Passed the capital increase of NT\$3.75 billion in Taipei Twin Towers Limited	V	
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2023.08.11		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2023 Fourth 2022.11.10	1. Passed the Company's consolidated financial statements for Q3 of 2023.	V	None
	2. Passed the proposal to amend the Company's "Operational Regulations Governing Financials and Businesses Among Affiliates."	V	
	3. Passed the proposal to amend the Company's "Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading."	V	
	4. Passed the Company's 2024 audit proposal.	V	
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2023.11.10		
The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.			
Please refer to page 29 for all proposals of the Audit Committee in 2023.			
(II) Except for the aforesaid circumstances, any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors: None			
II. If there is any independent director's avoidance of motion in conflict of interest, such director's name, contents of motion, causes for avoidance and voting should be specified: None.			
III. Communications between the independent directors, the chief internal auditor and CPAs (including communications of the significant items for the Company's finance and operation, and its methods and results etc.):			
(I) Communications between the independent directors and chief internal auditor: To intensify the practical communication between the independent directors and the internal audit officer, the Company conducts comprehensive communication on the main internal auditing opinions through the Audit Committee or other meetings at least twice a year.			
(II) Communication between independent directors and CPAs: CPAs report to the independent directors on the Audit Committee at least twice a year regarding the Company's financials, the financials and overall functioning of domestic and overseas subsidiaries, and the inspection on internal control. Full communication is carried out on whether there are major adjustments to accounting entries and whether regulatory amendments affect accounts.			
(III) Please refer to page 30 for the communication among independent directors, internal auditors, and CPAs in 2023.			

Note 1: In case of the departure of any independent director before the year-end, it is necessary to provide the departure date in the "Remark" column. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure.

Note 2: In case of the departure of any independent director before the year-end, it is necessary to provide the departure date in the "Remark" column. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure.

2. Supervisors' participation in the operation of the Board of Directors: The Company has established the Audit Committee in 2018, so this is not applicable.

### 2023 Audit Committee Meeting Minutes Summary:

Second on 2023

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Independent Director			Attend
					Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	11	2023.03.07	2023.03.15	1. Proposal for the PwC Taiwan Audit Quality Indicator (AQI) Report. 2. Implementation of the matters decided by the 10th meeting of the 2nd Audit Committee. 3. Report on internal audit of business. 4. In order to cooperate with the accountant rotation policy of PwC Taiwan, it is proposed to change the CPAs who issue financial reports to the Company. 5. The proposal for C.P.A. independence and professional qualification evaluation was passed according to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." 6. Passed the Company's 2022 finalized account and business report proposal. 7. Passed the Company's 2022 earning distribution proposal. 8. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 9. Passed the proposal for the Company's 2022 internal control system and issued an internal control system statement according to the self-assessment results.	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi Lin, Po-Chuan
2	12	2023.05.02	2023.05.10	1. Implementation of the matters decided by the 11th meeting of the 2nd Audit Committee. 2. Report on internal audit of business. 3. Passed the Company's consolidated financial statements for Q1 of 2023. 4. Passed the proposal to formulate the Company's "Non-Certified Services Pre-Authorization Policy." 5. Passed the proposal to increase the capital of KAPOK COMPUTER (SAMOA) CORPORATION by US\$4 million.	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi Lin, Po-Chuan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Independent Director		Attend
					Chou, Po-Chiao	Chen, Tsung-Ming	
3	13	2023.08.02	2023.08.11	1. Implementation of the matters decided by the 12th meeting of the 2nd Audit Committee. 2. Report on internal audit of business. 3. Passed the proposal to amend CPA independence and qualification for certification and evaluation of the Company's financial statements according to PwC Taiwan's CPA rotation policy. 4. Passed the Company's consolidated financial statements for the second quarter of 2023 5. Passed the capital increase of NT\$3.75 billion in Taipei Twin Towers Limited.	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Feng, Min-Juan Lin, Po-Chuan
4	14	2023.11.02	2023.11.10	1. Implementation of the matters decided by the 13th meeting of the 2nd Audit Committee. 2. Report on internal audit of business. 3. Passed the Company's consolidated financial statements for Q3 of 2023. 4. Passed the proposal to amend the Company's "Operational Regulations Governing Financials and Businesses Among Affiliates." 5. Passed the proposal to amend the Company's "Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading." 6. Passed the Company's 2024 audit proposal.	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Feng, Min-Juan Lin, Po-Chuan



### Summary of meetings among independent directors, internal auditors, and CPAs in 2023

Date	Subject	Communication matters	Independent directors in attendance	Communication personnel	Communicate results
<b>2023/3/15 The Audit Committee</b>	1. The internal auditors described the implementation from November 2022 to February 2023 according to the audit plan. They followed up with the results of suggested improvements until the end of the first quarter. 2. Directors, supervisors and internal auditors shared thoughts and reviewed the reported matters.	1. It is necessary to enhance the oversight of the operational effectiveness and target achievements at the Company's business units and to continue the advocacy of corporate governance. 2. At the next meeting, the internal auditor will report about the implementation of audits at the Company's investees property business and Quality Trust Property Management in China.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming Independent Director Lai, Ling-Ming	Auditor Liu, Yi-Mei	All the attending independent directors reviewed, agreed and reported to the board.
	1. The Company's finalized account and business report for 2022	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming Independent Director Lai, Ling-Ming	CPA Wu, Han-Qi CPA Lin, Po-Chuan	All the attending independent directors reviewed, agreed and reported to the board.
<b>2023/5/10 The Audit Committee</b>	1. The Company's consolidated financial statements proposal for the first quarter of 2023.	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming Independent Director Lai, Ling-Ming	CPA Wu, Han-Qi	All the attending independent directors reviewed, agreed and reported to the board.
<b>2023/8/11 The Audit Committee</b>	1. Reported by the internal auditors until July. The results will be improved according to the annual audit plan implementation, the investigation, and suggestions for improvement. The originally scheduled in-person reporting on "Inspection on Investment in China – property development and Quality Trust Property Management in 2023". Report in written documents and further discuss in future symposiums through communication." 2. Directors and internal auditors exchanged thoughts on the above reported items.	1. Management units were urged to enhance implementation of internal control and internal audits of investees. 2. The Company actively pursued the Taiwan Intellectual Property Management System (TIPS) certification in 2023. The internal audit process has been completed, and the Company has submitted its application by the end of August.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming	Auditor Liu, Yi-Mei	All the attending independent directors reviewed, agreed and reported to the board.
	1. The Company's consolidated financial statements proposal for the second quarter of 2023.	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming	CPA Feng, Min-Juan CPA Lin, Po-Chuan	All the attending independent directors reviewed, agreed and reported to the board.
<b>2023/11/10 The Audit Committee</b>	1. Internal auditors presented the implementation of the audit plan and follow-ups of improvement measures until the end of the second quarter. 2. Submit the 2024 annual audit plan and the internal control revision instructions for the production and property, plant, and equipment cycles. 3. Directors and internal auditors exchanged thoughts on the above reported items.	1. The audit unit submitted the 2024 audit plan for the Company. The audit items were determined based on the risk assessments and considerations conducted according to internal audit standards required by official letters from the competent authority. In addition to the annual audit highlights as regulated, the plan is to enhance the advocacy of compliance with newly promulgated laws, the oversight and management of investees, and the inspection of the operating efficacy and efficiency. 2. 2024 audit plan to be submitted to the Board of Directors for approval and reporting scheduled for the end of December.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming	Auditor Liu, Yi-Mei	All the attending independent directors reviewed, agreed and reported to the board.
	1. The Company's consolidated financial statements proposal for the third quarter of 2023.	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou, Po-Chiao Independent Director Chen, Tsung-Ming	CPA Feng, Min-Juan CPA Lin, Po-Chuan	All the attending independent directors reviewed, agreed and reported to the board.

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

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The board of the Company has discussed and approved the “Corporate Governance Best Practice Principles” of the Company on March 27, 2015 in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” To keep up with the international trend in corporate governance and to respond the development of topical social and global issues during recent years, these principles were amended four times in 2015-2023 by the board of directors and disclosed via the Market Observation Post System and the Company’s website.	The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any difference.
II. The Company’s shareholding structure & shareholders’ rights/benefits				The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any difference.
(I) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has designated a professional agency to handle the stock affairs and has established the spokesperson, deputy spokesperson and dedicated persons to take charge of the shareholders' suggestions or disputes etc.	
(II) Does the Company possess the list of its major shareholders who control the Company in reality as well as the ultimate owners of those shares?	V		(II) Most of the Company’s major shareholders are the management team and the shareholders with long-term shareholding. The stock office will obtain the list of the shareholders from the Taiwan Depository & Clearing Corporation through the stock agency designated by the Company within next two days from book closure date for the shareholders' meeting and dividend distribution upon the regulations, then will summarize the shareholding information of the major shareholders immediately and report to the senior management team. The Company can grasp the list of the major shareholders at any time to assure the stability of the management rights.	
(III) Does the Company establish and execute the risk control/management and firewall system with its affiliates?	V		(III) Each affiliate operates independently and establishes various rules according to the management regulations of the competent authority. The transactions with affiliates shall be conducted according to the relevant rules.	
(IV) Does the company establish internal rules against the Company's insiders trading of the securities with undisclosed information in the market?	V		(IV) To empower the Company’s directors and managers to comply with the ethical standards and allow the Company’s stakeholders to better understand the Company’s ethical standards, the Company has established the "Codes of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" to follow up. The Company has established the "Procedures for Handling Material Inside Information and Preventing Insider Trading" to prevent the occurrence of insider trading.	
III. Composition and Responsibilities of the Board of Director				
(I) Does the Board of Directors formulate a board diversity policy, management target and implement accordingly?	V		(I) In accordance with Article 20 of “Corporate Governance Best Practice Principles,” the Company has stipulated a diverse policy in regards to the composition of the Board of Directors as follows: The diverse composition of the Board of Directors should be considered and appropriate and diversified policies with regard to its business	The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee pursuant to the laws?	V		<p>operations, operational type and development requirement shall be stipulated, which should include but not limited to the standards of the following two major aspects:</p> <p>I. Basic criteria and value: gender, age, nationality and culture.</p> <p>II. Professional knowhow and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and experience in the industry, etc. In general, the members of the Board of Directors should possess the knowledge, skills, and qualities required for the implementation of their job duties. The Board of Directors should have the following capabilities in order to achieve the goal of corporate governance:</p> <p>(I) Capability for judging the business. (II) Capability for analyzing accounting and finance. (III) Capability for business management. (IV) Capability for dealing with risks. (V) Industrial knowledge. (VI) International market viewpoint. (VII) Capability of leadership. (VIII) Capability of decision-making.</p> <p>Please refer to pages 13~15 of the annual report for implementing board diversity.</p> <p>(II) The Company has established the Remuneration Committee and the Audit Committee according to laws. To enhance the performance of corporate governance and the image of company operations, the Board of Directors also approved the Corporate Governance Committee Charter on November 12, 2020, and established the Corporate Governance Committee accordingly. Directors Mr. Tsai, Ming-Hsien and Mr. Chien, Yih-Long and independent directors Mr. Chou, Po-Chiao, Mr. Chen, Tsung-Ming, and Ms. Lai, Ling-Ming (resigned on May 31, 2023, the vacancy is planned to be filled after the re-election of directors at the shareholders' meeting on May 31, 2024) serve as the committee members. The Corporate Governance Committee submitted its 2024 implementation plan for the board's approval on November 10, 2023. Please refer to page 38 (Note 1) of the annual report for the Corporate Governance Committee's implementation status.</p> <p>To strengthen the information security organization structure, the Company established the Information Security Management Committee in December 2020 and established the Information Security Division as an independent unit in January 2023. The Information Security Management Committee has the Information Security Division and the Information Division under its jurisdiction, which coordinates information security-related policy formulation, implementation, risk management, and compliance inspections. The top executive of the Information Security Division shall report the information security management performance issues and directions to the Audit Committee and the Board of Directors once every six months.</p>	difference.
	V			

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(III) Does the Company establish the "Regulations Governing the Board Performance assessment" and its methods of evaluation, and conduct the regular performance assessment annually and report the results of the performance assessment to the Board of Directors for the reference of individual directors' salary and renewal nomination?	V		(III) To fulfill corporate governance, the Company referred to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and established its Regulations Governing the Board Performance Assessment with the resolution by the Board of Directors on November 14, 2017. Annual performance assessments are conducted internally. External and independent professional organizations or experts and scholars are commissioned every three years to carry out evaluations. The assessment methods, standard and results are disclosed at the Company's website. The Board of Directors, individual directors, and functional committees conducted self-assessments in 2023 covering five major aspects. The internal result was submitted in the Board of Directors report on 2024.03.14. Please refer to the annual report page 39-40 (Note 2) for the performance evaluation results. The results of the annual board performance assessment will be reported to the Board of Directors and Remuneration Committee as a reference for individual directors' remuneration and nomination for renewal.	
(IV) Does the Company evaluate the independence of the CPAs regularly?			(IV) The Company has appointed the PWC Taiwan as the certificated accounting firm, who has its professionalism and independence for its certification. The Company also changes the CPAs regularly according to laws to strengthen its independence. The Company's board of directors conducts CPA independence and competence assessments annually. In addition to requiring CPAs to provide "Statements of Independence" and "Audit Quality Indicators (AQIs)," the board also conducts independence assessments based on the evaluation items specified in page 41 (Note 3) to ensure that there are no violations of the ethical principles outlined in the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 and Article 47 of the CPA Act. The board also confirms that the CPA has no financial interests or business relationships with the Company other than audit and tax fees and that the CPA is not a director, manager, shareholder, or employee of the Company, indicating that the CPA is not a stakeholder. The Company has examined the CPA independence assessment results to ensure the CPA's independence. In addition, the Company assesses audit quality by referring to the 13 AQIs to confirm that the CPA and the firm have audit experience that exceeds the industry average; have no external deficiencies, improvement measures, or disciplinary cases; and have a clear digital transformation strategy and goals to improve audit efficiency and ensure audit quality. On March 14, 2024, the Company's CPA reported to the Audit Committee on the audit quality indicators (AQIs) related matters. After the Audit Committee reviewed the independence and eligibility, the evaluation results were submitted to the board of directors for approval on March 14, 2024.	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
IV. Does the TWSE/TPEX Company have qualified and suitable number of corporate governance personnel and appointed corporate governance officers to take charge of the corporate governance related affairs (including but not limited to providing the information required by the directors and supervisors to perform their duties, assisting directors and supervisors to be in compliance with laws, conducting the board and shareholders' meeting related matters according to laws, and preparing the meeting minutes for the board and the shareholders' meeting etc.)?	V		The Company has established the corporate governance taskforce so that Finance Department can take charge of corporate governance-related matters. On March 27, 2019, the Board of Directors resolved to appoint Wu, Ma, Vice President of the Financial Management Center, as Officer of Corporate Governance. She has over three years of management experience with public companies in law, finance, or shareholder services. She has selected and completed 12 hours of annual training relevant to tasks and responsibilities required by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies. Please refer to page 42 (Note 4) for the primary responsibilities, functioning, and continuing education in 2023.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
V. Does the Company establish a communication channel and build a dedicated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Both the Company and the stakeholders have a dedicated department to take charge of collecting the relevant information and communicate to each other. We have constructed a website at <a href="https://www.clevo.com.tw/">https://www.clevo.com.tw/</a> and established the investor relations and stakeholders section. The contents include company news and activities, corporate governance (such as practical guidelines on corporate social responsibilities), financial/shareholder service information, and company contact details. Dedicated personnel from relevant departments respond to pertinent issues. The Company's 2022 stakeholder communication results were submitted to the Board of Directors on August 11, 2023. The 2023 stakeholder communication results will be submitted in the Board of Directors report during the second half of 2024.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
VI. Does the Company appoint a professional stock agency to deal with shareholders' meeting affairs?	V		The Company's stock affairs have appointed a professional stock agency, Transfer Agency Department of CTBC Bank, to handle the Company's shareholders' meeting affairs.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
VII. Information Disclosure				
(I) Does the Company have a corporate website to disclose the financial activities and the information of corporate governance?	V		(I) We have constructed a website at <a href="https://www.clevo.com.tw/">https://www.clevo.com.tw/</a> and established the investor relations section. The contents include company news and activities, corporate governance information, the Company's management guidelines and financial/ shareholder service information.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
(II) Does the Company adopt other ways of information disclosure (e.g. building an English website, appointing a dedicated person to collect and disclose the Company's information, implementing the spokesperson system and putting the course of investor conferences on the Company's website etc.)?	V		(II) In addition to the spokesperson and the deputy spokesperson system, the Company has designated personnel to collect and disclose company information. Disclosure of financial and business information to the investing public is made via the Market Observation Post System, analyst meetings, the Company's website, magazines, and newspapers. Please visit our website at <a href="https://www.clevo.com.tw/">https://www.clevo.com.tw/</a> .	
(III) Does the Company announce and declare the annual		V	(III) The Company had announced and declared the annual financial report	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation early within the prescribed period?			(within three months) and the first, second and third quarter financial reports (within 45 days) as well as the monthly operating report (before the 10th of each month) before the deadline specified in Article 36 of the Securities and Exchange Act. Due to the fact that the group has merged more than one hundred of individual business entities, its annual financial report cannot be announced and declared within two months after the end of the fiscal year. The 2023 financial statements were published and filed on March 14, 2024.	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights/benefits, employee caring, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and purchasing liabilities insurance for directors and supervisors)?	V		<p>(I) Employee Rights/Benefits: Upon the governmental laws and the Company's human resources management rules, the Company provides various labors' basic conditions, including working hours mechanism and comprehensive leaves system, and also renders a stable and safe working environment, as well as reserves the basic welfares of labor insurance, health insurance and pension fund. Besides, the employees also possess the regular health examination, group insurance and complete employee retirement measures.</p> <p>(II) Employee Care: The Company has established the Occupational Safety &amp; Health Committee according to laws. The committee formulates the safety and health rules in order to ensure the safety and health of employees. The Occupational Safety &amp; Health Policy has been put in place. Regular seminars and workshops are organized and medical doctors are invited to provide consultations. A diversity of channels are available for employees to express opinions and seek advice. This creates a good sense of participation and the two-day smooth communication.</p> <p>(III) Investor Relations: The Company spares no effort in the protection of shareholders' interest. We treat all shareholders equally. Material information on financials, businesses and change of insiders' holdings is immediately published according to relevant requirements via the Market Observation Post System.</p> <p>(IV) Suppliers Relations: In addition to the establishment of the "Codes of Ethical Conduct," the new suppliers of the Company shall possess good goodwill and meet the Company's ethical demand upon the requirement of the internal control system. Before trading, it is required to sign the "Supplier Honesty Commitment" to forbid other beneficial acts other than normal transactions. The Company expects to set a good example to lead more of our supply partners to jointly enhance the awareness of environmental protection and aptly fulfill the corporate social responsibilities.</p> <p>(V) Rights of Stakeholder: The Company complies with the "Corporate Governance Best-Practice Principles" to implement and set up a dedicated section on its website for stakeholders.</p> <p>(VI) Implementation of Risk Management Policies and Risk Measurement Standards: Through the audit office and internal control system, the</p>	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>Company has appropriately identified, assessed and reduced various business risks. In addition to controlling the day-to-day operational procedure, the audit office and management team always supervise the risk control's implementation. Besides, the Company has established the internal and external reporting system to reduce the unfavorable influences on the Company's business.</p> <p>(VII) Implementation of Customer Policies: The Company has established the appropriate customer policies and business targets, and will timely adjust the business strategies to achieve the targets.</p> <p>(VIII) Purchase of liability insurance for directors: We have purchased relevant coverage until May 15, 2024. The sum insured coverage and liability insurance premiums for directors have been reported to the Board of Directors. The new insurance policy from 2024.05.15 to 2025.05.15 will be reported to the next Board of Directors meeting.</p> <p>(IX) Board meeting attendance by directors: Board meetings were convened as scheduled. All directors were actively involved. The overall attendance of all directors (including independent directors) in 2023 was 100%. The Company has filed online the attendance of directors on a timely basis. Please refer to page 24 for the attendance status.</p> <p>(X) Trainings of the Directors and Managers: The Company's directors and independent directors have considerably understood the directors' power and functions, and they have a plentiful background of education and experiences as well as understanding of the industry to sufficiently undertake the directors' responsibilities. The Company's directors and independent directors participate in annual training classes on corporate governance, securities laws, and taxation. In addition, the Company has dedicated personnel for collating relevant legal and regulatory information; such information is summarized and submitted to the directors and the Audit Committee. Please refer to page 43 (Note 5) for the continuing education of the Company's directors and managers in 2023. The Company discloses the board meeting attendance of directors and independent directors and the ongoing education of directors via the Market Observation Post System as required at <a href="https://mops.twse.com.tw/mops/web/index">https://mops.twse.com.tw/mops/web/index</a>.</p>	
<p>IX. For the result of the corporate governance evaluation announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, please explain the circumstances of the improvement; and if the items have not yet been improved, please provide those items that shall be strengthened first and its measures.</p> <p>(I) The total score of the Company's 2023 corporate governance evaluation results: 96.71. It ranked among the top 6%~20% of listed companies for fourth consecutive years. The improvement items compared with 2022 are as follows:</p> <ol style="list-style-type: none"> <li>1. A shareholder meeting was held before the end of May 2023.</li> <li>2. Disclose information related to the Company's governance, strategies, risk management, metrics, and targets for climate-related risks and opportunities according to the Task Force on Climate-Related Financial Disclosures (TCFD) framework.</li> <li>3. The Sustainability Report referenced the SASB guidelines to disclose relevant ESG information.</li> </ol> <p>(II) Improvements in the non-conformities identified in the 2023 corporate governance evaluation:</p>				

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
1. The Company's board of directors regularly assesses CPA independence and competence by referring to Audit Quality Indicators (AQIs) and discloses the detailed assessment procedures in the annual report.				
(III) Priority improvements and measures proposed to address outstanding issues:				
1. Plan the Company's intellectual property management plan specifications. We expect to apply for the Taiwan Intellectual Property Management System (TIPS) certification in the second half of 2024.				

Note: Regardless of ticking "Yes" or "No," the implementation status shall be explained in the column of the abstract illustration.



**Note 1: Implementation by the Corporate Governance Committee:**

I. To enhance its corporate governance and the board's effectiveness, the Company has established the Corporate Governance Committee according to Article 27-3 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. As resolved by the Board of Directors, the Corporate Governance Committee consists of five directors, than half being independent directors. One (independent) director is elected by all the members as the convener and meeting chair. According to the Corporate Governance Committee Charter, the Corporate Governance Committee has the following responsibilities:

- (1) Formulation of the Company's Corporate Governance Best-Practice Principles
- (2) Planning and regular review of continuing education for directors
- (3) Planning of corporate governance directions, annual implementation plans and the progress
- (4) Review, suggestion and follow-up of the effectiveness of the corporate governance system, annual implementation plans and the progress
- (5) Review, suggestion and follow-up of the Company's information disclosure and implementation status
- (6) Other matters according to the charters, the Company's internal regulations, resolutions by the Board of Directors or instructions from Chairman

**II. Members of the Corporate Governance Committee:**

Title	Full name	Resume
Independent Director Convener of the Corporate Governance Committee	Chou, Po-Chiao	The Company's independent director Former executive director and President of First Commercial Bank
Vice Chairman (Member of the Corporate Governance Committee)	Tsai, Ming-Hsien	The Company's Vice Chairman and President
Director (Member of the Corporate Governance Committee)	Chien, Yih-Long	Executive Vice President, Notebook Business Group, the Company
Independent Director (Member of the Corporate Governance Committee)	Chen, Tsung-Ming	Chairman, Betterment Co., Ltd. The Company's independent director
Independent Director (Member of the Corporate Governance Committee)	Lai, Ling-Ming (Resignation on 2024/05/31)	Chairman, Toro Biotech Co., Ltd. The Company's independent director

Note: Among the committee members, the convener and independent director Chou, Po-Chiao has expertise in audit and experience with the financial industry. Directors Tsai, Ming-Hsien, Chien, Yih-Long and Chen, Tsung-Ming have management expertise. The independent director Lai, Ling-Ming is equipped with expertise in corporate governance and management. Committee members possess the relevant professionalism to assist the strengthening of corporate governance and enhancement of the board's effectiveness.

III. In 2023 and as of the publication date of this annual report, the Corporate Governance Committee convened three meetings. The attendances and the resolutions are as follows:

**Second Audit Committee**

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director		Independent Director			Remark
					Tsai, Ming-Hsien	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	5	2023.03.07	2023.03.15	1. Proposal to report the 2022 corporate governance implementation status. 2. Implementation of the matters decided by the 4th meeting of the 2nd Corporate Governance Committee. 3. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies."	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director		Independent Director		Remark
					Tsai, Ming-Hsien	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	
2	6	2023.11.01	2023.11.10	1. Implementation of the matters decided by the 5th meeting of the 2nd Corporate Governance Committee. 2. Report on the Company's 2024 audit plan. 3. Approved the committee's 2024 implementation plan proposal.	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan
3	7	2024.03.05	2024.03.14	1. Implementation of the matters decided by the 6th meeting of the 2nd Corporate Governance Committee. 2. Proposal to report the 2023 corporate governance implementation status. 3. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies."	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan

## Note 2: 2023 performance assessments of the Board of Directors and functional committees

### CLEVO CO.

#### 2023 Self-assessments of the Board of Directors and Functional Committees and the Results

According to the Company's "Regulations Governing the Board Performance Assessment," the Company's Board of Directors and functional committees should conduct internal performance assessment at least once a year; an external professional and independent institution or a team of experts and scholars will be commissioned to conduct assessment at least once every three years. The assessment in 2023 is divided into internal self-assessment. The implementation status and results of the relevant evaluation are as follows:

#### I. Assessment scope and method:

Assessment scope: performance assessments on the board, individual directors and functional committees

Assessment method: self-assessments by the board, individual directors and functional committees.

Each performance indicator is divided into five levels: Excellent (5), Good (4), Medium (3), Poor (2), Extremely Poor (1).

#### II. Assessment procedures

The members of the board and functional committees under the board make self-assessments, with Self-Assessment Questionnaire on Board's Performance, Self-Assessment Questionnaire on Director's Performance, and Self-Assessment Questionnaire on Functional Committee's Performance.

#### III. Assessment results:

##### (I) Self-assessment on the operating performance of the Board of Directors:

The performance assessment of the Board of Directors covers five aspects with 45 indicators. The assessment results were Excellent (5) for 42 indicators and Good (4) for three indicators. The average attendance of directors in 2023 was 100%. All the directors have a clear understanding of the Company and the industries where the Company operates. They assessed and supervised the Company's operation and corporate governance and interacted well with management by fully utilizing their expertise. The average performance score of the Board of Directors in 2023 was 4.82 (out of the perfect score of 5). The Board of Directors generally functioned well, in line with corporate governance requirements.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	12 Items	4.67 points
B. Enhancing the decision quality for the board	12 Items	4.92 points
C. Composition and structure of the Board of Directors	7 Items	4.86 points
D. Directors' election and continuous education	7 Items	4.86 points
E. Internal control	7 Items	4.86 points

##### (II) Self-assessment by individual directors:

The assessment of board members covers six aspects and 23 indicators. Six directors in service filled in the self-assessment questionnaires, and all six were recovered. The overall score averaged 4.80 points between Excellent (5 points) and Good (4 points). It shows that all directors positively comment on the execution performance for various indicators. To further strengthen the functions of the Board of Directors, the directors provided the opinions and suggestions as follows:

Independent Director Lai, Ling-Ming:

1. Advised and assisted in arranging legal general knowledge courses on directors' responsibilities.
2. Advance preparation on ESG-related issues such as carbon emissions and carbon rights trading.
3. Advance preparation for risk management issues.

Six aspects for self-assessments	Assessment subjects	Assessment results
A. Mastery of company goals and tasks	3 Items	5.00 points
B. Acknowledgement of directors' duties and responsibilities	3 Items	4.83 points
C. Participation level for the Company's operations	8 Items	4.69 points

D. Management and communication of internal relations	3 Items	4.72 points
E. Professionalism and continued education of directors	3 Items	4.89 points
F. Internal control	3 Items	4.89 points

**(III) Self-assessment on the operating performance of the Audit Committee:**

The performance review of the Audit Committee covered five aspects and 22 indicators. The average score for performance reviews in 2023 was 5.00 points (vs. a full mark of 5.0). This indicates a robust working of the Audit Committee, in line with corporate governance requirements and effectively contributing to the board's functioning.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	4 Items	5.00 points
B. Understanding of the functional committee's responsibilities.	5 Items	5.00 points
C. Improvement of decision-making quality of functional committees.	7 Items	5.00 points
D. Composition of the functional committee and selection of members	3 Items	5.00 points
E. Internal control	3 Items	5.00 points

**(IV) Self-assessment on the operating performance of the Remuneration Committee:**

The performance assessment of the Remuneration Committee covers four aspects with 19 indicators. The assessment results were Excellent (5) for 18 indicators and Good (4) for one indicator. The average score in 2023 was 4.95 (out of 5.0). This indicates the healthy functioning of the Remuneration Committee, in line with corporate government requirements and beneficial to the purposes of the Board of Directors.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	4 Items	5.00 points
B. Understanding of the functional committee's responsibilities.	5 Items	4.80 points
C. Improvement of decision-making quality of functional committees.	7 Items	5.00 points
D. Composition of the functional committee and selection of members	3 Items	5.00 points

**(V) Self-assessment on the operating performance of the Corporate Governance Committee:**

The performance review of the Remuneration Committee covered four aspects and 18 indicators. The result consisted of 17 indicators for "Excellent" (5) and 1 indicator for "Good" (4). The average score for performance reviews in 2023 was 4.94 points (vs. a full mark of 5.0). The overall operation of the Corporate Governance Committee is sound.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	4 Items	5.00 points
B. Understanding of the functional committee's responsibilities.	5 Items	5.00 points
C. Improvement of decision-making quality of functional committees.	7 Items	5.00 points
D. Composition of the functional committee and selection of members	3 Items	4.75 points

Four. The Company's board of directors and functional committees under the board performed well in 2023. They properly assessed and supervised the Company operations and corporate governance. All directors' attendance rate was 100%, and they have fully exercised their expertise. To enhance the board of directors' performance and ensure the continuity of board policies, the Company has continued to improve the level of participation and understanding of the board in the Company's operations through communication channels between the board and management, such as regular board meetings and work reports. The Company has also strengthened the diversity of training courses for board members beyond their professional skills.

Four. The preceding internal performance evaluations of the Board of Directors, individual directors, and functional committees for 2023 were presented to the Board of Directors on March 14, 2024.

**Note 3: Assessment items on the suitability and independence of CPAs**

Evaluation Item	Yes	No
1. Not an employee of the Company or its related party.	V	
2. Not a director or supervisor of the Company or its affiliates (however, it is not applicable in case the person is an independent director of the Company, its parent company, or subsidiaries in which the Company holds more than 50% of the voting shares directly or indirectly).	V	
3. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.	V	
4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	V	
5. Not having one of the circumstances stated in Article 30 of the Company Law.	V	
6. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	V	
7. Not a person who should not serve as the Company's director, manager or a position that has significant influences on the auditing project within the latest two years.	V	
8. Not a person who should not involve in the Company's management functions for making decisions.	V	

**Note 4: Implementation status of the corporate governance officer:**

The Company has established a corporate governance taskforce so that Finance Department can take charge of corporate governance related matters. On March 27, 2019 the board resolved to appoint Wu, Ma, Vice President of Financial Management Center, to serve as Officer of Corporate Governance. Vice President Wu, Ma has more than three years of management experience with public companies in law, finance or shareholder services and has selected and completed training relevant to jobs and responsibilities required by listing rules for continuing education program of directors and supervisors. Her main duties and responsibilities and continued education are detailed below:

**I. Main responsibilities:**

1. Conduct matters in regard to the Board of Directors meeting, functional committees and shareholders' meetings in accordance with laws.
2. Responsible for the meeting minutes and meeting related affairs for the Board of Directors meeting, functional committees and shareholders' meeting.
3. Assist directors and managerial officers for matters regarding onboard and continuous training, and provide them with the required information and materials.
4. Assist directors and managerial officers to be in compliance with laws and regulations.
5. Assist in the implementation of job responsibilities of the Board of Directors or board members that are stipulated in laws or the Company's articles of incorporation.

**II. Business execution status in 2023:**

1. Assisted in the independent directors and general directors to perform their duties, provided the necessary information as well as arranged the trainings for the directors:
  - (1) Provide the members of the Board of Directors with the information regarding the amendment and development of laws and regulations related to corporate governance.
  - (2) Provide organized and sufficient meeting materials for meeting members, as well as provide them with suitable and timely information and administrative assistance.
  - (3) Arrange meetings for independent directors and certified accountants to help the directors understand the Company's financial status; assist in arranging meetings for directors (including independent directors) and internal audit officers, if necessary, to discuss matters regarding internal control.
2. Assist in meeting procedures for the Board of Directors meeting and shareholders' meeting as well as resolution for legal compliance:
  - (1) Report to the Board of Directors, independent directors, the Audit Committee and the Corporate Governance Committee regarding the functioning of corporate governance issues.
  - (2) Verify that the Company's shareholders' meeting and board meeting are in compliance with relevant laws, regulations, and corporate governance rules.
  - (3) Assist and remind the directors of the laws and regulations to be aware of during the business implementation or making a formal resolution in the Board of Directors meeting.
  - (4) Inspect the post-meeting release of major information on key decisions by the Board of Directors to ensure the legality and accuracy of the contents and to protect the information symmetry for investors.
3. Organize and summarize the discussion issues for the board meeting and send out the meeting notice and required materials seven days prior to the meeting. If the discussion case is required to be avoided, a notice shall be given in advance and the meeting minutes of the board meeting shall be completed within 20 days after the meeting.
4. Supervise the registration date of the shareholders' meeting in advance, the preparation of meeting notices, the meeting manual, the meeting minutes within the statutory deadline, and conduct the matters and registration regarding amendment to the articles of incorporation.

**III. Continuing education status in 2023:**

In adherence to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, Vice President Wu, Mai completed 13 hours of training in 2023 concerning job functions and met the statutory requirements for 12 hours per year. Her continuing education is as follows:

Date of Education		Host Institution	Name of Course	Hours of Training
From	To			
2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
2023/07/13	2023/07/13	Taiwan Stock Exchange and Taipei Exchange	"TWSE (TPEX) Sustainable Development Action Plan" Promotion Seminar	3
2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
2023/09/20	2023/09/20	Securities & Futures Institute	Advanced Seminar for Directors, Supervisors (Including Independent), and Corporate Governance Supervisors—Securities and Exchange Act Analysis of Common Violations	3
2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3

**Note 5: The directors' and supervisors' trainings as well as managers' participation in the education and trainings of corporate governance are as follows:**

Title	Full name	Date of Education		Host Institution	Name of Course	Hours of Training
		From	To			
Chairman	Hsu, Kun-Tai	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
Vice Chairperson and President	Tsai, Ming-Hsien	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
Director	Lu, Jin-Zong	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
Director and Executive Vice President	Chien, Yih-Long	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
Independent Director	Chou, Po-Chiao	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/07/04	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	6
		2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
Independent Director	Chen, Tsung-Ming	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/08/11	2023/08/11	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Ma	2023/03/15	2023/03/15	HR Department of CLEVO CO.	2023 General Economic Trends in the Age of Uncertainty	1
		2023/07/13	2023/07/13	Corporate Operating and Sustainable Development Association	Discussing the Business Strategies of Taiwanese Businesses and Insider Trading Regulations Based on the Global Political and Economic Situation	3
		2023/08/11	2023/08/11	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3
		2023/09/18	2023/09/19	Accounting Research and Development Foundation	Continuing Education Program for Issuers, Securities Firms, Stock Exchange Account Managers	12
		2023/09/20	2023/09/20	Securities & Futures Institute	Advanced Seminar for Directors, Supervisors (Including Independent), and Corporate Governance Supervisors—Securities and Exchange Act Analysis of Common Violations	3
		2023/11/10	2023/11/10	Taiwan Corporate Governance Association	Digital Technology, AI Trends, and Risk Management	3

- (IV) If the Remuneration Committee or the Nomination Committee is in place, it is necessary to disclose the composition, responsibility and functioning:

1. Information for Members of Remuneration Committee:

December 31, 2023

Position (Note 1)	Criteria Full name	Professional qualifications and experiences (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Remuneration Committee convener)	Chou, Po-Chiao	Work experience of over five years in business, law, finance or banking Work experience: Executive Director and President of First Commercial Bank; Director and Vice President of First Financial Holding Co., Ltd.(page 12)	(Note 4)	1
Independent Director (Remuneration Committee member)	Chen, Tsung-Ming	Work experience of over five years in business, law, finance or banking Work experience: Chairman of Betterment Co., Ltd.; Director of Zippy Materials Science Inc. (page 12)	(Note 4)	None
Remuneration Committee member	Wu, Pei-Ling	Work experience of over five years in business, law, finance or banking Work experience: Department of Finance, Taipei City Government; Director-General of Budget, Accounting, and Statistics, Executive Yuan, R.O.C. (Taiwan); Assistant Professor at Aletheia University	(Note 4)	None

Note 1: Please note whether the member is an independent director or the convener in the column "Position."

Note 2: Professional qualifications and experience: Professional qualifications and experience of each member of the Remuneration Committee.

Note 3: Compliance of independence: Please describe the compliance of independence for the Remuneration Committee members.

This includes but not limits to whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or its affiliates; the number of shares and the percentage of shareholdings owned by the director, the director's spouse or any relative within two degrees (or under other people's names); whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the enterprises with specific relations with the Company (in reference to the paragraphs 5 ~ 8 of Article 6-1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); whether any business, legal, financial or accounting services were provided to the Company and its affiliates during the most recent two years and if so, the amount of compensations obtained.

Note 4: Compliance of independence is as follows:

- (1) None of the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or affiliated enterprises.
- (2) None of the director, the director's spouse or any relative within two degrees held the Company's shares as of April 2, 2024.
- (3) Not serving as a director, supervisor or employee of any enterprise with specific relations with the Company.
- (4) No rendering of services in business, law, finance or accounting to the Company or its affiliated enterprises during the most recent two years and hence no amount obtained as compensations.

2. Responsibilities of Remuneration Committee

- (1) It shall be based on the care of a prudent administrator to faithfully fulfill the following duties, and shall submit its suggestions to the board of director for discussion:

- ① Regularly review the "Remuneration Committee Charter" and provide the recommendation of the amendment.
- ② Establish and regularly review the annual and long-term performance goals of the Company's directors and managers, as well as the policies, systems, standards and structure of the remuneration.
- ③ Regularly evaluate the achievement status for the performance goals of the Company's directors and managers, and set up its individual contents and amounts of the remuneration.

- (2) While fulfilling the duties stated in the preceding paragraph, the following principles shall be followed:

- ① Ensure the arrangement of the Company's remuneration complies with the relevant laws and it is sufficient to attract the excellent talents.
- ② The performance assessment and remuneration of the directors and managers shall refer to the normal standards of remuneration in the same industry, and consider the person's time involved, duties taken, achievement of personal goal, expression of other positions taken, the same positions' remuneration paid by the Company in the recent years, as well as the achievement of the Company's short-term and long-term goals and financial conditions etc., to evaluate the correlative reasonableness for the personal expression, the Company's business performance and future risks.
- ③ The Committee shall not lead the directors and managers to pursue the remuneration by engaging the acts which have the risks that the Company is unable to bear.

- 4 The ratio of bonus for the short-term performance of the directors and senior managers and the time to pay for partial variable remuneration shall be determined upon the characteristics of the industry and the nature of the Company's business.
- 5 The committee members shall not be involved in the discussing and voting the determination of their personal remuneration.
- (3) The remuneration stated in the preceding two paragraphs includes cash remuneration, stock options, profit sharing and stock ownership, retirement benefits or severance pay, variance allowances and other substantive incentive measures; its scope shall be consistent with the regulations for the remunerations of the directors and managers stipulated in Regulations Governing Information to be Published in Annual Reports of Public Companies.
- (4) If the decision-making and handling of the remuneration for the directors and managers of the Company's subsidiaries are delegated to the subsidiary but required the ratification of the Company's board, the Remuneration Committee shall be asked to provide the suggestion first, and then submit to the board for discussion.

### 3. Operation of the Remuneration Committee

- (1) There are 3 members in the Company's Remuneration Committee.
- (2) Tenure of the current committee members: August 26, 2021, to August 25, 2024. Three meetings were convened by the Remuneration Committee (A) in 2023. Attendance by committee members is as follows:

Title	Full name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remark
Convener	Chou, Po-Chiao	3	0	100%	
Member	Chen, Tsung-Ming	3	0	100%	
Member	Lai, Ling-Ming	2	0	100%	Resigned on May 31, 2024, so actual attendance of 2 times
Member	Wu, Pei-Ling	0	0	0%	Appointed on August 31, 2023, with no required attendance in the year 2023

#### Other mentionable items:

- I. If the board of director declines to adopt or modifies the suggestions of the Remuneration Committee, it should specify the date of the board, session, contents of motion, resolution of the board of director, and actions taken by the Company for the Remuneration Committee's opinions (e.g. the remuneration passed by the Board of Director is better than the suggestions of the Remuneration Committee, the circumstances and causes for the difference shall be specified): No such circumstance in the year.
- II. If any resolution of the Remuneration Committee was objected by or subject to a qualified opinion from any member with record or written statement, the date of the meeting of the Remuneration Committee, session, contents of motion, all members' opinions and actions taken for the members' opinions shall be specified: No such circumstance in the year.
- III. The Board of Directors passed the Remuneration Committee Charter on December 13, 2011. On August 26, 2021, the recruitment of the members for the Company's fifth Remuneration Committee was approved.
- IV. The content of the Charter has been put on the Company's website and the Market Observation Post System for reference. The Company's website is [https://www.clevo.com.tw/tw/investment/investment\\_internal\\_policies](https://www.clevo.com.tw/tw/investment/investment_internal_policies)
- V. Due to the resignation member Ms. Lai, Ling-Ming on May 31, 2023, Ms. Wu, Pei-Ling was newly appointed as a member of the Compensation Committee on August 11, 2023.

#### Note:

- (1) If a member of the Remuneration Committee resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendance in person.
- (2) If the Remuneration Committee is re-elected before the end of year, both new and old members of the Remuneration Committee shall be filled in, and the information that such member is an old or a new member as well as the date of re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendance in person.



**Summary Table of the Meetings Record for the Remuneration Committee:**

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	Resolution results	The company's process on the remuneration committee	Attendance Without Voting Rights
1	5	2023.01.04	2023.01.12 (Video Conference)	1. Review of year-end bonuses to managers for 2022	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lin, Bo-Wei
2	6	2023.03.07	2023.03.15	1. Review of the amount of remunerations to directors and employees for 2022 2. Review of the Company's 2022 remuneration to directors 3. Review of the Company's 2022 remuneration to the independent director [Chou, Po-Chiao] 4. Review of the Company's 2022 remuneration to the independent director [Chen, Tsung-Ming] 5. Review of the Company's 2022 remuneration to the independent director [Lai, Ling-Ming]	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lin, Bo-Wei
3	7	2023.01.04	2023.01.12 (Video Conference)	1. Review of year-end bonuses to managers for 2022	V	V	resignation	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lin, Bo-Wei

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Chou, Po-Chiao	Chen, Tsung-Ming	Wu, Pei-Ling	Resolution results	The company's process on the remuneration committee	Attendance Without Voting Rights
4	8	2024.01.12.	2024.01.22 (Video Conference).	Review of year-end bonuses to managers for 2023	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lan, Bo-Yu
5	9	2024.03.06	2024.03.14	1. Review of the amount of remunerations to directors and employees for 2023 2. Review of the Company's 2023 remuneration to directors 3. Review of the Company's 2023 remuneration to the independent director [Chou, Po-Chiao] 4. Review of the Company's 2023 remuneration to the independent director [Chen, Tsung-Ming] 5. Review of the Company's 2023 remuneration to the independent director [Lai, Ling-Ming]	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lin, Bo-Wei

**4. Composition, responsibility and functioning of the Nomination Committee**

The Company has not yet set up a nomination committee as of the publication date of this annual report. It plans to establish a nomination committee in the future according to needs.

## (V) Implementation status of promoting ESG

## 1. Difference in the drive for ESG from the ESG Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
	Yes	No	Abstract Illustration	
I. Does the Company establish a governance structure for sustainable development, put in place a dedicated (part-time) unit to drive sustainable development, have the Board of Directors to authorize senior management for handling and to supervise accordingly?	V		<p>Clevo's board of directors is the highest-level governing body for sustainability management. In 2016, the board established a CSR Task Force to oversee sustainability management. On November 10, 2022, it was renamed the Sustainable Development Task Force. The general manager serves as the convener. Since its inception, the task force has prepared and published the annual sustainability report, developed sustainability strategies and policies, established systems and related management guidelines, and led teams and company departments in implementing them into Clevo's operational processes.</p> <p>The Sustainable Development Task Force is divided into 5 teams according to the field. They include corporate governance, customer care, environmental sustainability, employee care, and social welfare. The relevant company units select supervisors and colleagues with appropriate functions to form teams, hold regular meetings, coordinate the management, and negotiate and discuss future ESG implementation methods and goals with each team. The Sustainable Development Task Force reports to the board of directors at least once a year on the implementation of sustainability. It is also responsible for the preparation and publication of the sustainability report. Its organizational structure and responsibilities are shown in the following diagram:</p> <pre> graph TD     BD[Board of Directors] --&gt; C[Convener (President)]     C --&gt; PMD[Project Management Director of Human Resources]     PMD --&gt; CGT[Corporate Governance Team]     PMD --&gt; CCT[Customer Care Team]     PMD --&gt; EST[Environmental Sustainability Team]     PMD --&gt; ECT[Employee Care Team]     PMD --&gt; SWT[Social Welfare Team]     CGT --&gt; CGT_L["Ethical Management Organization Strategy Legal Compliance Protect Shareholders' Equity Information Transparency Internal control Risk management"]     CCT --&gt; CCT_L["Goods and Services Liability Customer Data Confidentiality Consumer Rights and Interests Protection Customer Relationship Maintenance"]     EST --&gt; EST_L["Policy and Advocacy Green Supply Chain Management Green Product R&amp;D Innovation Promote Energy Saving and Carbon Reduction Management Climate Change Adaptation Management"]     ECT --&gt; ECT_L["Diverse Talents Labor Rights Remuneration and Benefits Labor management relations Friendly Workplace Talent Cultivation Safe Workplace"]     SWT --&gt; SWT_L["Social Care Community Participation Charitable Events Corporate Image"] </pre>	No deviation.

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference									
	Yes	No	Abstract Illustration										
			The Sustainable Development Task Force reports to the board of directors on the sustainability implementation at least once a year. It is also responsible for the preparation and publication of the sustainability report. The Task Force's organizational structure and responsibilities are shown in the following diagram: The board of directors can review the strategy progress through the annual implementation report and compel the management team to make adjustments when necessary.										
II. Does the Company apply the materiality principle to the assessment of environmental, social and corporate governance issues regarding its operations and formulate relevant risk management policies or strategies accordingly? (Note 2)	V		<div>The Company has regularly examined the material problems yearly according to the materiality principle and referencing the generally accepted report preparation requirements. The goal is to determine the content and priority of each topic by referencing research reports, checking literature, and communicating with internal and external experts in order to conduct risk assessments, propose corresponding strategic recommendations, and formulate annual work plans. The following major management policy topics have been disclosed in the sustainability report: This disclosure information covers the Company's sustainable development performance on its main bases from January 2023 to December 2023. The risk assessment boundary is mainly based on the Company, the relevance to the industry's operations, and the degree of impact on major topics. The scope also includes Kapok Computer (Kunshan) Co., Ltd., a production base subsidiary.</div> <table><tr><th>Major issues</th><th>Risk assessment</th><th>Note</th></tr><tr><td>Environment and Climate</td><td><div><ul style="list-style-type: none"><li>• Response to Climate Change</li><li>• Greenhouse Gas and Energy Management</li><li>• Water resource management</li><li>• Waste management</li></ul></div></td><td><div><ul style="list-style-type: none"><li>• The Company uses various methods, such as the TCFD guidelines, peer reports, and international trends, to identify the year's key climate risks and opportunities. The Sustainable Development Task Force collects information on climate issues, and each unit and department evaluates the impact and probability of occurrence of these issues. Based on this evaluation, the key climate risks and opportunities are determined.</li><li>• The Company has established an environmental management system and obtained ISO 14001 environmental management system certification. It regularly monitors and improves energy resource usage and follows the Plan-Do-Check-Action (PDCA) spirit to annually review the environmental considerations and hazard identification risks in each link of the operating process. The Company also introduces the ISO 50001 energy management system to identify key energy consumption in the plant area, propose improvement strategies to reduce the demand for fossil fuels and greenhouse gas emissions yearly and implement pollution prevention.</li></ul></div></td></tr><tr><td>Employees and the society</td><td><div><ul style="list-style-type: none"><li>• Employee Welfare</li><li>• Employee Education and Training</li><li>• Occupational Safety and Health</li><li>• Diversity, Inclusion, and Human Rights</li><li>• Social Charity and Contribution</li></ul></div></td><td><div><ul style="list-style-type: none"><li>• The Company follows the human rights standards outlined in the "United Nations Global Compact," "Universal Declaration of Human Rights," and the "ILO Convention." The Company opposes any action that violates human rights and is committed to equal human rights and a safe and healthy work environment for its employees as the Company's general operating principle.</li><li>• Each year, the Company has considered its current strategic goals and the training needs proposed by various departments and referenced the "Talent Training and Development Roadmap" to formulate rich and diverse courses for each rank and job function to gradually improve the personal competitiveness of students.</li><li>• The Company has implemented occupational safety and health management plans,</li></ul></div></td></tr></table>	Major issues	Risk assessment	Note	Environment and Climate	<div><ul style="list-style-type: none"><li>• Response to Climate Change</li><li>• Greenhouse Gas and Energy Management</li><li>• Water resource management</li><li>• Waste management</li></ul></div>	<div><ul style="list-style-type: none"><li>• The Company uses various methods, such as the TCFD guidelines, peer reports, and international trends, to identify the year's key climate risks and opportunities. 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Major issues	Risk assessment	Note											
Environment and Climate	<div><ul style="list-style-type: none"><li>• Response to Climate Change</li><li>• Greenhouse Gas and Energy Management</li><li>• Water resource management</li><li>• Waste management</li></ul></div>	<div><ul style="list-style-type: none"><li>• The Company uses various methods, such as the TCFD guidelines, peer reports, and international trends, to identify the year's key climate risks and opportunities. The Sustainable Development Task Force collects information on climate issues, and each unit and department evaluates the impact and probability of occurrence of these issues. Based on this evaluation, the key climate risks and opportunities are determined.</li><li>• The Company has established an environmental management system and obtained ISO 14001 environmental management system certification. It regularly monitors and improves energy resource usage and follows the Plan-Do-Check-Action (PDCA) spirit to annually review the environmental considerations and hazard identification risks in each link of the operating process. The Company also introduces the ISO 50001 energy management system to identify key energy consumption in the plant area, propose improvement strategies to reduce the demand for fossil fuels and greenhouse gas emissions yearly and implement pollution prevention.</li></ul></div>											
Employees and the society	<div><ul style="list-style-type: none"><li>• Employee Welfare</li><li>• Employee Education and Training</li><li>• Occupational Safety and Health</li><li>• Diversity, Inclusion, and Human Rights</li><li>• Social Charity and Contribution</li></ul></div>	<div><ul style="list-style-type: none"><li>• The Company follows the human rights standards outlined in the "United Nations Global Compact," "Universal Declaration of Human Rights," and the "ILO Convention." The Company opposes any action that violates human rights and is committed to equal human rights and a safe and healthy work environment for its employees as the Company's general operating principle.</li><li>• Each year, the Company has considered its current strategic goals and the training needs proposed by various departments and referenced the "Talent Training and Development Roadmap" to formulate rich and diverse courses for each rank and job function to gradually improve the personal competitiveness of students.</li><li>• The Company has implemented occupational safety and health management plans,</li></ul></div>											

Tasks	Implementation status (Note 1)				Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference	
	Yes	No	Abstract Illustration			
					built a safety and health culture, established a healthy workplace environment, set corresponding target indicators, and involved all employees in implementation to achieve the goals.	
			Governance / Economy	<ul style="list-style-type: none"><li>• Corporate governance</li><li>• Legal Compliance</li><li>• Ethical Management and Anti-corruption</li><li>• Economic performance</li><li>• Information Security, Customer Privacy, and Risk Management</li></ul>	<ul style="list-style-type: none"><li>• Clevo adheres to the fundamental corporate governance principles, adopts governance practices of the highest standard, and chooses board members by professional background while observing gender equality guidelines. Steps are taken to ensure the effective functioning of the board and protection of all stakeholders' interests.</li><li>• The Company executes business operations at the highest ethical standard. We have established a code of integrity management and a code of ethical conduct and required all recruits to sign relevant documents to ensure that all commercial activities comply with laws. We adopt a zero-tolerance policy for any misconduct that violates business ethics. With the regular reminders and internal propaganda by the auditing unit, we are committed to reinforcing our employees' concept of ethical management and legal compliance, to prevent misconduct.</li><li>• The Company values sustainable operations and stable profitability to address the economic value issues concerning investors, shareholders, and other stakeholders. We are committed to green product development and employee training and collaborate with suppliers and customers to achieve mutual growth. The Company has set operational goals for the next 3 years. It will adjust them annually based on global economic growth conditions to facilitate the planning of future strategies and implementation plans and move towards the goal of stable growth.</li><li>• Follow the ISO 27001 infrastructure specification, check cybersecurity policies' applicability and security measures using the standard's management cycle mechanism of Plan-Do-Check-Act (PDCA), and report the implementation results to the Cybersecurity Committee twice a year.</li></ul>	
			Products and Services	<ul style="list-style-type: none"><li>• Responsible Production</li><li>• Innovative R&amp;D</li><li>• Customer relationship management</li><li>• Supply Chain Management</li></ul>	<ul style="list-style-type: none"><li>• The Company strives to minimize the impact of its products and activities on the external environment and society. Failure to take responsibility for production issues can directly damage the Company's reputation and lead to missed business opportunities. It can also increase supply chain risks and violate local environmental and social regulations. The Company's products have extended the life cycle of products as a product design principle, and they are committed to reducing the environmental impact of production. Low-carbon recycling strategies will be used effectively in all production processes and equipment to strive for energy conservation and carbon reduction. Environmentally friendly plastics and components have also been introduced to reduce the materials' environmental impact.</li><li>• The Company has adhered to the 3 core concepts of "innovation," "flexibility," and "environmental friendliness." Continue to find a market niche, design differentiated and highly competitive products, and insist on the commitment to ban hazardous substances in the product design and development stage. We have established the CLEVO Hazardous Substances Free (HSF) technical standards to prevent harmful substances from being mixed with environmentally friendly products to comply with</li></ul>	

Tasks	Implementation status (Note 1)					Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
	Yes	No	Abstract Illustration			
					international environmental regulations such as RoHS Directive, PACKAGING Directive, Battery Directive, REACH, PFOS Directive, or PAHs. The goal is to fulfill the "environmentally friendly" concept, and we will also make adjustments according to the client's requirements to avoid using specific hazardous substances. <ul style="list-style-type: none"><li>• The Company has formulated well-defined "customer service management," "non-conforming product control," and grievance handling procedures to ensure standardized customer services.</li><li>• The Company has developed supplier management specifications and screening criteria to thoroughly examine suppliers' capabilities, such as delivery quality and delivery schedule, to reduce Clevo's operational risks and increase market competitiveness. Suppliers are prohibited from using hazardous substances or substances that are internationally banned. The Company will also continue to pay close attention to the requirements and regulations of such hazardous substances to fulfill its social responsibility to the Earth.</li></ul>	
III. Environmental issues						No deviation.
(I) Does the Company establish the suitable environmental management systems upon its industrial characteristics?	V		(I) The Company's Taipei headquarters is an office and R&D building, while the Kunshan factory produces and manufactures notebook computers. Therefore, Kunshan's potential impact on the environment is more significant than that of headquarters. The Kunshan factory has established an ISO 14001 environmental management system to reduce the impact of its operations on the external environment. The Kunshan factory adheres to the Plan-Do-Check-Action (PDCA) philosophy and annually reviews each process operation's environmental considerations and hazards. The goal is to identify risks and conduct external re-examinations and audits every three years to keep the certificate valid. The most recent version of ISO 14001:2015 environmental management system verification was passed on April 6, 2023, and is effective until April 7, 2026.			
(II) Does the Company seek to enhance the efficiency of energy utilization and the use of recycled materials with a low environmental burden?	V		(II) The Company strives to minimize the impact of its products and activities on the external environment and society. Failure to take responsibility for production issues can directly damage the Company's reputation and lead to missed business opportunities. It can also increase supply chain risks and violate local environmental and social regulations. We require suppliers to avoid all harmful and internationally banned or restricted substances to ensure that the products meet international environmental protection standards. The Company also strictly follows the EU's relevant environmental protection directives, including the Waste Electrical and Electronic Equipment Directive (WEEE) and the Restriction of Hazardous Substances Directive (RoHS), to ensure compliance with relevant standards. Suppliers and partner manufacturers must sign a "Hazardous Substances Guarantee Statement" and an "Environmental Declaration" and submit a chemical substance analysis report provided by a partner manufacturer's verification unit or a qualified laboratory to ensure the development and production of green electronic products and reduce the impact of using hazardous/restricted substances on the external environment and human health.			

Tasks		Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
		Yes	No	Abstract Illustration	
(III)	Does the Company assess the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and take responsive measures related to climate issues.	V		(III) The Company Sustainable Development Task Force is the Clevo climate change and sustainable development unit, with the general manager as the convener. The Company has collaborated with departments on climate response strategies, goal setting, and management plans through interviews, peer benchmark reports, and CDP questionnaire collection to identify key climate risks and opportunities related to operations. We also hold regular meetings to summarize the current status of the Company's departments in responding to climate risks and opportunities and the corresponding measures. After review by the general manager, the results are submitted to the board of directors. Following the TCFD guidelines, peer reports, and international trends, the Company identifies its specific climate issues. Each unit and department evaluates the impact and probability of occurrence of climate issues and determines the key climate risks, such as increased pricing for greenhouse gas emissions, regulation of existing products and services, increased severity and frequency of extreme climate events, etc. The Company has also identified feasible opportunities and developed corresponding measures to mitigate these risk factors, such as adopting low-carbon energy projects, implementing energy-saving measures, developing/increasing low-carbon products, etc. The Company aims to reduce its environmental impact and implement environmental pollution prevention by regularly monitoring and improving energy resource usage. For the Company's climate-related performance in 2023, please refer to pages 56 ~ 57 of the annual report for a detailed description of the climate change risk and opportunity analysis. This information is disclosed in the Company's sustainability report and on the Company's website: <a href="https://www.clevo.com.tw/tw/esg/ESG_main">https://www.clevo.com.tw/tw/esg/ESG_main</a> .	
(IV)	Does the Company measure the annual greenhouse gas emissions, water consumption and gross weight of waste for the past two years, and stipulate policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of other waste?	V		(IV) The Company tracks greenhouse gas emissions data annually. The Taipei headquarters and the Kunshan factory completed carbon footprint inventories in 2022 and set carbon reduction targets based on these benchmarks. The Kunshan factory has set carbon reduction targets of "1% reduction in Scope 1 and Scope 2 carbon emissions each year compared to the previous year" and "1% reduction in energy consumption each year compared to the previous year." The Company will first promote energy-saving measures in its production bases and operational headquarters, which will be expanded to subsidiaries of the Group's Buynow business group. The Company will also adjust and strengthen its greenhouse gas emission reduction targets as appropriate and is committed to achieving its net-zero emission vision. The implementation of energy saving, carbon reduction, and greenhouse gas reduction, as well as thorough descriptions of previous greenhouse gas emissions, water consumption, and the total weight of waste, are disclosed in the Company's sustainability report and company website at: <a href="https://www.clevo.com.tw/tw/esg/ESG_main">https://www.clevo.com.tw/tw/esg/ESG_main</a> .	
IV. Social issues					
(I)	Does the Company establish the relevant management policies and procedures according to relevant regulations and International Bill of Human Rights?	V		(I) The Company is in compliance with internationally recognized human rights standards such as the "Universal Declaration of Human Rights," "The United Nations Global Compact" and "International Labor Organization." The Company has stipulated and implemented its human rights policies and the implementation principles include providing a safe and healthy working environment, eliminating illegalness and discrimination to ensure equal work opportunities, prohibiting forced labor, prohibiting child labor, assisting employees to maintain physical and mental health as well as work-life balance, reviewing and evaluating related systems and practices on a regular basis.	No deviation.

Tasks		Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for this difference												
		Yes	No	Abstract Illustration													
(II)	Does the Company stipulate and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and adequately reflects the operating performance or results to the remuneration to employees ?	V		<p>(II) The Company proposes the standard and concept for talent recruitment and appointment based on the requirements of government regulations and policies, which is "kindred spirits, suitable talents at suitable workplaces." The recruitment of new employees is not based on the factors such as gender or religion, and we aim to provide a fair and open way for employee recruitment. The Company has been actively planning various welfare programs for employees over the past many years, to create a fun life other than work, improve quality of life, enable employees to achieve a work-life balance, and facilitate the interaction between employees amongst various departments to make the culture of the working environment better and comprehensive. We also enhance good teamwork spirit and employee loyalty, to improve the work efficiency of our employees. Please refer to page 103~104 of the annual report for our welfare measures and subsidies. The employee's assessment and promotion methods are based on the Company's performance assessment, and all employees will cooperate with the Company's performance assessment schedule and conduct regular performance assessment. According to the practical operating status in the year, the evaluation items in the annual KPI and work plan form will be flexibly adjusted. The assessment result will be taken into consideration for the employee's future promotion and salary adjustment. To emphasize two-way communication, we encourage managers and colleagues to discuss face-to-face and formulate tangible action plans for the performance results and task priorities of employees. This is to enhance the competitiveness of each colleague.</p> <p>The average salary adjustment for employees in 2023 is as follows:</p> <table border="1"> <thead> <tr> <th>Salary adjustment</th><th>Remark</th><th>Salary adjustment for non-managerial employees</th><th>Remark</th><th>Salary adjustment of managerial employees</th><th>Remark</th></tr> </thead> <tbody> <tr> <td>0%~5.0%</td><td>None</td><td>0%~6.0%</td><td>The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.</td><td>0%</td><td>The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance .</td></tr> </tbody> </table>	Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark	0%~5.0%	None	0%~6.0%	The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.	0%	The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance .	
Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark												
0%~5.0%	None	0%~6.0%	The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.	0%	The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance .												
(III)	Does the Company provide the employees a safe and healthy working environment,	V		(III) 1.Arrange the health promotion activities to increase the colleagues' healthiness and prevent the diseases.													

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
	Yes	No	Abstract Illustration	
and arrange the regular training relating to safety and health?			<p>2. Arrange the courses of the health lectures regularly to enhance the colleagues' healthy awareness and healthy behaviors.</p> <p>3. Implement anti-COVID measures and install equipment to combat the virus, to protect the health and work quality of all employees.</p> <p>4. Arrange the safety and health training for new and existing laborers to teach the colleagues to prevent occupational diseases and have the awareness of safety.</p> <p>5. Arrange the training for firefighting and first aid regularly to enhance the general sense of the fire-fighting and the ability to deal with emergencies.</p> <p>6. Enhance the quality of the working environment for employees, carry out 5S training, and arrange the factory's self-assessment and auditing activities for 5S.</p> <p>7. Arrange the propagation to inform the injury and promote the safety for the contractor, maintain the quality of construction and enhance the safety of the operational places for colleagues.</p> <p>8. Kunshan factory had obtained the new version of certification ISO 14001: 2018 environmental management system on April 6, 2023 and the certification is valid until April 5, 2026.</p> <p>Note: In 2023, the Company has no major occupational accidents.</p>	
(IV) Does the Company establish the effective training programs of the career capability development for its employees?	V		(IV) The Company values the importance of education and training for employees and designs training related to job duties at various levels based on the "Systematic Diagram for Education and Training Development." The training is expected to gradually enhance the personal competitiveness of trainees. Every year, the human resources department will make a course plan based on the Company's strategic objectives for the year and the training demands proposed by each of the departments.	
(V) Does the Company comply with relevant laws and international standards and establish policies and complaint procedures to protect the rights of consumers or customers when it comes to customers' health and safety, privacy, marketing and labeling of products and services?	V		(V) For the marketing and labeling of the products and services, the Company complies with the relevant regulations and international standards. A dedicated after-sales service department is also established to provide customer services. There are standard procedures in product repair and maintenance in order to strengthen customer relations and satisfy the customers' needs. The Company comprehensively implements and complies with the regulations for the protection of the consumers' rights/interests, and satisfaction of the customers is one of the Company's important strategies.	
(VI) Has the Company formulated a suppliers management policy and asked suppliers to abide by relevant regulations in environmental protection, occupational safety & health and labor rights and provide details of implementation?	V		(VI) The Company has stipulated the "GP operation management procedures" for suppliers, which standardizes the procurement procedures for raw materials and parts. We also request our suppliers and outsourced vendors to sign "hazardous substance guarantee form" and "environment protection declaration," and attach the chemical substance analysis report by a qualified laboratory or third-party notary agency, to ensure that their provided parts and components meet the Company's current environmental requirements. In addition, we also conduct green factory assessment for our suppliers/outsourced vendors to verify whether the suppliers have obtained (or expected to obtain) the ISO14001 environmental management system certification and understand their implementation and management status.	



Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
	Yes	No	Abstract Illustration	
V. Does the Company prepare sustainability reports to disclose non-financial information by referring to international reporting standards or guidelines? Did the preceding report obtain the verification or assurance opinion from a third-party notary agency?	V		The Company complies with the internationally accepted report preparation guidelines (GRI Standards). It also refers to the Task Force on Climate-related Financial Disclosures (TCFD) and the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies when preparing its sustainability report. In 2023, the Company commissioned PwC Taiwan to perform limited assurance work on its information according to Taiwan Standards on Assurance Engagements No. 3000, "Assurances that are not Audits or Reviews of Historical Financial Information." The assurance report is published on the Company's website at <a href="https://www.clevo.com.tw/tw/esg/ESG_main">https://www.clevo.com.tw/tw/esg/ ESG main</a> .	No deviation.
VI. If the Company has established its own guidelines on sustainable development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the functioning and the difference of these guidelines. The Company has established the Corporate Social Responsibilities Best Practice Principles, passed by the Board of Directors on March 27, 2015 and amended by the Board of Directors on March 31, 2020. All the department heads and colleagues are actively complying with these principles to drive corporate governance, develop the sustainable environment and safeguard the society's public welfare. There is no deviation from its principles established.				
VII. Other important information that helps to understand the implementation and the drive for sustainable development: 1. Significant natural disasters and other donations during the past three years				
Year	Note			Amount Put In (Unit: NTD)
2021	The meal for the underprivileged - A year end dinner for solitary elderly, underprivileged, and underprivileged single mother			\$10,000
	Jia-yi Charitable Group in Chiayi City			\$20,000
	Group purchasing with charities - Syin-Lu Social Welfare Foundation			\$25,112
	Social Welfare and Public Welfare Trust, Clevo Co.			\$1,740,000
	Donation - Sunshine Social Welfare Foundation			\$998
	World Vision Taiwan			\$2,800
2022	Jia-yi Charitable Group in Chiayi City			\$20,000
	Social Welfare and Public Welfare Trust, Clevo Co.			\$2,040,000
	Taiwan Visually Impaired Association - Charity Handmade Soap			\$333,900

Tasks		Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
		Yes	No	Abstract Illustration	
2023	Jia-yi Charitable Group in Chiayi City			\$20,000	
	Social Welfare and Public Welfare Trust, Clevo Co.			\$2,000,000	
	Love Bulk Purchase - EDEN Social Welfare Foundation. Down Syndrome Foundation. Taiwan Foundation for the Blind			\$22,644	
	Love Donation - Silver Grass Cultural and Creative Association			\$100,000	
	Support fresh milk from local small farmers			\$490,000	
	Total			\$7,045,454	

2. Upon the spirit of putting itself in other's position, the Company cooperated with the Land Bank of Taiwan to sign a Public Welfare Trust Account of NT\$ 10 million on December 12, 2018. Starting in 2019, the amount of approx NT\$ 2 million will be dedicated to various public welfare activities every year.

3. Social Co-Prosperity

- (1) Love Earth By Using Eco-Friendly Cutlery: Since December 2017, every employee has received environmentally-friendly cutlery sets and 333 sports mugs. All new hires in 2023 received the environmentally-friendly cutlery when they came on board.
- (2) Support for local small farmers: Starting in November 2019, we have been using fresh milk from a single farm and small farmers without artificial blending and based on fair trade for our coffee machines. The average monthly cost was about 41,000 dollars in 2023. We hope to support and help the development of local farmers in Taiwan long term.
- (3) In 2023, the Social Welfare and Public Welfare Trust of Clevo Co. donated NT\$2,000,000 to disadvantaged families in Tainan to help create a better society.
- (4) Epoque i-Tower Happy Market event helps local entrepreneur friends and encourages colleagues to spend more to participate.
- (5) The Company donated NT\$100,000 to the Silver Grass Cultural and Creative Association to sponsor a children's theater performance in a remote area. This donation aims to help children in remote areas and promote the development of arts and cultural activities in Taiwan.
- (6) In support of the Pure Green Foundation's "Recycle Old Computers and Spread Love" program, the Company donated 12 computers. This donation aims to provide children, disadvantaged families, and non-profit organizations in need with refurbished computers, promoting both environmental protection and carbon reduction and reducing electronic waste.
- (7) The Company participated in the Sunshine Foundation's used book collection event, echoing the concept of "environmental protection through knowledge" to find new homes for beloved books. The proceeds from the donated books will be used for the psychological reconstruction service fund for burn and facial injury survivors. A total of 223 books were collected and donated during this event.
- (8) The Company contributed NT\$2,632,644 to charity donations and various social projects organized by local government agencies in 2023. The goal was to participate in charitable donations and various social projects run by the local government, strive to reach every corner of Taiwan needing help, and help create a harmonious society and promote sustainable development.

The aforesaid matters and results in relation to sustainable development are regularly disclosed on the Company's website and sustainability reports.

Note 1: If the Current Implementation is ticked "Yes," please specify the important policies, strategies, measures, and implementation status adopted. If the Current Implementation is ticked "No," please explain the difference and cause in the "Status and Reasons for Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" field, and explain the plans to adopt relevant policies, strategies, and measures in the future. Regarding promotion items 1 and 2, TWSE/TPEX-listed companies must describe their sustainable development governance and supervision structure, including management guidelines, strategy, goal formulation, and review measures. Describe the Company's risk management policies or strategies for environmental, social, and corporate governance issues related to operations and its assessment status.

Note 2: The principle of major issues refers to the subjects regarding environmental, social and corporate governance issues that have a significant impact on the Company's investors and other interested parties.

## 2. Status of climate action implementation

Item	Implementation Status
I. Describe the board of directors' management oversight, governance, and climate-related risks and opportunities.	The board of directors is the highest governing body for Clevo's climate change decision-making and management. It is responsible for managing and overseeing Clevo's climate risks and opportunities and making management decisions in response to these issues. The Sustainable Development Committee analyzes climate trend issues relevant to the Company annually. It is required to report to the Board of Directors at least annually to oversee the Company's climate risk management progress. The Board of Directors develops the Company's overall climate risk opportunity response strategy and future goal layout.
II. Describe how the identified climate risks and opportunities will affect the Company's business, strategy, and finances in the short-, medium-, and long-term).	(1) Transition Risk - Increased Greenhouse Gas Emissions Pricing - Short-term (within 3 years) In recent years, various countries have successively promulgated relevant regulations such as carbon tax or carbon fee. Taking the domestic "Climate Change Response Act" as an example, although Clevo is not the first to be subject to regulation, it should still pay attention to the cost risks of carbon fees or carbon tax in the future. If it is included in the regulation in the future, it will increase operating costs. Therefore, both the Taiwan headquarters and the Kunshan factory completed the construction of the greenhouse gas inventory system in 2022 to track carbon emissions and energy consumption trends and plan to invest in low-carbon product design and improve the energy use efficiency of the production process to reduce risks.
III. Describe the financial impacts of extreme climate events and transitional actions.	(2) Physical Risk - Increased Severity and Frequency of Extreme Climate Events - Medium-term (3-10 years) In recent years, the frequency of droughts and floods in China has increased annually. The government has frequently announced power rationing and off-peak production policies in response to high temperatures and droughts. Clevo's Kunshan factory in China only has a small amount of processed water, and domestic water is the primary source. After evaluation, the impact of short-term droughts on the Company is relatively small. However, if power rationing or reduced water supply is encountered, the cost of diesel generators and purchased water trucks may increase. The Kunshan factory has compiled a "Special Emergency Plan for Extreme Severe Weather Incidents" and conducts drills yearly. The Kunshan factory is equipped with water pumps to deal with flooding caused by heavy rain, and it also has four emergency diesel generators and backup diesel fuel to maintain production in the factory area in case of temporary power rationing by the local government. (3) Climate Opportunities - Development/Increase of Low-Carbon Products - Short-term (within 3 years) In recent years, global sustainability awareness has increased, and brands and consumers are gradually increasing their preference for low-carbon, energy-efficient, and recycled products. The Company's computer design includes energy-saving settings for the operating system to minimize charging cycles and help extend battery life. In addition, 100% of the notebooks currently produced by the Company meet the Energy Star energy efficiency standards, and 5 notebooks have passed the China Energy Efficiency Label (CEL) energy efficiency certification. This helps to enhance the Company's layout and order volume in the sustainable product market and further increases the Company's revenue. The Company has raised the requirements for using low-carbon and recyclable materials in the raw materials of its direct suppliers to grasp the market opportunities for low-carbon products, enhance the sustainable image and value of notebooks, and strengthen the product market competitiveness under the sustainable trend.
IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has identified and assessed climate risks according to the TCFD's climate-related financial disclosure recommendations. However, the Company's risk management system is still under development. It is planned to include the climate risk management process in the planning and integrate it into the overall risk management system.
V. The scenarios, parameters, assumptions, analysis factors, and significant financial impacts must be explained if scenario analysis is used to assess resilience to climate change risks.	Not yet established, but is under planning.
VI. If there is a transition plan for managing climate-related risks, describe the plan's content and the indicators and goals used to identify and manage physical and transition risks.	Not yet established, but is under planning.
VII. If internal carbon pricing is used as a planning tool, the basis for setting the price must be stated.	Not yet established, but is under planning.

Item	Implementation Status					
VIII. If climate-related goals are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress achieved each Year must be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or RECs to be offset must be clarified.	Clevo has established climate-related management goals to improve climate resilience, implemented various goals in the operation and management of factories and departments, effectively managed the threats posed by climate risks, and strengthened its ability to respond to climate change. The Company's Kunshan factory and Taipei headquarters completed carbon inventories in 2022. Using this as the base year, carbon reduction targets were set. Currently, the Kunshan factory has set carbon reduction targets to reduce the total carbon emissions of Scope 1 and Scope 2 by 1% annually compared to the previous year, reduce solid waste by 3%, and reduce comprehensive energy consumption by 1%. In 2023, the total carbon emissions of the Kunshan factory area were verified by SGS ISO14064-1, an external third-party verification agency, to have been reduced by xx% from the previous year, achieving the carbon reduction target.					
IX. Greenhouse Gas Inventory and Assurance Status and Reduction Targets, Strategies, and Action Plans	(1) Greenhouse Gas Inventory and Assurance Status for the Last Two Years					
	Inventory Information	Taipei Headquarters		Inventory Information	Kunshan Plant	
		2022	2023		2022	2023
	Carbon emissions - Category 1 (ton CO <sub>2</sub> e)	29.6	29.45	Carbon emissions - Category 1 (ton CO <sub>2</sub> e)	102.9	126.22
	Carbon emissions - Category 2 (ton CO <sub>2</sub> e)	423.1	299.89	Carbon emissions - Category 2 (ton CO <sub>2</sub> e)	3,264.8	3,324.04
	Carbon Emission Intensity (ton CO <sub>2</sub> e/ping)	0.119	0.086	Carbon Emission Intensity (ton CO <sub>2</sub> e/1000 units)	2.09	2.04
(2) Greenhouse gas reduction goal, strategy, and action plan achievement status: The Company is committed to following various export countries' energy-saving and carbon reduction requirements and regulations. Developing efficient products aims to enhance the energy conversion efficiency of these products, thereby reducing the carbon footprint throughout their lifecycle. The Company continuously demands carbon reduction efforts from key suppliers to achieve carbon reduction effectiveness across the supply chain and promote a low-carbon supply network. In addition to installing solar panels, the Company annually reviews aging equipment and machinery in its factories. It replaces underperforming equipment to improve operational energy efficiency. Furthermore, the Company has implemented an automated air conditioning control system to reduce baseline electricity consumption in its offices. The Kunshan factory and the Taipei headquarters completed carbon inventories in 2022, using this as the baseline year to set carbon reduction targets. The Kunshan factory has established goals to reduce Scope 1 and Scope 2 carbon emissions by 1% annually compared to the previous year. In 2023, the total carbon emissions of the Kunshan factory area were verified by SGS ISO14064-1, an external third-party verification agency, to have been reduced by xx% from the previous year, achieving the carbon reduction target.						

(VI) The difference from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
I. Develop the Policies and Programs for Ethical Corporate Management				No deviation.
(I) Has the Company stipulated the ethical corporate management policy approved by the Board of Directors and expressed the policies and practices for ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and high management to actively implement ethical corporate management?	V		(I) In order to align the Company's directors and managers with ethical standards, and to make the Company's stakeholders more aware of its ethical standards, the Company has formulated the Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct. According to the systems for director's avoidance of conflict of interest set out in the Procedural Rules of the Board of Directors Meetings, for matters that are of interest to a director or the legal person he/she represents, and that are harmful to the interests of the Company, the director shall not participate in the discussions for and voting on those matters.	
(II) Does the company create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, and stipulate a plan to prevent misconduct which includes all of the preventive measures stipulated in the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Board of Directors of the Company had passed the "Ethical Corporate Management Best Practice Principles" in 2015 and Article 7 of the principles clearly define that "the Company should create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, stipulate a prevention program, and regularly review the appropriateness and effectiveness of the prevention program" according to the requirements of the competent authority. And prevent misconduct based on the Company's "Procedures for Ethical Management and Guidelines for Conduct." The operating procedures and guidelines for conduct have included all of the preventive measures stipulated in the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."	
(III) Has the Company stipulated a plan to prevent misconduct, and specify operating procedures, behavioral guidelines, disciplinary and grievance systems for violations in each program, and put them in place? And regularly review and revise the preceding plan?	V		(III) The precautionary measures against offering and accepting bribes, and providing illegal political donations have stipulated in the Company's Procedures for Ethical Management and Guidelines for Conduct. The Company's administrative management center, in addition to amending the Procedures for Ethical Management and Guidelines for Conduct, is put in charge of supervising the implementation thereof.	
II. Implementation of Ethical Corporate Management				No deviation.
(I) Has the Company assessed the track records of business ethics of counterparties and incorporated code of conduct in the contracts with counterparties?	V		(I) In addition to complying with the Company's Procedures for Ethical Management and Guidelines for Conduct, when entering into a commercial contract with other parties, in addition to fully understanding their status about ethical corporate management, the contract shall be performed in good faith; Before signing a contract, ethical corporate management will be included in the terms of the contract if the Company deems it necessary subject to amendments thereto in light of the type of the contract.	
(II) Has the Company set up a dedicated unit under the Board of Directors that promotes ethical corporate management and reports its ethical corporate management policy and plan for the prevention of misconduct as well as the implementation status to the Board of Directors on a regular basis (at least	V		(II) The Company's administrative management center is the dedicated unit for ethical corporate management and working with the audit office to develop relevant regulations. President serves as the convener for the formulation, amendment, implementation, interpretation and consultation of the Procedures for Ethical Management and Guidelines for Conduct, as well as the operation and monitoring of registered contents reporting and filing. The responsible unit reports to the Board of Directors each year about the implementation progress. Appropriate	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
once a year)?				
(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	V		<p>channels for statements are provided to avoid conflict of interest. Meanwhile, the Board of Directors has approved on March 27, 2015 the formulation of the Company's Ethical Corporate Management Best Practice and Procedures for Ethical Management and Guidelines for Conduct.</p> <p>The implementation of the policies for ethical corporate management in 2023 was reported to the Board of Directors on March 14, 2024.</p> <p>(III) The Company's Board of Directors shall exercise due care of a good administrator in supervising the Company to prevent dishonesty, and review the implementation effectiveness and continuous improvement at any time to ensure that ethical corporate management policy is put into effect.</p> <p>The Company has stipulated the "Codes of Ethical Conduct," "Rules for Ethical Business operations" and "Procedures for Ethical Management and Guidelines for Conduct" which have clearly stated the policy for preventing the conflicts of interest, so that directors should be highly self-disciplined, and account for any proposed matter for consideration at the meeting of the Board of Directors if he/she or the legal person he/she represents may be interested therein. A director shall not participate in the discussions and voting, nor shall he/she exercise his/her own vote or by proxy on behalf of another director if the aforesaid conflicts of interest impair the interest of the Company. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouses, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both their immediate supervisors and the Company's dedicated unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the Company may use the Company's resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.</p>	
(IV) Has the Company established an effective accounting system and internal control system for the ethical corporate management, assigned internal auditing unit to stipulate relevant audit plan according to the assessment results for the risk of misconduct, as well as use it as reference for auditing and preventing on the compliance status of misconduct, or entrust CPAs to conduct the auditing	V		<p>(IV) The Company has established a complete and effective internal control system, relevant management regulations, accounting systems, Ethical Corporate Management Best Practice Principles, etc., which are implemented and reviewed at any time to ensure that the design and implementation of the systems are effective. Internal auditors regularly inspect operating activities each year. In case of any dishonest behavior is identified, audit reports will be produced and submitted to the Board of Directors. No dishonest behavior occurred in 2023.</p>	
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	V		<p>(V) The Administrative management center, the Company's ethical management unit, regularly organizes education and training for new employees (including ethical corporate management). The Company's 2023 implementation was as follows:</p> <ol style="list-style-type: none"> <li>1. When the Company provides training and education to new hires to advocate the regulations governing ethical businesses, the employees who have completed the curriculum are asked to sign documents concerning ethics and code of conduct such as confidentiality agreements, commitment to ethics and self-discipline, employee's self-regulation pact, and employee's declaration statement. In 2023, a total of 71 new hires</li> </ol>	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
			<p>signed these documents at a 100% sign-up ratio.</p> <p>2. The Company started to offer employees training and education via e-learning about ethical corporate management. The title of the two-hour curriculum is "<u>Cherish not Jewelry but Integrity - Ethical Corporate Management</u>." As of the end of 2023, a total of 66 visitors clicked on the curriculum.</p> <p>3. The Company propagates the norms relating to ethical conduct and ethical management to its employees on the Company's internal web page. In 2023, a total of 186 clicks were recorded on the relevant operating standards and regulations.</p> <p>4. Employees may flag or report illegal behaviors via multiple channels to management and the human resources department. The Company discloses and declares its ethical corporate management policies and implementations at its website and annual reports. No illegal behavior was reported in 2023 via the hotline or emails.</p>	
III. Operation of the Company's Whistle-blowing System				No deviation.
(I) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?	V		<p>(I) When a director or manager violates the Codes of Ethical Conduct, he/she shall be reported to the Board of Directors for treatment. The Board of Directors shall appoint one or more persons to investigate his/her behavior. In case of any violation, the Board of Directors may punish him/her depending on the seriousness of the case. Information such as the title, name, date of violation, cause, the guidelines which have been violated, and punishment about the person who has violated the Codes of Ethical Conduct should be disclosed immediately on the Market Observation Post System if such violation is material. Those who violate ethical standards may appeal to the Board of Directors.</p> <p>The Company encourages internal and external personnel to report on unfaithful behavior or misconduct, and pay bonuses to them at its own discretion depending on the seriousness of the case. Any internal personnel who are found to have fraudulently reported or made malicious allegations, should be subject to disciplinary punishment, up to and including termination.</p> <p>The Company has established and announced internal independent mailboxes or special lines for complaints on the Company's website and the Intranet, or has other external independent agencies to provide such mailboxes and special lines for use by internal and external personnel.</p>	
(II) Has the Company set the investigation standards, operating procedures, follow-up measures after the investigation and related confidentiality mechanisms for the reported complaints?	V		<p>(II) The mechanisms for operations and confidentiality have been stipulated in accordance with the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and the compliant system. The Company shall keep confidentiality of information on whistleblowers or the personnel involved in the investigation as well as the investigation content.</p>	
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	V		<p>(III) The company has created a complaint system that aims to maintain the Company's reputation, safeguard the property, prevent corruption, theft, embezzlement, or other violations of laws and regulations that affect the rights and interests of shareholders, employees, and business partners, and protect the safety of whistleblowers. The company will also keep the identity of whistleblowers and reports confidential. When discovering or receiving reports on dishonest acts of the Company's personnel, the Company should immediately find out the truth. If the violators can produce evidence indicating they have not violated the Company's regulations,</p>	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
			<p>they can immediately appeal to the Administrative Management Center. If it is confirmed that the violators violate the relevant laws or the Company's policies and regulations for ethical corporate management, they are required to immediately stop the relevant act and subject to disciplinary actions; a claim for damages will be made by the Company if necessary through legal proceedings to maintain the Company's reputation and interests.</p> <p>The Company guarantees that the identity of the individuals lodging complaints or whistle-blowers, and the information provided by them will be kept in absolute confidentiality in accordance with the laws, and they will not be punished for reporting.</p> <p>Contact information: Reporting mailboxes Chinese: 24199 三重郵局第 3-96 號信箱 English: P.O.BOX 3-96 Sanchong New Taipei City 24199 Taiwan (R.O.C.) E-Mail address : audit@clevo.com.tw Special line: (02)2995-0299</p>	
IV. Enhancing Information Disclosure (I) Has the Company disclosed the contents and implementation effectiveness of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	V		<p>The Company disclosed the contents of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System. The implementation performance status is also disclosed in the annual and responsibility reports.</p> <p>Please visit the Company's website for details at <a href="https://www.clevo.com.tw">https://www.clevo.com.tw</a>.</p>	No deviation.
V. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the stipulated principles: No difference.				
<p>VI. Other important information helpful for better understanding of ethical corporate management: (such as the review of and amendments to the Ethical Corporate Management Best Practice Principles, etc. ):</p> <ol style="list-style-type: none"> <li>1. The Company's Board of Directors, on March 27, 2015, approved the formulation of the Ethical Corporate Management Best Practice and Procedures for Ethical Management and Guidelines for Conduct. Amendments for some articles were made on March 27, 2018, and March 31, 2020, and reported to the shareholders' meetings during the respective years.</li> <li>2. The Company complies with the Company Act, Securities and Exchange Act, the relevant laws and regulations related to listing or other codes of business conduct as the basis for the implementation of ethical corporate management.</li> <li>3. According to the systems for director's avoidance of conflict of interest set out in the Procedural Rules of the Board of Directors Meetings, for proposals submitted to a meeting of the Board of Directors that are of interest to a director or the legal person he/she represents, the director may express his/her opinions and answer questions, but he/she shall not participate in the discussions for and voting on those proposals, nor shall he/she exercise his/her own vote or by proxy on behalf of another director if the aforesaid conflicts of interest impair the interest of the Company.</li> <li>4. The "Procedures for Handling Major Internal Information Operation and Preventing Insider Trading" developed by the Company specifically stipulate that directors, managers and servants are not allowed to disclose the major internal information they are aware of to others, and may not inquire about or collect the unrevealed and major internal information irrelevant to personal duties from those who are aware of the major internal information within the Company. No unrevealed and major internal information acquired not through conduct of business shall be disclosed to others.</li> <li>5. The Company has implemented stock trading control measures for insiders according to Article 10 of the Company's "Corporate Governance Best-Practice Principles." These measures, which are intended to prevent insider trading, include (but are not limited to) directors are prohibited from trading their shares during the closed period, which is the 30 days preceding the announcement of the annual financial report and the 15 days preceding the announcement of each quarterly financial report.</li> </ol>				

(VII) If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles:



1. To establish a robust corporate governance system, the Company has formulated the Corporate Governance Best-Practice Principles.
  2. In order to align the Company's directors and managers with ethical standards, and to make the Company's stakeholders more aware of its ethical standards, the Company has stipulated the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and the "Procedures for Ethical Management and Guidelines for Conduct."
  3. In order to establish a good mechanism for handling and disclosing major internal information of the Company, to avoid improper disclosure of information, to ensure the consistency and correctness of the information made publicly available by the Company, and to strengthen the prevention and management of insider trading, the Company has established the Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading which shall be followed by all the employees.
  4. Please visit <https://www.clevo.com.tw> for the related codes or management procedures.
- (VIII) Other important information that is useful to better understand the corporate governance operations shall also be disclosed:  
The information about corporate governance on the Company's website can be assessed at <https://www.clevo.com.tw> °

(IX) Implementation Status of Internal Control Systems

1. Statement of Internal Control.

CLEVO CO.

Statement of Internal Control System

Date: March 14, 2024

Based on self-assessment of its internal control system for 2023, the Company makes the following statement:

- I. The establishment, implementation and maintenance of an internal control system are the responsibility of the Company's Board of Directors and management. The Company has established such a system, designed to provide reasonable assurance with respect to the effectiveness and efficiency of business operations (including profitability, performance and safeguarding of assets), the preparation of reliable, timely and transparent financial statements, and their compliance with the relevant rules and regulations.
- II. An internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to the accomplishment of the above goals. Furthermore, because of changing conditions and circumstances, the effectiveness of an internal control system may vary over time. Notwithstanding, the internal control system of the Company contains self-oversight mechanisms, and actions are taken to correct deficiencies as they are identified.
- III. The Company examined the design and effective implementation of its internal control system according to the criteria prescribed in the Regulations Governing Establishment of Internal Control Systems by Public Companies (called the Regulations below). The "Regulations" divide internal control into five constituents in line with the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervision. Each constituent contains several criteria. Please refer to the "Regulations" for details.
- IV. The Company has evaluated the effectiveness of design and implementation of its internal control system in accordance with the above criteria.
- V. Based on the evaluation findings above, the Company believes that it has reasonably guaranteed the achievement of the goals above within the preceding internal control period (including the monitoring of the subsidiaries) as of December 31, 2023, including the effectiveness and efficiency of operations, reliability, timeliness and transparency of financial reporting and compliance with relevant legal rules, and that the design and implementation of the internal control system are effective.
- VI. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 14, 2024, at which this Statement was unanimously endorsed by all 6 attending directors without any opposing opinions.

CLEVO CO.

Chairman: Hsu, Kun-tai      Seal

President: Tsai, Ming-Hsien      Seal

Note 1: If there is a major deficiency in the design and implementation of the internal control systems of public companies identified in the year, the explanatory paragraph should be added to Paragraph 4 of the Statement of Internal Control System to list and explain the major deficiency found in the self-assessment, the improvement actions taken by the Company by the balance sheet date, and improvements.

Note 2: The date of statement is the "end of the fiscal year."

2. If accountants are entrusted with review of the internal control system, the review report issued by the accountants shall be disclosed: None.

- (X) In the most recent year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to the laws, or the punishment has been imposed on internal personnel by the Company for violation of the internal control systems, if the result of the punishment may have a significant impact on shareholders' rights and interests or securities prices, the content of the punishment, major defects and improvement shall be listed: Not applicable.
- (XI) Important resolutions passed at the meetings of shareholders and the Board of Directors in the most recent year and up to the date of publication of the annual report.
1. Important resolutions at the general shareholders' meeting on May 31, 2023, and the implementations are as follows:
- (1) Reports on Company Affairs
- Subject 1: 2022 business report proposal.
- Subject 2: 2022 final statement for audited by the Audit Committee audit proposal.
- Subject 3: 2022 employee, director, and supervisor remuneration distribution proposal.
- Subject 4: 2022 earnings distribution and cash dividends status report proposal.
- (2) Matters to be Ratified
- Motion 1: Passed the Company's 2022 final accounts proposal.
- Progress: This proposal has come into effect after being passed at the shareholders' meeting.
- Motion 2: Passed the Company's 2022 earnings distribution proposal.
- Implementation:
- For 2022, the Company's retained earnings at the beginning of the year amounted to NT\$1,789,871,550 after legal adjustments. According to Article 26 of the Company's Articles of Incorporation, the distributable profit was NT\$3,517,388,293. For the fiscal year 2022, the Company distributed NT\$918,394,500 in cash dividends to shareholders, with a NT\$1.5 per share dividend. The ex-dividend date was set for June 28, 2023, and the dividends were paid in full on July 20, 2023.

2. Important resolutions passed at the Board of Directors meeting in the most recent year and up to the date of publication of the annual report:

Attendance status of directors and supervisors: V = attended

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Attend
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	13	2023.01.04	2023.01.12 (Video Conference)	1. Proposal to discuss the 2022 manager year-end bonus reviewed by the Company's Remuneration Committee.	V	V	V	V	V	V	V	Wu, Mai Chiu, Shu-Juan
2	14	2023.03.07	2023.03.15	1. Proposal to report the implementation status of the resolutions passed by the 9th Board of Directors meeting in 2022 and the 1st Board of Directors meeting in 2023 2. Report on internal audit of business. 3. Report on memorandum book for the Company’s derivative commodity transactions. 4. Proposal to report the 2022 board and functional committee performance assessment results. 5. Proposal to report the 2022 corporate governance implementation status. 6. Proposal to report the 2022 ethical corporate management policy implementation status. 7. In order to cooperate with the accountant rotation policy of PwC Taiwan, it is proposed to change the CPAs who issue financial reports to the Company. 8. The proposal for C.P.A. independence and professional qualification evaluation was passed according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 9. Passed the Company's 2022 finalized account and business report proposal. 10. Passed the Company's 2022 earning distribution proposal. 11. Passed the Company's 2022 surplus distribution cash dividend proposal. 12. Passed the 2022 employee and director remuneration proposal reviewed by the Company's Remuneration Committee. 13. Passed 2022 director remuneration distribution operation proposal. 14. Passed 2022 independent director remuneration distribution operation proposal. 15. Passed the Company and its consolidated subsidiaries' inventory and verification proposal of greenhouse gas emissions. 16. Passed the proposal to amend the Company's" Procedural Rules for the Board of Directors Meetings." 17. Adoption of amendments to the Procedures for Transfer of Shares to Employees by Buyback of the Company. 18. Passed the proposal to amend the Company's "Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading." 19. Passed the proposal to amend some articles and change the name of the Company's "Corporate Social Responsibility Best Practice Principles." 20. Passed the proposal to amend the Company’s relevant operating procedures according to the “Regulations Governing Establishment of Internal Control Systems by Public Companies.” 21. Passed the proposal on the Company's 2022 Internal control system to issue an internal control system statement based on the self-assessment results. 22. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 23. Passed the proposal for syndicated loans of NT\$7.2 billion with a term of 5 years raised for CLEVO by Taiwan Cooperative Bank as the coordinator and arranger. 24. Passed the proposal for convening the general meeting for 2023 and the discussion for relevant operations.	V	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi Lin, Po-Chuan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Attend
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
3	15	2023.05.02	2023.05.10	1. Proposal to report the implementation status of the resolutions passed by the 2th Board of Directors meeting in 2023. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Proposal to submit the Company's greenhouse gas emissions inventory and verification plan implementation report. 5. Report on the implementation by the Company's Information Security Management Committee in 2022. 6. Report on the Company's corporate governance evaluation results in 2022. 7. Approved the Company's consolidated financial statements for the first quarter of 2023. 8. Approved the Company's "non-authentication service pre-approval policy". 9. Approved Capital increase USD 4 million of KAPOK COMPUTER (SAMOA) CORPORATION. 10. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	V	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Huang, An-Qi Wu, Han-Qi Lin, Po-Chuan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director		Attend
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	
4	16	2023.06.21	2023.07.05	1. Adoption of the proposed purchase of liability insurance for the Company's directors and important staff. 2. Passed 2022 director remuneration distribution operation proposal. 3. Passed 2022 independent director remuneration distribution operation proposal. 4. Passed the 2022 employee remuneration distribution operation proposal.	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan
5	17	2023.08.02	2023.08.11	1. The Company's 2023 3rd-4th board of directors resolution implementation status report. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the greenhouse gas emissions inventory and verification execution proposal for the Company and its consolidated subsidiaries. 5. Proposal to report the Company's 2022 sustainable development promotion status. 6. Proposal to report the Company's 2022 stakeholder communication status. 7. Passed the proposal to amend CPA independence and qualification for certification and evaluation of the Company's financial statements according to PwC Taiwan's CPA rotation policy. 8. Passed the Company's consolidated financial statements for the second quarter of 2023 9. Adoption of the proposed appointment of the members of the Remuneration Committee. 10. Passed the capital increase of NT\$3.75 billion in Taipei Twin Towers Limited. 11. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Feng, Min-Juan Lin, Po-Chuan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director		Attend
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	
6	18	2023.11.02	2023.11.10	1. Execution Report on the Resolutions of the 5th Board Meeting of the Company in 2023. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the greenhouse gas emissions inventory and verification execution proposal for the Company and its consolidated subsidiaries. 5. The Company's intellectual property management matters implementation status report. 6. Passed the Company's consolidated financial statements for Q3 of 2023. 7. Passed the "2023 Action Plan" proposal for the Company's Corporate Governance Committee. 8. Passed the proposal to amend the Company's "Operational Regulations Governing Financials and Businesses Among Affiliates." 9. Passed the proposal to amend the Company's "Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading." 10. Passed the Company's 2024 audit proposal. 11. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Feng, Min-Juan Lin, Po-Chuan
7	19	2024.01.12	2024.01.22	1. Proposal to discuss the 2022 manager year-end bonus reviewed by the Company's Remuneration Committee.	V	V	V	V	V	V	Wu, Mai Chiu, Shu-Juan
8	20	2024.03.05	2024.03.14	1. Proposal for the Company's 6th 2023 and 1st 2024 board of directors resolutions implementation report. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the greenhouse gas emissions inventory and verification execution proposal for the Company and its consolidated subsidiaries. 5. Proposal to report the 2023 board and functional committee performance assessment results. 6. Proposal to report the 2023 corporate governance implementation status. 7. Proposal to report the 2023 ethical corporate management policy implementation status. 8. The proposal for C.P.A. independence and professional qualification evaluation was passed according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 9. Passed the Company's 2023 finalized account and business report proposal. 10. Passed the Company's 2023 earning distribution proposal. 11. Passed the Company's 2023 surplus distribution cash dividend proposal. 12. Passed the 2023 employee and director remuneration proposal reviewed by the Company's Remuneration Committee. 13. Passed 2023 director remuneration distribution operation proposal. 14. Passed 2023 independent director remuneration distribution operation proposal. 15. Approved the re-election of the Company's directors (including independent directors). 16. Adoption of a list of candidates for the directors nominated and review of the nominations by the Board of Directors. 17. Adoption of a list of candidates for the independent directors nominated and review of the nominations by the Board of Directors.2024.03.14 18. Passed the proposal to amend the Company's" Procedural Rules for the Board of Directors Meetings." 19. Passed the amendment of the Company's Audit Committee Charter. 20. Passed the proposal for the Company's 2023 internal control system and	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Feng, Min-Juan Lin, Po-Chuan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director		Attend
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	
				issued an internal control system statement according to the self-assessment results 21. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 22. Passed the proposal for the 2024 regular shareholders' meeting agenda discussion for relevant operations.							
9	21	2024.05.02	2024.05.10	1. The Company's 2024 2nd board of directors resolution implementation status report. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the greenhouse gas emissions inventory and verification execution proposal for the Company and its consolidated subsidiaries. 5. Proposal to report the 2023 Cybersecurity Committee implementation status. 6. Submit the Company's 2023 corporate governance assessment results. 7. Passed the Company's consolidated financial statements for Q1 of 2024. 8. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Lin, Nan-Sheng Huang, An-Qi Feng, Min-Juan Lin, Po-Chuan

- (XII) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that has been noted in the records or declared in writing: None.
- (XIII) Summary of resignations and dismissals of Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Corporate Governance Officer, and R&D Head during the most recent year and as of the print date of the annual report: None.

V. Fees paid to CPAs

Unit: NT\$ thousand

Name of accounting firms	Name of CPAs		Audit period	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Wu, Han-Qi	Lin, Po-Chuan	2023.01.01~2023.03.31	5,450	1,050	6,500	1. Due to the rotation policy of PwC, starting from the second quarter of 2023, CPA Wu, Han-Qi was changed to CPA Feng, Min-Juan.
	Lin, Po-Chuan	Feng, Min-Juan	2023.04.01~2023.12.31				2. Explanation on non-audit fees: NT\$1,050 thousand for Transfer Pricing Report/Group

Note: If the Company changes CPAs or accounting firms during the year, it is necessary to provide the audit periods and the reason for the change in the Remark column and disclose the audit fees and non-audit fees paid. The details of the services for non-audit fees should be provided.

- (I) If the non-audit fees paid to the CPAs, the accounting firms the CPAs work for and their affiliated companies accounting for more than one fourth of the audit fees, the amount of audit and non-audit fees, and non-audit services shall be disclosed: None.
- (II) If the audit fees paid during the year when the accounting firm is replaced are less than the previous year, the amount of the audit fees before and after the replacement, and the reasons for reduction shall be disclosed: None.
- (III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: None.



## VI. Information about Replacement of CPAs:

### (I) Former CPAs

Replacement Date	2023.04.01		
Reasons for Replacement	Due to the rotation policy of PwC Taiwan, the Company has replaced the former CPA Wu, Han-Qi with the CPA Feng, Min-Juan from the 2nd quarter of 2023.		
The term of office for the appointer or accountant is terminated or he/she does not accept the appointment	Parties		
	Situation	CPAs	Appointer
	Voluntary termination of appointment		V
	No further acceptance (continuation) of appointment		
Comments and reasons for review reports without qualified opinions issued within the period of most recent two years	No such circumstances		
Is there any disagreement with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Verification scope or steps
			Others
	None	V	
	Description: not applicable		
Other disclosures (The matters referred to in Articles 10.6(1)-4 to 7 of these Principles shall be disclosed)	(1) If the former CPA has informed the Company that a lack of a sound internal control system rendered its financial reports untrusted: None. (2) If the former CPA has informed the Company that he/she could not rely on the Company’s statement or was unwilling to have any connection with the Company’s financial reports: Non. (3) If the former CPA has informed the Company that it was necessary to expand the scope of audit, or the information indicated that the expansion of the scope of the audit would impair the credibility of the previously issued or forthcoming financial reports, however, the former CPA did not expand the scope of the audit due to replacement or other reasons: No. (4) If the former CPA has informed the Company that the credibility of the previously issued or forthcoming financial reports may be impaired based on the information gathered, however, the former CPA did not deal with such matters due to a replacement or other reasons: No.		

### (II) Successive CPAs

Name of accounting firm	PwC Taiwan
Name of CPAs	CPA Lin, Po-Chuan and CPA Feng, Min-Juan
Date of appointment	2023.04.01
Accounting treatment methods or accounting principles for specific transactions, and advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of the successive accountants different from those of the former accountants	None

(III) Replies from the former accountants to the matters referred to in Article 10, paragraph 6(1) and (2)-3 of the Principles: Not applicable.

VII. If the chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year, his/her name, title and the period working for the accounting firm or the affiliated enterprises: None. The affiliated companies of the accounting firm to which CPAs belong refer to the companies or institutions in which the accounts of the accounting firm CPAs work for hold more than 50% of the shares, or hold positions of more than half of the directors, or which are called affiliated companies in the information published or printed by the accounting firm: None.

VIII. Information about the shares transferred by and changes to the shares pledged by the directors, supervisors, managers and the shareholders holding more than 10% of shares in the most recent year and up to the date of publication of the annual report

(I) Changes to the shares held by directors, supervisors, managers and majority shareholders:

Title (Note 1)	Full name	2023		Up to April 2 in the current year	
		Increase/ decrease number of shares held	Increase/ decrease number of shares pledged	Increase/ decrease number of shares held	Increase/ decrease number of shares pledged
Chairman And more than 10% of shares (Note 2)	Hsu, Kun-tai	-	-	-	-
Vice Chairperson and President	Tsai, Ming-Hsien	-	-	-	-
Director and Executive Vice President	Chien, Yih-Long	-	-	-	-
Director	Lu, Jin-Zong	-	-	-	-
Independent Director	Chou, Po-Chiao	-	-	-	-
Independent Director	Chen, Tsung-Ming	-	-	-	-
Independent Director	Lai, Ling-Ming (Resignation on 2024/05/31)	-	-	-	-
Senior Vice President	Zhang, Fu-Ming	-	-	-	-
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai	-	-	-	-
Vice President	Li, Wen-Hua	-	-	-	-
Vice President	Chen, Hsueh-Wen	-	-	-	-
Vice President	Lin, Nan-Sheng	-	-	-	-
Vice President	Lin, Guan-Yen	-	-	-	-
Senior Assistant Vice President	Zhang, Wen-Song	-	-	-	-
Senior Assistant Vice President	Wang, Feng-Zhu	-	-	-	-
Senior Assistant Vice President	Chung, Wen-Chin	-	-	-	-

Title (Note 1)	Full name	2023		Up to April 2 in the current year	
		Increase/ decrease number of shares held	Increase/ decrease number of shares pledged	Increase/ decrease number of shares held	Increase/ decrease number of shares pledged
Senior Assistant Vice President	Cheng, Yu-Ming	- -	- -	- -	- -
Senior Assistant Vice President	Lin, Sheng-Hsiang	- -	- -	- -	- -
Senior Assistant Vice President	Lin, Liang-Shih	- (2,000)	- -	- (4,000)	- -
Senior Assistant Vice President	Chen, Tsung-Chih	- -	- -	- -	- -

Note 1: Shareholders holding more than 10% of the Company's shares should be indicated as major shareholders, and listed separately.

Note 2: Include spouse, minor children, and owned in other's name who hold totally more than 10% of shares

Note 3: If the transferee or pledgee of shares is a related party, the following form shall be filled out.

(II) Information about share transferring: None.

(III) Information about pledge of stock rights: None.

IX. Information about the Relationships among Top Ten Shareholders, Such as Related Parties, Spouses or Relatives within the Second-degree of Kinship.

April 2, 2024

Name (Note 1)	Number of shares held in person		Shares held by spouse and minor children		Total number of shares held in the name of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders (Note 3).		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Relationship	
Hsu, Kun-Tai	46,701,335	7.39%	21,371,784	3.38%	0	0%	Lin, Feng-Chu Hsu, Fu-Chia Hsu, Li-Hsin Hsu, Cheng-Hsin Hsu, Yueh-Sen	Spouse First-degree relative First-degree relative First-degree relative Second-degree relative	-
Huatai Investment Co., Ltd. Person in charge: Hsu, Kun-Tai	37,326,144	5.90%	0	0%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Fu-Chia Hsu, Li-Hsin Hsu, Cheng-Hsin	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Epoque Co., Ltd. Person in charge: Hsu, Kun Tai	33,567,888	5.31%	0	0%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Fu-Chia Hsu, Li-Hsin Hsu, Cheng-Hsin	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Hsu, Fu-Chia	33,042,454	5.23%	4,023,196	0.64%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Li-Hsin Hsu, Cheng-Hsin	First-degree relative First-degree relative Second-degree relative Second-degree relative	-
Youkang Electronics Co., Ltd. Person in charge: Lu, Jin-Zong	23,530,000	3.72%	0	0%	0	0%	-	-	-
Chicony Electronics CO., Ltd. Person in charge: Hsu, Kun Tai	23,000,608	3.64%	0	0%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Fu-Chia Hsu, Li-Hsin Hsu, Cheng-Hsin	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Lin, Feng-Chu	21,371,784	3.38%	46,701,335	7.39%	0	0%	Hsu, Kun-Tai Fu-Chia Hsu Hsu, Li-Hsin Hsu, Cheng-Hsin	Spouse First-degree relative First-degree relative First-degree relative	-
Hsu, Li-Hsin	17,769,568	2.81%	0	0%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Fu-Chia Hsu, Cheng-Hsin	First-degree relative First-degree relative Second-degree relative Second-degree relative	-
KAPOK COMPUTER Person in charge: Hsu Kun Tai	16,966,596	2.68%	0	0%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Fu-Chia Hsu, Li-Hsin Hsu, Cheng-Hsin	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Hsu, Cheng-Hsim	15,768,156	2.49%	0	0%	0	0%	Hsu, Kun-tai Lin, Feng-Chu Hsu, Fu-Chia Hsu, Li-Hsin	First-degree relative First-degree relative Second-degree relative Second-degree relative	-

Note 1: All the top ten shareholders should be listed. The name of corporate shareholders (if any) and the representatives of corporate shareholders should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the ratio of shareholdings in the name of a shareholder, his/her spouse, minor children or another person.

Note 3: The relationship among the shareholders listed above, including legal persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Number of the shares in the same investees held by the Company and its directors, supervisors, managers and the enterprises directly or indirectly controlled by the Company, and calculation of the combined shareholding percentage.

Unit: number of shares; %

March 31, 2024

Investees (Note)	Investment made by the Company		Invested by directors, supervisors, managers and the enterprises directly or indirectly controlled		Comprehensive investment	
	Number of shares	% of shareholding	Number of shares	% of shareholding	Number of shares	% of shareholding
1. KAPOK COMPUTER	8,000,000	100%	0	0 %	8,000,000	100%
2. CLEVO Investment Co., Ltd.	14,000,000	100%	0	0 %	14,000,000	100%
3. CLEVO COMPUTER SINGAPORE PTE LTD.	22,325,453	100%	0	0 %	22,325,453	100%
4. CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	369,370,000	100%	0	0 %	369,370,000	100%
5. KAPOK COMPUTER(SAMOA) CORPORATION	17,000,000	100%	0	0 %	17,000,000	100%
6.BUYNOW ON-LINE HOLDING CORPORATION	1,100,000	100%	0	0 %	1,100,000	100%

## Four. Capital overview

### I. Capital and shares

#### (I) Source of share capital

##### 1. Capital increase and decrease during the most recent year

Year and Month	Issue price	Authorized Share Capital		Paid-in Capital		Remark		
		Number of shares (Thousand shares)	Amount (NT\$ thousand)	Number of shares (Thousand shares)	Amount (NT\$ thousand)	Source of share capital	Property other than cash contributed as equity capital	Others
2002.07.29	Par value: 10	500,000	5,000,000	481,976	4,819,757	Capital increase out of capital reserves Capital increase of 21,684,850 shares Amount: 216,848,500 Capital increase out of earnings Capital increase of 26,593,850 shares Amount: 265,938,500	None	Note 1
2003.08.22	Par value: 10	500,000	5,000,000	498,209	4,982,093	Capital increase out of capital reserves Capital increase of 14,348,901 shares Amount: 143,489,010 Capital increase out of earnings Capital increase of 1,884,700 shares Amount: 18,847,000	None	Note 2
2004.07.20	Par value: 10	618,000	6,180,000	529,695	5,296,950	Capital increase out of capital reserves Capital increase of 14,946,279 shares Amount: 149,462,790 Capital increase out of earnings Capital increase of 16,539,420 shares Amount: 165,394,200	None	Note 3
2005.08.08	Par value: 10	618,000	6,180,000	558,227	5,582,273	Capital increase out of capital reserves Capital increase of 10,393,900 shares Amount: 103,939,000 Capital increase out of earnings Capital increase of 18,138,400 shares Amount: 181,384,000	None	Note 4
2007.08.20	Par value: 10	618,000	6,180,000	582,520	5,825,204	Capital increase out of capital reserves Capital increase of 11,064,546 shares Amount: 110,645,460 Capital increase out of earnings Capital increase of 13,228,546 shares Amount: 132,285,460	None	Note 5
2008.08.11	Par value: 10	750,000	7,500,000	624,600	6,246,000	Capital increase out of earnings Capital increase of 42,079,608 shares Amount: 420,796,080	None	Note 6
2009.07.31	Par value: 10	750,000	7,500,000	655,600	6,556,000	Capital increase out of earnings Capital increase of 31,000,000 shares Amount: 310,000,000	None	Note 7

Year and Month	Issue price	Authorized Share Capital		Paid-in Capital		Remark		
		Number of shares (Thousand shares)	Amount (NT\$ thousand)	Number of shares (Thousand shares)	Amount (NT\$ thousand)	Source of share capital	Property other than cash contributed as equity capital	Others
2010.06.21	Par value: 10	750,000	7,500,000	638,467	6,384,670	Decrease in capital of treasury shares Capital decrease of 17,133,000 shares Amount: 171,330,000	None	Note 8
2012.01.04	Par value: 32	750,000	7,500,000	700,967	7,009,670	Capital increased by cash Capital increase of 62,500,000 shares Amount: 625,000,000	None	Note 9
2013.12.10	Par value: 10	750,000	7,500,000	689,163	6,891,630	Decrease in capital of treasury shares Capital decrease of 11,804,000 shares Amount: 118,040,000	None	Note 10
2014.06.09	Par value: 10	750,000	7,500,000	683,163	6,831,630	Decrease in capital of treasury shares Capital decrease of 6,000,000 shares Amount: 60,000,000	None	Note 11
2018.10.05	Par value: 10	750,000	7,500,000	679,763	6,797,630	Decrease in capital of treasury shares Capital decrease of 3,400,000 shares Amount: 34,000,000	None	Note 12
2019.02.22	Par value: 10	750,000	7,500,000	669,763	6,697,630	Decrease in capital of treasury shares Capital decrease of 10,000,000 shares Amount: 100,000,000	None	Note 13
2021.04.16	Par value: 10	900,000	9,000,000	659,763	6,597,630	Decrease in capital of treasury shares Capital decrease of 10,000,000 shares Amount: 100,000,000	None	Note 14
2021.06.29	Par value: 10	900,000	9,000,000	649,763	6,497,630	Decrease in capital of treasury shares Capital decrease of 10,000,000 shares Amount: 100,000,000	None	Note 15
2022.01.25	Par value: 10	900,000	9,000,000	642,263	6,422,630	Decrease in capital of treasury shares Capital decrease of 7,500,000 shares Amount: 75,000,000	None	Note 16
2022.09.15	Par value: 10	900,000	9,000,000	632,263	6,322,630	Decrease in capital of treasury shares Capital decrease of 10,000,000 shares Amount: 100,000,000	None	Note 17

- Note 1: Approval date for capital increase and Reference Number June 24, 2002, Taiwan Finance Certificate (1) Zi No.0910233860, and July 29, 2002, Jing Shou Shang Zi No.09102295820
- Note 2: Approval date for capital increase and Reference Number July 17, 2003, Taiwan Finance Certificate (1) Zi No.0920138676, and August 22, 2003, Jing Shou Shang Zi No.09201350101
- Note 3: Approval date for capital increase and Reference Number June 4, 2004, Taiwan Finance Certificate (1) Zi No.0930124996, and July 20, 2004, Jing Shou Shang Zi No.09301127630
- Note 4: Approval date for capital increase and Reference Number June 24, 2005, Taiwan Finance Certificate (1) Zi No.0940017241, and August 8, 2005, Jing Shou Shang Zi No.09401148140
- Note 5: Approval date for capital increase and Reference Number July 3, 2007, FSC Certificate (1) Zi No.0960033645, and August 20, 2007, Jing Shou Shang Zi No.09601197760
- Note 6: Approval date for capital increase and Reference Number July 7, 2008, FSC Certificate (1) Zi No.0970033850, and August 11, 2008, Jing Shou Shang Zi No.09701198910
- Note 7: Approval date for capital increase and Reference Number July 1, 2009, FSC Certificate Fa Zi No.0980032785, and July 31, 2009, Jing Shou Shang Zi No.09801172330
- Note 8: Approval date for capital decrease and Reference Number June 21, 2010, Jing Shou Shang Zi No.09901127450
- Note 9: Approval date for capital increase and Reference Number November 20, 2012, FSC Certificate Fa Zi No.1010048919, and January 4, 2013, Jing Shou Shang Zi No.10201011010
- Note 10: Approval date for capital decrease and Reference Number December 4, 2013, Jing Shou Shang Zi No.10201243530

Note 11: Approval date for capital decrease and Reference Number June 9, 2014, Jing Shou Shang Zi No.10301100130  
Note 12: Approval date for capital decrease and Reference Number October 5, 2018, Jing Shou Shang Zi No.10701125500  
Note 13: Approval date for capital decrease and Reference Number February 22, 2019, Jing Shou Shang Zi No.10801019350  
Note 14: Approval date for capital decrease and Reference Number April 16, 2021, Jing Shou Shang Zi No. 11001066880  
Note 15: Approval date for capital decrease and Reference Number June 29, 2021, Jing Shou Shang Zi No. 11001109100  
Note 16: Approval date for capital decrease and Reference Number January 25, 2022, Jing Shou Shang Zi No. 11101012140  
Note 17: Approval date for capital decrease and Reference Number September 15, 2022, Jing Shou Shang Zi No. 11101168730

## 2. Class of the shares held up to the date of publication of the annual report

Class of shares	Authorized Share Capital			Remark
	Outstanding shares (listed stock)	Unissued shares	Total	
Common stock	632,263,000 shares	267,737,000 shares	900,000,000 shares	

3. Information on shelf registration: Nil.

## (II) Shareholder Structure

April 2, 2024

Shareholder Quantity	Government agencies	Financial institutions	Other legal persons	Foreign institutions and individuals	Individuals	Treasury Shares	Total
Headcount	4	5	72	167	36,366	1	36,615
Number of shares held	157	405,267	204,520,837	47,615,583	359,721,156	20,000,000	632,263,000
Shareholding %	0.00%	0.06%	32.35%	7.53%	56.90%	3.16%	100.00%

Note: The first TWSE/GTSM listed or emerging market companies shall disclose the proportions of their shares in Mainland Chinese investors; Mainland Chinese investors refer to the people, legal persons, groups, other institutions from Mainland Area or their organizations investing in third areas, as defined in Article 3 of the Measures Governing Investment Permit to the People of the Mainland Area: Not applicable.



(III) Shares Diversification  
1. Ordinary shares

April 2, 2024

Shareholding grading	Number of shareholders	Number of shares held	% of shareholding
1-999	14,320	3,090,122	0.49%
1,000-5,000	17,476	35,557,032	5.62%
5,001-10,000	2,515	19,776,099	3.13%
10,001-15,000	680	8,560,384	1.35%
15,001-20,000	485	8,986,465	1.42%
20,001-30,000	386	9,831,374	1.55%
30,001-40,000	164	5,871,229	0.93%
40,001-50,000	125	5,752,029	0.91%
50,001-100,000	232	16,700,811	2.64%
100,001-200,000	95	13,066,982	2.07%
200,001-400,000	47	13,435,093	2.12%
400,001-600,000	12	5,677,450	0.90%
600,001-800,000	12	8,234,166	1.30%
800,001-1,000,000	11	9,960,324	1.58%
1,000,001 and more	55	467,763,440	73.99%
Total	36,615	632,263,000	100.00%

2. Preferred shares: No

(IV) List of major shareholders (Name, number of shares held by and shareholding ratio of the shareholders whose shareholding ratio is more than 5%; if there are less than ten shareholders on the list, the information of top ten shareholders should be disclosed).

April 2, 2024

Name of major shareholders/shares	Number of shares held	Shareholding %
Hsu, Kun-Tai	46,701,335	7.39%
Huatai Investment Co., Ltd.	37,326,144	5.90%
Epoque Co., Ltd.	33,567,888	5.31%
Hsu, Fu-Chia	33,042,454	5.23%
Youkang Electronics Co., Ltd.	23,530,000	3.72%
Chicony Electronics CO	23,000,608	3.64%
Lin, Feng-Chu	21,371,784	3.38%
Hsu, Li-Hsin	17,769,568	2.81%
KAPOK COMPUTER CO	16,966,596	2.68%
Hsu, Cheng-Hsim	15,768,156	2.49%

(V) Information about market value per share, net value per share, earnings per share, and dividends per share in the most recent two years

Unit: NT\$

Item \ Year		2022	2023	As of March 31, 2024, for the current year (Note 8) Top of the form
Market value per share (Note 1)	Maximum	36.2	40.7	48.85
	Minimum	29.45	29.9	37
	Average	31.97	32.3	43.79
Net value per share (Note 2)	Before distribution	66.10	65.14	67.95
	After distribution	64.64	63.59	Note 9
Earnings per share	Weighted average shares (thousand shares)	585,216	585,216	585,216
	Earnings per share (Note 3)	1.41	1.81	1.42
Dividends per share	Cash dividends	1.5	1.6	Note 9
	Gratis Allotment of shares	Stock dividends from retained earnings	-	Note 9
		Allotment of shares out of capital surplus (dollars)	-	Note 9
	Retained dividends (Note 4)		-	Note 9
Analysis of return on investment	Price-to-earning ratio (Note 5)		22.67	17.85
	Price to dividend ratio (Note 6)		21.31	20.19
	Cash dividend yield (%) (Note 7)		4.69%	4.95%

\*If stock dividends are allocated with capital increase out of earnings or capital reserves, the information on market price and cash dividends adjusted retrospectively based on the amount of stock dividends to be allocated should be disclosed.

Note 1: The highest and lowest market prices for common shares for each year should be listed, and the average market price for each year should be calculated based on the annual transaction value and volume.

Note 2: Please use the number of issued shares at the end of the year end and provide the distribution resolved by the Board of Directors or the shareholders' meeting for the following year.

Note 3: If retrospective adjustments are required due to circumstances such as free-gratis dividends, The earnings per share before and after such adjustments should be presented.

Note 4: If according to the conditions for issuance of equity securities, the dividends that are not issued in the current year shall be transferred to the year when there are earnings, the accumulated unpaid dividends for the year ended shall be disclosed.

Note 5: Price-to-earning ratio = average closing price per share/earnings per share for the year.

Note 6: Price to dividend ratio = average closing price per share/cash dividends per share for the year.

Note 7: Cash dividend yield = cash dividends per share/average closing price per share for the year.

Note 8: The net value per share and earnings per share should be filled out with the information audited (reviewed) by accountants in the most recent quarter up to the date of publication of the annual report. The remaining fields should be filled out with the information for the year up to the date of publication of the annual report.

Note 9: There is no statement for distribution of earnings resolved at the shareholders' meeting and Board of Directors meeting.

(VI) The Company's dividend policy and implementation status:

1. Dividend policy as stipulated in Article 26 and 27 of the Articles of Incorporation:

If Our Company has a surplus in its annual final accounting, then we shall pay taxes and make up for any losses according to law, and accrue a 10% statutory surplus reserve, except for when the statutory surplus reserve has reached the total capital. With regards to the appropriation of special reserves according to relevant laws and regulations, if the net increase in the fair value of the investment property accumulated from the previous periods and the carrying amount of other equity deductions accumulated from the previous periods are insufficient, appropriation from the net income (after other items added) during the period or reversal of special reserves can be made accordingly. The remaining amount and the unappropriated earnings at the beginning of the period are distributable to shareholders. The distribution proposal is drafted by the Board of Directors and submitted to the shareholders' meetings for resolution before distributions are made. The dividend distribution shall not be lower than 10% of the distributable surplus of the current year.

The Company is engaged in the electronic high-tech industry. Based on the industrial development vision, capital expenditure needs, sound financial planning and protection of investors' rights and interests, the Company's dividends shall be allocated by taking capital reserves, retained earnings, financial structure and operating conditions into comprehensive consideration. To achieve the goal of maintaining stable dividends, cash dividends must not be less than 10% of the total dividends.

Allocation of dividends is as follows:

<b>Allocation of Dividends by KAPOK (2362)</b>						
						Unit: Yuan
Year	Cash dividends	Stock dividends from retained earnings	Stock dividends from capital reserves	Stock dividends	Total	Employee stock bonus%
2023	1.6000	0	0	0	1.6000	0
2022	1.5000	0	0	0	1.5000	0
2021	2.1000	0	0	0	2.1000	0
2020	0.6000	0	0	0	0.6000	0
2019	0	0	0.4000	0	0.4000	0

Note: Distribution of dividends for 2023 is to be reported to the 2024 shareholders meeting.

2. 2024 General Shareholders Meeting Discussion on the dividends distribution for 2023
  - (1) Cash dividends: On March 14, 2024, the Board of Directors approved the cash dividend distribution to shareholders for NT\$979,620,800 or NT\$1.6 per share, which was proposed at the 2024 shareholders meeting.
  - (2) Stock dividends: Nil.
  - (3) Expected changes in the dividend policy: Nil.
- (VII) Impact of the proposed free-gratis dividends on the Company's business performance and earnings per share at the meeting of the shareholders' meeting: Not applicable.
- (VIII) Remuneration for employees, directors and supervisors: (Unit: NT\$ thousand)
  1. Percentage or scope of remunerations to employees, directors and supervisors stated on the Company's Articles of Association
 

According to the Company's Articles of Association, if there is a balance calculated by deducting the accumulated losses in light of the profitability of the current year, 5%~15% of such balance shall be set aside as employee's remuneration, and the remuneration for directors shall not be higher than 1% of such balance.
  2. The amount of remuneration for employees, directors and supervisors estimated and presented in the current period shall be calculated based on the number of shares distributed to employees as remuneration, or actual amount paid to employees if different from the estimated amount.
    - (1) Basis for estimation of the remuneration for employees, remuneration for directors and supervisors in the current period:
 

The employees' remunerations estimated by the Company for 2023 and 2022 were NT\$129,000 thousand and NT\$108,000 thousand, respectively, and the estimated remuneration amounts for directors were NT\$12,700 thousand and NT\$10,600 thousand, respectively. Said amounts shall be accounted for in the Salary and Wages. In light of the profitability for 2022, the remuneration for employees and directors was estimated at 5% to 15% and no more than 1%, respectively, consistent with such amount as resolved by the Board of Directors. The above employee's remuneration will be paid in cash.
    - (2) The accounting treatment for the difference between the calculation basis of the number of shares for which the dividends are allotted and the actual allotment amount and estimated amount: the Company did not allocate stock dividends or remuneration for employees and directors in 2023.
    - (3) Any difference between the actual allotment amount and the estimated amount shall be handled based on the changes in accounting estimates, and included in the profit and loss of the next year.
  3. Distribution of remuneration adopted by the Board of Directors:
    - (1) Amount of the remuneration paid to employees, directors and supervisors in cash or stock. If there is a difference between the estimated amount and the amount of recognized expenses, the difference, cause and treatment should be disclosed:
 

On March 14, 2024, the Board of Directors approved the remuneration distribution to employees for 2023 at NT\$ \$129,000 thousand for employees and NT\$12,700 thousand for directors. These amounts are consistent with the recognized amounts for 2023 financial statements.
    - (2) The proportion of employee remuneration paid in the form of shares to the net profits after tax shown in the individual financial report plus the total amount of employee remuneration in the current period: not applicable because no free-gratis dividends are allocated in the current year.
  4. The actual payment of remuneration to employees, directors and supervisors in the previous year (including the number of shares, amount and share prices), and the difference from the recognition of remuneration for employees, directors and supervisors (if any), reasons and how to deal with

such difference:

In 2022, with statutory surplus reserves, and other factors taken into consideration in light of net profits after tax for the year, the remuneration for employees and directors was estimated at 5% to 15% and no more than 1%, respectively. The Board of Directors decided to distribute a total of NT\$108,000 thousand as remuneration to employees and NT\$10,600 thousand as remuneration to directors and supervisors. These amounts are consistent with the amounts recognized on the 2022 financial report.

(IX) Repurchase of shares by the Company

1. Stock repurchases (completed):

Number of repurchases	20	21
Period of repurchase	2020.03.09~ 2020.04.30	2021.10.18 2021.11.11
Purpose of repurchase	Transfer to employees	Transfer to employees
Interval price of repurchase	NT\$ 28-42/share	NT\$ 28-42/share
Type and quantity of repurchased shares	Common stock 10,000,000 shares	Common stock 10,000,000 shares
Total amount of repurchased shares	NT\$ 296,649,520	NTD329,062,566
Repurchased shares as % of expected number of repurchased shares	100%	100%
Average unit price of repurchased shares	NT\$ 29.66	NT\$ 32.91
Date of cancellation and transfer and number of shares	0 share	0 share
Number of shares of our company cumulatively held	10,000,000 shares	20,000,000 shares
The percentage of the number of shares of our company cumulatively held in the total number of issued shares (%)	1.58%	3.16%

2. Share repurchases (still implementing): none

## II. Issuance of Corporate Bonds:

Type of Corporate Bonds (Note 2)		1st Secured Corporate Bonds in 2019 (Note 5)
Issuance Date		2019.08.26
Face value		NT\$ 1,000,000
Place of issuance and transaction (Note 3)		Taipei Exchange
Issue price		100 percent of the denomination (NT\$ 1 million)
Total amount		NT\$ 5 billion
Interest rate		0.8% of annual interest at fixed rate
Period		5-Year period expiring on: 2024.08.26
Guarantor		Taiwan Cooperative Bank
Trustee		Taipei Fubon Commercial Bank CO., Ltd.
Underwriter		Taiwan Cooperative Securities
Certified lawyers		Ya-Wen Chiu from Far East Law Offices
CPAs		PwC Taiwan CPA, Feng, Min-Juan and CPA, Wu, Han-Qi
Repayment method		Principal payable at maturity
No principal repaid		NT\$ 5 billion
Terms of redemption or early settlement		None
Restricted conditions (Note 4)		None
Name of the credit rating agency, evaluation date, evaluation of corporate bonds, etc.		Taiwan Ratings twAAA 2022.05.06
Other rights attached	Number of the converted (exchanged or subscribed) common shares, overseas depositary receipts or other securities up to the date of publication of the annual report	Not applicable
	Measures for issuance and conversion (exchange or subscription)	Not applicable
Impact on issuance and conversion, exchange or subscription method, and issuance conditions on possible dilution of equity, and the existing shareholders' equity		Not applicable
Name of the institution that holds the subject matter for exchange in escrow		None

Note 1: The corporate bonds issued include the corporate bonds issued by the publicly listed and privately held companies. The corporate bonds to be issued by a public offering company refer to those that have entered into force after approved at the meeting; the corporate bonds to be issued by a private offering company refer to those approved by a resolution passed by the Board of Directors.

Note 2: The number of fields depends on the actual number of issuance.

Note 3: Applicable for overseas corporate bonds.

Note 4: such as limitation on the issuance of cash dividends, foreign investments or the requirements for maintaining a certain proportion of assets.

Note 5: Private placement bonds should be marked obviously.

Note 6: For the conversion, exchange of, and the general declaration about issuance of corporate bonds or the corporate bonds attached with stock warrants, the information on the corporate bonds converted, exchanged and generally declared for issuance, and the corporate bonds attached with stock warrants should be disclosed in the form of a table.

III. Disposal of preferred shares: the Company is exempt from disclosure under no such circumstances.

IV. Issuance of overseas depositary receipts: the Company is exempt from disclosure under no such circumstances.

V. Issuance of stock warrants to employees, and issuance of new shares subject to the restrictions for subscription by employees: the Company is exempt from disclosure under no such circumstances.

VI. Issuance of new shares with respect to mergers & acquisitions or transfer of shares of other companies: the Company is exempt from disclosure under no such circumstances.

VII. Financing plans and implementation: the Company is exempt from disclosure under no such circumstances.

(I) The details of the plan: Up to the first quarter before the publication of the annual report, if the previous issuance or private placement of securities has not been completed, or has been completed in the last three years without remarkable achievements, the plan for previous issuance or private

placement of securities should be explained in detail, including previous changes thereto, the source and application of funds, the reasons for changes, the benefits before and after the changes, and the date when such changes thereto were reported at the shareholders meeting, and the date of entry of the plan into the information reporting website designated by the meeting shall be published: the Company is exempt from disclosure under no such circumstances.

- (II) Implementation status: For the purpose of the plan described in the preceding paragraph, the implementation status and the comparison with the originally expected benefits shall be analyzed item by item up to the first quarter before the publication date of the annual report, if the implementation progress or the benefits fail to reach the expected target, the reasons for failure, the impact on shareholders' equity and the improvement plan shall be specified: the Company is exempt from disclosure under no such circumstances.

# Five. Operational Highlights

## I. Business Overview

### (I) Business Scope

#### 1. Principal business activities:

- (1) PC Business Unit: R&D, design, production, sales and after-sales services of portable computers and borderline products.
- (2) Buynow Distribution Division: The deployment and leasing of domestic sales channels in the Buynow Malls.

#### 2. Sales breakdown: 87% of the consolidated revenue from the PC Business Unit and 13% from Buynow Malls in China in 2023.

#### 3. The Company's current goods (services): the PC Business Unit is engaged in manufacturing and sales of notebooks; and rental income is primarily earned from the Buynow Malls.

#### 4. New goods and services that the PC Business Unit plans to develop:

- (1) **Gaming notebooks:** In 2023, Intel adopted its advanced manufacturing process (Intel 7) to launch a multi-core notebook processor, "Raptor Lake HX," with performance equivalent to a desktop processor. NVIDIA also adopted TSMC's 4nm advanced process to combine the RTX 40 series independent display computing processor (GPU) with the latest "Real-Time-Ray-Tracing," "Artificial Intelligence (AI)," "Deep Learning Super Sampling (DLSS)," "Programmable Light Shading Function," and "High Dynamic Range (HDR)" technologies further enhance the overall performance of gaming laptops and making them good enough to replace desktop gaming PCs. In 2023, Intel and NVIDIA continued to extend their highest-end product series, "Raptor Lake HX Refresh" and "Ada Lovelace Refresh," to further enhance gaming notebooks and provide the ultimate gaming experience in the high-performance market. In 2024, the Company further optimized the cooling module designs for gaming notebook computers. We also adopted Intel's special technology - "Dynamic Tuning Technology (DTT)" and NVIDIA's new "Dynamic Boost Technology (DBT)" technology to improve the computing processor display performance under different energy requirements and give the Company's gaming notebooks a competitive advantage.
- (2) **Mainstream notebook:** The COVID-19 epidemic has spread worldwide and significantly changed people's living habits since 2020. As the stay-at-home economy and the emergence of hybrid work patterns become wildly popular, notebook computers have become an important tool for people to work (video conferencing), study, and enjoy entertainment. The Company's products for 2024 will continue to focus on light, slim, and compact designs and the adoption of high-performance batteries. We will launch Intel "Raptor Lake" and "Meteor Lake" platform H45 and U15 series processors, integrate Intel Processor Power Management (PPM), TPM 2.x, fingerprint recognition technology and face unlocking, water-repellent design, Microsoft "Secured-Core PC," and Intel EVO 4.0 specifications (MIL-STD- 810G or MIL-STD- 810H) military standard business laptops.
- (3) **Multi-Tasking Notebooks:** Besides the new lineup for high-end gaming and commercial segments, the Company also offers a full range of mainstream models. In terms of the product layout in 2024 for multitasking models, the Company will launch a variety of multitasking notebooks for multimedia entertainment, productivity-enhancing (Productivity), and general gaming (Affordable Gaming) to meet the huge demands of the consumer market. The Intel "Raptor Lake HX55/H45/U15" and "Meteor Lake H45/U15" platforms we introduced focus on CPU performance improvement via sufficient heat dissipation energy to instantly enhance the performance of the GPU under battery mode. The product planning includes 14-inch to 17-inch multi-function full-series notebook models.
- (4) **Studio notebook:** According to a survey report by a market research company, up to 50% of users who buy gaming laptops are YouTubers, photographers, animators, and concept artists. In addition to playing games, they will also install creative software such as Photoshop, AutoCAD, or 3ds Max to create digital content. Therefore, INTEL and NVIDIA have proposed the concept of "Creator PC" and the "NVIDIA Studio" platform for the creative market since 2018. The Company launched its first 14-inch creator notebook NV4 series in 2020. After the market matured two years later, we launched the Intel "Alder Lake H45" and "Raptor Lake H45" platform processors paired with Nvidia Ampere and Ada Lovelace architecture graphics chips from 2021 to 2022 for the creator market. In addition to expanding the 14-inch creator notebook in 2024, the Company will adopt the latest 16-inch (16:10) display design to launch a 16-inch creator notebook to improve the creator's working experience. In addition to passing the NVIDIA Creator Notebook Specification Certification Test, we also cooperate with Pantone Certification (color correction) for our 14-inch and 16-inch series products to meet the creative community's needs.
- (5) **Energy-saving, long-lasting, and environmentally friendly notebook computers:** In 2024, the Company will plan ESG-compliant notebook products for key market regions and local customers to help customers win commercial tenders from local governments, educational institutions, and large enterprises. The Company's current notebook models meet the newest energy efficiency and environmental protection regulations. On the one hand, we increase the ratio of recyclable materials in products by complying with environmental requirements in different countries, as we

fulfill our obligations for the green environment. On the other hand, we follow the newest electricity in product design to meet the customers' need for long battery life. This maintains our competitive advantage and enhances profitability.

(6) **AI Notebooks:**

In late 2023, Intel launched its "Meteor Lake H/U" laptop processor platform, built on the Company's most efficient process to date (Intel 4). This new platform features a hybrid modular architecture, integrating Intel and TSMC manufacturing processes and utilizing 3D Foveros packaging to emphasize enhanced computing performance. For the first time, the inclusion of an NPU module has resulted in an overall computational performance of 34TOPS, enabling the execution of generative AI inferences. Qualcomm announced the early release of the Snapdragon X Elite laptop processor in October 2023, while AMD followed suit by introducing mobile processors equipped with NPUs in December. These developments have positioned laptops, which already constitute approximately 70% of the PC market, as pioneers in AI-powered computing. AI PCs equipped with NPUs can perform generative AI tasks locally. Their potential for development is substantial. In 2024, the Company will launch several models featuring the next-generation Intel Meteor Lake Core Ultra platform (with built-in NPU and OpenVINO AI), including the L24, L26, V54, and V56, as well as the V35 and V36 models powered by the new AMD Phoenix platform (with built-in NPU and Ryzen AI SW)

5. Projects for Buynow Distribution Business Group:

- (1) Buynow Malls: Currently, the 18 Buynow Malls combines six elements (technology, smartness, trendiness, creativity, fun and experience) and introduces 5G and Big Data to create a consumers-oriented plaza of people, products and stores. Buynow Malls offers online-offline multichannel convergence, one-stop shopping and experience of professional and smart technology. Buynow Malls has continued to promote "discovery consumption" by further integrating online and offline and cooperating with international names such as Asus, Dell, and Lenovo. With short videos and streaming, new entertainment is promoted to consumers to entice spending. The path of interest-needs-purchase attracts customers to the malls. An immersive experience is created for consumers by continuing with shopping mall revamps and business model consolidation. This enhances customers' satisfaction and loyalty and generates flows of traffic and money.
- (2) Having navigated through four years of COVID-19 impact in China, by 2023, the overall rental income of Buynow increased by 3% compared to earlier years. As foot traffic warms up, rental income is recovering from its decline.

(II) Industry Overview

●Industry overview of the PC Business Unit

1. The current situation and prospect of the industry

According to the International Monetary Fund (IMF) report, the global real GDP growth rate for 2023 was 3.1%, and the estimated global growth rate for 2024 is expected to remain at 3.1%. The projected global overall inflation rate in 2024 is expected to decline to 5.8%. In an environment of inflation moderation, the likelihood of a hard landing has decreased, and global growth risks are roughly balanced. Upside Perspective: Faster inflation decline could further relax the financial environment. Downside Perspective: Geopolitical shocks (including ongoing attacks in the Red Sea) may cause further spikes in commodity prices. Additionally, if supply disruptions or more persistent underlying inflation occur, a tight monetary environment may persist for longer. If difficulties in China's real estate sector intensify, or if governments in other countries adopt disruptive tax increases and spending cuts, economic growth could be weaker than expected.

According to DigiTimes Research, the notebook industry has experienced a roller-coaster ride akin to a thrilling amusement park ride. After reaching its peak, it swiftly descended to lower levels. However, following over a year of inventory adjustments, brand manufacturers are now expressing confidence, emphasizing that inventory levels have returned to normal. According to market research firm OMDIA, global notebook PC shipments are projected to reach 186 million units in 2024, with a 3.9% year-on-year increase. Intel's recent launch of a new processor platform touting AI capabilities has sparked optimism for an industry revival in 2024, leaving the market full of anticipation. The burgeoning AI PC trend has ignited fierce competition between the two major CPU camps: x86 and Arm. Both camps are actively incorporating NPU architectures into their CPUs. By the end of 2023, all four major PC chipmakers had unveiled their latest products, vying for NPU computing performance supremacy and aiming to capture the first wave of AI PC opportunities.

Within the x86 camp, Intel and AMD are locked in an intense rivalry, continuously pushing the boundaries of NPU computing performance. Both companies strive to meet Microsoft's 40 TOPS NPU computing performance benchmark, deemed essential for offline Copilot inference on AI PCs.

2024 is widely regarded as the year of AI PCs. Market research firm Canalys forecasts that AI PC shipments will surpass 170 million units by 2027, with nearly 60% destined for the commercial sector. Chipmakers like Intel, AMD, and Qualcomm are actively integrating dedicated NPUs into their CPUs to align with the evolving PC industry landscape and significantly enhance edge AI capabilities. Related

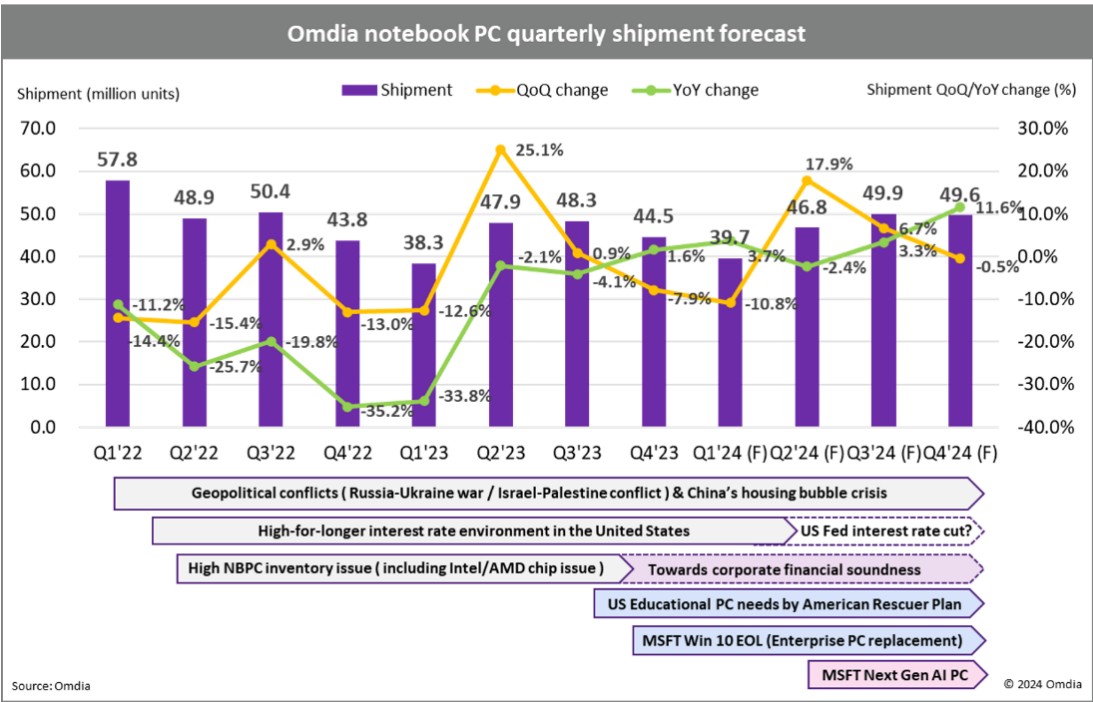


products and roadmaps have been announced.

The Q2 of 2024 will witness the launch of a wave of AI notebooks from major brands equipped with powerful NPUs and other advanced specifications. This marks the dawn of a new personal computing era characterized by enhanced AI capabilities. The advent of AI notebooks will pave the way for a paradigm shift in human-computer interaction. Traditional graphical user interfaces (GUIs) will gradually transition towards more intuitive natural language user interfaces (NLUIs). This evolution will further lead to the development of virtual agent applications (Virtual Agent Apps), bridging the gap between cloud and client-side devices enabling seamless services such as Software as a Service (SaaS).

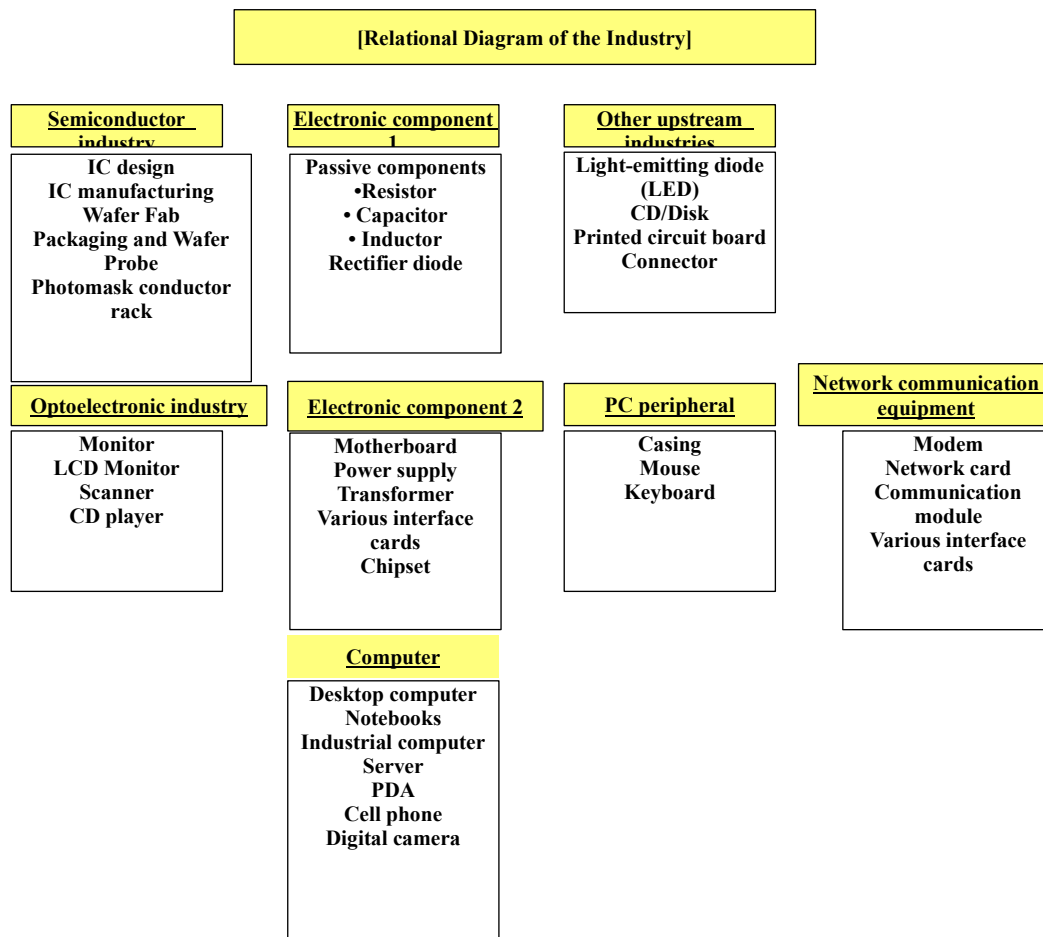
Microsoft has outlined the minimum specifications for AI notebooks: NPU peak performance of 40 TOPS or more, 16GB of DDR5/LPDDR5 memory, 256GB SSD/UFS storage, and over 12 hours of battery life for web browsing. According to OMDIA's analysis, AI notebook shipments are projected to reach 1 million units in 2024 and grow to 189.2 million units in the coming years. By 2028, the market penetration of AI notebooks is expected to reach 79.5%.

OMDIA's forecast for the 2024 PC market indicates an overall stable to slightly positive growth trajectory. From Q2 to Q3, PC brand shipment demand is expected to experience a significant increase driven by AI adoption and other external factors, including geopolitical and economic stabilization. In the best-case scenario, US education PC demand could surge by the end of the year due to the availability of K-12 COVID aid funds. The AI trend is also expected to encourage consumers to upgrade their notebooks.



資料來源： OMDIA · 3/2024

## 2. Relationship with upstream, middle-stream, and downstream companies:



- (1) The upstream industry of notebooks covers a wide range of industries, including CPUs, chipsets, GPUs, memory modules, passive components, rectifier diodes, printed circuit boards, connectors, and other industries. In 2023, Intel will launch processors for the " Raptor Lake HX/H Refresh" and "Meteor Lake H28/U15"and "Lunar Lake MX U15" platforms, and AMD will launch processors for the " Hawk Point " and " Strix Point " platforms. The top graphics chip manufacturer, NVIDIA, will launch the next-generation graphics chips (GN22 Refresh and RTX 50 series). These products will continue to lead the development trend for notebook computer functions. The specifications defined by manufacturers can also serve as a reference for product development by related upstream industries. The final designs and prices of notebook computers depends on the trend and pricing of DRAM modules such as DDR4/LPDDR4 and DDR4/LPDDR4, the die development and pricing of video RAM (VRAM) GDDR6 and GDDR7 and the adoption of new processors and GPUs.
- (2) The midstream of the notebook industry also covers a wide range of verticals: displays, optical lens modules, cases, keyboards, power supplies, battery modules, interface cards, mainboards, wireless modules (e.g., Bluetooth and 802.11X), communications modules (e.g., 4G/LTE and 5G) and storage media (e.g., hard-disks, SSD and eMMC). Among them, the specifications of key components such as displays (update frequency, response time, resolution, 3D, wide viewing angle, curved surface, color correction, HDR, and anti-blue light) will continue to increase. The 14-inch, 16-inch, and 18-inch displays will go to the 16:10 aspect ratio to lead the new notebook design specifications. OMDIA market research company estimates that the penetration rate of 16:10 aspect ratio displays will exceed 50% in 2025, meaning that notebooks will continue to be replaced with new ones in the next 2 to 3 years. The OLED/Mini LED display currently under development will also be applied to the creator's notebook design to stimulate consumers' demand for replacement. The price trend of wireless and battery modules will also affect notebook computers' final design and selling price. Among them, the communication module will be transferred from Wi-Fi 6E technology to Wi-Fi 7 in 2023, and the connection speed will be greatly improved by about 4.7 times.
- (3) The downstream manufacturers of notebooks include the vendors of system design, manufacturing and sales. The Company is a professional designer and manufacturer of notebooks. The downstream manufacturers can be classified into OEM/ODMs, EMS and clones. The key OEM/ODM players in the world are Quanta, Compal, Wistron, Inventec and Pegatron. An MIC report suggests that the top five players manufacture for the global top ten brands and account for over 82% of the global shipments. EMS players also serve the global

top ten brands but at a smaller volume and variety compared to OEM/ODM companies. Different from those mentioned above, our notebook computers are primarily sold to regional distributors or regional brands. We are a clone specialist.

### 3. Product trends and competition:

#### (1) Development trend of notebook products

##### a 、 E-sports notebooks: a new blue ocean market of high unit prices and profit margins

According to the research report by OMDIA, after the global gaming notebook market exceeded 10 million units for the first time in 2019, the global gaming notebook market exceeded 16.83 million units in 2021, thanks to the stay-at-home economy triggered by COVID-19. In 2022, the global gaming notebook market declined to 15.18 million units due to the impact of COVID-19 in mainland China and the global inflation pressure. The high-end notebook processor (Raptor Lake HX) released in January 2023 by Intel not only increases the number of computing and processing cores to 24 ( 8P+16E) but also offers performance comparable to that of a desktop CPU. The updated version of the Raptor Lake HX Refresh processor, which will be released before the end of 2023, will continue to improve the speed of dynamic random access memory (DDR5) and use the high-speed industry standard interface (PCIe Gen 5) to improve graphics performance as well as the data transfer speed of chips and solid-state drives (SSDs). For NVIDIA graphics chips, not only the number of graphics cores inside the chip continue to increase, but the AI-powered deep learning technology (AI-Powered DLSS3.0) will also be used to improve the performance of graphics chips. The rapidly advancing OLED/Mini LED displays are gradually gaining demand in the consumer market. They use the latest technology to improve brightness (500 lumens/1000 lumens) and color contrast (100,000:1) to drive a new wave of replacements for gaming notebooks. The global gaming notebook market will grow 4.3% to reach 15.84 million units. It is estimated that the compound annual growth rate (CAGR) of global gaming notebooks from 2021 to 2025 will reach 13.2%.

##### b 、 Integrating AI, DLSS and RTX makes e-sports applications hotter

On August 20, 2018, NVIDIA unveiled the GeForce RTX 2080, the world's first RTX graphics card capable of rendering cinematic-quality effects in real-time gaming. Even today, GeForce RTX GPUs continue to deliver the ultimate RTX experience. RTX encompasses a technology ecosystem that makes high-performance, high-fidelity gaming a reality. Powered by dedicated RT cores, ray tracing brings immersive, realistic lighting and reflections to games. Powered by Tensor Cores, NVIDIA DLSS delivers industry-leading AI graphics acceleration, enabling 5x performance improvements in games like "Cyberpunk 2077." TX is also integrated into the world's leading creative applications, accelerating workflows by orders of magnitude, supporting exciting AI tools and enhancements, and enabling real-time ray tracing previews within applications.

Today, over 500 games and applications utilize ray tracing, delivering stunning visuals, blazing-fast performance, and AI technologies like NVIDIA DLSS 3.5 and ray reassembly, fundamentally transforming the way we game and create.

##### c 、 Ultra-thin notebook computers with long-lasting batteries will become mainstream products in the notebook market.

Ultra-slim notebooks with a variety of design features such as convertible, detachable, lighter than 1.3kg or below 1kg, fast charging, battery life over 20 hours, narrow frames, multi-factor authentication (MFA) and aviation-grade materials aim to address the needs of most users such as document processors, business people, office workers, pink collars and students.

Intel is set to unveil its Meteor Lake U15 and H45 processors, built on the Intel 4 advanced manufacturing process. These processors will deliver the best-performance system platform with lower power consumption and higher speed. Intel's new Power Performance Management (PPM) technology will optimize energy efficiency, ensuring lower power consumption while maintaining essential productivity levels across diverse applications. The camera module will feature low-light facial recognition capabilities, while the camera resolution is gradually shifting towards 1080P support with narrow bezels. Overall system security will be addressed via hardware-based authentication features like Secured-Core PC designs.

##### d 、 Studio Laptops seem to have become the next generation of niche laptops.

During recent years, digital contents have become the primary source of information and entertainment for the public. Hence, the creation of digital contents has become the hottest industry. The work of creators goes beyond audio/video contents. It encompasses the creation of media contents, different types of streaming, 2D/3D creative and engineering applications such as computer-aided manufacturing (CAD) and building information modeling (BIM). The growth of the creator notebook market has attracted many contestants.

Surveys show that as many as 50% of e-sports notebook users do not only play games

but also install software such as Photoshop, AutoCAD and 3ds Max for digital creative activities. In fact, 15% of the users do not play games regularly. They purchase high-priced e-sports notebooks from a limited selection because of work requirements for high performances. A market survey from Intel indicates that the global population of creators is about 210 million people. This is a target market not to be ignored.

In 2024, the Company will expand its product line to include 14-inch and 16-inch creator laptops. These laptops will prioritize data privacy, personalized user experiences, enhanced productivity, and improved energy efficiency. They will be designed to handle demanding multitasking scenarios, including image generation, video editing, 3D rendering, and gaming, catering to the needs of content creators and gamers in the new era of "digital content creation."

e 、 New system platform

A survey of the product specifications and functions of next-generation notebook computers at the Consumer Electronics Show (CES 2023) held in Las Vegas, U.S.A., in January 2023 showed that the release of new notebook computer brands is in line with the system platforms planned by major manufacturers Intel, AMD, and NVIDIA. They include (1) Intel's Raptor Lake HX/H/U Series CPU; (2) AMD's Phoenix H, Rembrandt Plus U/H, and Barcelo Refresh U; and (3) NVIDIA's Ada Lovelace RTX 40 Series. Gaming notebooks, multitasking notebooks, and creator notebooks equipped with graphics chips will be mass-produced and launched in the 1st quarter of this year. The new laptops launched in the 2nd quarter are mainly mainstream, and the main system platforms supported are (1) Intel's Raptor Lake P/U Series CPU and (2) AMD's Phoenix U series. The preceding system platforms all support DDR5/LPDDR5 memory, but the memory speed varies from 4800Mhz, 5200Mhz, to 5600Mhz. The memory capacity can be upgraded from the smallest 8GB to the largest 64GB to accelerate the computing and processing capabilities of the new generation of notebook computers. In addition to enhancing information security protection (Security Level 3), Microsoft's Windows 11 operating system offers an Efficiency Mode that saves power without sacrificing system computing speed.

( a ) The new platforms that Intel will launch in 2023 are outlined as follows:

Regarding notebook computer hardware platforms in 2023, Intel plans to replace the old Alder Lake (Gen 12 Processors) platform using the Intel 7 process development codenamed Raptor Lake (Gen 13 Processors) platform. The Raptor Lake series continues with the codenames such as Core i9, i7, i5, i3, Pentium, and Celeron. This new-generation mobile platform significantly improves processor performance and graphic performance.

The Raptor Lake S (125W/65W) comes with USB 3.2 Gen1/2, Thunderbolt 4.0, Intel Turbo Boost 3.x, HDMI 2.x, Gigabit Wi-Fi 802.11AX (Wi-Fi 6E), WiGig, Bluetooth 5.x, Intel® Wireless Display 6.x, SDXC 3.x and Display Port 1.4 and are mainly for high-end gaming desktop computers.

Raptor Lake HX (55W) Core i9 central processing unit (CPU) can support 9P (Performance Cores) + 16E (Efficiency Cores). Its performance and functions are almost equivalent to the Raptor Lake S CPU for desktop computers. The RPL-HX CPU has built-in support for DDR5 5600Mhz SO-DIMM x 2, PCIe Gen5x16, and PCIe Gen4x4 and is connected to the PCH south bridge chip by DMI Gen4x8. The south bridge chips PCH and ADP-S are like desktop computers' south bridge chips. They have built-in support for PCIe Gen3x8, PCIe x8, USB 3.2 Gen1/2, Thunderbolt 4.0 Technology, Intel Turbo Boost 3.0, HDMI 2.x, Gigabit Wi-Fi 802.11ax(Wi-Fi 6E), WiGig, Bluetooth 5.x, Intel® Wireless Display 6.x, SDXC 3.0, and Display Port 1.4 that is mainly adopted in high-end gaming notebooks.

The Raptor Lake H (45W) comes with built-in USB 3.2 Gen1/2, Thunderbolt 4.0, Intel Turbo Boost 3.0, HDMI 2.x, Gigabit Wi-Fi 802.11ax(Wi-Fi 6E), WiGig, Bluetooth 5.x, Intel® Wireless Display 6.x, SDXC 3.0 and Display Port 1.4 and are primarily for gaming notebooks from entry models to high-end models, tablets and two-in-ones (detachable and convertible).

The "Raptor Lake P" series processors of Raptor Lake P/U (28W/15W) come in a standard single-package (processor and PCH combination) dual-chip platform. They have 14-core low-power (28W) processor with 6P (Performance Cores) + 8E (Efficiency Cores), built-in support for DDR5 5600Mhz SO-DIMM, LPDDR5 6400Mhz, PCIe Gen5x8, PCIe Gen4x16, USB3.2x2, USB3.2 Type -Cx4, and USB2.0x2 equipped with Intel graphics chips, which are mainly designed for mainstream notebook computers with high demand for display. As for the "Raptor Lake U" series processors, the processor and PCH are packaged together in a single package with dual chips to reduce the wiring complexity in notebook computers. The design can also save more internal space and a larger battery capacity to meet the thin, lightweight, low power consumption, and long battery demands of ultra-slim notebook computers, tablet PCs, and 2-in-1 (detachable or convertible) models.

- ( b ) The new platform launched by AMD during 2023~2024 is summarized as follows:

During the past two years, AMD has been significantly faster in R&D and release of processors to maintain advantages in manufacturing processes, performances, and prices and reclaim market shares from Intel.

AMD plans to launch desktop CPUs codenamed Vermeer and Raphael . Vermeer adopts the Zen 3 architecture on 7nm++ but is still on the AM4 socket. With 12nm I/O, this new desktop Ryzen 5000/Ryzen 5000X series aims to replace the Matisse CPU. The highest grade of the Ryzen 5000/Ryzen 5000X series houses 16 cores and 32 threads and also comes in the AM4 socket. This new CPU series performs 17% faster in instruction-per-clock (IPC) and up to 50% faster in floating-point computation. Raphael will upgrade to the Zen 4 architecture on 6nm and the AM5 socket and support up to 24 cores.

As for mobile processors, 2 mobile AMD Accelerated Processing Units (APUs) codenamed " Rembrandt Refresh U/H " and "Phoenix HS" are designed for system-on-chip (SoC). "Rembrandt H/U" and "Rembrandt + H/U" are the previous generation of Ryzen APUs. They adopted TSMC's 6nm advanced process and Zen 3+ architectures, offering significantly improved performances. Its built-in Integrated Graphics Processing Unit (iGPU) was RDNA2 architecture named Navi2, providing up to 8 cores/16 threads. They came in 28W U-series and 45W H-series options, were upgraded with a new generation of RADEON RX6000 series graphics chip, and the APU and GPU performances were significantly improved compared to the previous generation. The "Phoenix" series adopts Zen 4 architecture, a 5nm new process, FP7r2 packaging technology, and its built-in iGPU is RDNA3 architecture named Navi3. The Phoenix APU is mainly aimed at high-end gaming laptops to meet the performance demands of gamers. Its core count and performance are comparable to Intel's Raptor Lake HX.

- f 、 Next-generation graphics chip processors

NVIDIA launched a new generation of graphics processors using the Ada Lovelace chip architecture in January and March 2023, respectively. The first-generation light-tracing core and the fourth-generation artificial intelligence (AI) deep learning core can significantly improve graphics and computing capabilities.

The Ada Lovelace architecture not only doubles the computing speed of the original ray tracing effect computing capability but also uses its fourth-generation artificial intelligence deep learning core (AI-Powered Tensor Core) to execute sampling and drawing operations. For the new generation of e-sports games that support Deep Learning Super Sampling 3.0 (DLSS3), the performance is improved by 4 times in 4K resolution gaming mode. The "RT Core" has evolved to the 3rd generation in the Ada Lovelace architecture. It mainly strengthens the motion blur operation. In the past, dynamic blur was based on filters. The images presented are less realistic. The dynamic blur for real-time raytracing is to calculate the actual change of an object's location and the interaction with lights in a given time interval. The workload is tremendous. The 3rd-generation RT Core uses the new "Shader Execution Reordering (SER)" technology to properly use the graphics core resources to enhance the graphics operation execution efficiency. It can simultaneously locate and compute object positions during the interaction between lights and objects. The calculation speed of the dynamic blue is up to two times that of the Ampere architecture. Tensor Cores are in their 4th generation within the Ada Lovelace architecture. With new and special coding, the data previously in the dense matrix is converted into the sparse matrix and then effectively allocated to Tensor Cores. The 4th-generation Tensor Cores within the Ada Lovelace architecture yield twice the computing efficiency of each core compared to the Ampere architecture. Hence, the DLSS is even more effective in resolution enhancement. Once the shader cores render the images of the wide quad high definitions (WQHD) images, the resolution can easily upgrade to 8K with DLSS powered by a new AI model. In contrast with the Turing architecture only able to process in sequence, the Ada Lovelace architecture can handle shading, raytracing, and deep learning at the same time. This greatly boosts computation efficiency. Based on the official comparison charts, the performance of games that support ray tracing and DLSS3 at 4K resolution is almost 4 times that of games only supporting the 2nd-generation ray tracing effect.

- g 、 AI PC Trends And Business Opportunities

According to Digitimes' 2024 AI PC Market Analysis, the launch of OpenAI's ChatGPT service in late 2022 marked a turning point in artificial intelligence, ushering in a new era of generative AI applications. Microsoft quickly followed suit, building upon ChatGPT technology to enhance its own products and introduce Copilot, which has become a cornerstone of enterprise productivity tools.

As generative AI services like ChatGPT and Copilot gained traction in commercial settings, data privacy, and processing latency concerns have fueled a rapid surge in demand

for AI PCs. These devices, capable of handling AI applications offline, offer a promising solution to address privacy and latency issues. CPU and brand manufacturers are actively seizing this opportunity by introducing new AI PC products to capture a share of this growing market. In a broader sense, an AI PC is a personal computing device that can process AI applications offline, including on desktop computers or laptops, to enhance personal privacy and reduce security risks. This eliminates the need to connect the PC to the cloud server, allowing users to use simple commands on their devices to quickly generate text, images, videos, music, and other generative AI functions.

Major CPU manufacturers in the x86 and Arm camps have adopted CPUs with built-in NPUs (Neural Processing Units) as a fundamental specification. They aim to achieve the threshold of 40 TOPS (Tera Operations Per Second), which Microsoft has revealed as the offline execution capability for Copilot. By the end of 2023, they plan to release their latest products, competing for NPU computational performance and seizing the opportunity in the emerging AI PC market. Intel and AMD, key players in the x86 camp, have respectively introduced the Meteor Lake Core Ultra and Hawk Point Ryzen 8040 processors. They emphasize compatibility with Microsoft Windows 11 and subsequent versions, ensuring a seamless experience for Copilot users.

As AI PC hardware platforms continue to improve in 2024, CPU and PC-related manufacturers, along with software giants like Microsoft, will collectively drive personalized generative AI markets. AI applications will transition from the cloud to the edge, accelerating the adoption of edge computing products.

## (2) Competition of notebook products

According to a Newzoo report from January 2024, the global gaming market's total revenue for 2023 is approximately \$184 billion, showing a slight increase from the previous year's \$182.9 billion. The gaming industry is expected to sustain growth, with PC gaming playing a crucial role. Game developers generally anticipate continued revenue recovery in 2024. The projected revenue for 2026 is estimated to reach US\$205.4 billion. The market's average annual compound growth rate from 2021 to 2026 is expected to be 1.3%.

Newzoo's statistics indicate that the esports audience reached 450 million in 2019, with a CAGR of 8.1% from 2020 to 2025. According to Allied Market Research, the global esports PC market value is projected to grow at a CAGR of 15.3% from 2021 to 2030. This growth trajectory surpasses the audience numbers, driven by not only desktop (DT) and notebook (NB) systems but also peripheral products such as: Demand for mice, keyboards, headphones, T-shirts, hats, etc., will increase accordingly. Affected by the COVID-19 epidemic in 2020, more people are working from home, and e-sports has grown significantly. Despite the recent decline in WFH trends, the esports industry remains one of the few growth drivers in the PC downstream market. This resilience stems from the increasing casualization of esports, which has created a more rigid demand for gaming PCs.

According to research firm IDC, esports laptops have an average replacement cycle of 2 to 3 years, compared to 3 to 5 years for consumer and business laptops. This shorter replacement cycle is a key growth driver for PC manufacturers, as it is fueled by the release of new-generation graphics chips, innovative processors, and blockbuster game titles. The primary price range for esports laptops falls between US\$1,000 and US\$1,500. When considering associated peripherals, the overall cost of an esports laptop is approximately US\$350 to US\$500, higher than that of a consumer laptop. The research firm Newzoo estimates that hardware accounts for 20~25% share of wallet in the gaming market. The global market for e-sports hardware was approximately US\$73.2 billion in 2021 and is projected to exceed US\$100 billion in 2024. The CAGR for the e-sports segment is forecasted to reach 16.41% for 2019-2024, outperforming consumer notebooks and commercial notebooks. As an industry leader in the design, manufacturing, and assembly of e-sports notebooks for over 30 years, the Company is expected to benefit from the maturing of the e-sports ecosystem.

## (III) Technology and R&D Overview

1. The research costs spent for the year ended March 31, 2024, were NT\$186,722 thousand, accounting for 3.9% of the annual turnover of the PC Business Unit.  
2022: NT\$630,168 thousand, accounting for 3.4% of the annual turnover of the PC Business Unit.  
2023: NT\$704,043 thousand, accounting for 3.3% of the annual turnover of the PC Business Unit.  
The Company invests a considerable proportion of its funds in R&D each year. The annual research expenses exceeded NT\$500 million in recent years, indicating the Company's efforts in developing new products and enhancing production technology and product quality. In recent years, the proportion of models that have applied for R&D credits has increased significantly, indicating significant improvement in our R&D effects.
2. Technologies or products successfully developed in 2023 and as of March 31, 2024.  
The Company's product development in 2023 focused on technology, trendiness, and

environmental protection. In addition to an attractive look and feel, the Company continued developing a new series of stylish models with high value-added. Examples are wide color gamut (WCG) displays (NTSC >95%; 100% sRGB and DCI-P3 100%); wide viewing angle displays (e.g., IPS/AHVA); OLED/mini LED displays; 144Hz/165Hz/240Hz/300Hz/360Hz double frame rate (DFR); 10-finger touchscreen and high-resolution (4K/3K); eye-tracking technology; AR/VR/MR/xR applications, voice assistants, and Gamma Pad. Innovatively develop new computer products to incorporate more commercial applications in the future, and add new high-yield product lines. Provide a complete product portfolio to meet the needs of consumers in different fields around the globe, and strive to develop more innovative and high-value products:

- ( 1 ) Based on the demand for energy conservation and environmental protection, the Company continues to develop new energy-saving products by dint of energy-saving innovative technologies, in addition to Energy Star 8.x certification, it meets various international environmentally-friendly standards, such as Restriction on Hazardous Substances (RoHS), Waste Electrical and Electronic Equipment (WEEE) and ErP (Energy-related Product), etc., by effectively reducing the generation and emission of toxic substances in the production process, and promoting environmental protection and green technology. The purpose is to enable consumers to identify energy-efficient products through energy labels on electronic or electrical products, thereby reducing the greenhouse effect. Currently, the Company's Energy Star 8.x certified models are as follows:
  - X370SNx-G series, PD70SNx(-G/-D) series, PD50SNx(-G/-D) series, PE60SNx/RNx(-G/-D/-S) series, V25RNx series, V26RNx series, V27RNx series, NP70SNx Series, NP60SNx series, NP50SNx series, NP50RNx series, NP60RNx series, NP70RNx series, NV40RNx(-D) series, NS70AU series, NS50AU series, L140AU series, NJ70AU series, NJ50AU/DU series, NL70AU series, NL50AU/DU series, NL40AU /DU series.
- ( 2 ) In the high-end gaming market, the Company cooperates with Intel for processors with enhanced performances. We also work with the GPU supplier Nvidia to accelerate product development and design timetable, in order to continue the creation of high-performance products catering to demanding gamers.
  - X370SNx-G(DDS/G-Sync): 17.3" 16:9 UHD (3840 x 2160) 144Hz screen, equipped with Intel Raptor Lake HX Refresh Core i9/i7 14xxxHX series processor, equipped with NVIDIA RTX 4090/4080 graphics card, memory supports up to 96GB DDR5 5600MHz, supports up to 3 The SSD with PCIe interface can be used as an array RAID 0/1/5 or one SSD with PCIe 5 interface.
  - PD70SNx (DDS/G-Sync) and PD50SNx (DDS/G-Sync): 17.3"/15.6" 16:9 UHD (3840 x 2160) screen, equipped with Intel Raptor Lake Refresh Core i9/i7 14xxxHX series processor, equipped with GeForce RTX 4070/4060/ 4050, the memory supports up to 64GB DDR5 5600MHz, and supports up to 2 PCIe interface SSDs for array RAID 0/1.
- ( 3 ) The Company will continue its 2022 and 2023 business model series at the international exhibitions CES and Computex 2023 in 2024 and launch a series of products that address data security and preservation for business applications, including models that support Intel PTT or TPM 2.0 and have fingerprint recognition. , including 14-inch models that support NVIDIA RTX-level graphics cards NV40RNx(-D) series and Intel Iris™ Xe graphics cards L140AU series.
  - NV40RNx/-D (Pantone): Catering to the needs of business users and creators (3D graphics and scientific research); 14" 16:9 UHD (3840 x 2160) screen; equipped with Intel Core i7/i5/i3 45W processors; Nvidia RTX 4070/4060/4050 graphic card; memory up to 64G DDR5 5200MHz; 21.4mm in thickness; supporting color calibration specifications to meet the needs of business creators.
  - L140MU: Catering to the needs of business users (3D graphics and scientific research); 14" 16:9 FHD (1920 x 1080) screen; Intel Core i7/i5/i3 15W processors; Intel® Iris™ Xe graphics; memory up to 40G DDR5 4800MHz; 16.5mm in thickness; as light as 990g, battery life up to 20 hours. This lightweight, ultra-slim, and long battery life model aims to meet the needs of the commercial segment.
- ( 4 ) We have developed a full range of notebooks with the Intel Raptor Lake platform's HX/H/U series, integrated with wireless communication Wi-Fi 6/Wi-Fi 6E/7, Bluetooth 5.x, and LTE 4G/5G; HDMI 2.1; eSATA 3.0; Thunderbolt 4 and USB-A/C 3.2 Gen1/Gen2. Our notebooks combine ultra-long-life batteries and super power-efficiency in design and come with secure pads for fingerprint recognition. Hello FHD Camera is optional for facial recognition. In sum, our notebooks are the mobile computing platform offering high-quality audio/video and supporting a wide range of external devices.
  - Flagship e-sports models: X370SNx-G(G-Sync) series, X270PTA series, PE60RNx-G series, PD70SNx-G series and PD50SNx-G series, etc.
  - Audio-visual entertainment models: V27RNx series, V26RNx series, V25RNx series, NP70SNx series, NP60SNx series, NP5xSNx series, NP70RNx series, NP60RNx series, NP5xRNx series and NV40RNx series, etc.

- Mainstream and entry models: NS50AU Series, NS70AU Series, etc.
  - Business work models: L140AU series.
  - Trendy and compact notebooks: NJ70PU/AU Series, NJ50PU/AU Series, NL50PU/AU Series, NL40PU/AU Series, etc.
- ( 5 ) In 2024, the Company shall continue to collaborate with Intel to develop a new series equipped with "Raptor Lake H/HX Refresh," " Meteor Lake H/U," and " Lunar Lake MX U " platform products, with AMD to develop " Dragon Range" "Phoenix" "Hawk Point"and "Strix Point" platform products; as well as with NVIDIA's next-generation independent graphics card GN21 Refresh to develop a full range of products. Our goal is to enable users to enjoy perfect 3D effects in various environments at home or traveling abroad. Our products use superior graphics, video functions, and large screen options perfect for maps, online movies, online videos, photos, games, music, TV programs, etc. We aim to surpass other manufacturers' notebook computers at the same price level to meet computing needs and provide a unique computing experience.

### 3. R&D plan in the future

#### ( 1 ) Gaming and Entertainment NB computers

Gaming is the domain where tech companies showcase their R&D prowess. The Company has dedicated to this market for many years, accumulated substantial R&D strengths, and developed the most extensive models, from 15" to 17.3", from single graphic cards to dual graphic cards, from single storage media to multiple storage media and high-speed RAID, to meet all the requirements of top gamers. The models developed by the Company rank first in the test evaluation, superior to many competitors. In 2023, the Company will invest in the functionality enhancement of notebook models by equipping them with Intel's next-generation processors and integrating them with Nvidia's GPUs of the newest specifications. We seek to maintain leadership with products of higher specifications.

- Flagship gaming NB
  - ✓ 17.3/18-inch models: The new 17-inch flagship model X370SNx-G continuation model supports PCIe Gen 5 SSD & TBT 5, and the new 18-inch flagship model X38 series models.
  - ✓ 16-inch model: adopts 16:10 QHD+ 240Hz new V560TNx/-S (NVIDIA Studio/Color Calibration) series model
  - ✓ 15.6-inch model: PD50SNx-G series model.
- Home multimedia entertainment NB
  - ✓ 17.3-inch models: NP70SNx, NP70RNx, V270RNx and new V370SNx series models.
  - ✓ 16.0-inch models: NP60SNx, NP60RNx, V260RNx and the new V360SNx series models.
  - ✓ 15.6-inch models: NP50SNx, NP50RNx, V250RNx and new V350SNx series models.
  - ✓ 14-inch models: NV4RNx/-D series continued models and the new V540TNx series models

#### ( 2 ) Commercial NB

In 2024, the Company will deepen its efforts in the commercial product portfolio and increase the shipment percentage of commercial notebooks to boost firm-wide shipments and revenues. Regarding the model size, the focus will be on 14", 15.6", and 17.3".

- New L240/L260TU, new V640/V650AU, NJ50AU, NJ70AU, NL40AU and NL70AU series of models.

#### ( 3 ) Mainstream NB

For mainstream laptops in 2024, the Company will continue to launch Intel Raptor Lake H/U series i9/i7/i5/i3 ten core/eight core/six core/quad core/dual core or Pentium or Celeron-level processors. We will also continue to launch a series of models using Intel's Meteor Lake H/U series processors and AMD Rembrandt Refresh.

- 17.3 inches: NS70AU and NJ70AU series models.
- 15.6 inches: Brand new V560TU, NS50AU, NJ50AU and NL50AU series models.
- 16 inches: New L260TU/L260LU, new V560TU, and other series models.
- 14.1": New L240TU/L240LU, new V540TU, and NL40AU series models.

#### ( 4 ) Light, environmentally-friendly and energy-saving notebooks of small size

In 2023, new laptop models will combine the high-performance quad-core Intel Alder Lake-N platform with low-power memory specifications (DDR4) to design compact-sized notebooks. These notebooks will be equipped with features such as Wi-Fi AC, Bluetooth, 4G LTE, and video cameras, providing versatile options for various use cases. Notable models include NJ50DU, NL50DU, and NL40DU.

Looking ahead to 2024, the Company plans to allocate more resources to research and development in hardware and software. This strategic move aims to meet the demands of key customers (such as Acer India) in emerging markets. Specifically, the Company will continue developing lightweight, energy-efficient laptops based on the AMD Lucienne and AMD Barcelo-U Refresh system platforms. By offering a comprehensive product lineup, diverse features, and high-quality multifunctional devices, the Company aims to cater to a wide range of customer



needs and create opportunities in the untapped market for notebook PCs.

( 5 ) 2024 R&D plans and expected expenses:

(NT\$ thousand)

Item	R&D plan	2024 Estimated Investment Expenses
Notebooks	Line layout	665,988
	Cost of safety standard	
	Cost of parts	
	Cost of components	
	Other cost	
	Product test	
	Software design	
	Design outsourcing	

(IV) Long-term and short-term business development plans

1. Short-term business development plan

- (1) Strengthen cooperation with all customers, and provide comprehensive services in product planning, R&D, manufacturing, and after-sales services.
- (2) Meet the needs of customers with diversified products of high quality and small quantity, as well as provide customers with fast delivery and technical support, so that the source of customers can continue to grow steadily, and the market share of the Company in the Clone market will be increased.
- (3) Fully support the Mainland production base, increase production capacity, and reduce production costs.

2. Long-term business development plan

◆ NB Business Division

According to OMDIA's research report, global notebook PC shipments are estimated to reach approximately 179 million units in 2023. Microsoft is about to end support for Windows 10 in 2024, and there will be a new wave of replacements in the commercial market. Furthermore, using notebook computers with virtual and mixed reality will enable creators to enter the emerging AI field, triggering another wave of growth. OMDIA predicts that by 2024, the notebook PC market will again grow to exceed 186 million units. Despite the post-pandemic era, most businesses are likely to continue adopting hybrid work models, ensuring sustained demand in the commercial sector. While remote learning needs may decrease, the demand for education-focused laptops using Windows OS is expected to persist. Furthermore, the ongoing popularity of home-based entertainment and the nascent esports ecosystem will contribute to the continued growth of thin and light gaming laptops in recent years. Balancing shipment volume and profitability, the Company has set a shipment target of 1.95 million units for 2024, surpassing last year's challenging target by 270,000 units.

CLEVO has years of experience in notebook computer design, manufacturing, distribution, and services and has built a niche in the clone market. Without being distracted by the pursuit of rapid growth for sheer volumes, we focus on developing products catering to customers' needs and creating a win-win for CLEVO and customers in the blue ocean market. In 2024, the Company will continue to enhance its share in this market, achieve win-wins with customers, and strengthen its No. 1 position in the clone notebook segment.

◆ Buynow Business Group

The 18 Buynow Technology Plazas have steadily navigated pandemic and lockdown impacts, gradually returning to normal operations. Since the second half of 2023, they have accumulated a solid customer base, resulting in increased foot traffic and consumer potential. These factors contribute to the overall improvement in rental income for 2024. The Company's 2024Q1 rental income reached CNY175 million, reflecting a 1.4% year-on-year increase. With 30% of the investment in Chicony Plaza, the main business was able to come out of the impact of the pandemic and return to the normal operation track. The effect of foreign currency exchange rate was significantly reduced. In addition, under the circumstance that people's consumption gradually increased, the revenue in Q1 2024 totaled CNY1.02 billion. Overall, as the market conditions continue to improve and the management team's strategic deployment of the department store is careful, the businesses of the Buynow Business Group and Chicony Plaza are expected to grow steadily in performance and profits this year, and thus contributing to the overall profitability of the group.

The group continues to keep an eye on the inventory and operational efficiency of assets in China by carefully evaluating the operating efficiency and opportunity of each store. Proactive adjustments are continued with underperforming malls. Deleveraging is in progress to adjust the financial structure and push for transformation, in order to maximize the interest for the group.

## II. Overview of the Market and Production and Sales :

### (I) Market Analysis

#### 1. Territory of major products

The Company focuses on sales in the channel market mainly for export. The export regions for the past three years are as follows:

Region	2021	2022	2023
Europe	22.07%	20.14%	17.8%
America	9.85%	9.38%	2.8%
Asia Pacific (including domestic sales)	33.47%	32.82%	44.3%
China	34.61%	37.66%	35.1%
Total (thousand units)	2,074	1,610	1,677

Regarding the European market, geopolitical tensions (such as the Russo-Ukrainian War) and inflationary pressures have impacted the region. Factors like resource scarcity (natural gas, oil, etc.), rising raw material prices, increased labor costs, weakened demand in the education market, and inflationary pressures have led to a gradual decline in overall sales volume as a proportion of total shipments, reaching 17.8% since 2021. The North American market represents a mature laptop market, with over 90% long-term dominance by international brand giants. However, demand in Central and South America is currently affected by negative factors such as political and economic instability, inflation, and currency devaluation. Consequently, demand remains relatively weak, and many projects have postponed bidding. Overall, the Americas region accounts for only 2.8% of total shipments. In the Asia-Pacific market, emerging economies in Southeast Asia and South Asia maintain stable economic conditions. Additionally, the demand for gaming laptops in markets like Japan and South Korea has contributed to the Asia-Pacific region's overall share, which has surpassed 44.3%. The Chinese market maintains a stable share of shipments. This stability is attributed to existing stable customers (such as Lenovo and Haier) and the continuous acquisition of new customers (such as Ouyang and Colorful). In 2023, the Company continued its efforts in the Asia-Pacific emerging markets and nurtured the Latin American market. Furthermore, we proactively expanded into developed markets, particularly Southeast Asia and Africa. Alongside quality adjustments, the Company will implement changes in sales strategies to balance regional sales distribution and mitigate the risk of over-reliance on any single market.

#### 2. Market shares

According to market research firm OMDIA, global notebook PC shipments reached approximately 179 million units in 2023. Within this, the gaming laptop market accounted for 14.8 million units. Despite representing only 0.94% of the global laptop market, the Company shipped 1.68 million units in 2023. However, the Company's gaming laptop shipments stood at around 1.02 million units, constituting over 60% of the overall laptop shipments and approximately 7% of the global gaming laptop market. This highlights the Company's continuous focus on developing high-priced, high-profit products.

#### 3. Future Market Supply and Demand, and Future Growth

Estimations for 2024 indicate that the hybrid office model will continue, resulting in a relatively low impact on the commercial market. However, the education sector tells a different story. Despite initial expectations, the effectiveness of remote learning falls short. Additionally, budget constraints in less developed countries prevent further subsidies for educational laptop purchases. Moreover, mature and emerging markets are scaling back their subsidy policies. As a result, the demand for educational laptops, especially Chromebooks, which had explosive growth over the past two years, is expected to decline rapidly. On the other hand, gaming laptops are poised for a surge. The launch of new platforms by Intel and AMD, along with NVIDIA's next-generation GPUs, will likely trigger a wave of upgrades. Furthermore, the lightweight and ultrathin laptop segment (weighing less than 1.3 kilograms) has gained momentum due to pandemic-related factors. Additionally, laptops tailored for content creators are experiencing rapid growth. According to research firm OMDIA, global shipments are projected to reach 186 million units in 2024. The Company's operational goal 2024 is to balance shipment volume and profitability, targeting 1.95 million units shipped, with an estimated annual growth rate of 16%.

#### 4. Competitive Niche, Favorable and Unfavorable Factors in Future Development, and Response Measures

##### A. Competitive Niche

- (1) In terms of products, unlike other manufacturers, the Company strives to implement cost-effectiveness and provide customers with the affordable products of best performance, making the Company's products more competitive in the market. In line with the market demand for differentiated products, the Company provides a more flexible and efficient production management model and meets customer needs with small-scale, diverse, and customized design & production, and fast delivery, making distributors more competitive in the market.

- (2) In terms of technology, the Company emphasizes extraordinary core technology, keeps up with the current and future market trends, by providing a series of products with the best system performance, the best mobile and wireless access functions, and integrating application of the Internet and the digital home.
- (3) In terms of manufacturing, the Company provides a more flexible and efficient production management mode by small-scale but diverse production, and offering more flexible choices to customers so as to gain better market competitiveness.
- (4) In terms of services, the Company has service bases in key areas where customers are located around the world. In addition to providing customers with services quickly, it also uses local resources to provide market-oriented and value-added services to meet customer needs.

#### B. Advantages

- (1) The industry outlook is positive. The global shipment in 2024 will maintain above the 186 million mark.
  1. The demand for desktops continues to decline, with notebooks accounting for more than 70% of the personal computer market. This will be the new norm;
  2. The demand for commercial notebooks surged due to better-than-expected efficiency of homeworking;
  3. The demand for Chromebook exploded given the rise of long-distance education;
  4. The demand for gaming and creator notebooks soared as a result of the booming stay-at-home economy;
  5. The rise of AI-powered PCs, equipped with high-performance neural processing units (NPUs) and advanced learning algorithms, has brought revolutionary changes to various industries.

Looking forward to 2024, with the gradual recovery of the global economy, after the inventory adjustment in the notebook market for more than a year, brands are confident that their inventory has returned to a normal level. Furthermore, Intel launched a new processor platform at the end of 2023 and announced the AI PC acceleration program, raising the market's expectation for the industry rejuvenation in 2024. Additionally, the surge in laptop demand during the pandemic is transitioning into a replacement cycle. As a result, the global notebook PC market is expected to gradually return to positive growth.

The Company's strategy for 2024 continues to focus on niche markets, emphasizing quality and customer needs. Their product lineup centers around four main axes: high-margin (ultra) thin and lightweight (gaming) laptops, mid-to-high-end gaming laptops, business laptops, and laptops tailored for content creators. Products include: With the launch of Intel's platform in 2024, the Company will introduce high-performance gaming flagship models equipped with NVIDIA's next-generation graphics cards. Emphasizing security and reliability, the Company will address the replacement needs of mature markets and the procurement demands of governments and small-to-medium enterprises with its business-oriented laptops. Additionally, the Company plans to cater to emerging markets by offering mainstream products that align with consumer usage requirements. These include ultra-thin gaming laptops that prioritize lightweight design, slim profiles, long battery life, quick boot times, and high graphics performance. Furthermore, the Company will introduce ultra-portable laptops (weighing less than 1 kilogram) that provide convenient carry options and seamless wireless connectivity. Lastly, the Company will launch creator laptops tailored for digital content creators, supporting 100% sRGB wide color gamut, color accuracy with Delta E < 2, and Pantone calibration.

- (2) Product strategy is correct

The Company's marketing strategy is to provide high-quality and multi-function notebooks. Therefore, it attaches great importance to research and development. It plans to cultivate technical R&D talents, and continues to develop new products and reduce costs in research and development to make products more competitive.

- (3) Complete marketing channel network

The Company's products are exported to China, Europe, the United States and Canada, Latin America, Middle East and the Asia-Pacific region. Due to the scattered market customer base, the Company is not affected by changes in orders placed by single customers or regional economic downturn, exposed to limited operational risks.

- (4) Improve service centers

There are maintenance centers in significant customer areas, by which we can grasp the market conditions in addition to providing perfect after-sales services.

#### C. Disadvantages and Response Measures

- (1) Disadvantages:

- a. Brand manufacturers continue to squeeze distribution channels, and regional market space

The top ten laptop brands have undergone alliances, mergers, privatization, restructuring, and demergers in recent years. Korean brands have re-entered the market after exiting while emerging Chinese smartphone manufacturers like Huawei and Xiaomi are aggressively entering the ultra-thin and gaming laptop segments. International brand manufacturers actively acquire large regional or channel partners to compete for market share. The competitive landscape is

intensifying, especially for regional and channel brand laptops. Since 2016, shipments of these laptops have consistently declined. However, amid the battle for market dominance among international brand manufacturers, the survival space for regional and channel brands is likely to be squeezed in 2024.

b. The dilemma between order concentration and low gross margin

As the international brand companies grab shares in the mature markets, capture the new demand in emerging markets, and engage in price wars for the regional and channel market, their manufacturing outsourcing strategy has also drastically changed. The assembly of low-end computers has been gradually outsourced to Chinese manufacturers such as Tongfang, Bitland and Wingtech. The top five Taiwanese contract manufacturers have lost orders or seen orders redistributed as a result. In addition to accommodate the customers' cut-throat competition, Taiwanese manufacturers have been seeking transformation by moving to cloud computing, Internet of Things (IoT), artificial intelligence, wearables, xR devices, networking and communication equipment, industrial computers and electric vehicles, in order to reduce the reliance on contract manufacturing orders for notebooks, fill the capacities and address the low gross margins. Meanwhile, the continued rising labor cost in China, the higher volatility of international exchange rates, the disruption of the supply chain due to geopolitical risks and the shortage of certain key components are putting Taiwanese contract manufacturers between a rock and a hard place. Whilst brand customers seek to increase shipments, market shares and profits, contract manufactures need to balance between higher capacity utilization, topline growth and gross margins.

c. Brand manufacturers turn to high-priced and high-margin e-sports notebooks

According to IDC, the gaming laptop replacement demand cycle, which occurs every two to three years, will drive growth for brand manufacturers. This momentum is primarily driven by gaming events, graphics cards, and Intel's new architecture processors.

Additionally, the Newzoo research report on gaming highlights that hardware constitutes approximately 20-25% of the overall gaming industry value. As of 2023, the global gaming market's total revenue is approximately US\$184 billion, showing a slight increase from the previous year's US\$182.9 billion. Game developers generally anticipate continued revenue recovery in 2024. By 2026, the market is projected to grow to \$205.7 billion, indicating an average annual growth rate of 1.3% from 2021 to 2026.

The recent launches of higher-performance CPUs and GPUs by Intel, AMD, and NVIDIA, coupled with advancements in system memory speed and capacity, increased graphics memory speed and capacity, and faster solid-state storage devices, have driven demand. Consequently, the gaming hardware sales figures are expected to continue their upward trajectory. Notably, gaming laptop purchases predominantly fall within the \$1,000 to \$1,500 range. When accounting for peripheral accessories, gaming laptops typically exceed standard laptop prices by over \$400. In pursuit of profitability and product differentiation, the top ten global computer brands are intensifying their research and development efforts, focusing on high-priced, high-margin gaming models to tap into the new PC gaming frontier.

(2) Response Measures:

a. Adjust strategies for taking orders

A study by Ericsson ConsumerLab indicates that COVID-19 has created a new work mode and 70% of the businesses have embarked on virtualization. It is also generally believed that remote and flexible working is more efficient. It can also reduce energy consumption and carbon emissions and enhances corporate efficiency. As many as 60% of decision-makers are pleased with the cost reduction brought by remote working and the resulting higher profits. The shift in the work model in the commercial market has caused dramatic changes to the personal computer industry during the past two years and the burgeoning demand for notebook computers. The global laptop industry has been significantly impacted by high inflation, resulting in a decline in shipments of approximately 10.8% over the past few years. However, the decline rate has moderated compared to the previous year. Market projections indicate that the global notebook computer market will gradually recover and return to positive growth in 2024. The battle for orders among regional brand markets will continue. Unlike Chinese contract manufacturers that adopt aggressive pricing strategies and Taiwanese contract manufacturers that prioritize filling production capacity without significantly reducing their PC manufacturing share, the Company adopts a selective order strategy based on either high unit prices or high-profit margins, with a primary focus on maintaining gross profit margins.

b. Adjust the proportion of high-end products

In addition to responding to the wave of new device buying by large enterprises in mature markets and the procurement needs by the governments and SMEs in emerging markets, the Company has been continuously and actively planning the high-priced and high-profit margin commercial, gaming, creator and AI notebooks in the past few years. Meanwhile, the Company continues to strictly control costs and the ratio of shipments for low-price notebook computers. We will also continue to develop business models to increase the overall revenue and profitability of the Company in 2024.

c. Continue to reduce costs, and continue competitive advantage

Under the intense competition from the domestic and international competitors, the Company not only has to design differentiable products, but also has to reduce the production cost. Firstly, R&D personnel are required to design products with the best cost structure, control the high quality and high efficiency, and further improve the yield from the existing manufacturing process to achieve cost reduction.

d. Control quality of components

In the external control, ensure the stability of the components to reduce the manufacturing defect rate and improve the quality of products.

e. Improve production efficiency

The Company introduced 6 Sigma quality improvement methods to improve production efficiency and manufacturing yield.

f. Innovative products are developed for different markets and customer needs, market differentiation is promoted, and affordable products of best performance are provided to customers. Different from other manufacturers, the Company's products have more competitive advantages in the market.

g. In line with the market demand for differentiated products, the Company provides a more flexible and efficient production management model, and meets customer needs with small-scale, diverse and customized production, and fast delivery, making distributors more competitive in the market.

● Buynow Business Group:

CLEVO founded Buynow Malls in China in 1998. Twenty-five years later, we currently own 29 commercial properties in China, all in prime locations. For years, Buynow Malls have been making constant adjustments to create an innovative shopping environment and atmosphere, focusing on content and services and increasing entertainment and restaurant options. Buynow Malls have worked with e-commerce companies, integrated online and offline to capitalize on business opportunities online, worked with merchants during the COVID-19 lockdowns to maintain merchants' cohesion, and provided rent subsidies during the epidemic. Attracting foot traffic through coordination with sales periods and marketing activities to increase tenant performance.

In 2023, China's GDP grew by 5.2%, and the total retail sales of consumer goods increased by 7.2% year-on-year, marking a year of gradual economic recovery and development following the pandemic lockdowns. In January and February of 2024, the total retail sales of consumer goods grew by 5.5% compared to the same period last year. China has set its annual economic growth target at around 5% for the full year. Comprehensive policy deployment is a priority, including the issuance of ultra-long-term special government bonds to increase funding, coupled with the continued effects of earlier policies such as reserve requirement ratio cuts, interest rate cuts, tax reductions, and fee reductions. These measures are expected to help sustain the economic recovery. Currently, 18 Buynow Malls combine six elements: technology, intelligence, fashion, creativity, fun, and experience, in order to introduce 5G and Big Data to create a consumers-oriented plaza of people, products, and stores. Buynow Malls are a specialist technology plaza offering online-offline multichannel convergence and a one-stop shopping experience. In addition to working with vendors and merchants to capitalize on the recovery of the consumer market in China, Buynow Malls also continues to reduce costs. To maintain its dominance in the tech and smart shopping center market in China, Buynow Malls have initiated the following important initiatives:

(1) Continued mall optimization and Buynow rebranding

The Company continues to embrace new retail models, emphasizing the "experience economy." Creating innovative shopping environments and content services connects various business projects from front-end sales to back-end maintenance. This approach breaks away from the traditional e-commerce stereotype. The Company also employs a tailored approach, adjusting product lines and services to strengthen its focus on high-end and professional markets. For instance, they introduce high-value-added products related to technology and electronics, deepening their investment in gaming and digital entertainment. This includes dedicated gaming zones and esports-related events, which attract a large audience of young consumers. Additionally, the Company implements an ecosystem management model, emphasizing seamless connectivity from product sales to after-sales service. This enhances the customer purchasing experience and optimizes supply chains and sales processes, resulting in more efficient operations. Furthermore, the Company offers diverse products, from high-end to budget-friendly options, through its boutique and mainstream product tiers, catering to different consumer needs. The Company updates its brand image and leverages media platforms to enhance brand awareness. By focusing on continuous innovation and optimizing customer experiences, they strive to maintain a leading position in the market.

(2) Industry-University Cooperation Program:

The Company signs a letter of intent for industry-university cooperation with NTU, NCCU, NCKU, and NTUT every year. In addition to providing Buynow Mall as a platform for research results to be published by the teachers and students of NTUT in the future, we also

provide internship opportunities for talents, allowing postgraduates and doctoral students to work as interns for the Company's Buynow Malls, so as to connect Taiwan talents with the world, open another door for Taiwan's technical field, and pave a new way out.

(3) Business real estate management for revitalization of assets

We actively adjust the operating strategy for the commercial malls by selling the stores or leasing the entire building with low operating performance to increase cash inflow. After the revitalization of assets and removing the burden, the overall growth of operating profit is expected to be more significant.

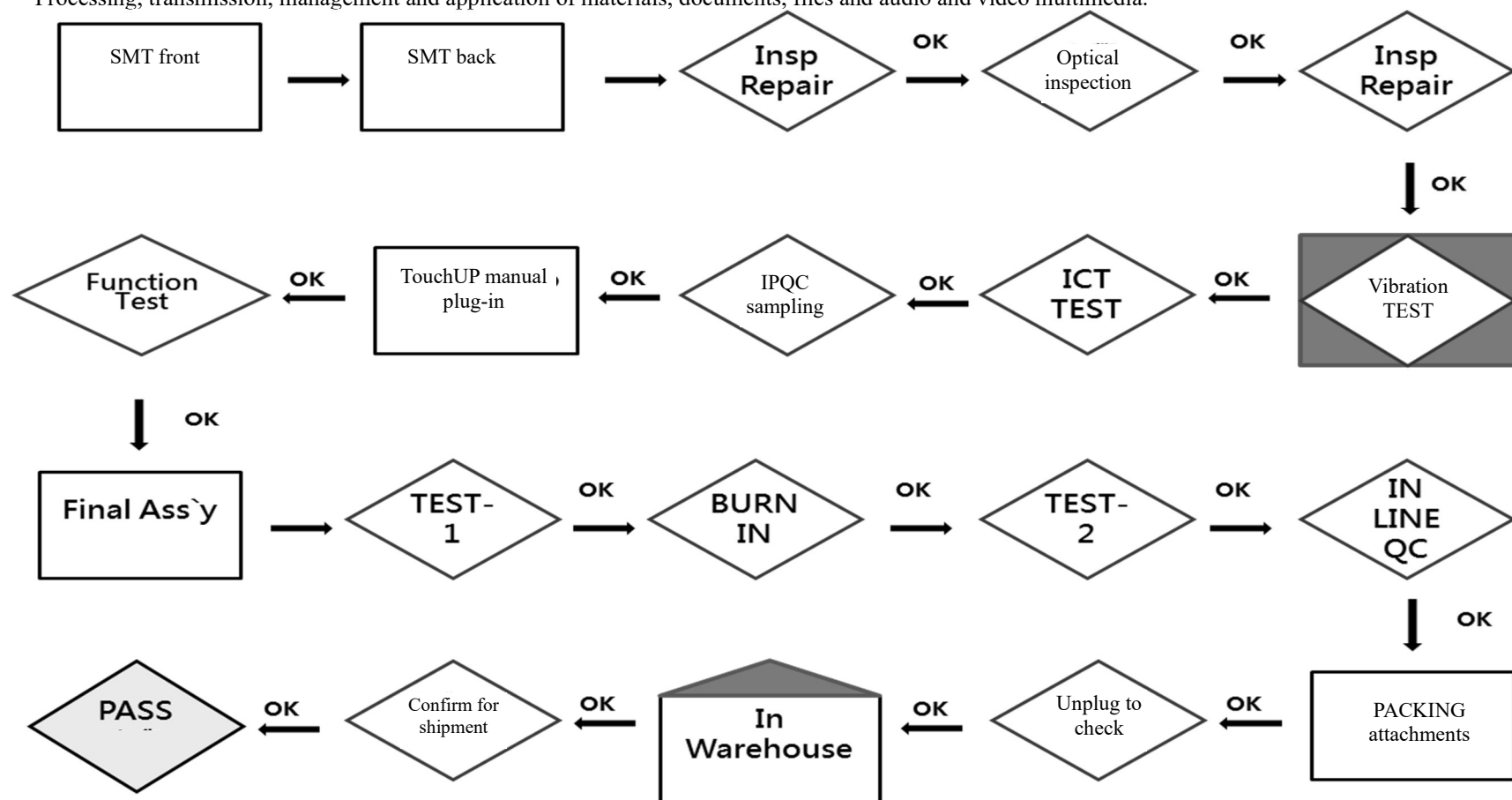
2. Impact of the external competitive environment, regulatory environment and overall business environment:

- (1) All departments and legal offices of the Company will at all times pay attention to the changes in important policies and legal environment at home and abroad, and take appropriate measures to revise the Articles of Association and the related measures in accordance with the requirements of the competent authorities, and the operational needs of the Company.
- (2) Based on the demand for energy conservation and environmental protection, the Company continues to develop new energy-saving products by dint of energy-saving innovative technologies, effectively reduce the generation and emission of toxic substances in the production process, and promote environmental protection and green technology.
- (3) According to the International Monetary Fund (IMF)'s latest forecast, significant economies are gradually recovering from their lows in 2024. The projected global real GDP growth rate is 3.1%, and inflation rates are expected to decline to 5.8%. The primary drivers of economic growth stem from technological innovation and consumer recovery, particularly with the significant increase in consumption and travel in the Chinese market following its reopening.
- (4) According to market research firm OMDIA, global notebook computer shipments are projected to reach approximately 186 million units in 2024, with a yearly growth rate of 3.9%. Several factors will collectively impact the development of the notebook computer market. Notably, optimizing artificial intelligence applications will drive demand for high-performance notebook computers. As remote work and learning become normalized, the market continues to seek powerful yet portable laptops. Additionally, economic and geopolitical factors, such as the global economic situation and supply chain stability, will significantly impact the production and sales conditions in the laptop market. The intensification of market competition and the innovation and differentiation strategies implemented by brands to compete for market share are also key factors affecting market trends. These combined factors will shape consumer purchasing behavior and the overall trends in the notebook computer market, presenting both new challenges and opportunities for the industry.
- (5) According to the International Monetary Fund (IMF), China's economic growth rate is projected to increase by 4.6%. This growth is primarily driven by the momentum of post-pandemic economic recovery and the government's continued focus on consumption and technological innovation. Under supportive policies, measures to increase household income and promote bulk consumption are expected to stimulate consumer demand and drive economic activity. Currently, Buynow Technology Plaza stands as China's largest and most professional physical channel in smart technology and the Internet of Things. The Company continually adjusts its business strategies to adapt to market changes and seize new opportunities. By enhancing the integration of online and offline channels, leveraging short video and live streaming technologies to improve customer experiences and promote new products, and deepening collaborations with international brands, Buynow strengthens its competitive edge in the market. These strategies aim to enhance customer satisfaction and optimize operations by adopting new technologies, ensuring a leading position in a fiercely competitive market.
- (6) Against the backdrop of the global shift toward green economic development, the Company adheres to principles of integrity and diligence. It has established a Sustainable Development Task Force and developed a roadmap for sustainable development within the group. The Company focuses on energy efficiency, carbon reduction, climate change, and energy transition. These considerations are integrated into product research and development, business operations, property management, and the exploration of environmentally friendly technologies and materials. By promoting the establishment of green supply chains, the Company actively responds to the challenges of changing business environments, demonstrating its commitment to environmental protection and taking concrete actions.

(II) Main Application and Production Procedures of Main Products

1. Important Applications of Major Products:

Processing, transmission, management and application of materials, documents, files and audio and video multimedia.



2. Production and manufacturing process of key products

(III) Supply Status of Main Materials

The main raw materials for notebooks include LCD, CPU, HDD, DRAM, DVD, PCB, BATTERY, etc. The main suppliers of the Company come from the United States, Japan, South Korea and Taiwan, and the supply situation is good.

- (IV) Names of customers who contributed to more than 10% of total purchase (sales) amount in one of the most recent two years, and the corresponding purchase (sales) amounts and percentages, as well as reasons for changes (if applicable):
1. In the last two years, the list of suppliers accounted for more than 10% of the total purchase amount of the Company:

Unit: NT\$ thousand

	2022				2023				As of the end of Q1 in 2024(Note 2)			
Item	Company name	Amount	Ratio to the purchase amount of the entire year (%)	Relationship with the issuer	Company name	Amount	Ratio to the purchase amount of the entire year (%)	Relationship with the issuer	Company name	Amount	Ratio to the purchase amount up to the last quarter of the current year (%)	Relationship with the issuer
1	Customer A	3,003,544	19.02%	None	Customer A	4,837,874	25.82%	None	Customer A	1,744,238	32.94%	None
2	Customer B	1,673,904	10.60%	None	Customer B	0	0%	None	Customer B	0	0%	None
3	Customer C	0	0%		Customer C	1,300,770	6.94%		Customer C	677,183	12.79%	
4.	Others	11,115,457	70.38%		Others	12,594,949	67.24%		Others	2,873,477	54.27%	
Total	Purchase amount	15,792,905	100%		Purchase amount	18,733,593	100%		Purchase amount	5,294,898	100%	

Note 1: Suppliers A, B, and C are all important component suppliers for our company. Changes in the purchase amount and proportion are influenced by variations in costs or inventory levels, resulting in increases or decreases.

Note 2: List the name, the amount of purchase and proportion of the purchase for supplier who have more than 10% of the total purchase amount in the last two years ; however, the name of the supplier shall not be disclosed according to the contract, or if the transaction counterparts are an individuals and not related to the interested party, a code can be used instead.

Note 3: As of the date of publication of the annual report, if the financial information of the most recent year has been verified by a certified accountant or reviewed by an accountant, for companies that are listed or whose stocks have been traded in the business premises of securities firms, such information should be disclosed

2. In the last two years, the list of customers who accounted for more than 10% of the total sales of the Company:

Unit: NT\$ thousand

	2022				2023				As of the end of Q1 in 2024(Note 2)			
Item	Company name	Amount	Ratio to the net sales of the entire year (%)	Relationship with the issuer	Company name	Amount	Ratio to the net sales of the entire year (%)	Relationship with the issuer	Company name	Amount	Ratio to the net sales up to the last quarter of the current year (%)	Relationship with the issuer
1	Customer A	2,306,945	10.39%	None	Customer A	89,945	0.37%	None	Customer A	5,621	0.10%	None
2	Customer B	0	0%	None	Customer B	4,681,418	19.20%	None	Customer B	861,146	15.58%	None
3.	Others	19,889,915	89.61%		Others	19,608,390	80.43%		Others	4,661,038	84.32%	
Total	Net sales	22,196,860	100%		Net sales	24,379,753	100%		Net sales	5,527,805	100%	

Note 1: Customers A and B and Care the Company's key cultivate Asia Pacific region customers. Changes in sales amount and proportion are affected by the customer's operating conditions, inventory or sales strategy adjustments.

Note 2: List the name, the amount of sales and proportion of the sales for customers who have more than 10% of the total sales amount in the last two years ; however, the name of the customer shall not be disclosed according to the contract, or if the transaction counterparts are an individuals and not related to the interested party, a code can be used instead.

Note 3: As of the date of publication of the annual report, if the financial information of the most recent year has been verified by a certified accountant or reviewed by an accountant, for companies that are listed or whose stocks have been traded in the business premises of securities firms, such information should be disclosed.



(V) Table of Production Value and Volume in the Most Recent Two Years:

Unit: NT\$ thousand

Production volume and value	Year	2022			2023		
		Production capacity (unit)	Production volume (unit)	Production value	Production capacity (unit)	Production volume (unit)	Production value
Principal products							
Notebooks		2,200,000	1,623,503	16,142,368	2,200,000	1,691,871	18,881,177
Total		2,200,000	1,623,503	16,142,368	2,200,000	1,691,871	18,881,177

(VI) Table of Sales Value in the Most Recent Two Years:

Units: NT\$ thousand

Sales volume and value	Year	2022				2023			
		Volume and value of domestic sales		Volume and value of export sales		Volume and value of domestic sales		Volume and value of export sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Principal products									
Notebooks		144	1,997	1,609,671	12,111,752	168	1,988	1,676,484	16,240,025
Others			8,586		6,678,253		1,934		5,040,654
Total			10,583		18,790,005		3,922		21,280,679

Rental income from Buynow Malls	2,451,684	2,448,963
Income from sales of buildings related to Buynow Malls	29,498	6,517
Others	915,090	639,972

## III. Information on employees in the most recent two years up to the date of publication of this annual report:

Year		2022		2023		Up to March 31 in the current year	
		The Company	Group	The Company	Group	The Company	Group
Number of employees	Office clerks	611	1,415	622	1,329	616	1,325
	Technical personnel	0	0	0	0	0	0
	Operators	0	894	0	1,113	0	1,003
	Total	611	2,309	622	2,442	616	2,328
Average age		44.58	32.34	44.48	31.20	44.57	32.37
Average years of service		12.50	4.71	12.71	4.41	12.84	4.67
Degree Distribution	Doctor	0.33%	0.00%	0.16%	0.00%	0.16%	0.00%
	Master	19.64%	0.35%	18.97%	0.08%	18.83%	0.09%
	Junior college	74.63%	43.66%	74.92%	39.19%	75.17%	40.98%
	Senior high school	5.07%	53.13%	5.63%	58.73%	5.52%	56.87%
	Below senior high school	0.33%	2.86%	0.32%	2.00%	0.32%	2.06%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## IV. Environmental Protection Expenditure:

- (I) The Company has not been involved in any pollution disputes in the most recent year and up to the date of publication of the annual report.
- (II) During the most recent year and as of the print date of the annual report, the Company did not incur losses due to environmental pollutions (including damages and regulatory breaches according to environmental protection audits).
- (III) No pollution has been caused in the production process of the Company, and there are no estimated major environmental capital expenditures for the next two years.

## V. Labor Relations:

### (I) Current important labor-management agreements and implementation status:

Item	Contents
Employee welfare policies and measures	<ol style="list-style-type: none"> <li>Welfare measures directly taken by the Company: <ol style="list-style-type: none"> <li>Subscription of shares by employees: If the Company increases capital out of cash, 10% to 15% of the capital shall be retained by the Company for subscription of shares by employees in accordance with the Company Act, so that employees participate in the operations, and labor and management become one.</li> <li>Labor insurance: Employees are covered by labor insurance from the date of employment.</li> <li>National Health Insurance: Employees are covered by national health insurance from the date of employment.</li> <li>Group Insurance: Employees are covered by group insurance (including life insurance, and accident insurance, cancer insurance, hospitalization, medical insurance, etc.) from the date of employment. Such insurance extends to their spouses and children.</li> <li>Regular health examination: External medical institutions are engaged to provide healthcare for employees, on a regular basis, the Company has increased the subsidy for supervisors to go through health examinations at special hospitals, to ensure the physical and mental health of employees.</li> <li>Set up a staff restaurant to provide meals, provide free overtime dinner.</li> <li>Employees may apply for gifts or grants for marriage, funeral, happy events, and celebration.</li> <li>Training Courses: In line with the Company's long-term development, the Company provides an open and diverse learning environment, and organizes various training and workshops. Employees can continuously improve themselves through internal and external training, reading clubs, on-line learning websites and other resources. At the same time, plans for system of position, grades, work rotation, full-time assignment and overseas expatriation combine the life and careers of employees, so that they may enjoy the joy of growth and their functional qualities can be improved.</li> </ol> </li> <li>Welfare measures taken by the Company's Employee Welfare Committee (referred to as the "Welfare Committee"): <p>The welfare funds are derived from 0.6% of the Company's monthly operating revenue, and used for employee welfare activities. The major welfare measures are as follows:</p> <ol style="list-style-type: none"> <li>Tourism activities: The Welfare Committee plans and organizes various domestic and international trips funded in whole or in part during holidays.</li> <li>Club Activities: for the relaxation of body and mind, employees may set up various clubs, subsidized by the Welfare Committee, with special competitions or activities funded separately.</li> <li>Festival activities: Gifts or cash gifts are given to employees for Labor Day, Dragon Boat Festival, Mid-Autumn Festival and other festivals. Year-end banquets and lucky draw activities are organized at the end of each year.</li> <li>Arrange employees to dine together from time to time.</li> <li>Birthday parties: Throw a birthday party every month and give gifts to celebrate the birthday(s) of employee(s).</li> <li>Employees may purchase the Company's products at a special price.</li> <li>Discounts are available for employees to purchase products from specific manufacturers.</li> </ol> </li> <li>Bonuses for employees: <p>According to the provisions of Article 26 of the Articles of Association of the Company, for any balance calculated by deducting the income taxes paid in accordance with the law, and the losses covered for the previous years from earnings on final accounts, 10% of the balance shall be set aside as statutory surplus reserves, plus a provision for or reversal of special surplus reserves. If there is balance, 5%-15% of the balance shall be set aside as employee bonuses.</p> </li> <li>Retirement system: The Company makes a provision for pensions according to law and the retirement regulations on a monthly basis.</li> <li>The Company provides a flexible working hours system to enable employees to better balance work and personal life.</li> <li>The Company provides equal vacation rights for men and women while cooperating with the rolling adjustment of the Labor Standards Act.</li> </ol>
Protection of employee rights and benefits	The rights and interests of employees, such as salary, assessment, promotion, welfare, gender equality and work rules, are posted on the Intranet, and available for inquiry by employees at any time.
Labor disputes	The Company has suffered no losses as a result of labor disputes in the most recent year and up to the date of publication of the annual report.
Performance of Social Responsibility	The Company adheres to the concept of "labor and management united as one," and "coexistence and common prosperity," and focuses on rationalized and humanized management, establishing a smooth communication channel in an "open and honest manner," maintaining good relationship between the employer and employees to jointly create productivity, shares profits, and establish stable and harmonious labor relationship. In recent years, the Company has always adhered to the principle of "fairness and justice" and "reasonable and legal," and communicated and coordinated with employees by giving consideration to reason and sense. Therefore, the

Item	Contents																																													
	Company has never suffered losses due to labor disputes in the past three years, and has jointly worked with employees for professional development and labor welfare. The Company has appointed medical staff, and holds lectures on safety and health education, and physical and mental health on a regular basis to protect employees' physical and mental health.																																													
Specific improvement measures compared with the previous year	The Company has appointed two additional medical staff, and holds lectures on safety and health education, and physical and mental health on a regular basis to protect employees' physical and mental health. The Company has raised the amount of subsidies for health examinations for the benefit of supervisors to maintain their physical and mental health. The Company has put a high-quality coffee machine for free in the atrium to provide physical and mental relaxation for colleagues after work.																																													
Retirement System	Each month, a portion of the salary is allocated according to each colleague's selection under the new/old pension system and according to the Labor Standards Act. 1. Those who selected the new system: No less than 6% of the salary is allocated according to the allocation grade table and remitted to the personal labor pension account established by the Bureau of Labor Insurance. 2. Those who selected the new system: 2%~15% of the total salary is allocated to the labor retirement reserve and remitted monthly to the Bank of Taiwan.																																													
Other significant agreements	Agreements for labor disputes The Company adheres to the concept of “labor and management united as one,” and “coexistence and common prosperity,” and focuses on rationalized and humanized management, establishing a smooth communication channel in an “open and honest manner,” maintaining good relationship between the employer and employees to jointly create productivity, shares profits, and establish stable and harmonious labor relationship. In recent years, the Company has always adhered to the principle of “fairness and justice” and “reasonable and legal,” and communicated and coordinated with employees by giving consideration to reason and sense. Therefore, the Company has never suffered losses due to labor disputes in the past three years, and has jointly worked with employees for professional development and labor welfare.																																													
Advanced studies and training courses	<p>In line with the Company’s long-term development, the Company provides an open and diverse learning environment, and organizes various training and workshops. Employees can continuously improve themselves through internal and external training, reading clubs, on-line learning websites and other resources. At the same time, plans for system of position, grades, work rotation, full-time assignment and overseas expatriation combine the life and careers of employees, so that they may enjoy the joy of growth and their functional qualities can be improved.</p> <p>The Company's training and education results in 2023 are summarized in the table below:</p> <table><tr><th>Type of courses</th><th>Number of trainees</th><th>Number of classes</th><th>Total hours</th><th>Total costs</th></tr><tr><td>Professional knowledge</td><td>3,176</td><td>80</td><td>3,487</td><td>330,335</td></tr><tr><td>Labor safety and health</td><td>1,552</td><td>33</td><td>1,846</td><td>26,600</td></tr><tr><td>Orientation training</td><td>68</td><td>1</td><td>660</td><td>0</td></tr><tr><td>Training in computer skills</td><td>820</td><td>15</td><td>1,274</td><td>33,600</td></tr><tr><td>Management training</td><td>1,863</td><td>36</td><td>1,669</td><td>615,480</td></tr><tr><td>Language training</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Lectures/activities</td><td>1</td><td>1</td><td>3</td><td>0</td></tr><tr><td>Total</td><td>7,480</td><td>166</td><td>8,938</td><td>1,006,015</td></tr></table>	Type of courses	Number of trainees	Number of classes	Total hours	Total costs	Professional knowledge	3,176	80	3,487	330,335	Labor safety and health	1,552	33	1,846	26,600	Orientation training	68	1	660	0	Training in computer skills	820	15	1,274	33,600	Management training	1,863	36	1,669	615,480	Language training	0	0	0	0	Lectures/activities	1	1	3	0	Total	7,480	166	8,938	1,006,015
Type of courses	Number of trainees	Number of classes	Total hours	Total costs																																										
Professional knowledge	3,176	80	3,487	330,335																																										
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(II) The Company has suffered no losses as a result of labor disputes in the most recent year and up to the date of publication of the annual report.

## VI. Information Security Management:

(I) Describe the information security risk management frameworks, information security policies, specific management plans, and resources invested in information security management:

1. To strengthen the information security organization structure, the Company established the Information Security Management Committee in December 2020 and the Information Security Division as an independent unit in January 2023. The Information Security Management Committee has the Information Security Division and the Information Division under its jurisdiction, which coordinates information security-related policy formulation, implementation, risk management, and compliance inspections. The top executive of the Information Security Division shall report the information security management performance issues and directions to the Audit Committee and the Board of Directors once every six months.

The inter-departmental information security committee holds regular semi-annual and dynamic event meetings to understand, prevent, and deal with various information security needs. It has also established information security policies as follows:

- To effectively implement information security management, regular meetings, and security audits will be held in 2023 by the parent company's information security department and the information unit of the group subsidiary. The goal is to review the applicability and protection measures of the information security policy according to the Plan-Do-Check-Act (PDCA) management cycle mechanism and report the implementation results to the Information Security Committee twice a year.
- Follow the ISO 27001 infrastructure specification, implement the "Plan-Do-Check-Act" (PDCA) cycle operation specification accordingly, and establish the information security standard implementation operations.

2. Specific management plan for 2023:

System usability

- System/network usability status monitoring
- Remote backup mechanism, data backup, and backup measures
- Regular disaster recovery drills (Twice per year)

External threat

- Virus protection and malware detection
- Computer server vulnerability scanning and system update
- Serve host vulnerability scanning

Privilege management

- Computer room personnel access privilege control
- Personnel account and privilege management
- Computer host software installation permission control

Data access management

- Control information data access privilege
- Confidential information access is subject to approval

3. Resources invested in information security management:

(1) Information security publicity Implementation status in 2023:

- Announce the latest information security matters on the enterprise employee portal website to remind and educate employees to be cautious.
- Check virus patterns and Microsoft operating system updates every week.
- Social engineering: Phishing email simulation drill. (Twice per year)
- Organize social engineering employee education and training
- System Backup and Restore Drill (Twice per year)
- Conduct software inventory on computers to ensure the legal use of authorized software.
- Software and hardware asset management system monitoring.
- Computer and network device privilege control

(2) The Information Security Committee meets in June and December. The Information Security Committee meeting minutes are presented to the President and the Board of Directors for approval and decision-making on relevant issues.

(II) List the losses, possible impacts, and countermeasures due to major information security incidents in the most recent year and as of the publication date for this annual report. If it cannot be reasonably estimated, state why it cannot be reasonably estimated: None.

VII. Important Contracts:

As of the print date of the annual report, the important contracts remaining in force are as follows:

April 30, 2024

No.	Nature of Contract	Parties	Contract start date	Main content	Restricted conditions
I.	Lease	TransGlobe Life Insurance Inc.	2022.10.15~ 2026.11.28	The Company is the lessee of the factory spaces on the 1 <sup>st</sup> , 9 <sup>th</sup> , 11 <sup>th</sup> , 12 <sup>th</sup> and 13 <sup>th</sup> floors and the basement parking spaces at No. 129, Xingde Road, Sanchong District, New Taipei City.	None
II.	Lease	Epoque Corporation	2022.04.15~ 2025.04.14	The Company is the lessee for the 31 <sup>st</sup> to the 35 <sup>th</sup> floors and 36 <sup>th</sup> -1 floor at No. 555, Siyuan Rd, Xinzhuang District, New Taipei City.	None
III.	Lease	DHL Supply Chain (Taiwan) Co., Ltd.	2022.11.16~ 2023.08.15	The Company leased its factory at 9 F., No.129, Xinde Rd., Sanchong Dist., New Taipei City, to DHL Supply Chain (Taiwan) Co., Ltd.	None
IV	Lease	DHL Supply Chain (Taiwan) Co., Ltd.	2022.11.16~ 2023.08.15	The Company leased its car space., No.129, Xinde Rd., Sanchong Dist., New Taipei City, to DHL Supply Chain (Taiwan) Co., Ltd.	None
V.	Lease	momo.com Inc.	2022.11.16~ 2025.11.28	The Company leased 1F., 11F~13F No.129, Xinde Rd., Sanchong Dist., New Taipei City, to momo.com Inc.	None

## Six. Financial Highlights

### I. Concise Balance Sheet, Statement of Comprehensive Income of the Recent 5 Years

(I) Information on the condensed balance sheet and consolidated income statement-prepared in accordance with International Financial Reporting Standards

1. Individual condensed balance sheet

Unit: NT\$ thousand

Item \ Year		Five-year financial information (Note 1)				
		2019	2020	2021	2022	2023
Current assets		13,187,473	8,676,228	9,234,132	9,566,261	11,368,161
Property, plant and equipment (Note 2)		338,989	335,258	9,892	103,513	93,520
Intangible assets		10,933	10,385	4,562	46,313	31,858
Other assets (Note 3)		54,629,424	56,573,933	54,305,592	55,656,386	55,160,176
Total assets		68,166,819	65,595,804	63,554,178	65,372,473	66,653,715
Current liabilities	Before distribution	9,122,992	9,077,976	6,791,043	8,736,600	8,825,742
	After distribution	9,506,897	9,552,534	8,280,795	9,773,595	9,947,063
Non-current liabilities		19,248,566	16,638,690	15,452,711	14,845,521	16,644,604
Total liabilities	Before distribution	28,371,558	25,716,666	22,243,754	23,582,121	25,470,346
	After distribution	28,755,463	26,191,224	23,733,506	24,619,116	26,591,667
Equity attributable to owners of the parent		39,795,261	39,879,138	41,310,424	41,790,352	41,183,369
Capital Stock		6,697,630	6,697,630	6,497,630	6,322,630	6,322,630
Capital surplus		333,951	95,864	73,478	56,461	97,389
Retained earnings	Before distribution	38,956,743	39,667,346	40,742,938	40,011,933	40,156,860
	After distribution	38,821,743	39,192,788	39,253,186	38,974,939	39,035,539
Other equity		(4,836,021)	(4,928,011)	(4,628,787)	(3,771,472)	(4,564,310)
Treasury stock		(1,357,042)	(1,653,691)	(1,374,835)	(829,200)	(829,200)
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	39,795,261	39,879,138	41,310,424	41,790,352	41,183,369
	After distribution	39,660,261	39,404,580	39,820,672	40,753,358	40,062,048

Note 1: The financial information shown above has been audited and certified by CPAs.

Note 2: No assets were revalued in the years above.

Note 3: The assets were not revalued from 2019 to 2023, and the investment property was measured at fair value. The gains or losses arising from changes in fair value were recognized as profits or losses in the period when they were incurred.

Note 4: The Board of Directors resolved the 2023 earnings distribution of cash dividends on March 14, 2024, and will be presented to the 2024 general shareholders' meeting. No distribution was resolved by the Board of Directors or the general shareholders' meeting during the first quarter of 2024.

Note 5: If the financial information is required to be corrected or re-edited as notified by the competent authorities, it should be prepared and presented based on the corrected or re-edited number, and the circumstances and reasons should be indicated: None.

## 2. Individual condensed consolidated income statement

Unit: NT\$ thousand  
(Unless earnings per share are denominated in NTD)

Item \ Year	Five-year financial information (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	15,372,546	16,209,091	22,839,008	18,800,588	21,284,601
Operating margin	1,134,027	1,656,910	2,458,467	1,955,255	1,736,145
Operation profits/losses	(45,080)	595,100	1,211,762	832,230	517,126
Non-operating income and expenses	1,254,632	78,868	863,678	115,687	688,730
Net profits before tax	1,209,552	673,968	2,075,440	947,917	1,205,856
Profits after tax from operations of continued segments for the current period	1,068,639	666,944	1,796,350	824,526	1,060,090
Losses from discontinued departments	-	-	-	-	-
Profits/losses after tax for the current period	1,068,639	666,944	1,796,350	824,526	1,060,090
Other comprehensive income for the current period (after tax)	(2,111,987)	(48,331)	320,146	883,627	(789,606)
Total comprehensive income for the current period	(1,043,348)	618,613	2,116,496	1,708,153	270,484
Net income attributable to owners of the parent	1,068,639	666,944	1,796,350	824,526	1,060,090
Net income attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to owners of the parent	(1,043,348)	618,613	2,116,496	1,708,153	270,484
Total comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	1.75	1.12	3.03	1.41	1.81

Note 1: The financial information shown above has been audited and certified by CPAs.

Note 2: If the financial information is required to be corrected or re-edited as notified by the competent authorities, it should be prepared and presented based on the corrected or re-edited number, and the circumstances and reasons should be indicated: None.

## 3. Consolidated condensed balance sheet

Unit: NT\$ thousand

Item	Year	Five-Year Financial Analyses (Note 1)					Financial information for the current year as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		21,608,848	14,235,887	15,854,087	17,053,164	17,835,642	20,429,571
Property, plant and equipment (Note 2)		5,822,337	4,711,606	2,533,892	4,028,326	2,372,322	2,430,872
Intangible assets		29,926	30,705	18,423	57,951	48,820	45,502
Other assets (Note 3)		72,925,624	75,288,024	72,887,725	73,027,618	74,168,417	76,866,567
Total assets		100,386,735	94,266,222	91,294,127	94,167,059	94,425,201	99,772,512
Current liabilities	Before distribution	21,000,567	17,815,332	13,760,799	16,114,574	17,506,055	21,062,290
	After distribution	21,384,472	18,289,890	15,250,551	17,151,569	18,627,376	(Note 4)
Non-current liabilities		39,590,907	36,571,752	36,222,904	36,262,133	35,735,777	35,734,688
Total liabilities	Before distribution	60,591,474	54,387,084	49,983,703	52,376,707	53,241,832	56,796,978
	After distribution	60,975,379	54,861,642	51,473,455	53,413,702	54,363,153	(Note 4)
Equity attributable to owners of the parent		39,795,261	39,879,138	41,310,424	41,790,352	41,183,369	42,975,534
Capital Stock		6,697,630	6,697,630	6,497,630	6,322,630	6,322,630	6,322,630
Capital surplus		333,951	95,864	73,478	56,461	97,389	97,651
Retained earnings	Before distribution	38,956,743	39,667,346	40,742,938	40,011,933	40,156,860	40,007,731
	After distribution	38,821,743	39,192,788	39,253,186	38,974,939	39,035,539	(Note 4)
Other equity		(4,836,021)	(4,928,011)	(4,628,787)	(3,771,472)	(4,564,310)	(2,623,278)
Treasury stock		(1,357,042)	(1,653,691)	(1,374,835)	(829,200)	(829,200)	(829,200)
Non-controlling interest		0	0	0	0	0	0
Total equity	Before distribution	39,795,261	39,879,138	41,310,424	41,790,352	41,183,369	42,975,534
	After distribution	39,660,261	39,404,580	39,820,672	40,753,358	40,062,048	(Note 4)

Note 1: The financial information shown above has been audited and certified by CPAs; CPAs have reviewed the financial information for the first quarter of 2024.

Note 2: No assets were revalued in the years above.

Note 3: The assets were not revalued from 2019 to 2023, and the investment property was measured at fair value. The gains or losses arising from changes in fair value were recognized as profits or losses in the period when they were incurred.

Note 4: The Board of Directors resolved the 2023 earnings distribution of cash dividends on March 14, 2024, and will be presented to the 2024 general shareholders' meeting. No distribution was resolved by the Board of Directors or the general shareholders' meeting during the first quarter of 2024.

Note 5: If the financial information is required to be corrected or re-edited as notified by the competent authorities, it should be prepared and presented based on the corrected or re-edited number, and the circumstances and reasons should be indicated: None.



## 4. Condensed consolidated income statement

Unit: NT\$ thousand  
(Unless earnings per share are denominated in NTD)

Item \ Year	Five-year financial information (Note 1)					Financial information for the current year as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating Revenue	21,900,662	20,238,946	26,991,842	22,196,860	24,379,753	5,527,805
Operating margin	5,050,925	4,356,119	5,315,576	4,939,234	4,885,515	1,173,917
Operation profits/losses	884,163	1,476,183	2,089,839	1,918,807	1,733,706	437,649
Non-operating income and expenses	875,469	(779,978)	161,007	(1,027,269)	(631,604)	549,935
Net profits before tax	1,759,632	696,205	2,250,846	891,538	1,102,102	987,584
Profits after tax from operations of continued segments for the current period	1,073,864	666,944	1,796,350	824,526	1,060,090	830,492
Losses from discontinued departments	-	-	-	-	-	-
Profits/losses after tax for the current period	1,073,864	666,944	1,796,350	824,526	1,060,090	830,492
Other comprehensive income for the current period (after tax)	(2,098,782)	(48,331)	320,146	883,627	(789,606)	1,941,032
Total comprehensive income for the current period	(1,024,918)	618,613	2,116,496	1,708,153	270,484	2,771,524
Net income attributable to owners of the parent	1,068,639	666,944	1,796,350	824,526	1,060,090	830,492
Net income attributable to non-controlling interest	5,225	-	-	-	-	-
Total comprehensive income attributable to owners of the parent	(1,043,348)	618,613	2,116,496	1,708,153	270,484	2,771,524
Total comprehensive income attributable to non-controlling interest	18,430	-	-	-	-	-
Earnings per share	1.75	1.12	3.03	1.41	1.81	1.42

Note 1: The financial information shown above has been audited and certified by CPAs; The financial information for the first quarter of 2024 has been reviewed by CPAs.

Note 2: If the financial information is required to be corrected or re-edited as notified by the competent authorities, it should be prepared and presented based on the corrected or re-edited number, and the circumstances and reasons should be indicated: None.

## (II) Names and the audited opinions of the certified public accountants for the most recent year:

Year	Name of accounting firm	Name of CPAs	Audited Opinions
2023	PwC Taiwan	Lin, Po-Chuan; Feng, Min-Juan	Unqualified opinions
2022	PwC Taiwan	Wu, Han-Qi; Lin, Po-Chuan	Unqualified opinions
2021	PwC Taiwan	Wu, Han-Qi; Liang, Hua-ling	Unqualified opinions
2020	PwC Taiwan	Wu, Han-Qi; Liang, Hua-ling	Unqualified opinions
2019	PwC Taiwan	Feng, Min-Juan; Wu, Han-Qi	Unqualified opinions

## II. Financial Analysis of the Recent 5 Years

### (I) Analysis of financial ratios - according to International Financial Reporting Standards

#### 1. Financial analyses-consolidated report

Analytic Item (Note III)		Five-Year Financial Analyses (Note 1)					Description of increase or decrease in 2023 if the range of changes reaches 20% or more compared to 2022	Current year as of 2024/03/31 (Note 1)
		2019	2020	2021	2022	2023		
Financial structure (%)	Ratio of liabilities to assets	60.36	57.70	54.75	55.62	56.39		56.93
	Ratio of long-term capital to property, plant and equipment (Note 2)	1,363.48	1,622.61	3,059.85	1,937.59	3,242.36	(1)	3,237.94
Solvency (%)	Current ratio	102.9	85.65	115.21	105.82	101.88		97.00
	Quick ratio	81.44	63.09	77.65	80.20	83.94		76.07
	Times interest earned ratio	2.59	1.77	4.52	2.20	2.32		5.35
Operating ability	Receivable turnover (times)	11.74	9.33	9.37	7.26	8.58		7.02
	Average collection period	31.09	39.12	38.95	50.27	42.54		51.99
	Inventory's turnover	2.75	3.88	4.83	3.75	5.30	(2)	4.52
	Payable turnover	8.91	7.89	8.91	6.60	7.11		5.70
	Average days in sales	132.72	94.07	75.56	97.33	68.86	(2)	80.75
	Turnover of property, plant and equipment	2.77	3.84	7.45	6.77	7.62		9.21
Profitability	Total assets turnover	0.21	0.21	0.29	0.24	0.26		0.23
	Return on assets (%)	1.84	1.43	2.49	1.53	1.83		1.04
	Return on equity (%)	2.62	1.67	4.43	1.98	2.56	(3)	1.97
	Ratio of net profit before tax to paid-in capital (%)	26.27	10.39	34.64	14.10	17.43	(3)	15.62
	Net profit margin (%)	4.88	3.30	6.66	3.71	4.35		15.02
Cash flow	Earnings per share (NTD)	1.75	1.12	3.03	1.41	1.81	(3)	1.42
	Cash flow ratio (%)	6.2	3.82	3.74	19.82	2.89	(4)	-1.56
	Cash flow adequacy ratio (%)	34.66	81.95	66.02	85.73	107.02	(5)	79.57
Leverage	Cash reinvestment ratio (%)	5.19	4.89	1.12	18.47	-3.93	(6)	-3.73
	Operational leverage	1.22	1.20	1.13	1.17	1.18		1.17
	Financial leverage	(3.99)	2.60	1.44	1.63	1.93		2.08

Explanations for 20% or higher change in financial ratios from 2022 to 2023: (not required if the change is below 20%)

(1) Due to the decrease in the reclassification of real estate, plant, and equipment compared with the previous period.

(2) Due to the decrease in inventory for this period compared with the previous period.

(3) Due to the increase in net profit before (after) tax for this period compared with the previous period.

(4) Due to the decrease in net cash inflow from operating activities in this period compared with the previous period.

(5) Due to the increase in the average net cash inflow from operating activities in the last five years compared with the average of the previous period.

(6) Due to the increase in long-term investment in this period compared with the previous period.

Note 1: The financial information shown above in each year has been audited and certified by CPAs; The financial information for the first quarter of 2024 has been reviewed by CPAs.

Note 2: inclusive of the amount of property, plant and equipment only.

Note 3: Please refer to page 112-113 of the Annual Report

## 2. Financial analyses-individual report

Analytic Item (Note III)		Year	Five-Year Financial Analyses (Note 1)					Description of increase or decrease in 2023 if the range of changes reaches 20% or more compared to 2022
			2019	2020	2021	2022	2023	
Financial structure (%)	Ratio of liabilities to assets		41.62	39.2	35.0	36.07	38.21	
	Ratio of long-term capital to property, plant and equipment (Note 2)		17,417.62	16,858.01	573,828.7	54,713.78	61,834.87	
Solvency (%)	Current ratio		144.55	106.84	135.98	109.50	128.81	
	Quick ratio		139.48	98.65	128.88	103.21	124.17	(1)
	Times interest earned ratio		3.94	2.76	8.43	4.33	3.94	
Operating ability	Receivable turnover (times)		5.73	4.89	5.29	5.02	8.08	(2)
	Average collection period		63.70	74.64	68.99	72.70	45.17	(2)
	Inventory's turnover		42.43	27.83	36.83	36.94	48.38	(1)
	Payable turnover		73.50	58.19	57.16	30.50	32.92	
	Average days in sales		8.6	13.11	9.91	9.88	7.54	(1)
	Turnover of property, plant and equipment		45.23	48.08	132.34	331.57	216.05	(3)
	Total assets turnover		0.22	0.24	0.35	0.29	0.32	
Profitability	Return on assets (%)		2.03	1.45	3.13	1.63	2.10	(4)
	Return on equity (%)		2.62	1.67	4.43	1.98	2.56	(4)
	Ratio of net profit before tax to paid-in capital (%)		18.06	10.06	31.94	14.99	19.07	(4)
	Net profit margin (%)		6.95	4.11	7.87	4.39	4.98	
	Earnings per share (NTD)		1.75	1.12	3.03	1.41	1.81	(4)
Cash flow	Cash flow ratio (%)		9.09	(8.40)	(11.07)	52.15	-11.34	(5)
	Cash flow adequacy ratio (%)		(20.20)	(5.30)	(49.55)	54.38	71.24	(6)
	Cash reinvestment ratio (%)		0.33	(1.86)	(1.98)	5.92	-3.33	(5)(7)
Leverage	Operational leverage		0.65	1.03	1.01	1.10	1.19	
	Financial leverage		0.10	2.80	1.30	1.52	4.84	(8)
<p>Explanations for 20% or higher change in financial ratios from 2022 to 2023: (not required if the change is below 20%)</p> <p>(1) Due to the decrease in inventory in this period compared with the previous period.</p> <p>(2) Due to the increase in net sales in the current period compared with the previous period and the decrease in average accounts receivable compared with the previous period.</p> <p>(3) Due to the increase in leased assets and equipment in this period compared with the previous period.</p> <p>(4) Due to the increase in net profit before (after) tax for this period compared with the previous period.</p> <p>(5) Due to the decrease in net cash inflow from operating activities in this period compared with the previous period.</p> <p>(6) Due to the increase in the average net cash inflow from operating activities in the last five years compared with the average of the previous period.</p> <p>(7) Due to the increase in long-term investment in this period compared with the previous period.</p> <p>(8) Due to the decrease in operating profit in the current period compared with the previous period and the increase in interest expenses compared with the previous period.</p>								

Note 1: The financial information shown above in each year has been audited and certified by CPAs.

Note 2: inclusive of the amount of property, plant and equipment only.

Note 3: At the end of this Table attached to the annual report, the following formulas should be listed:

1. Financial structure

(1) Debt ratio = Total liabilities/Total assets.

(2) Ratio of long-term capital to property, plant and equipment = (Total 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 expense)/current liabilities.
  - (3) Times interest earned ratio = EBIT/interest expense for this period.
  3. Operating ability
    - (1) Receivables turnover (including account receivable and note receivable made from operations) = net sales income/remaining sum of average account receivable (including account payable and note payable made from operation) for every period.
    - (2) Average collection period = 365/account receivables' turnover rate.
    - (3) Inventory's turnover = cost of sales/average inventory.
    - (4) Payables turnover (including account payable and note payable made from operations) = cost of sales/remaining sum of average account payable (including account payable and note payable made from operation) for every period.
    - (5) Average days in sales = 365/Inventory's turnover rate.
    - (6) Property, plant, and equipment turnover rate = net sales / average net amount for real estate, plant, and equipment.
    - (7) Total asset turnover = Net sales/Average total assets.
  4. Profitability
    - (1) Return on assets = [Profit or loss after tax + Interest expenses  $\times$  (1 - Tax rate)]/Average total assets.
    - (2) Return on equity = Profit or loss after tax/Average total equity.
    - (3) Profit margin = Profit or loss after tax/Net sales.
    - (4) EPS=(profits attributable to owners of the parent - preference dividends)/weighted average number of the issued shares. (Note 4)
  5. Cash flow
    - (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
    - (2) Cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.
    - (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/ (Gross property, plant and equipment + Long-term investment + Other non-current assets + Working capital). (Note 5)
  6. Leverage:
    - (1) Operating leverage = (net operating revenue - variable operating cost and expense)/operating profit (Note 6).
    - (2) Financial leverage = operating profit/(operating profit - interest expense).
- Note 4: Special attention should be paid to the following matters related to the formula for calculating the earnings per share:
1. Based on the weighted average number of ordinary shares, instead of the number of shares issued at the end of the year.
  2. In case of cash increase or treasury stock trading, the circulation period shall be taken into consideration, and the weighted average number of shares shall be calculated.
  3. In case of capital increase out of earnings or capital reserves, when calculating earnings per share for the previous year and the half of the year, retrospective adjustments shall be made based on the proportion of capital increase, without taking the issue period of the capital increase into consideration.
  4. If preferred shares are non-convertible cumulative preferred shares, the dividends on such shares for the year (whether paid or not) shall be exclusive of the net profits after tax, or plus the net losses after tax. If preferred shares are non-accumulative, and there is net profit after tax, the dividends on preferred shares shall be deducted from the net profits after tax; if there is loss, no adjustment is necessary.
- Note 5: Special attention should be paid to the following items when measuring cash flow analysis:
1. Net cash flow from operating activities refers to the net cash inflows into operating activities in the cash flow statement.
  2. Capital expenditure refers to the amount of cash outflows of capital investment per year.
  3. The increase in inventory is only included when the ending balance is greater than the opening balance. If the inventory is reduced at the end of the year, it is calculated as zero.
  4. Cash dividends include cash dividends for ordinary shares and preferred shares.
  5. Gross real estate, plant, and equipment refer to the total amount of real estate, plant, and equipment before deducting accumulated depreciation.
- Note 6: The issuer should classify operating costs and expenses into fixed and variable items based on the nature of such costs and expenses. If there are estimates or subjective judgments, attention should be paid to their rationality and consistency.
- Note 7: If the company's stock has no denomination or the denomination per share is not NT\$10, the aforesaid paid-in capital ratio calculation shall be calculated based on the equity ratio attributable to the balance sheet of the parent company owner.

## Audit Committee's Audit Report

We hereby allow

The Board of Directors has prepared the Company's 2023 Business Report, financial statements, and proposal for earnings distributions. The financial statements have been audited by CPA Lin, Po-Chuan and CPA Feng, Min-Juan with PwC Taiwan and the audit report has been duly issued. The above-mentioned Business Report, financial statements and proposals of earning distribution are determined as qualified after review by the Audit Committee. Reports have been submitted in accordance with the provisions of Securities and Exchange Act and the Company Act for review.

Best regards

CLEVO CO.

2024 General Shareholders' Meeting

Convener of Audit Committee: Chou, Po-Chiao

March 14, 2024

IV. Audited consolidated financial report of the most recent year: Please refer to pages 144~292 of the annual report.

V. Audited individual financial report of the most recent year: Please refer to pages 293~359 of the annual report.

VI. The impact of difficulty in any financial turnover (if any) experienced by the Company and its affiliated enterprises for the most recent year and up to the date of publication of the annual report on the financial position of the Company should be listed: None.

## Seven. Review and Analysis of Financial Position, Performance and Risks

### I. Analysis of Financial Position:

Main reasons for and effects of significant changes in the consolidated assets, liabilities and shareholders' equity for the most recent two years:

Item \ Year	2023	2022	Unit: NT\$ thousand	
			Difference	
			Amount	%
Current assets	17,835,642	17,053,164	782,478	4.59
Non-current assets	76,589,559	77,113,895	(524,336)	(0.68)
Total assets	94,425,201	94,167,059	258,142	0.27
Current liabilities	17,506,055	16,114,574	1,391,481	8.63
Non-current liabilities	35,735,777	36,262,133	(526,356)	(1.45)
Total liabilities	53,241,832	52,376,707	865,125	1.65
Capital stock	6,322,630	6,322,630	0	0.00
Capital surplus	97,389	56,461	40,928	72.49
Retained earnings	40,156,860	40,011,933	144,927	0.36
Other equity	(4,564,310)	(3,771,472)	(792,838)	(21.02)
Equity attributable to owners of the parent	41,183,369	41,790,352	(606,983)	(1.45)
Total equity	41,183,369	41,790,352	(606,983)	(1.45)

#### Analysis and description of differences:

If the range of changes to items reaches 20% compared to the previous period equivalent to NT\$ 10,000 thousand, the main reasons for, effects of and response plan for such changes in the future shall be analyzed and described as follows:

1. Capital reserve: Mainly due to the Company's cash dividend allotment to subsidiaries, the increase in capital reserve – treasury stock transactions in the current period.
2. Other equity: Mainly due to the rise in foreign currency translation adjustments arising from fluctuations in exchange rates, as reflected in the financial statements of our foreign operating subsidiaries.

## II. Analysis of Financial performance

### (I) Comparative analysis of the consolidated financial performance for the most recent two years

Unit: NT\$ thousand

Item/Year	2023	2022	Increase/decrease	% of changes
Operating Revenue	24,379,753	22,196,860	2,182,893	9.83
Operating costs	(19,494,238)	(17,257,626)	(2,236,612)	(12.96)
Operating margin	4,885,515	4,939,234	(53,719)	(1.09)
Operating expenses	(3,151,809)	(3,020,427)	(131,382)	(4.35)
Operating profits	1,733,706	1,918,807	(185,101)	(9.65)
Non-operating income and expenses	(631,604)	(1,027,269)	395,665	38.52 Note 1
Net profits before tax	1,102,102	891,538	210,564	23.62 Note 2
Income tax expenses	(42,012)	(67,012)	25,000	37.31 Note 3
Profits after tax from operations of continued segments for the current period	1,060,090	824,526	235,564	28.57 Note 2
Profits/losses after tax for the current period	1,060,090	824,526	235,564	28.57 Note 2
Other comprehensive income for the current period (after tax)	(789,606)	883,627	(1,673,233)	189.36 Note 4
Total comprehensive income for the current period	270,484	1,708,153	(1,437,669)	(84.17) Note 4
Total comprehensive income attributable to owners of the parent	270,484	1,708,153	(1,437,669)	(84.17) Note 4
Basic earnings per share (NTD) in total	1.81	1.41	0.40	28.37 Notes 2

### (II) The main reasons for the increase or decrease in the items by more than 20% are analyzed as follows:

Note 1: Mainly due to the fact that the interests of financial assets measured at fair value are more favorable than those in the previous period.

Note 2: Mainly due to the fact that the non-industry income of this period was more favorable than that of the previous period.

Note 3: Mainly due to changes in deferred income tax.

Note 4: Mainly due to the exchange rate impact caused by exchange rate changes .

### (III) Possible impact of the expected sales volume and its basis on the Company's future financial business, and response plan:

Looking forward to 2024, with the gradual recovery of the global economy, after the inventory adjustment in the notebook market for more than a year, brands are confident that their inventory has returned to a normal level. Furthermore, Intel launched a new processor platform at the end of 2023 and announced the AI PC acceleration program, raising the market's expectation for the industry rejuvenation in 2024. Additionally, due to the surge in laptop demand during the pandemic, many users are now entering replacement cycles. The global notebook computer market is expected to return to positive growth gradually. Research firm OMDIA estimates that global notebook shipments in 2024 will reach 186 million units. The Company's management team has set a challenging target of shipping 1.95 million units throughout the year, exceeding last year's 270,000 units.

2024 is widely regarded as the first year of AI PC. According to IDC forecast, the shipment of AI PC will reach 167 million units by 2027, and most of them will be deployed in the commercial field. To keep up with trends in the PC industry, future technological innovations, and AI applications will be crucial drivers in the market. In addition to customizing competitive products for different regions or countries, Clevo will collaborate with international giants to develop products that meet market expectations. The focus remains on niche models in untapped markets, following a shipment strategy that balances quality. This approach caters to the replacement needs of large enterprises in mature markets and to the procurement demands of government and small-to-medium-sized businesses in emerging markets. Furthermore, the Company actively plans high-priced and high-profit commercial, gaming, creator, and AI notebooks to enhance overall revenue and profitability.



### III. Analysis of Cash flows

#### (I) Analysis and description of the changes in cash flows for the most recent year:

Item \ Year	2023/12/31	2022/12/31	Ratio of increase/decrease (%)
Cash flow ratio (%)	2.89	19.82	(85.43)(Note1)
Cash flow adequacy ratio (%)	107.02	85.73	24.83(Note2)
Cash reinvestment ratio (%)	(3.93)	18.47	(121.3)(Note3)
Analysis of changes to the proportion of increase or decrease: (more than 20%)			
Note 1: Due to the decrease in net cash inflow from operating activities in this period compared with the previous period.			
Note 2: Due to the increase in the average net cash inflow from operating activities in the past five years compared with the average of the previous period.			
Note 3: Due to the increase in long-term investment in this period compared with the previous period.			

(II) Improvement plan for insufficient liquidity: The current ratio is 101.88%, and there is no doubt about insufficient liquidity.

#### (III) Analysis of cash liquidity in the coming year:

Unit: NT\$ Million

Opening cash balance①	Cash flow from operating activities②	Expected cash outflow for the year③	Expected cash surplus (deficiency) amount ①+②-③	Remedial measures for expected cash shortfalls	
				Investment plan	Wealth management plan
\$5,215	\$24,030	\$22,870	\$ 6,375	-	-

#### Description:

##### 1. Analysis of the changes in cash flows for the year:

- (1) Business activities: It is expected that the sales volume of notebooks will increase, and the revenue from sales of buildings by the China Business Division will increase, resulting in an increase in the net cash inflow of the Group's operations.
- (2) Investing activities: Going forward, the property business in China will focus on optimization and inventory work-through. Underperforming shops will be sold or let out, to boost cash inflows.
- (3) Financing and wealth management activities: It is expected that there will be dividend income from investment, and cash outflows are from payment of cash dividends. The Company will revitalize assets and capital in order to repay debts and reduce financial expenses.

##### 2. Remedial measures for expected cash shortfalls, and analysis of liquidity: None.

IV. Effect of Major Capital Expenditures in the most recent year on Financial Operations: None.

V. Investment Policy, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the coming year

(I) Reinvestment Policy

In addition to specializing in the development, production and sales of niche notebook products, the Company has been developing Buynow's business the information technology retail market in China during recent years. By leveraging years of experience in IT manufacturing and sales, the Company targets at niche shopping malls and maximizes synergy via selling notebooks in these channels. The shipment and sales of notebook computers achieved the maximum benefit to profits. Indeed, notebooks sales in China have maintained over 30% over the past years. However, the physical shopping mall business in China has recently been affected by ecommerce and rental incomes dropped to 15% of sales. Given the market considerations, we seek to best use the 18 IT shopping malls operating and activating assets by creating appropriate net cash inflows via leasing or selling underperforming properties.

(II) Main causes for profits or losses from reinvestment for the most recent year, and improvement plans:

Unit: NT\$ thousand

Name of investees	Investment cost: unit (NT\$ thousand)	Investment objective	2023 investment (losses) profits	Main causes for profits or losses	Improvement plan
CLEVO COMPUTER SINGAPORE PTE LTD (Singapore)	SGD 22,325	Transfer investment to establish Buynow (CHENGDU) CORP., Buynow Chengdu, Nanjing, Qingdao, Kalor (Hefei)	48,266 (Note 1)	Buynow shopping malls continue to transform, and together with cooperative merchants, they keep up with market consumption trends and overcome the unfavorable conditions of rent subsidies due to the epidemic, and the overall investment returns grow steadily.	
CLEVO (CAYMAN ISLANDS) HOLDING COMPAY (Cayman Islands)	USD 369,370	Reinvested to establish Buynow in Shanghai, Nanchang, Changsha, Shenyang, Zhengzhou, Tianjin, Hangzhou, Guangzhou, Changchun, Xi'an, Harbin, Xiamen, Wuxi, Beijing, Xuhui, Qingdao, Chongqing, Daqing, Zibo, Taizhou, Suzhou, Chicony Wuhan, Chicony Chengdu, and other shopping malls.	81,149 (Note 2)		
KAPOK COMPUTER (SAMOA) CORPORATION	USD 16,000	Investment in the establishment of Kaibo Computer (Kunshan), notebook production base	106,168	Notebook performance increased, and profits improved.	
BUYNOW ON-LINE HOLDING CORPORATION	USD 1,100	Investment was made in Shanghai Buynow Online Information Technology Co., Ltd., for the purpose of expanding online trading business via the Company's e-commerce in addition to physical stores.	24	Business exchange benefits.	
CLEVO Investment Co., Ltd.	NT\$ 140,000		21,473	The securities are evaluated for benefits.	
KAPOK COMPUTER	NT\$ 80,000		5,201	The securities are evaluated for benefits.	
Taipei Twin Towers Limited	NTD 1,000,000	The Company established a joint venture with Epoque Group to participate in the tender for Taipei Twin Towers.	(58,554)	No substantial operation or revenue yet	
Tua Tiann Co., Ltd.	NTD 490,000	The Company was established as a joint venture with Kindom Construction Corp. and Hua Tai Investment Corporation to participate in the "Taipei Main Station Designated Area E1E2 Street Profile Public Urban Renewal Investment Proposal" case.	3,152	Currently, there is no operating income; the main profit is interest income.	

Note 1: Please refer to page 283 of this annual report for details.

Note 2: Please refer to page 283~P285 of this annual report for details.

(III) Investment Plans for the Coming Year

In the future, the Company will remain focused on the transformation and adjustment of China's Distribution Division. The land acquisition and projects in construction that have been invested in Mainland for these years have been completed. The current inventory of office buildings is CN¥130 million and is expected to be sold out over the next two years. The capital increase plans for Taipei Twin Towers Limited. and Tua Tiann Co., Ltd., in which there is a joint investment, will proceed in accordance with the project schedules of the two major development cases, C1D1 and E1E2. In the future, the Company will continue to consider the overall industry status and the Company's development needs based on the principle of long-term strategic investment and carefully evaluate the reinvestment plan under the related industry extensions.

VI. Risk Analysis and Evaluation: Analysis and evaluation in the most recent year and up to the date of publication of the annual report

(I) Effects of Changes in Interest Rate and Exchange Rate and Inflation on the Company's Finance and Future Response Measures.

1. Analysis and Evaluation of Interest Rate Risks:

- (1) The Company borrows primarily in the US, NT, and Chinese yuan to fund working capital. The consolidated total loan amount on December 31, 2023, was NT\$34.84 billion, and the consolidated total financial loan amount on March 31, 2024 was NT\$36.78 billion. Assume the Company's borrowing amount to stay at NT\$ 37 billion, a 0.25% change (one markup) in interest rates will increase or decrease the Company's interest burden by NT\$ 92,500 thousand.
- (2) Consolidated net interest expense in 2023 was NT\$595,829 thousand, and consolidated net interest expense in Q1 of 2024 was NT\$226,980 thousand. The Company keeps a close eye on the movement of interest rates and exchange rates to adjust the mix of loans in different currencies, develop the most favorable financing strategies, and reduce financing costs.

2. Risk analysis and assessment of exchange rate changes:

- (1) The Company's sales and material purchase costs are quoted in US dollars, and material costs account for about 86% of sales, so the fluctuation in the US dollar exchange rate will affect the Company's gross profit margin. In terms of net operating revenue minus purchase expenses, the net foreign exchange portion in the US dollars accounted for 14% of the operating revenue. Assuming a 1% change in the US dollar exchange rate, the impact on the Company's gross profit margin is 0.14%.
- (2) As the income from the Company's investment in the Buynow Business Division in Mainland, and assets are denominated in RMB, and the Group's statements are expressed in NT\$ , the appreciation of the RMB against NT\$ is beneficial to the Company.
- (3) The consolidated foreign currency exchange loss was NT\$119,912 thousand in 2023, and the consolidated foreign currency exchange gain was NT\$369,390 thousand in Q1 of 2024. The Company and its subsidiaries focus on the US dollar net assets and liabilities and the possible future flows. We will pay close attention to international economic trends at all times, reference bank analysis reports, and undertake moderate foreign exchange transactions to avoid risks and reduce the impact of exchange rate fluctuations.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions.

1. The Company is not engaged in high-risk and highly leveraged investments. All investments have been carefully evaluated, and will not be made unless a resolution is passed by the Board of Directors.
2. The Company only lends funds and provides endorsements and guarantees to the subsidiaries in which it directly or indirectly holds more than 50% of the shares, or the companies for whom endorsements and guarantees are made in a joint investment relationship based on the proportion of shareholding. As the subsidiaries only maintain a small amount of capital, in order to meet the needs of the working capital of the invested subsidiaries, after the Board of Directors evaluates the necessity of and approves the funds and endorsement, the Company will provide support by lending funds or making endorsements and guarantees.  
No other gains or losses are derived from the transactions of funds lending and endorsement & guarantee between the Company and its subsidiaries other than the interest income from funds lent.
3. The operation of the Company's derivative products is limited to foreign exchange transactions for exchange rate hedging, aimed at analysis and evaluation of the transactions undertaken based on the Company's net foreign exchange position, and the risks of changes in exchange rates. The profits or losses from such transactions will be included in the exchange income account for evaluation, and risks have been taken into consideration for all operations in accordance with the regulations prescribed by the competent authorities.

(III) Future Research and Development Projects, and Corresponding budget.

1. Please refer to page 93-94 of the annual report for details on the Company's R&D projects for the next year.

2. It is estimated that the research and development expenses for the whole year will account for about 3-5% of the annual operating revenue. In 2023, the R&D expenses were NT\$704,043 thousand, accounting for 3.3% of the computer department's turnover. In the first quarter of 2024, the R&D expenses were NT\$186,722 thousand, accounting for 3.9% of the computer department's turnover.
- (IV) Effects of and Response to Changes in Significant Policies and Regulations on the Financial Operations of the Company.
1. All departments and legal offices of the Company will pay attention to the changes in important policies and laws at home and abroad, and evaluate their impact on the Company.
  2. Other recent changes in policies and laws at home and abroad have no significant impact on the Company's current financial business.
- (V) Technological (including information security risks) and industrial changes on the company's financial business and countermeasures:
1. The Company pays attention to the changes in the relevant technology in the industry at all times, and assigns special personnel or ad hoc groups to evaluate the impact of such changes on the Company's future development and financial business, and the corresponding measures if necessary.
  2. The changes in the relevant technology for the most recent year have no significant impact on the Company's current financial business.
- (VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: None.
- (VII) Expected Benefits from, Risk Relating to and Response to Merger and Acquisition Plans: None.
- (VIII) Expected Benefits from, Risk Relating to and Response to Factory and Expansion Plans.  
The production capacity of the Kunshan Plant is sufficient to meet the annual demand of about 2.2 million units. This year, there is no need for expansion of plants, and the Company is expected to replace old equipment, improve AI automation production, and improve production efficiency and quality.
- (IX) Risks Relating to and Response to Excessive Concentration of Purchase and Sales.
1. The Company's procurement strategy is flexible with strong adaptability to the market. At the same time, it maintains good relationships with many suppliers. The current production base is concentrated in the Mainland Kaibo (Kunshan) Plant. To cut down costs of materials, more than 95% of materials are directly purchased from Taiwanese suppliers by the Kunshan Plant at present. The delivery time, quality and prices will improve the production efficiency of Kunshan Plant, and effectively reduce inventory risks.
  2. The Company's sales customer base is scattered. As we attract customers with product advantages, fast delivery and good services, and have established good relationships with many small and medium-sized distributors around the world, there are no risks from the concentration of single customers.
- (X) Effects of, Risks Relating to and Response to Large Share Transfer or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholding of over 10%.  
The number of shares held by the directors and supervisors of the Company is stable, free from mass transfer.
- (XI) Effects of, Risks Relating to and Response to Changes in Control over the Company: None.
- (XII) Litigation or Non-litigation Matters, list the finished or pending major lawsuits, non-litigation or administrative proceedings in which the Company and its directors, supervisors, President, actual controller, major shareholders holding more than 10% of the shares, and affiliated companies are involved; and disclose the facts, amount of subject matter, commencement date for litigation, parties to litigation, and treatment up to the date of publication of the annual report if the outcome thereof may have a significant impact on shareholders' equity or prices for securities.
1. Description of the major lawsuits, non-litigation or administrative proceedings which have been closed or pending in the most recent year and up to the date of publication of the annual report: The Company has not been involved in any lawsuits, non-litigation or administrative proceedings up to the date of publication of the annual report.
  2. The Company's directors, supervisors, Presidents and the affiliated companies in which the Company holds more than 10% of the shares have not been involved in any lawsuits, non-litigation or administrative proceedings in the most recent year and up to the date of publication of the annual report.
- (XIII) Other significant risks and countermeasures: None.

VII. Other significant matters: None.

# Eight. Additional Information

## I. Summary of Affiliates

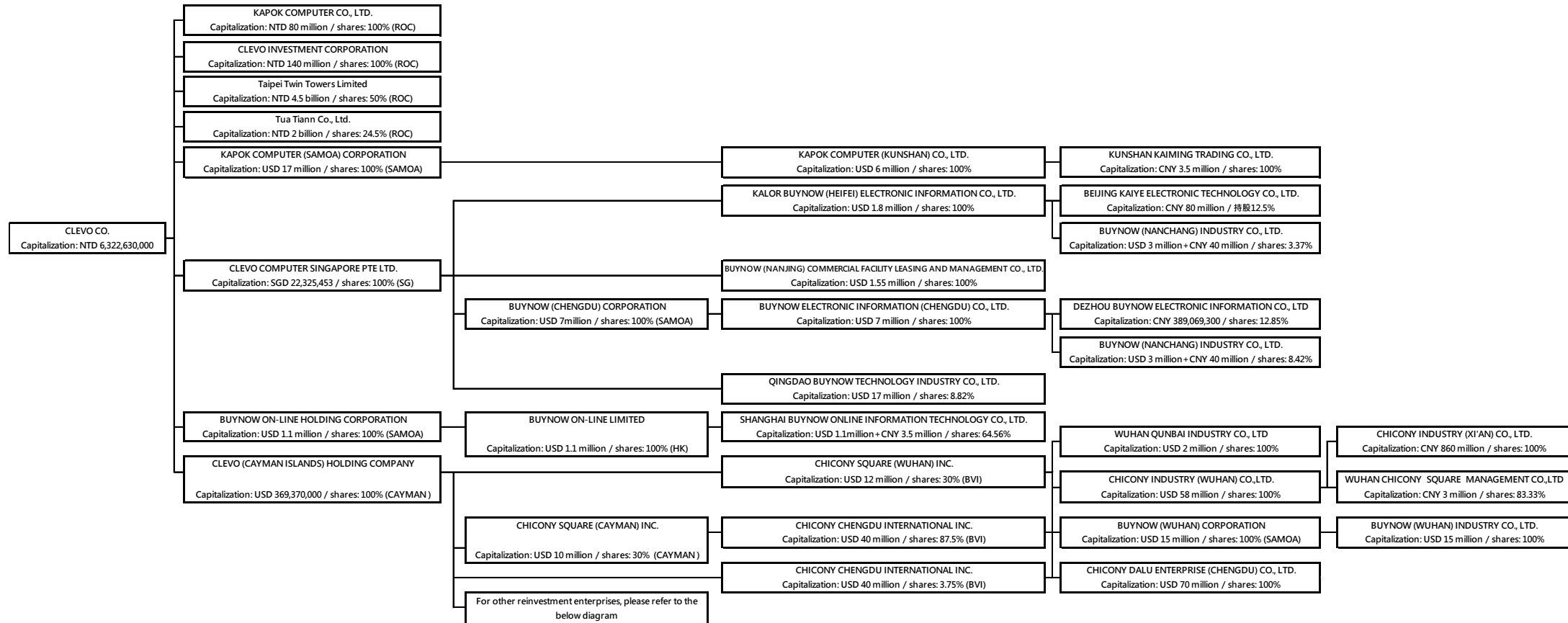
### (I) Organization chart of affiliates

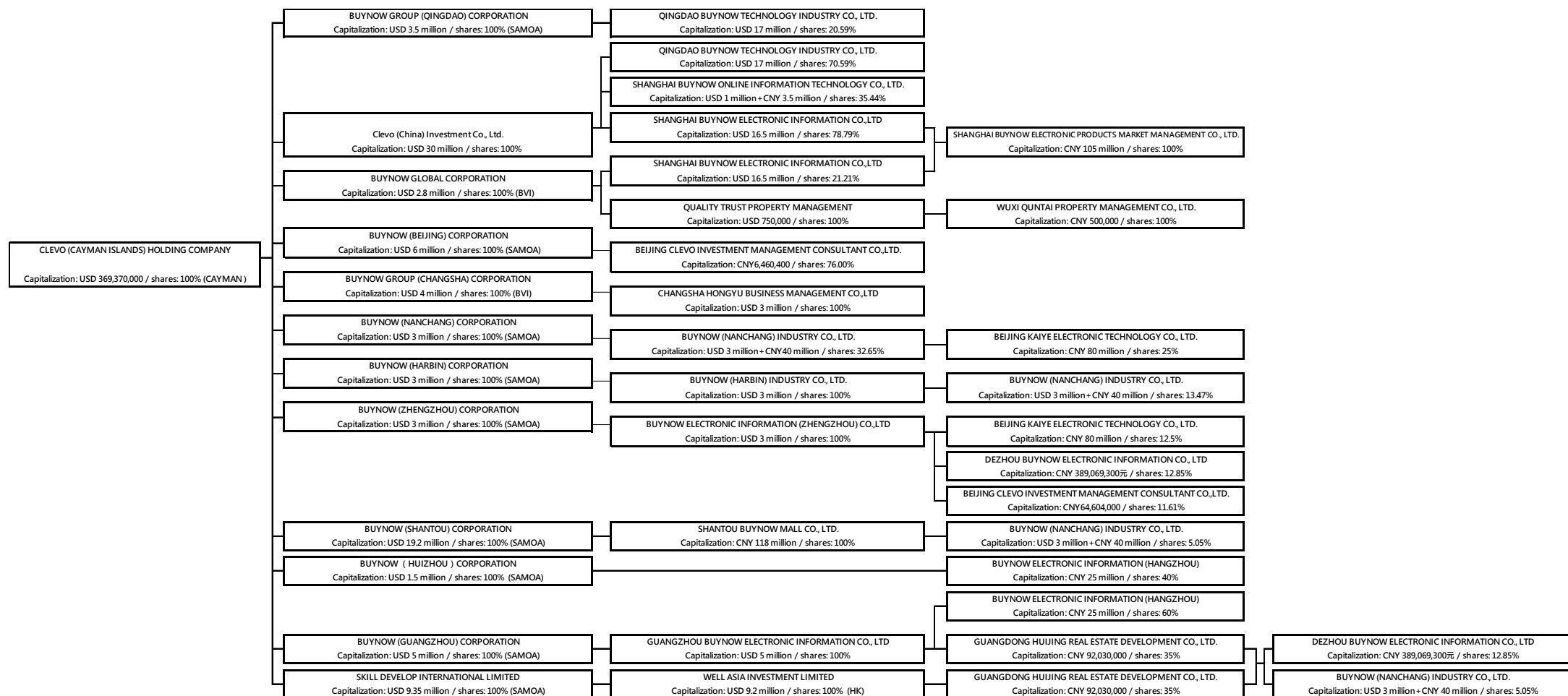
### (I) Summary of Affiliated Companies

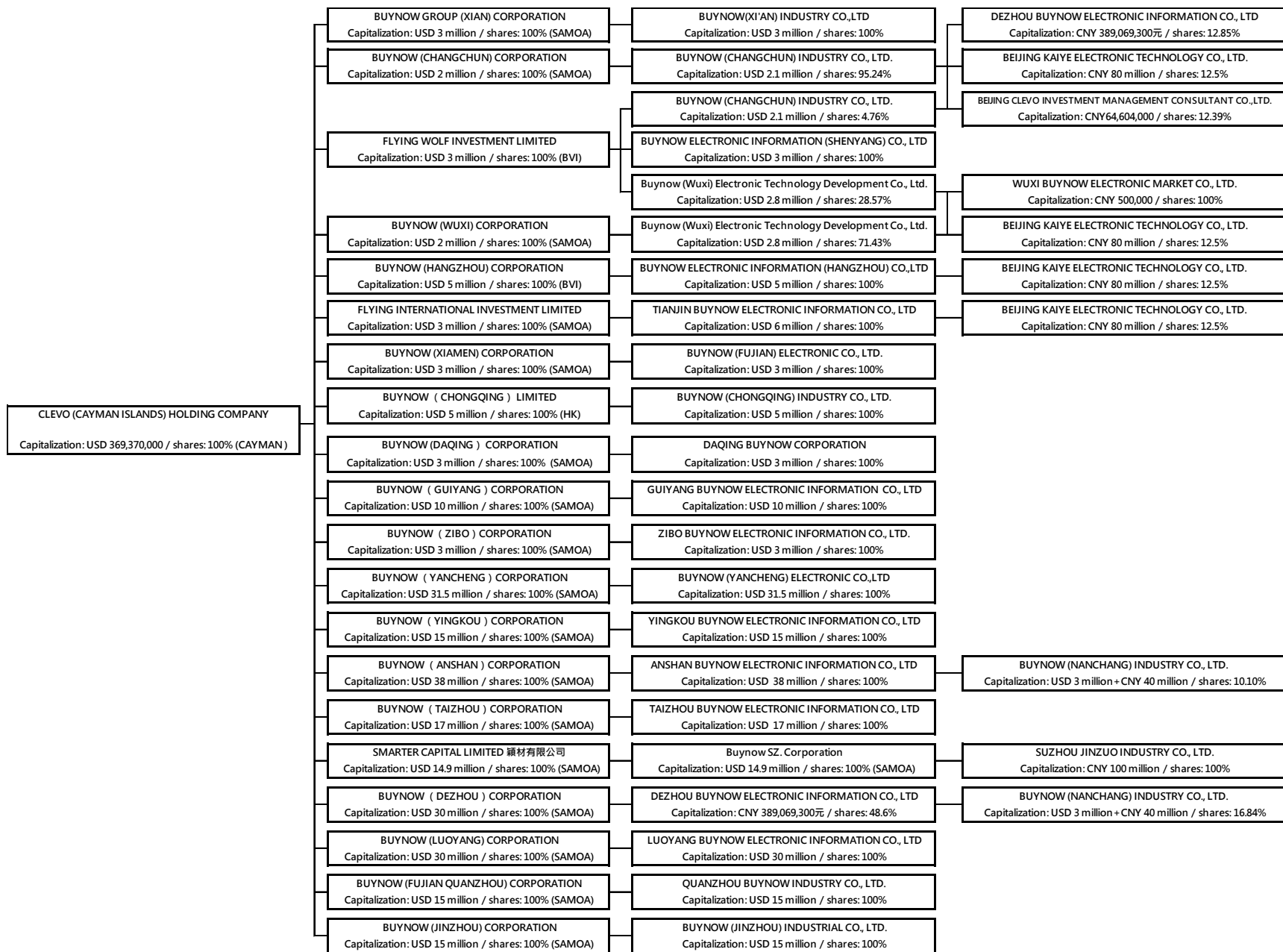
CLEVO CO.

2023.12.31

### Long-term investment and shareholding structure diagram







## (II) Basic information of affiliated companies

Unit: thousand in NT\$ and foreign currency

Company name	Establishment date	Registered address	Paid-in capital	Remark
Kapok Computer Co., Ltd.	1993/04/01	1F, No. 189 Yucheng Street, Nangang District, Taipei City	NTD 80,000	Design and sales of computers and computer peripherals
CLEVO Investment Corporation	1998/08/01	1F, No. 189 Yucheng Street, Nangang District, Taipei City	NTD 140,000	General investment business
Clevo (Cayman Islands) Holding Company	2001/02/22	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	USD 369,370	General investment business
KAPOK COMPUTER (SAMOA) CORPORATION	2001/08/20	Grand Floor NPF Building, Beach Road, Apia, Samoa	USD 17,000	General investment business
CLEVO COMPUTER SINGAPORE PTE LTD.	1998/03/30	10 Anson Road, #12-15 International Plaza, Singapore 079903	SGD 22,325	General investment business
BUYNOW ON-LINE HOLDING CORPORATION	2009/04/03	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 1,100	General investment business
BUYNOW GLOBAL CORPORATION	2002/06/28	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 2,800	General investment business
BUYNOW (HANGZHOU) CORPORATION	2002/08/28	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 5,000	General investment business
BUYNOW (ZHENGZHOU) CORPORATION	2003/01/31	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
BUYNOW GROUP (CHANGSHA) CORPORATION	2003/01/07	P.O. Box 3152, Road Town, Tortola, British Virgin Islands	USD 4,000	General investment business
BUYNOW (NANCHANG) CORPORATION	2003/01/31	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
BUYNOW (GUANGZHOU) CORPORATION	2004/09/28	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 5,000	General investment business
FLYING WOLF INVESTMENT LIMITED	2001/08/23	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 3,000	General investment business
BUYNOW (XIAMEN) CORPORATION	2004/07/28	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
BUYNOW GROUP (XIAN) CORPORATION	2003/09/25	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
Flying International Investment Limited	2002/05/16	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
Buynow (changchun) Corporation	2004/01/19	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 2,000	General investment business
BUYNOW (WUXI) CORPORATION	2003/12/29	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 2,000	General investment business
BUYNOW GROUP (QINGDAO) CORPORATION	2003/09/08	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,500	General investment business
BUYNOW (HARBIN) CORPORATION	2004/03/03	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
BUYNOW (CHENGDU) CORPORATION	2006/11/08	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 7,000	General investment business
BUYNOW (CHONGQING) LIMITED	2008/09/17	RM 2702-03 CC Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	USD 5,000	General investment business
BUYNOW ON-LINE LIMITED	2009/04/29	RM 2702-03, C. C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	USD 1,100	General investment business
BUYNOW (DAQING) CORPORATION	2009/12/29	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business
BUYNOW (ZIBO) CORPORATION	2010/04/16	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 3,000	General investment business



Company name	Establishment date	Registered address	Paid-in capital		Remark
BUYNOW (BEIJING) CORPORATION	2002/06/11	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	6,000	General investment business
SKILL DEVELOP INTERNATIONAL LIMITED	2004/08/23	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	9,350	General investment business
WELL ASIA INVESTMENT LIMITED	1992/10/29	16/F WING ON CENTRE 2022 CONNAUGHT RD CENTRAL HK	USD	9,200	General investment business
BUYNOW (YANCHENG) CORPORATION	2010/08/16	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	31,500	General investment business
BUYNOW (HUIZHOU) CORPORATION	2010/08/30	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	1,500	General investment business
BUYNOW (GUIYANG) CORPORATION	2010/04/27	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	10,000	General investment business
BUYNOW (YINGKOU) CORPORATION	2011/04/13	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	15,000	General investment business
BUYNOW (ANSHAN) CORPORATION	2011/05/12	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	38,000	General investment business
BUYNOW SZ. CORPORATION	2010/07/07	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	14,900	General investment business
SMARTER CAPITAL LIMITED	2010/03/22	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	14,900	General investment business
BUYNOW (TAIZHOU) CORPORATION	2011/08/24	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	17,000	General investment business
BUYNOW (DEZHOU) CORPORATION	2011/08/24	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	30,000	General investment business
BUYNOW (LUOYANG) CORPORATION	2011/09/09	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	30,000	General investment business
BUYNOW (FUJIAN QUANZHOU) CORPORATION	2011/09/09	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	15,000	General investment business
BUYNOW (JINZHOU) CORPORATION	2011/12/19	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	15,000	General investment business
BUYNOW (SHANTOU) CORPORATION	2012/12/04	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD	19,200	General investment business
Buynow Electronic Information (Shanghai)	1998/05/11	No.1111 Zhaojiabin Road, Xuhui District, Shanghai City	USD	16,500	Showroom hires for computers and electronic products; information consultation; repair & maintenance services, and property management
Buynow Electronic Information (Hangzhou)	2002/09/26	No.23 Jiaogong Road, Xihu District, Hangzhou City	USD	5,000	R&D, production, sale and after-sale services of computer hardware and software; and property management
Buynow Electronic Information (Zhengzhou)	2003/04/16	Buynow Building, No. 11 East Section of Dongfeng Road, Jinshui District, Zhengzhou City	USD	3,000	R&D, production, sale and after-sale services of computer hardware and software; and property management Business venue hires and ancillary services; preparation and sale of Chinese meals
CHANGSHA HONGYU BUYSINESS MANAGEMENT CO., LTD	2003/04/15	No.9 Renmin Road, Yuhua District, Changsha City	USD	3,000	Business venue hires and ancillary services in commercial properties internally developed
Buynow (Nanchang) Industry Co., Ltd.	2003/03/31	No.318 Zhongshan Road, Xihu District, Nanchang City, Jiangxi Province	CNY	64,830	R&D, production and sale of computer hardware and software; retail and repair & maintenance services of electronic digital technology products; retail & department stores; sale of computers and software, electronics products and communication equipment; non-residential property leasing
Guangzhou Buynow Corporation	2004/11/22	IT4F-4A01, 4th Floor, Buynow Technology Building, 598 Tianhe Road, Tianhe District, Guangzhou	USD	5,000	R&D, production and sale of computer hardware and software; wholesale and retail of daily necessities and household items; after-sale services of the aforesaid products; and property management
Buynow Electronic Information (Shenyang)	2002/05/31	No.5, 90A, South Sanhao Street, Hoping District, Shenyang City	USD	3,000	R&D, production, sale and after-sale services of computer hardware and software; property management, venue hires and ancillary services
Buynow (Fujian) Electronic Co., Ltd.	2005/01/14	No. 76, 78, 80 South Hubin Road, Siming District, Xiamen City	USD	3,000	R&D, wholesale and repair & maintenance services of computer hardware, software and electronic digital products; development and sale of Xiamen Buynow Technology Building; and property management

Company name	Establishment date	Registered address	Paid-in capital		Remark
BUYNOW(XI'AN) INDUSTRY CO.,LTD	2004/02/27	No. 68, Middle Section of Yanta Road, Beilin District, Xian City	USD	3,000	Commercial complex management services, leasing services, parking lot services, property management, sales and maintenance of electronic products and office supplies, hotel management, sales, information consulting services, and real estate development operations.
Tianjin Buynow Electronic Information	2002/08/16	No.336 Anshan West Road, Nankai District, Tianjin City	USD	6,000	R&D, production, sale and after-sale services of computer hardware and software; retail & department stores; wholesale and retail of electronics products and communication equipment; after-sale services of the aforesaid products; property management, venue hires and ancillary services
Buynow (Changchun) Industry Co., Ltd.	2005/06/23	6th Floor, Buynow Technology Building, 1313 Gongnongda Road, Chaoyang District, Changchun City	USD	2,100	R&D, production, sale and after-sale services of computer hardware and software; property management, venue hires and ancillary services
Buynow (Wuxi) Corporation	2006/01/12	No. 25 Renmin West Road, Wuxi City	USD	2,800	R&D, production and sale of computer hardware and software; retail & department stores; wholesale and retail of electronics products and communication equipment; after-sale services of the aforesaid products; property management, venue hires and ancillary services
Qingdao Buynow Technology Industrial Co., Ltd.	2004/05/19	No.147 Liaoning Road, North District, Qingdao City	USD	17,000	R&D, production and sale of computer hardware and software; retail & department stores; wholesale and retail of electronics products and communication equipment; after-sale services of the aforesaid products; property management, restaurant management, venue hires and ancillary services
Buynow (Harbin) Industry Co., Ltd.	2004/12/09	No. 87 Xidazhi Street, Nangang District, Harbin City, Heilongjiang Province	USD	3,000	R&D, production, sale and after-sale services of computer hardware and software; and property management
Kapok Computer (Kunshan) Co., Ltd.	2001/11/06	No. 200, Second Avenue, Kunshan Comprehensive Free Trade Area, Jiangsu Province	USD	6,000	R&D and manufacturing of notebooks, tablets, palmtops, communication information products, semi-finished products and relevant components; sale and repair & maintenance services for internally produced products
Buynow (Chengdu) Electronic Information Co., Ltd.	1998/06/18	No. 118 Xinnan Road, Wuhou District, Chengdu City, Sichuan Province	USD	7,000	R&D, production and sale of computer hardware and software; retail & department stores; wholesale and retail of electronics products and communication equipment; after-sale services of the aforesaid products; property management, restaurant management and venue hires
Buynow (Nanjing) Facility Leasing and Management Co., Ltd.	1999/09/19	No. 333 Zhujiang Road, Xuanwu District, Nanjing City	USD	1,550	Leasing and management of commercial facilities; ancillary services; internal management of buildings
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	2007/10/24	Floor 1-3, Anhui International Business Center, 162 Jinzhai Road, Hefei City, Anhui Province	USD	1,800	R&D, production and sale of computer hardware and software; retail & department stores; wholesale and retail of electronics products; after-sale services of the aforesaid products
Quality Trust Property Management (Hangzhou) Co., Ltd.	2006/08/01	No.23 Jiaogong Road, Xihu District, Hangzhou City	USD	750	Property management; real estate information consultancy; property letting agency; housekeeping services; car park management; business services
Wuxi Quntai Property Management Co., Ltd.	2007/10/30	Room 501, Buynow Technology Building, No. 25 Renmin West Road, Wuxi City	CNY	500	Property management; real estate information consultancy; realtor agency services; housekeeping services; car park management; and other business services
Buynow (Chongqing) Industry Co., Ltd.	2008/12/02	No. 2 CQA4Z02, 4th Floor, No. 2, Keyuan First Road, Jiulongpo District, Chongqing City	USD	5,000	R&D, production and sale of computer hardware and software and electronics products; shopping mall management services; business management consulting; wholesale and retail of electronics products (excluding electronic publications); property management, car park services, and restaurant management
Shanghai BUYNOW Online Information Technology Co., Ltd.	2009/07/08	Shop XHA3C02/XHA3C03 shop, 3rd Floor, No. 339 Caoxi North Road, Xuhui District, Shanghai City	USD	1,549	Wholesale, retail and after-sale services of home appliances, computers & peripherals, communication equipment, electric machinery, office suppliers & relevant products; technology development, transfer and supporting services for networking, computer hardware & software, and communication equipment; and property management

Company name	Establishment date	Registered address	Paid-in capital		Remark
Daqing Buynow Corporation	2010/05/18	No. 25, Weiqi Road, Dongfeng New Village, Sartu District, Daqing City, Heilongjiang Province	USD	3,000	Showroom hires and ancillary services for computers and electronic products; information consultation; repair & maintenance services, and property management
Zibo Buynow Electronic Information Co., Ltd.	2010/08/03	No. 31 Liuquan Road, Zhangdian District, Zibo City	USD	3,000	R&D, production and sale of computer hardware and software; wholesale and retail of electronic digital technology products; after-sale services of the aforesaid products; and property management
BEIJING CLEVO INVESTMENT MANAGEMENT CONSULTANT CO.,LTD.	2003/01/02	Room 818, Clevo Hesheng Building, 32 Zhongguancun Street, Haidian District, Beijing City	CNY	64,604	Investment management consultancy; wholesale of electronics products; commission and agency services & consultancy; import/export of goods; and property management
Buynow (Yancheng) Electronic Corp. China	2010/10/29	No. 22, Huancheng North Road, Yancheng City	USD	31,500	R&D, production and sale of computer hardware and software; wholesale and retail of electronic digital technology products; after-sale services of the aforesaid products; and property development & management
Buynow Electronic Information (Hangzhou)	2008/10/17	4th Floor, No. 20 Eling North Road, Huizhou City	CNY	25,000	R&D, production and sale of computer hardware and software; wholesale and retail of digital technology products; after-sale services of the aforesaid products; property development and restaurant management
Clevo (China) Investment Co., Ltd.	2010/09/21	20th Floor, No.1600 Zhongshan West Road, Xuhui District, Shanghai City	USD	30,000	Investment; R&D department establishment; consultation for import/export, wholesale, and commission agency
Suzhou Jinzuo Corporation Limited	2006/11/22	No.258 Guangji South Road, Gusu District, Suzhou City	CNY	100,000	Business management and property management services
GUIYANG BUYNOW ELECTRONIC INFORMATION CO., LTD.	2011/03/04	No. 87 Boai Road, Nanming District, Guiyang City	USD	10,000	R&D of computer hardware, software and relevant products; development, construction, sale, letting and management of own properties
Yingkou Buynow Electronic Information Corporation Limited	2011/06/10	No.18 Dongcheng Garden, Zhanqian District, Yingkou City	USD	15,000	R&D of computer hardware, software and relevant products; business management services; property development & management; property letting and sale; property management; and hotel management
Anshan Buynow Electronic Information Corporation Limited	2011/06/20	No. 38 (1st-10th floors), Shengli South Road, Tiedong District, Anshan City, Liaoning Province	USD	38,000	Computer hardware, software and digital electronic products; business management and consultancy; hotel and restaurant management; property management; real estate information consultancy
Taizhou Buynow Electronic Information Corporation Limited	2011/10/24	No. 51, Renmin East Road, Hailing District, Taizhou City	USD	17,000	Electronic products information consultancy; retail of computer hardware, software and electronic digital products; leasing and management of commercial facilities; and ancillary services
Dezhou Buynow Electronic Information Corporation Limited	2011/10/28	No. 500 Jiefang Middle Avenue, Decheng District, Dezhou City, Shandong Province	CNY	389,069	R&D, sale and repair & maintenance services of computer hardware, software and related electronics products; business management consulting; shopping mall management services; property management, restaurant services, distribution of different kinds of advertisements in the domestic market; imports/exports; entertainment services; education consultation
Luoyang Buynow Electronic Information Corporation Limited	2012/08/10	No. 300, Zhongzhou Middle Road, Xigong District, Luoyang City	USD	30,000	Wholesale, retail, and after-sale repair & maintenance services of computer hardware, software and digital electronic products; business management & consulting services; hotels and restaurant services; retail and department stores; shopping mall management and property management
Quanzhou Buynow Corporation	2013/04/24	No.79 Jiuyi Road, Licheng District, Quanzhou City	USD	15,000	Property management; development, production, wholesale, retail, and repair & maintenance services of software and consumer electronic products; consultancy services in international economy, technology, and information
Buynow (Jinzhou) Industrial Co., Ltd.	2013/09/05	No. 21-1, Section 3, Zhongyang Street, Linghe District, Jinzhou City, Liaoning Province	USD	15,000	Wholesale, retail, and after-sale repair & maintenance services of computer hardware, software and consumer electronic products; business management & consulting services; restaurant services; retail and department stores; shopping mall management and property management

Company name	Establishment date	Registered address	Paid-in capital	Remark
Guangdong Huijing Real Estate Development Co., Ltd.	1997/07/09	No. 598, Tianhe Road, Tianhe District, Guangzhou City (101-IT1F-1C36)	CNY 92,030	R&D, production and sale of computer hardware and software; wholesale, retail and after-sale repair & maintenance services of electronic digital technology products; retail & department stores; shopping mall management and property development
Shanghai Buynow Electronic Products Market Management Co., Ltd.	2005/12/16	Basement room 01, room 101, 2nd-5th Floor, No. 339 Caoxi North Road, Shanghai City	CNY 105,000	R&D, production and sale of computer hardware and software; wholesale, retail and after-sale repair & maintenance services of electronic digital technology products; retail & department stores; shopping mall management and property development
Kunshan Kaiming Trading Co., Ltd.	2007/07/01	Room 219, 220, No. 8, Weiye Road, Kunshan Development Zone	CNY 3,500	Sale and repair & maintenance services of notebooks, tablets, desktops, palmtops, communication products and relevant parts; export of goods and technologies
Wuxi Buynow Electronic Market Co., Ltd.	2009/01/05	No. 25 Renmin West Road, Nanchang District, Wuxi City	CNY 500	Letting and services of market venues and facilities; market management; restaurant management; property management and car park management
Beijing Kaiye Electronic Technology Co., Ltd.	2008/12/31	5B11, 4F, No. 78, Middle East 4th Ring Road, Chaoyang District, Beijing City	CNY 80,000	Technology promotion services; computer repair & maintenance; motor vehicle parking space services; property management; business management & consultancy; letting of commercial properties; wholesale of computer hardware, software and peripherals; retail & department stores
Shantou Buynow Mall Co., Ltd.	2010/12/31	Room 609, North Tower, Buynow Plaza, No. 98, Changping Road, Longhu District, Shantou City	CNY 118,000	Own property management & operation services; retail & department stores; import/export of goods and technologies; R&D, production and repair & maintenance services of computer software and electronic digital technology products

Note 1: The exchange rate of foreign currency to Taiwan dollar is as follows:

		USD	SGD	RMB	JPY
December 31, 2023	Exchange rate	30.727	23.291	4.3383	0.217

(III) The information of same shareholder for those who are presumed to be in control and subordinate relation: Not applicable

(IV) Description of business relationship

1. The industries covered by the entire business operations of the Company: R&D, design, manufacturing, sales, after-sales service, business consultation, technical consultation, general investment, property management, production, sales of clothing, subsidiary food, and operations of cafe.
2. The businesses operated by the affiliated companies are related to each other, and the division of business operations:
  - (1) Clevo (Cayman Islands) Holding Company, KAPOK COMPUTER (SAMOA) CORPORATION, CLEVO COMPUTER SINGAPORE PTE LTD, BUYNOW ON-LINE HOLDING CORPORATION, BUYNOW GLOBAL CORPORATION, BUYNOW (HANGZHOU) CORPORATION, BUYNOW (ZHENGZHOU) CORPORATION, BUYNOW GROUP (CHANGSHA) CORPORATION, BUYNOW (NANCHANG) CORPORATION, BUYNOW (GUANGZHOU) CORPORATION, FLYING WOLF INVESTMENT LIMITED, BUYNOW (XIAMEN) CORPORATION, BUYNOW GROUP (XIAN) CORPORATION, Flying International Investment Limited, Buynow (hangchun) Corporation, BUYNOW (WUXI) CORPORATION, BUYNOW GROUP (QINGDAO) CORPORATION, BUYNOW (HARBIN) CORPORATION, BUYNOW (CHENGDU) CORPORATION, BUYNOW (CHONGQING) LIMITED, BUYNOW ON-LINE LIMITED, BUYNOW (DAQING) CORPORATION, BUYNOW (ZIBO) CORPORATION, BUYNOW (BEIJING) CORPORATION, SKILL DEVELOP INTERNATIONAL LIMITED, WELL ASIA INVESTMENT LIMITED, BUYNOW (YANCHENG) CORPORATION, BUYNOW (HUIZHOU) CORPORATION, BUYNOW (GUIYANG) CORPORATION, BUYNOW (YINGKOU) CORPORATION, BUYNOW (ANSHAN) CORPORATION, Buynow SZ. Corporation, SMARTER CAPITAL LIMITED, BUYNOW (TAIZHOU) CORPORATION, BUYNOW (DEZHOU) CORPORATION, BUYNOW (LUOYANG) CORPORATION, BUYNOW (FUJIAN QUANZHOU) CORPORATION, BUYNOW (JINZHOU) CORPORATION, BUYNOW (SHANTOU) CORPORATION; reinvested holding companies of Clevo Co. in mainland China.
  - (2) Kapok Computer Co., Ltd. provides after-sales maintenance services for the products of Clevo.
  - (3) None of the following companies is involved in businesses directly related to Clevo Co.: CLEVO Investment Corporation; Buynow Electronic Information (Shanghai); Buynow Electronic Information (Hangzhou); Buynow Electronic Information (Zhengzhou); Changsha Hongyu Business Management Co., Ltd.; Buynow (Nanchang) Industry Co., Ltd.; Guangzhou Buynow Corporation; Buynow Electronic Information (Shenyang); Buynow (Fujian) Electronic Co., Ltd.; Buynow (Xian) Industry Ltd.; Tianjin Buynow Electronic Information; Buynow (Changchun) Industry Co., Ltd.; Buynow (Wuxi) Corporation; Qingdao Buynow Technology Industrial Co., Ltd.; Buynow (Harbin) Industry Co., Ltd.; Buynow (Chengdu) Electronic Information Co., Ltd.; Buynow (Nanjing) Facility Leasing and Management Co., Ltd.; Kalor Buynow (Heifei) Electronic Information Co., Ltd.; Quality Trust Property Management (Hangzhou) Co., Ltd.; Wuxi Quntai Property Management Co., Ltd.; Buynow (Chongqing) Industry Co., Ltd.; Shanghai BUYNOW Online Information Technology Co., Ltd.; Daqing Buynow Corporation; Zibo Buynow Electronic Information Co., Ltd.; Beijing CLEVO Investment Management Consultant Co., Ltd.; Buynow (Yancheng) Electronic Corp.; Buynow Electronic Information (Huizhou); Clevo (China) Investment Co., Ltd.; Suzhou Jinzuo Corporation Limited; Guiyang Buynow Electronic Information Corporation Limited; Yingkou Buynow Electronic Information Corporation Limited; Anshan Buynow Electronic Information Corporation Limited; Taizhou Buynow Electronic Information Corporation Limited; Dezhou Buynow Electronic Information Corporation Limited; Luoyang Buynow Electronic Information Corporation Limited; Quanzhou Buynow Corporation; Buynow (Jinzhou) Industrial Co., Ltd.; Guangdong Huijing Real Estate Development Co., Ltd.; Shanghai Buynow Electronic Products Market Management Co., Ltd.; Wuxi Buynow Electronic Market Co., Ltd.; Beijing Kaiye Electronic Technology Co., Ltd.; Shantou Buynow Mall Co., Ltd.; Xiamen Lejing Internet Bar Co., Ltd. and Kunshan Kaiming Trading Co., Ltd.
  - (4) KAPOK COMPUTER (KUNSHAN) CO., LTD. provides processing services for Clevo, and is engaged in production and sales of self-made products.

## (V) Information of directors and supervisors of affiliated companies

Unit: Thousand shares; %

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
Kapok Computer Co., Ltd.	Chairman	Hsu, Kun-Tai	8,000	100%
	Director	Yueh-Yuan Hsu		
	Director	Tsai, Ming-Hsien		
	Supervisor	Chien, Yih-Long		
CLEVO Investment Corporation	Chairman	Hsu, Kun-Tai	14,000	100%
	Director	Tsai, Ming-Hsien		
	Director	Yueh-Yuan Hsu		
	Supervisor	Chien, Yih-Long		
Clevo (Cayman Islands) Holding Company	Director	Hsu, Kun-Tai	-	-
KAPOK COMPUTER (SAMOA) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
CLEVO COMPUTER SINGAPORE PTE LTD.	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW ON-LINE HOLDING CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW GLOBAL CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (HANGZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (ZHENGZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW GROUP (CHANGSHA) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (NANCHANG) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (GUANGZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
FLYING WOLF INVESTMENT LIMITED	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (XIAMEN) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
BUYNOW GROUP (XIAN) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
Flying International Investment Limited	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
Buynow (changchun) Corporation	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (WUXI) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW GROUP (QINGDAO) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (HARBIN) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (CHENGDU) CORP.	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (CHONGQING) LIMITED	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW ON-LINE LIMITED	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (DAQING) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (ZIBO) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (BEIJING) CORPORATION	Director	Hsu, Kun-Tai	-	-
SKILL DEVELOP INTERNATIONAL LIMITED	Director	Hsu, Kun-Tai	-	-
WELL ASIA INVESTMENT LIMITED	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (YANCHENG) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (HUIZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
BUYNOW (GUIYANG) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (YINGKOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (ANSHAN) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
Buynow SZ. Corporation	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
SMARTER CAPITAL LIMITED	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (TAIZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (DEZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (LUOYANG) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (FUJIAN QUANZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (JINZHOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
BUYNOW (SHANTOU) CORPORATION	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
Buynow Electronic Information (Shanghai)	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow Electronic Information (Hangzhou)	Chairman	Hsu, Kun-Tai	-	-
	President and director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
Buynow Electronic Information (Zhengzhou)	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-



Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
CHANGSHA HONGYU BUYSINESS MANAGEMENT CO.,LTD	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Nanchang) Industry Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
Guangzhou Buynow Corporation	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
Buynow Electronic Information (Shenyang)	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Fujian) Electronic Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
BUYNOW(XI'AN) INDUSTRY CO.,LTD	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Tianjin Buynow Electronic Information	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Changchun) Industry Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Wuxi) Corporation	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
Qingdao Buynow Technology Industrial Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Harbin) Industry Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Kapok Computer (Kunshan) Co., Ltd.	Chairman	Tsai, Ming-Hsien	-	-
	Director	Hsu, Kun-Tai	-	-
	Director	Chien, Yih-Long	-	-
	Supervisor	Guan-Yen Lin	-	-
Buynow (Chengdu) Electronic Information Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Nanjing) Facility Leasing and Management Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Quality Trust Property Management (Hangzhou) Co., Ltd.	Executive director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Wuxi Quntai Property Management Co., Ltd.	Executive director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Chongqing) Industry Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Shanghai BUYNOW Online Information Technology Co., Ltd.	Executive director	Tsai, Ming-Hsien	-	-
	Supervisor	Bitao Lin	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
Daqing Buynow Corporation	Chairman	Hsu, Kun-Tai	-	-
	Director	Hsueh-Wen Chen	-	-
	Director	Tsai, Ming-Hsien	-	-
	Supervisor	Bitao Lin	-	-
Zibo Buynow Electronic Information Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
BEIJING CLEVO INVESTMENT MANAGEMENT CONSULTANT CO.,LTD.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Yancheng) Electronic Corp. China	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Kun-Tai Huang	-	-
	Supervisor	Danny Yu	-	-
Buynow Electronic Information (Hangzhou)	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Clevo (China) Investment Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Suzhou Jinzuo Corporation Limited	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
GUIYANG BUYNOW ELECTRONIC INFORMATION CO., LTD.	Chairman	Danny Yu	-	-
	Supervisor	Bitao Lin	-	-
Yingkou Buynow Electronic Information Corporation Limited	Director	Danny Yu	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Anshan Buynow Electronic Information Corporation Limited	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
Taizhou Buynow Electronic Information Corporation Limited	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Dezhou Buynow Electronic Information Corporation Limited	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	President and director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Luoyang Buynow Electronic Information Corporation Limited	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Quanzhou Buynow Corporation	Director	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	President and director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Buynow (Jinzhou) Industrial Co., Ltd.	Chairman	Danny Yu	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Guangdong Huijing Real Estate Development Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Executive director	Hsu, Kun-Tai	-	-
	Supervisor	Bitao Lin	-	-
Kunshan Kaiming Trading Co., Ltd.	Executive director	Tsai, Ming-Hsien	-	-
	Supervisor	Danny Yu	-	-
Wuxi Buynow Electronic Market Co., Ltd.	Executive director	Hsu, Kun-Tai	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Beijing Kaiye Electronic Technology Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
Shantou Buynow Mall Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-

**(VI) Operational Overview of Affiliated Enterprises for 2023**

Unit: NT\$ /thousand dollars								
Company name	Paid-in capital	Total assets	Total liabilities	Shareholders' equity	Operating Revenue	Operating profit (loss)	Net profit (net loss) after tax of the current period	Earnings per share
Kapok Computer Co., Ltd.	80,000	79,436	222	79,214	0	(105)	30,651	3.83
CLEVO Investment Corporation	140,000	101,939	181	101,758	0	(104)	36,594	2.61
KAPOK COMPUTER (SAMOA) CORPORATION	520,995	1,771,355	0	1,771,355	0	(17,617)	106,254	6.25
Kapok Computer (Kunshan) Co., Ltd.	238,599	7,669,439	5,924,729	1,744,710	16,688,319	223,103	123,790	2.49
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	15,754,974	43,117,729	464,263	42,653,466	0	(37,980)	81,149	0.22
BUYNOW (ANSHAN) CORPORATION	1,119,393	774,743	0	774,743	0	0	(70,396)	(1.85)
BUYNOW (BEIJING) CORPORATION	244,256	2,288,480	0	2,288,480	0	0	367,252	61.21
BUYNOW (CHANGCHUN) CORPORATION	64,064	3,087,262	0	3,087,262	0	0	99,055	49.53
BUYNOW (CHENGDU) CORPORATION	278,468	3,437,737	0	3,437,737	0	0	(2,172)	(0.31)
BUYNOW (CHONGQING) LIMITED	169,140	982,321	0	982,321	0	0	(49,463)	(9.89)
BUYNOW (DAQING) CORPORATION	96,894	0	107,567	(107,567)	0	0	3,379	1.13
BUYNOW (DEZHOU) CORPORATION	881,914	348,764	0	348,764	0	0	(100,104)	(3.34)
BUYNOW (GUANGZHOU) CORPORATION	161,745	2,238,408	0	2,238,408	0	0	(572)	(0.11)
BUYNOW (GUIYANG) CORPORATION	301,236	256,482	0	256,482	0	0	(1,427)	(0.07)
BUYNOW (HANGZHOU) CORPORATION	173,107	3,657,828	0	3,657,828	0	0	92,903	18.58
BUYNOW (HARBIN) CORPORATION	99,012	114,558	0	114,558	0	0	(157,247)	(52.42)
BUYNOW (HUIZHOU) CORPORATION	200,737	0	118,760	(118,760)	0	0	(11,391)	(7.59)
BUYNOW (LUOYANG) CORPORATION	894,346	0	68,448	(68,448)	0	0	(96,145)	(3.20)
BUYNOW (NANCHANG) CORPORATION	104,484	1,118,898	0	1,118,898	0	0	80,099	26.70
BUYNOW GROUP (QINGDAO) CORPORATION	115,648	108,873	0	108,873	0	0	12,318	3.52
BUYNOW (TAIZHOU) CORPORATION	505,786	301,862	0	301,862	0	0	(9,388)	(0.55)
BUYNOW (WUXI) CORPORATION	64,054	1,380,925	0	1,380,925	0	0	41,186	20.59
BUYNOW (XIAMEN) CORPORATION	95,502	1,982,652	0	1,982,652	0	0	27,372	9.12
BUYNOW (YANCHENG) CORPORATION	931,920	765,763	30,727	735,036	0	0	0	0.00
BUYNOW (YINGKOU) CORPORATION	434,082	411,327	0	411,327	0	0	(390)	(0.03)
BUYNOW (ZHENGZHOU) CORPORATION	103,185	3,385,341	0	3,385,341	0	0	108,651	36.22

Company name	Paid-in capital	Total assets	Total liabilities	Shareholders' equity	Operating Revenue	Operating profit (loss)	Net profit (net loss) after tax of the current period	Earnings per share
BUYNOW (ZIBO) CORPORATION	95,805	0	172,253	(172,253)	0	0	(8,166)	(2.72)
BUYNOW GLOBAL CORPORATION	92,651	960,808	0	960,808	0	(49)	13,332	4.76
BUYNOW GROUP (CHANGSHA) CORPORATION	136,180	242,142	0	242,142	0	0	12,643	3.16
BUYNOW GROUP (XIAN) CORPORATION	96,543	647,328	0	647,328	0	0	(215,009)	(71.67)
BUYNOW ON-LINE HOLDING CORPORATION	35,513	4,869	0	4,869	0	0	24	0.02
BUYNOW ON-LINE LIMITED	35,483	4,869	0	4,869	0	(47)	24	0.02
BUYNOW SZ. CORPORATION	452,081	1,025,163	0	1,025,163	0	0	13,954	0.94
BUYNOW (FUJIAN QUANZHOU) CORPORATION	446,195	76,795	0	76,795	0	0	(13,951)	(0.93)
BUYNOW (JINZHOU) CORPORATION	448,081	0	55,086	(55,086)	0	0	(96,705)	(6.45)
BUYNOW (SHANTOU) CORPORATION	578,224	470,296	0	470,296	0	0	(52,263)	(2.61)
CLEVO COMPUTER SINGAPORE PTE LTD.	420,061	7,657,086	175	7,656,911	0	(279)	48,266	2.16
FLYING INTERNATIONAL INVESTMENT LIMITED	178,968	2,299,945	0	2,299,945	0	0	(24,842)	(8.28)
FLYING WOLF INVESTMENT LIMITED	96,141	3,188,604	0	3,188,604	0	0	27,621	9.21
SKILL DEVELOP INTERNATIONAL LIMITED	581,916	5,131,189	0	5,131,189	0	0	59,781	6.39
SMARTER CAPITAL LIMITED	1,013,693	1,025,163	0	1,025,163	0	0	13,954	0.94
WELL ASIA INVESTMENT LIMITED	277,817	5,131,244	55	5,131,189	0	(133)	59,781	6.50
Shanghai BUYNOW Online Information Technology Co., Ltd.	48,158	2,798	(285)	3,083	78	49	57	0.01
Buynow Electronic Information (Shanghai)	521,418	4,793,296	1,604,061	3,189,235	0	(180)	7,109	0.07
Shanghai Buynow Electronic Products Market Management Co., Ltd.	504,484	6,749,982	1,977,978	4,772,004	204,024	79,058	49,827	0.47
Daqing Buynow Corporation	98,158	497,035	604,603	(107,567)	58,960	20,121	3,379	0.17
Tianjin Buynow Electronic Information	224,794	2,733,251	433,306	2,299,945	53,331	(4,258)	(24,842)	(0.53)
Beijing Kaiye Electronic Technology Co., Ltd.	359,053	3,959	51	3,908	51,379	22,599	27,068	0.34
BEIJING CLEVO INVESTMENT MANAGEMENT CONSULTANT CO.,LTD.	305,459	3,789,528	778,370	3,011,158	133,780	95,006	483,226	7.48
Shantou Buynow Mall Co., Ltd.	574,562	1,421,291	950,995	470,296	107	(21,651)	(52,263)	(0.44)
Clevo (China) Investment Co., Ltd.	897,135	3,265,837	566,099	2,699,738	169,086	(63,782)	(15,017)	(0.08)
BUYNOW(XI'AN) INDUSTRY CO.,LTD	116,528	3,487,711	2,840,383	647,328	126,555	39,410	(215,009)	(8.87)
Buynow (Changchun) Industry Co., Ltd.	81,539	3,974,190	732,629	3,241,560	159,599	79,466	104,005	6.13

Company name	Paid-in capital	Total assets	Total liabilities	Shareholders' equity	Operating Revenue	Operating profit (loss)	Net profit (net loss) after tax of the current period	Earnings per share
Buynow (Nanjing) Facility Leasing and Management Co., Ltd.	58,159	2,330,944	365,650	1,965,295	51,895	18,712	(4,487)	(0.37)
Buynow (Nanchang) Industry Co., Ltd.	293,328	5,299,412	1,872,466	3,426,945	337,396	283,941	215,550	3.32
Buynow (Harbin) Industry Co., Ltd.	111,364	2,527,338	2,416,638	110,699	3,165	(42,097)	(157,293)	(6.79)
Buynow (Chongqing) Industry Co., Ltd.	164,167	1,705,401	723,081	982,320	71,127	16,897	(49,463)	(1.45)
Buynow Electronic Information (Hangzhou)	120,115	457,551	754,449	(296,899)	3,949	(1,657)	(28,478)	(1.14)
Buynow (Wuxi) Corporation	106,622	2,549,365	616,110	1,933,256	131,060	70,336	57,660	2.60
Buynow (Fujian) Electronic Co., Ltd.	119,117	2,614,200	631,548	1,982,652	95,256	32,169	27,372	1.10
Buynow (Jinzhou) Industrial Co., Ltd.	448,342	1,480,616	1,535,702	(55,086)	11,964	(36,207)	(96,705)	(1.05)
Buynow (Yancheng) Electronic Corp. China	942,511	735,036	0	735,036	0	0	0	0.00
Buynow (Chengdu) Electronic Information Co., Ltd.	278,468	4,339,183	901,446	3,437,737	117,931	56,745	(2,172)	(0.04)
Buynow Electronic Information (Hangzhou)	198,848	5,458,933	1,801,105	3,657,828	235,826	134,761	92,903	2.24
Buynow Electronic Information (Zhengzhou)	119,123	4,125,206	739,865	3,385,341	169,084	93,747	108,651	4.38
Buynow Electronic Information (Shenyang)	119,298	3,018,060	536,085	2,481,975	105,976	39,143	6,197	0.25
Kunshan Kaiming Trading Co., Ltd.	17,746	8,043	1,896	6,146	12,098	(92)	(54)	(0.02)
CHANGSHA HONGYU BUYSINESS MANAGEMENT CO.,LTD	119,297	887,328	645,186	242,142	27,674	24,220	12,643	0.51
Qingdao Buynow Technology Industrial Co., Ltd.	551,402	2,360,154	1,831,388	528,766	56,397	8,534	59,824	0.53
Quanzhou Buynow Corporation	446,195	81,962	5,167	76,795	0	(15,201)	(13,951)	(0.15)
Luoyang Buynow Electronic Information Corporation Limited	893,922	1,870,544	1,938,993	(68,448)	51,999	3,057	(96,145)	(0.52)
Taizhou Buynow Electronic Information Corporation Limited	507,871	926,089	624,229	301,860	32,332	15,906	(9,388)	(0.09)
Zibo Buynow Electronic Information Co., Ltd.	98,012	509,469	681,722	(172,253)	39,122	11,269	(8,166)	(0.40)
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	69,491	2,959,964	613,224	2,346,740	77,934	36,030	49,929	3.45
Wuxi Buynow Electronic Market Co., Ltd.	2,454	2,416	0	2,416	0	0	18	0.04
Wuxi Quntai Property Management Co., Ltd.	2,402	37,785	4,115	33,670	26,110	1,473	2,668	5.34
GUIYANG BUYNOW ELECTRONIC INFORMATION CO., LTD.	303,271	2,205,653	1,949,171	256,481	0	(1,429)	(1,427)	(0.02)
Quality Trust Property Management (Hangzhou) Co., Ltd.	24,975	396,800	112,898	283,902	257,568	9,317	15,630	3.01
Buynow Electronic Information Co., Ltd.	198,670	2,635,370	398,328	2,237,042	0	(98)	(588)	(0.01)
Guangdong Huijing Real Estate Development Co., Ltd.	442,167	11,081,579	3,187,791	7,893,788	277,760	130,482	92,169	1.00



Company name	Paid-in capital	Total assets	Total liabilities	Shareholders' equity	Operating Revenue	Operating profit (loss)	Net profit (net loss) after tax of the current period	Earnings per share
Dezhou Buynow Electronic Information Corporation Limited	1,748,220	3,420,899	2,703,276	717,622	3,112	(151,722)	(205,975)	(0.53)
Anshan Buynow Electronic Information Corporation Limited	1,150,017	3,761,266	2,986,523	774,743	69,595	26,785	(70,396)	(0.30)
Yingkou Buynow Electronic Information Corporation Limited	464,194	840,982	429,656	411,327	0	(390)	(390)	0.00
Suzhou Jinzuo Corporation Limited	480,460	1,812,016	786,852	1,025,163	67,335	40,266	13,954	0.14

Note 1: If an affiliate is a foreign company, the relevant figures are converted into NT\$ at the exchange rate prevailing on the balance sheet date. Foreign currency to NT\$ exchange rate is as follows:

		USD	SGD	RMB	JPY
2023.12.31	Exchange rate	30.727	23.291	4.3383	0.217

II. Private placement of securities in the most recent year and up to the date of publication of the annual report: None.

III. The Shares in the Company held or disposed by subsidiaries in the most recent year and up to the date of publication of the annual report:

Unit: NT\$ thousand; number of shares; %

Subsidiary's name (Note 1)	Paid-in capital	Source of funds	% of shareholding by the Company	Date for acquisition or disposal of	Number of shares acquired and the amount (Note 2)	Number of shares disposed and the amount (Note 2)	Profits or losses from investment	Up to the date of publication of the annual report		Pledges made	The amount of endorsements and guarantees made for subsidiaries by the Company	Amount of funds lent to subsidiaries by the Company
								Number of shares held	Amount held (Note 3)			
CLEVO Investment Co., Ltd.	140,000	Self-owned funds	100%	2023	0	0	0	10,080,669	108,182	None (Note 4)	None	None
				From the year up to the date of publication of the annual report	0	0	0	10,080,669	108,182			
KAPOK COMPUTER	80,000	Self-owned funds	100%	2023	0	0	0	16,966,596	95,306	None (Note 4)	None	None
				From the year up to the date of publication of the annual report	0	0	0	16,966,596	95,306			

Note 1: Please list separately for subsidiaries.

Note 2: The actual amount of acquisition or disposal. No share or amount acquired or disposed in 2023.

Note 3: The information on holding and disposal should be separately listed, and the amount held is the originally acquired cost.

Note 4: Impact on the Company's financial performance and financial conditions: None.

IV. Other supplementary matters: none

Nine. Matters that have significantly affected shareholders' equity or prices for securities pursuant to Item 2, Subparagraph 3, Article 36 of the Securities & Exchange Act in the most recent year and up to the date of publication of the annual report: None.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Clevo Co.

PWCR23000502

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Clevo Co. and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

#### **Valuation of investment properties**

##### **Description**

Refer to Note 4(19) for accounting policies on investment properties, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to the fair value measurement of investment properties, and Note 6(9) for details of investment properties. As at December 31, 2023, the Group's investment properties at fair value amounted to NT\$64,222,237 thousand.

The Group measures investment properties using the fair value model. The fair value measurement is based on income approach and the discounted cash flow by using estimated future rental income less essential costs, and obtaining the valuation report by appraiser as valuation basis in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The discount rate and future rental income used as the basis of fair value measurement mentioned above involves future prediction, and the estimated result has a significant impact on fair value measurement. Therefore, we considered the valuation of investment properties as a key audit matter.

##### **How our audit addressed the matter**

We performed the following audit procedures in respect of the above key audit matter:

1. Examined the analysis period and assumption methods used in the valuation report by the independent appraisers in accordance with the Regulations

Governing the Preparation of Financial Reports by Securities Issuers.

2. Evaluated the reasonableness of rental earnings related to individual investment property, current market rents for similar comparable properties, rental growth rate and industry forecast reports.
3. Evaluated the reasonableness of discount rate used in valuation and capital costs caused by local property environment.

### **Existence of booth rental revenue**

#### Description

Refer to Note 4(33) for accounting policies on revenue recognition and Note 6(22) for details of operating revenue. As at December 31, 2023, the Group's rental revenue amounted to NT\$2,448,963 thousand.

One of the operating revenues of the Group is to earn booth rental income from holding investment properties. After customers sign the contracts, the Group allocates and recognises booth rental revenue based on the period of realisation of agreements.

The customers of booth rental revenue are merchants in the location of investment property, the customers are numerous and most contract periods are from 6 months to one year. The main customers are primarily engaged in the sales of 3C products and food service. In recent years, the growth of ecommerce in China has made an impact on the sales of bricks-and-mortar stores. Therefore, there is higher uncertainty of existence of rental revenue. Thus, we considered the existence of booth rental revenue as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Ensured the reasonableness by validating and testing the appropriateness of internal controls over booth rental revenue, including inspecting the lease contracts and related supporting documents.

2. Verified existence of merchants by performing physical count of the booths.
3. Obtained the listings of booth rental revenue and confirmed the existence of booth rental revenue by sampling and inspecting the lease contracts and physical inventory lists.

### **Valuation of inventories**

#### **Description**

Refer to Note 4(13) for accounting policy on the valuation of inventories, Note 5(2) for uncertainty of accounting estimations and assumptions in relation to inventory valuation, and Note 6(4) for the details of inventory valuation. As at December 31, 2023, the balance of inventory and allowance for inventory valuation losses amounted to NT\$3,197,737 thousand and NT\$364,969 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of notebook computers, construction in progress and buildings and land held for sale. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. Additionally, most of construction in progress and buildings and land held for sale are located in second-tier or third-tier cities. The property cycle is mostly influenced by local policy and economic situation. Due to long inventory holding period, there is a higher risk for inventory losses due from market value decline.

The Group recognises inventories at the lower of cost and net realizable value, and the net realizable value is estimated based on the age and damage of inventory. The allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as obsolete or damaged. As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value is subject to management's judgment, we considered the allowance for inventory valuation losses a key audit matter.

#### How our audit addressed the matter

We performed the following procedures in respect of the above key audit matter:

1. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Obtained the listings of lower of cost or net realizable value and obsolescence losses amount, sampled and inspected related supporting documents. Calculated the accuracy and assessed the reasonableness of the estimation of net realizable value.
3. Verified information obtained from physical inventory of notebook computers, and inquired with management and relevant staff if the inventory is identified as slow-moving, surplus, obsolete or damaged.

#### ***Other matter –Reference to the audits of other auditors***

We did not audit the financial statements of an investment accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of this associate, is based solely on the report of the other auditors. The balance of this investment accounted for under the equity method amounted to NT\$493,451 thousand and NT\$491,065 thousand, both constituting 1% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$3,152 thousand and NT\$1,065 thousand, constituting 1% and 0% of the total comprehensive income for the years then ended, respectively.

### ***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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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



As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 appropriate audit evidence regarding the financial information of the 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 of the current period 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.

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LIN, PO-CHUAN

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Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	5,215,454	6	\$	7,051,419	7
1110	Financial assets at fair value through profit or loss-current	6(2)		3,039,986	3		2,181,499	2
1136	Financial assets at amortised cost - current	6(1) and 8		1,964,827	2		26,490	-
1170	Accounts receivable, net	6(3)		2,951,088	3		2,530,507	3
1197	Finance lease receivable, net	6(8)		45,672	-		42,430	-
1220	Current income tax assets			273	-		278	-
130X	Inventories	6(4)		2,832,768	3		3,778,701	4
1470	Other current assets	7		1,785,574	2		1,441,840	2
11XX	Total current assets			17,835,642	19		17,053,164	18
Non-current assets								
1535	Financial assets at amortised cost - non-current	6(1) and 8		47,751	-		1,101,367	1
1550	Investments accounted for using equity method, net	6(5) and 7		3,942,492	4		2,869,141	3
1600	Property, plant and equipment	6(6) and 8		2,372,322	2		4,028,326	4
1755	Right-of-use assets	6(7), 7 and 8		3,538,402	4		4,066,683	4
1760	Investment property, net	6(9) and 8		64,222,237	68		62,526,250	67
1780	Intangible assets	6(10)		48,820	-		57,951	-
1840	Deferred income tax assets	6(29)		729,553	1		822,259	1
194D	Long-term finance lease receivable, net	6(8)		42,938	-		80,770	-
1975	Net defined benefit asset, non-current	6(16)		53,550	-		39,290	-
1990	Other non-current assets	6(12)		1,591,494	2		1,521,858	2
15XX	Total non-current assets			76,589,559	81		77,113,895	82
1XXX	Total assets		\$	94,425,201	100	\$	94,167,059	100

(Continued)

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 4,826,917	5	\$ 3,325,719	4
2120	Financial liabilities at fair value through profit or loss-current	6(2)	24,212	-	-	-
2130	Current contract liabilities	6(22)	44,988	-	145,214	-
2150	Notes payable		25,126	-	53,283	-
2170	Accounts payable		2,716,614	3	2,142,671	2
2180	Accounts payable - related parties	7	260,851	-	280,722	-
2200	Other payables		1,442,682	2	1,320,743	1
2230	Current income tax liabilities		404,787	-	418,272	1
2250	Provisions for liabilities-current	6(17)	58,523	-	58,523	-
2280	Lease liabilities	7	117,440	-	120,398	-
2320	Long-term liabilities, current portion	6(14)(15)	7,168,832	8	7,863,802	8
2399	Other current liabilities	7	415,083	-	385,227	1
21XX	Total current liabilities		17,506,055	18	16,114,574	17
Non-current liabilities						
2530	Corporate bonds payable	6(14)	-	-	5,000,000	6
2540	Long-term borrowings	6(15)	22,848,655	24	17,553,292	19
2570	Deferred tax liabilities	6(29)	11,560,415	12	12,268,089	13
2580	Lease liabilities - non-current	7	111,837	-	225,525	-
2670	Other non-current liabilities	6(5) and 7	1,214,870	2	1,215,227	1
25XX	Total non-current liabilities		35,735,777	38	36,262,133	39
2XXX	Total liabilities		53,241,832	56	52,376,707	56
Equity attributable to owners of parent						
	Share capital	6(18)				
3110	Ordinary share		6,322,630	7	6,322,630	7
	Capital surplus	6(19)				
3200	Capital surplus		97,389	-	56,461	-
	Retained earnings	6(20)				
3310	Legal reserve		2,282,456	3	2,210,652	2
3320	Special reserve		34,207,562	36	35,186,883	37
3350	Unappropriated retained earnings		3,666,842	4	2,614,398	3
	Other equity interest					
3400	Other equity interest	6(21)	( 4,564,310)	( 5)	( 3,771,472)	( 4)
3500	Treasury shares	6(18)	( 829,200)	( 1)	( 829,200)	( 1)
31XX	Total equity attributable to owners of parent		41,183,369	44	41,790,352	44
3XXX	Total equity		41,183,369	44	41,790,352	44
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	TOTAL LIABILITIES AND EQUITY		\$ 94,425,201	100	\$ 94,167,059	100

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

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	\$ 24,379,753	100	\$ 22,196,860	100
5000	Operating costs	6(4)(27)(28) and 7	( 19,494,238)	( 80)	( 17,257,626)	( 78)
5900	Net operating margin		<u>4,885,515</u>	<u>20</u>	<u>4,939,234</u>	<u>22</u>
	Operating expenses	6(27)(28)				
6100	Selling expenses		( 1,204,710)	( 5)	( 1,126,542)	( 5)
6200	General and administrative expenses		( 1,244,056)	( 5)	( 1,189,744)	( 5)
6300	Research and development expenses		( 704,043)	( 3)	( 630,168)	( 3)
6450	Impairment gain (loss) determined in accordance with IFRS 9	12(2)	<u>1,000</u>	<u>-</u>	<u>( 73,973)</u>	<u>-</u>
6000	Total operating expenses		<u>( 3,151,809)</u>	<u>( 13)</u>	<u>( 3,020,427)</u>	<u>( 13)</u>
6900	Operating profit		<u>1,733,706</u>	<u>7</u>	<u>1,918,807</u>	<u>9</u>
	Non-operating income and expenses					
7100	Interest income	6(23)	238,056	1	67,691	-
7010	Other income	6(24)	137,044	-	219,210	1
7020	Other gains and losses	6(25)	( 132,847)	( 1)	( 288,498)	( 1)
7050	Finance costs	6(26) and 7	( 833,885)	( 3)	( 741,236)	( 4)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method		<u>( 39,972)</u>	<u>-</u>	<u>( 284,436)</u>	<u>( 1)</u>
7000	Total non-operating income and expenses		<u>( 631,604)</u>	<u>( 3)</u>	<u>( 1,027,269)</u>	<u>( 5)</u>
7900	Profit before income tax		<u>1,102,102</u>	<u>4</u>	<u>891,538</u>	<u>4</u>
7950	Income tax expense	6(29)	<u>( 42,012)</u>	<u>-</u>	<u>( 67,012)</u>	<u>-</u>
8200	Profit for the year		<u>\$ 1,060,090</u>	<u>4</u>	<u>\$ 824,526</u>	<u>4</u>
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain on remeasurements on defined benefit plans	6(16)	\$ 4,040	-	\$ 32,888	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	<u>( 808)</u>	<u>-</u>	<u>( 6,576)</u>	<u>-</u>
8310	Other comprehensive income that will not be reclassified to profit or loss		<u>3,232</u>	<u>-</u>	<u>26,312</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	( 774,311)	( 3)	812,675	4
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(21)	( 23,158)	-	55,801	-
8399	Income tax relating to the components of other comprehensive income	6(21)(29)	<u>4,631</u>	<u>-</u>	<u>( 11,161)</u>	<u>-</u>
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		<u>( 792,838)</u>	<u>( 3)</u>	<u>857,315</u>	<u>4</u>
8300	Total other comprehensive (loss) income for the year		<u>( \$ 789,606)</u>	<u>( 3)</u>	<u>\$ 883,627</u>	<u>4</u>
8500	Total comprehensive income for the year		<u>\$ 270,484</u>	<u>1</u>	<u>\$ 1,708,153</u>	<u>8</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 1,060,090</u>	<u>4</u>	<u>\$ 824,526</u>	<u>4</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 270,484</u>	<u>1</u>	<u>\$ 1,708,153</u>	<u>8</u>
	Earnings per share (in dollars)	6(30)				
9750	Basic earnings per share		<u>\$ 1.81</u>		<u>\$ 1.41</u>	
9850	Diluted earnings per share		<u>\$ 1.80</u>		<u>\$ 1.40</u>	

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

CLEVO CO. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent									
	Capital Reserves				Retained Earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
	Ordinary share	Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>Year ended December 31, 2022</u>										
Balance at January 1, 2022	\$ 6,497,630	\$ 56,267	\$ 16,228	\$ 983	\$ 1,908,529	\$ 35,684,459	\$ 3,149,950	(\$ 4,628,787 )	(\$ 1,374,835 )	\$ 41,310,424
Profit for the year	-	-	-	-	-	-	824,526	-	-	824,526
Other comprehensive income	6(21)	-	-	-	-	-	26,312	857,315	-	883,627
Total comprehensive income	-	-	-	-	-	-	850,838	857,315	-	1,708,153
Appropriations of 2021 earnings	6(20)									
Legal reserve	-	-	-	-	302,123	-	( 302,123 )	-	-	-
Special reserve	-	-	-	-	-	( 493,824 )	493,824	-	-	-
Cash dividends	-	-	-	-	-	-	( 1,285,752 )	-	-	( 1,285,752 )
Treasury stock retired	6(18)	( 175,000 )	( 1,516 )	( 73,028 )	-	-	( 296,091 )	-	545,635	-
Past due dividends not received by shareholders	-	-	-	727	-	-	-	-	-	727
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	56,800	-	-	-	-	-	-	56,800
Reversal of special reserve	-	-	-	-	-	( 3,752 )	3,752	-	-	-
Balance at December 31, 2022	\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472 )	(\$ 829,200 )	\$ 41,790,352
<u>Year ended December 31, 2023</u>										
Balance at January 1, 2023	\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472 )	(\$ 829,200 )	\$ 41,790,352
Profit for the year	-	-	-	-	-	-	1,060,090	-	-	1,060,090
Other comprehensive income (loss)	6(21)	-	-	-	-	-	3,232	( 792,838 )	-	( 789,606 )
Total comprehensive income (loss)	-	-	-	-	-	-	1,063,322	( 792,838 )	-	270,484
Appropriations of 2022 earnings	6(20)									
Legal reserve	-	-	-	-	71,804	-	( 71,804 )	-	-	-
Special reserve	-	-	-	-	-	( 974,795 )	974,795	-	-	-
Cash dividends	-	-	-	-	-	-	( 918,395 )	-	-	( 918,395 )
Past due dividends not received by shareholders	-	-	-	357	-	-	-	-	-	357
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	40,571	-	-	-	-	-	-	40,571
Reversal of special reserve	-	-	-	-	-	( 4,526 )	4,526	-	-	-
Balance at December 31, 2023	\$ 6,322,630	\$ 54,751	\$ 40,571	\$ 2,067	\$ 2,282,456	\$ 34,207,562	\$ 3,666,842	(\$ 4,564,310 )	(\$ 829,200 )	\$ 41,183,369

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

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,102,102	\$ 891,538
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(27)	285,534	302,949
Amortisation	6(10)(27)	26,700	14,714
Expected credit (gain) loss	12(2)	( 1,000 )	73,973
Net (gain) loss on financial assets mandatorily measured at fair value through profit or loss	6(2)(25)	( 652,192 )	246,105
Interest expense	6(26)	833,885	741,236
Interest income	6(23)	( 238,056 )	( 67,691 )
Dividend income	6(24)	( 58,773 )	( 49,270 )
Share of profit of associates and joint ventures accounted for using the equity method		39,972	284,436
Loss (gain) on disposal of property, plant and equipment	6(25)	3,004	( 3,188 )
Loss on disposal of investment properties	6(25)	18,994	2,700
Loss on disposal of investments	6(2)(25)	3,860	-
Loss on adjustment of investment properties at fair value	6(9)(25)	624,598	333,016
Gain from lease modification	6(7)(25)	-	( 1,057 )
Gain on sublease of right-of-use assets	6(7)(25)	( 3,916 )	( 95,066 )
Impairment loss on non-financial assets	6(11)(25)	-	74,977
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		( 457,686 )	191,252
Accounts receivable, net		( 405,757 )	833,371
Inventories		144,883	903,353
Capitalisation of interest (inventories)	6(4)	-	( 8,595 )
Other current assets		( 72,797 )	( 71,184 )
Net defined benefit asset, non-current		( 10,220 )	( 8,728 )
Changes in operating liabilities			
Financial liabilities measured at fair value through profit or loss		24,212	-
Contract liabilities		( 91,725 )	77,579
Notes payable		( 20,928 )	43,159
Accounts payable		573,943	( 251,292 )
Accounts payable - related parties		( 19,871 )	( 67,266 )
Other payables		( 103,472 )	( 68,388 )
Other current liabilities		29,856	( 127,234 )
Other non-current liabilities		( 46,652 )	( 6,232 )
Cash inflow generated from operations		1,528,498	4,189,167
Interest received		238,054	67,683
Dividends received	6(31)	59,539	49,270
Interest paid		( 838,535 )	( 733,972 )
Income taxes paid		( 482,042 )	( 378,898 )
Net cash flows from operating activities		505,514	3,193,250

(Continued)



**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment	6(31)	( \$ 206,795 )	( \$ 87,665 )
Proceeds from disposal of property, plant and equipment		1,997	33,050
Decrease (increase) in refundable deposits		9,233	( 11,587 )
Acquisition of intangible assets	6(10)	( 17,751 )	( 54,119 )
Acquisition of investment properties	6(31)	( 76,867 )	( 84,253 )
Proceeds from disposal of investment properties		9,347	-
Advance receipts from disposal of property, plant and equipment		-	556,625
Acquisition of investments using the equity method	7	( 1,150,000 )	( 590,000 )
Interest paid (capitalisation of interest)	6(9)(26)	( 114,545 )	( 108,557 )
(Increase) decrease in financial assets at amortised cost-current		( 922,370 )	42,819
Decrease (increase) in financial assets at amortised cost - non-current		37,650	( 58,500 )
Increase in other non-current assets		( 95,908 )	( 531,384 )
Net cash flows used in investing activities		( 2,526,009 )	( 893,571 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from short-term borrowings		55,276,822	46,807,737
Repayments of short-term borrowings		( 53,751,330 )	( 48,243,896 )
Proceeds from long-term borrowings		50,605,042	43,607,658
Repayments of long-term borrowings		( 50,831,825 )	( 40,015,777 )
Increase (decrease) in guarantee deposit		16,860	( 2,428 )
Payments of lease liabilities	6(32)	( 121,513 )	( 100,921 )
Payment of cash dividends	6(31)	( 877,824 )	( 1,228,952 )
Net cash flows from financing activities		316,232	823,421
Changes in exchange rate		( 131,702 )	112,278
Net (decrease) increase in cash and cash equivalents		( 1,835,965 )	3,235,378
Cash and cash equivalents at beginning of year		7,051,419	3,816,041
Cash and cash equivalents at end of year		\$ 5,215,454	\$ 7,051,419

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

CLEVO CO. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Clevo Co. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the design, manufacture and sales of VDUs, computers and peripheral devices, and the leasing business of Buynow.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the

“IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial (including derivative instruments) at fair value through profit or loss.
  - (b) Investment property measured at fair value.
  - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
  - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
  - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary

are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
The Company	CLEVO COMPUTER SINGAPORE PTE LTD.	Investment	100	100	
The Company	CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	Investment	100	100	
The Company	KAPOK COMPUTER (SAMOA) CORPORATION	Investment	100	100	
The Company	Kapok Computer Co., Ltd.	Computers and computer peripherals business	100	100	
The Company	Clevo Investment Co., Ltd.	Investment	100	100	
The Company	BUYNOW ON-LINE HOLDING CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GLOBAL CORPORATION	Investment	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (HANGZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (ZHENGZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (CHANGSHA) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (NANCHANG) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (GUANGZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	FLYING WOLF INVESTMENT LIMITED	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (XIAMEN) CORPORATION	Investment	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (XIAN) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (CHANGCHUN) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (QINGDAO) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (WUXI) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (HARBIN) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	FLYING INTERNATIONAL INVESTMENT LIMITED	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (CHONGQING) LIMITED	Investment	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (DAQING) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (ZIBO) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (BEIJING) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (YANCHENG) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	SKILL DEVELOP INTERNATIONAL LIMITED	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (YINGKOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (ANSHAN) CORPORATION	Investment	100	100	



Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (HUIZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (GUIYANG) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (TAIZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (DEZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (LUOYANG) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	SMARTER CAPITAL LIMITED	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (FUJIAN QUANZHOU) CORPORATION	Investment	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (JINZHOU) CORPORATION	Investment	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	Clevo (China) Investment Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	100	100	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (SHANTOU) CORPORATION	Investment	100	100	
BUYNOW ON-LINE HOLDING CORPORATION	BUYNOW ON-LINE LIMITED	Investment	100	100	
SKILL DEVELOP INTERNATIONAL LIMITED	WELL ASIA INVESTMENT LIMITED	Investment	100	100	
CLEVO COMPUTER SINGAPORE PTE LTD.	BUYNOW (CHENGDU) CORPORATION	Investment	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
CLEVO COMPUTER SINGAPORE PTE LTD.	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronic products	100	100	
CLEVO COMPUTER SINGAPORE PTE LTD.	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronic products	100	100	
CLEVO COMPUTER SINGAPORE PTE LTD.	Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals. Display, advisory and after-sales service of digital products. Property management of self-owned buildings	8.82	8.82	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW GROUP (QINGDAO) CORPORATION	Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals. Display, advisory and after-sales service of digital products. Property management of self-owned buildings	20.59	20.59	(Note 1)
KAPOK COMPUTER (SAMOA) CORPORATION	Kapok Computer (Kunshan) Co., Ltd.	Manufacturing, sale, research and development and maintenance service of computer, notebook, tablet, information and communication products and computer components	100	100	
BUYNOW GLOBAL CORPORATION	Shanghai Buynow Electronic Information Co., Ltd.	Rental of the display venues of computer and related electronic products; information consultation; maintenance services; property management	21.21	21.21	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW GLOBAL CORPORATION	Quality Trust Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	100	100	
BUYNOW GLOBAL CORPORATION	Kunshan Kaishuo Trading Co., Ltd.	Mechanical equipment and accessories, wire and cable, air conditioning equipment, building and decoration material, lighting equipment, kitchen appliance, water cleaner, pipeline and accessories, fire safety equipment, compressor and accessories, wholesale of elevators and appliances, import and export and advisory services	-	100	(Note 2)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (HANGZHOU) CORPORATION	Buynow (Hangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	100	100	
BUYNOW GROUP (XIAN) CORPORATION	Buynow (Xian) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
BUYNOW GROUP (CHANGSHA) CORPORATION	Changsha Hungyu Business Management Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	100	100	
BUYNOW (ZHENGZHOU) CORPORATION	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (NANCHANG) CORPORATION	Buynow (Nanchang) Industry Co., Ltd.	Self-owned property management and leasing. Manufacturing, sale, research and development of computer software and hardware and digital products	32.65	38.29	(Note 1, 3)
BUYNOW (GUANGZHOU) CORPORATION	Buynow (Guangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
BUYNOW (XIAMEN) CORPORATION	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
BUYNOW (CHANGCHUN) CORPORATION	Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	95.24	95.24	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
FLYING WOLF INVESTMENT LIMITED	Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	4.76	4.76	(Note 1)
FLYING WOLF INVESTMENT LIMITED	Buynow Electronic Information (Shenyang) Co., Ltd.	Research and development of computers and computer peripherals and electronic products, and advisory of economic information	100	100	
FLYING WOLF INVESTMENT LIMITED	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	28.57	28.57	(Note 1)
BUYNOW (WUXI) CORPORATION	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	71.43	71.43	(Note 1)



Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (HARBIN) CORPORATION	Buynow (Harbin) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	100	100	
BUYNOW (CHENGDU) CORPORATION	Buynow (Chengdu) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	100	100	
FLYING INTERNATIONAL INVESTMENT LIMITED	Tianjin Buynow Electronic Information Co., Ltd.	Development, production and sales of computer hardware and software and electronic digital technology products	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (CHONGQING) LIMITED	Buynow (Chongqing) Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals (not including electronic publishing), shopping mall management, wholesale and retail of electronic products, property management and parking lot service	100	100	
BUYNOW ON-LINE LIMITED	Shanghai Buynow Online Information Technology Co., Ltd.	Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products; development, technology transfer, advisory, service and training of Internet, computer software and hardware and communication equipment	64.56	64.56	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (DAQING) CORPORATION	Daqing Buynow Electronic Information Corporation	Manufacturing, retail and wholesale of computers and computer peripherals, and electronic information shopping mall management	100	100	
WELL ASIA INVESTMENT LIMITED	Guangdong Buynow Real Estate Management Co., Ltd.	Self-owned property management and leasing. Manufacturing, sale, research and development of computer software and hardware and digital products	65	65	(Note 1)
BUYNOW (ZIBO) CORPORATION	Zibo Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products. Advisory of business management, leasing of self-owned buildings, parking lot management, shopping mall management and property management	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (BEIJING) CORPORATION	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	76	76	(Note 1)
BUYNOW (YANCHENG) CORPORATION	Buynow (Yancheng) Electronic Information Technology Development Co. Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	100	100	
BUYNOW (HUIZHOU) CORPORATION	Buynow Electronic Information (Huizhou) Co., Ltd.	Manufacturing, sale, research and development and after-sales service of computers and computer peripherals; property management of buildings	40	40	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (YINGKOU) CORPORATION	Yingkou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	100	100	
BUYNOW (ANSHAN) CORPORATION	Anshan Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	100	100	
BUYNOW (GUIYANG) CORPORATION	Guiyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (TAIZHOU) CORPORATION	Taizhou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	100	100	
SMARTER CAPITAL LIMITED	BUYNOW SZ. CORPORATION	Investment	100	100	
BUYNOW SZ. CORPORATION	Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	100	100	
BUYNOW (DEZHOU) CORPORATION	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	48.6	48.6	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (LUOYANG) CORPORATION	Luoyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	100	100	
BUYNOW (FUJIAN QUANZHOU) CORPORATION	Quanzhou Buynow Industry Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
BUYNOW (JINZHOU) CORPORATION	Buynow (Jinzhou) Industry Co., Ltd.	Manufacturing of computer software and hardware and consumer electronic products; Business management advisory services and shopping mall management	100	100	
BUYNOW (SHANTOU) CORPORATION	Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	100	100	
Kapok Computer (Kunshan) Co., Ltd.	Kunshan Kaiming Trading Co., Ltd.	Provide market management services for operators of laptop computer, tablet, desktop computer, palmtop computer, information and communication products and computer components	100	100	



Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Shanghai Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huihei Advertisment Co., Ltd.	Advertising design and marketing	-	100	(Note 2)
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	-	80	(Note 1, 2)
Quality Trust Property Management Co., Ltd.	Wuxi Quntai Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	100	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	100	100	
Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	12.5	12.5	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Guangzhou) Electronic Information Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Self-owned property management and leasing. Manufacturing, sale, research and development of computer software and hardware and digital products	35	35	(Note 1)
Buynow (Guangzhou) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Manufacturing, sale, research and development and after-sales service of computers and computer peripherals; property management of buildings	60	60	(Note 1)
Clevo (China) Investment Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	-	20	(Note 1, 2)
Clevo (China) Investment Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Rental of the display venues of computer and related electronic products; information consultation; maintenance services; property management	78.79	78.79	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Clevo (China) Investment Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Rental of the display venues of computer and related electronic products; information consultation; maintenance services; property management	70.59	70.59	(Note 1)
Clevo (China) Investment Co., Ltd.	Shanghai Buynow Online Information Technology Co., Ltd.	Manufacturing, retail and wholesale of computers and computer peripherals, and electronic information shopping mall management	35.44	35.44	(Note 1)
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	12.5	12.5	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	12.5	12.5	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Changchun) Industry Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	12.5	12.5	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Nanchang) Industry Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	25	25	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Hangzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	12.5	12.5	(Note 1)



Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Tianjin Buynow Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	12.5	12.5	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Changchun) Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	12.39	12.39	(Note 1)
Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	11.61	11.61	(Note 1)
Buynow (Chengdu) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	12.85	12.85	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	12.85	12.85	(Note 1)
Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	12.85	12.85	(Note 1)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Buynow (Changchun) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	12.85	12.85	(Note 1)
Dezhou Buynow Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	16.84	15.43	(Note 1, 3)
Buynow (Harbin) Industry Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	13.47	12.34	(Note 1, 3)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Clevo (China) Investment Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	-	9.26	(Note 1, 3)
Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	10.1	-	(Note 1, 3)
Anshan Buynow Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	10.1	9.26	(Note 1, 3)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Shanghai Buynow Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	-	7.71	(Note 1, 3)
Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	8.42	-	(Note 1, 3)
Shantou Buynow Mall Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	5.05	7.71	(Note 1, 3)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	3.37	-	(Note 1, 3)

Note 1: The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 2: The registration of Kunshan Kaishou Trading Co., Ltd, Shanghai Huihei Advertisement Co., Ltd. and Shanghai Huizhuan Restaurant Management Co., Ltd. were cancelled on May 9, 2023, April 10, 2023 and April 6, 2023, respectively.

Note 3: On November 23, 2023, Buynow (Nanchang) Industry Co., Ltd. conducted an equity transfer within the group. Consequently, the equity interest held by Buynow (Nanchang) Corporation decreased from 38.29% to 32.65%; the equity interest held by Dezhou Buynow Electronic Information Co., Ltd. increased from 15.43% to 16.84%; the equity interest held by Buynow (Harbin) Industry Co., Ltd. increased from 12.43% to 13.47%; the equity interest held by Clevo (China) Investment Co., Ltd. decreased from 9.26% to 0%; the equity interest held by Guangdong Buynow Real Estate Management Co., Ltd. increased from 0% to 10.1%; the equity interest held by Shanghai Buynow Electronic Information Co., Ltd. decreased from 7.71% to 0%; the equity interest held by Buynow (Chengdu) Electronic Information Co., Ltd. increased from 0% to 8.42%; the equity interest held by Shantou Buynow Mall Co., Ltd. decreased from 7.71% to 5.05%; the equity interest held by Kalor Buynow (Heifei) Electronic Information Co., Ltd. increased from 0% to 3.37%. The parent company of the Group held 100% of the shares in the subsidiary, and the subsidiary was included in the consolidated financial statements.

C. Subsidiaries not included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
The Company	Clevo France Sarl	Design and sale of computers and computer peripherals	100	100	(Note)

Note: As CLEVO FRANCE SARL has ceased operations, there was no outstanding balance in its balance sheet as of December 31, 2023 and 2022 and income statement accounts for the years ended December 31, 2023 and 2022.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan Dollars", which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.



## B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

## (5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than

twelve months after the balance sheet date. 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.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts receivable

- A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Company initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest

method and the impairment loss. A gain or loss is recognised in profit or loss.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost including accounts receivable and lease receivables that have a significant financing component and lease receivables, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor) - lease receivables/operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
  - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.
  - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
  - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

- A. Inventories, including construction in progress, buildings and land held for sale, are measured at acquired cost and capitalise borrowing costs incurred during the period of construction.
- B. The lands use rights of house construction and the superficies rights of acquiring specific lands the Group acquired for construction development and leasing are in accordance with paragraph 6 and 8 of IAS 2, therefore, the acquired costs of land use rights are recognised as inventories.

- C. The cost of the computers and peripheral products is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and relating production overheads (allocated based on normal operating capacity). It excludes borrowing costs.
- D. Inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are

reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Investment accounted for using equity method - joint ventures

A. Investment in joint arrangements are classified as joint ventures based on its contractual rights and obligations.

B. Investment accounted for using equity method - joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant, and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 ~40 years
Machinery and equipment	3 ~ 5 years
Molding equipment	1 ~ 3 years
Computer and communication equipment	3 ~ 5 years
Transportation equipment	1 ~ 5 years
Office equipment	3 ~ 5 years

Other equipment	3 ~ 5 years
Leasehold improvements	5 ~30 years

(18) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) Investment property

A. The investment property is to earn rental revenue or for capital appreciation or both instead of non-owner-occupied property held by the Group.

B. The Group acquired the specific land superficies and its right to use of the constructed buildings on the land. Due to the development of the construction plans, the Group leased the land as the investing properties and recognised the acquired historical cost of the land use rights as the basis.

C. An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss, which was recognised in other gains and losses.

(20) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(21) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(22) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(23) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is

presented as an addition to or deduction from bonds payable, which is amortized to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(27) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(28) Provisions

Warranty provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in



respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is

probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(31) Share capital

- A. Ordinary shares are classified as equity.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(32) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(33) Revenue recognition

A. Sales of goods

- (a) The Group designs, manufactures and sells a range of video display devices, computers and peripheral products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been

shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- (b) The computers are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected volume discounts and sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 days to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### B. Booth rental revenue

The Group held investment properties to earn rentals, and lease revenue is recognised on a straight-line basis over the lease term.

#### C. Land development and resale

- (a) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.
- (b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred.

#### D. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

#### (34) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that

the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion accounts for an insignificant part of the property.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. Investment property measured at fair value

The Group assesses the fair value of investment property based on the professional judgement of appraiser, and determines the future cash flows of the investment property, discount rate and the future possible income and expenses arising from the assets depending on how assets are utilized

and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material effect in the amount of investment property measured at fair value.

As of December 31, 2023, the carrying amount of investment property was \$64,222,237.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 1,920	\$ 1,700
Checking accounts and demand deposits	1,440,547	2,813,946
Time deposits	3,772,987	4,235,773
	<u>\$ 5,215,454</u>	<u>\$ 7,051,419</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Time deposits that do not meet the definition of cash equivalent and pledged to others as collateral for borrowings and bonds payable totaling \$1,964,827 and \$26,490 were classified as ‘financial assets at amortised cost - current’ as of December 31, 2023 and 2022, respectively.
- C. Demand deposits pledged to others as collateral for borrowings and bonds payable amounting to \$47,751 and \$1,101,367 were classified as ‘financial assets at amortised cost - non-current’ as of December 31, 2023 and 2022, respectively.

### (2) Financial assets (liabilities) at fair value through profit or loss

<u>Assets items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 960,189	\$ 660,899
Beneficiary certificates	1,256,823	1,091,016
Valuation adjustment	822,974	429,584
	<u>\$ 3,039,986</u>	<u>\$ 2,181,499</u>

#### Liabilities items

Current items:		
Financial liabilities held for trading		
Derivative instruments	(\$ 24,212)	\$ -

- A. Amounts recognised in profit or loss in relation to financial assets (liabilities) at fair value through profit or loss are listed below:

	Years ended December 31,	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 645,472	(\$ 127,707)
Beneficiary certificates	30,932	( 115,671)
	<u>\$ 676,404</u>	<u>(\$ 243,378)</u>
Financial liabilities held for trading		
Derivative instruments	(\$ 24,212)	(\$ 2,727)
	<u>(\$ 24,212)</u>	<u>(\$ 2,727)</u>

B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	<u>December 31, 2023</u>	
	<u>Contract amount</u>	<u>Contract period</u>
<u>Derivative financial liabilities</u>	<u>(notional principal)</u>	
Current items:		
Forward foreign exchange contracts	<u>USD \$ 21,000</u>	2023/11/6~2024/5/22

As of December 31, 2022: None.

Forward foreign exchange contracts / Foreign exchange swaps

The Group entered into forward foreign exchange contracts and foreign exchange swaps to sell or buy foreign currency to hedge exchange rate risk of foreign currency and earn the exchange rate spread. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information on the fair value, liability risk and price risk of financial assets at fair value through profit or loss is provided in Notes 12(2) and (3).

(3) Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	\$ 3,042,676	\$ 2,636,919
Less: Allowance for uncollectible accounts	( 91,588)	( 106,412)
	<u>\$ 2,951,088</u>	<u>\$ 2,530,507</u>

A. The aging analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 2,258,245	\$ 1,906,169
Up to 30 days	565,569	563,197
31 to 90 days	45,315	47,533
91 to 180 days	58,545	29,613
Over 180 days	115,002	90,407
	<u>\$ 3,042,676</u>	<u>\$ 2,636,919</u>

The above aging analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022, and January 1, 2022, the balances of receivables from contracts with customers amounted to \$3,042,676, \$2,636,919 and \$3,470,290, respectively.

C. The Group has no accounts receivable pledged to others.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$2,951,088 and \$2,530,507, respectively.

E. The Group has taken out credit insurance on accounts receivable from some of the main clients. The Group will get compensation based on the agreements.

F. Information related to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,537,104	(\$ 80,744)	\$ 1,456,360
Semi-finished goods	187,920	( 9,862)	178,058
Finished goods	136,825	( 785)	136,040
	<u>1,861,849</u>	<u>( 91,391)</u>	<u>1,770,458</u>
Buildings and land held for sale	1,335,888	( 273,578)	1,062,310
	<u>\$ 3,197,737</u>	<u>(\$ 364,969)</u>	<u>\$ 2,832,768</u>
	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,803,746	(\$ 90,590)	\$ 1,713,156
Semi-finished goods	129,978	( 3,944)	126,034
Finished goods	55,913	( 419)	55,494
	<u>1,989,637</u>	<u>( 94,953)</u>	<u>1,894,684</u>
Buildings and land held for sale	2,161,935	( 277,918)	1,884,017
	<u>\$ 4,151,572</u>	<u>(\$ 372,871)</u>	<u>\$ 3,778,701</u>

A. The cost of inventories recognised as expense for the years ended December 31, 2023 and 2022 were \$19,494,238 and \$17,257,626, including the amount of \$18,197 and \$44,311, respectively, that the Group wrote down inventories from cost to net realizable value accounted for as cost of

goods sold.

B. The capitalised borrowing costs for the years ended December 31, 2023 and 2022 were \$0 and \$8,595, respectively, and the capitalised rates were between 0%~5%.

C. The Group has no inventory pledged to others.

(5) Investments accounted for using equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Associates:		
Chicony Square (Wuhan) Inc.	\$ 1,275,404	\$ 1,305,741
Chicony Chengdu International Inc.	53,009	43,153
Joint ventures:		
TAIPEI TWIN CORPORATION	2,120,628	1,029,182
Tua Tiann Co., Ltd.	493,451	491,065
	<u>\$ 3,942,492</u>	<u>\$ 2,869,141</u>
Other non-current liabilities		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Chicony Square (Cayman) Inc.	<u>(\$ 31,827)</u>	<u>(\$ 44,580)</u>

A. Associates:

(a) The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>December 31, 2023</u>	<u>December 31, 2022</u>		
Chicony Square (Wuhan) Inc.	China (Note 2)	30%	30%	Significant influence associate	Equity method
Chicony Square (Cayman) Inc.	China (Note 3)	30%	30%	Significant influence associate	Equity method
Chicony Chengdu International Inc.	China (Note 2)	3.75% (Note 1)	3.75% (Note 1)	Significant influence associate	Equity method

Note 1: The Group held 30% of shares in these subsidiaries.

Note 2: The registration is British Virgin Islands, and the principal place of business is China.

Note 3: The registration is Cayman Islands, and the principal place of business is China.

(b) The summarised financial information of the associates that are material to the Group is as follows:



Balance sheet

	Chicony Square (Wuhan) Inc.	
	December 31, 2023	December 31, 2022
Current assets	\$ 2,068,373	\$ 2,075,529
Non-current assets	4,514,256	4,592,451
Current liabilities	( 2,331,281)	( 2,315,512)
Total net assets	\$ 4,251,348	\$ 4,352,468
Carrying amount of the associate	\$ 1,275,404	\$ 1,305,741

	Chicony Square (Cayman) Inc.	
	December 31, 2023	December 31, 2022
Current assets	\$ 3,038	\$ 1,918
Non-current assets	2,681,030	2,449,525
Current liabilities	( 425,778)	( 297,994)
Non-current liabilities	( 2,364,381)	( 2,302,050)
Total net assets	(\$ 106,091)	(\$ 148,601)
Carrying amount of the associate	(\$ 31,827)	(\$ 44,580)

	Chicony Chengdu International Inc.	
	December 31, 2023	December 31, 2022
Current assets	\$ 33	\$ 33
Non-current assets	1,413,522	1,150,718
Total net assets	\$ 1,413,555	\$ 1,150,751
Carrying amount of the associate	\$ 53,009	\$ 43,153

Statement of comprehensive income

	Chicony Square (Wuhan) Inc.	
	Years ended December 31, 2023	Years ended December 31, 2022
Loss for the year from continuing operations	(\$ 48,034)	(\$ 288,470)
Other comprehensive (loss) income, net of tax	( 53,087)	145,628
Total comprehensive loss	(\$ 101,121)	(\$ 142,842)

	Chicony Square (Cayman) Inc.	
	Years ended December 31, 2023	Years ended December 31, 2022
Profit (loss) for the year from continuing operations	\$ 63,236	(\$ 475,920)
Other comprehensive (loss) income, net of tax	( 20,726)	35,954
Total comprehensive income (loss)	\$ 42,510	(\$ 439,966)

Chicony Chengdu International Inc.		
	Years ended	Years ended
	December 31, 2023	December 31, 2022
Profit (loss) for the year from continuing operations	\$ 289,853	(\$ 481,862)
Other comprehensive (loss) income, net of tax	( 27,049)	35,348
Total comprehensive income (loss)	<u>\$ 262,804</u>	<u>(\$ 446,514)</u>

#### B. Joint ventures

(a) The basic information of the joint venture that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2023	December 31, 2022		
TAIPEI TWIN CORPORATION	New Taipei City	50%	50%	Financial investment	Equity method
Tua Tiann Co., Ltd.	Taipei City	24.5%	24.5%	Financial investment	Equity method

(b) The summarized financial information of the joint venture that is material to the Group is as follows:

#### Balance sheet

TAIPEI TWIN CORPORATION		
	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 201,914	\$ 228,937
Other current assets	1,094	144,823
Total current assets	<u>\$ 203,008</u>	<u>\$ 373,760</u>
Prepaid contract payments	9,648,562	2,808,441
Other non-current assets	535,646	258,636
Non-current assets	<u>10,184,208</u>	<u>3,067,077</u>
Total assets	<u>\$ 10,387,216</u>	<u>\$ 3,440,837</u>

TAIPEI TWIN CORPORATION		
	December 31, 2023	December 31, 2022
Other payables	( 198,002)	( 398,222)
Lease liabilities	( 76,532)	( 7,879)
Other current liabilities	( 3,848)	( 9,640)
Current liabilities	( 278,382)	( 415,741)
Long-term borrowings	( 2,900,000)	( 940,000)
Lease liabilities - non-current	( 88,303)	( 26,732)
Other non-current liabilities	( 2,879,274)	-
Non-current liabilities	( 5,867,577)	( 966,732)
Total liabilities	( 6,145,959)	( 1,382,473)
Total net assets	\$ 4,241,257	\$ 2,058,364
Share in joint venture's net assets	\$ 2,120,628	\$ 1,029,182
Carrying amount of the joint venture	\$ 2,120,628	\$ 1,029,182

Statement of comprehensive income

TAIPEI TWIN CORPORATION		
	Years ended December 31, 2023	Years ended December 31, 2022
Other operating expenses	(\$ 113,565)	(\$ 72,109)
Depreciation and amortisation	( 7,745)	( 6,688)
Interest income	4,666	2,842
Other gains and losses	( 464)	( 272)
Loss before income tax	( 117,108)	( 76,227)
Income tax expense	-	-
Loss, net of tax	(\$ 117,108)	(\$ 76,227)
Total comprehensive loss	(\$ 117,108)	(\$ 76,227)

The Company and EPOQUE CORPORATION participated in the land development project of Taipei City Western District Gateway Project-Taipei Main Station Special Zone C1/D1 (Eastern Part) to jointly establish TAIPEI TWIN CORPORATION. The investments amounting to \$2.25 billion from both the Company and EPOQUE CORPORATION account for 50% of the total investment and the shareholding ratio is 50% for each as at December 31, 2023. TAIPEI TWIN CORPORATION would be jointly controlled by both parties based on the joint venture agreement.

- (c) The summarized financial information of the joint venture that is material to the Group is as follows:

Balance sheet

	Tua Tiann Co. Ltd.	
	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 52,539	\$ 8,931
Financial assets at amortised cost - current	50,000	200,000
Other current assets	10,642	7,476
Total current assets	113,181	216,407
Prepaid contract payments	576,163	467,864
Non-current assets	1,325,961	1,320,180
Total assets	\$ 2,015,305	\$ 2,004,451
	December 31, 2023	December 31, 2022
Current liabilities	(\$ 1,077)	(\$ 103)
Non-current liabilities	( 141)	-
Total liabilities	(\$ 1,218)	(\$ 103)
Total net assets	\$ 2,014,087	\$ 2,004,348
Share in joint venture's net assets	\$ 493,451	\$ 491,065
Carrying amount of the joint venture	\$ 493,451	\$ 491,065

Statement of comprehensive income

	Tua Tiann Co. Ltd.	
	Years ended December 31, 2023	Years ended December 31, 2022
Other operating expenses	(\$ 182)	(\$ 690)
Other gains and losses	17,350	5,038
Profit before income tax	17,168	4,348
Income tax expense	( 4,303)	-
Profit, net of tax	\$ 12,865	\$ 4,348
Total comprehensive income	\$ 12,865	\$ 4,348
Dividends received from joint venture	\$ 766	\$ -

The Company, KINDOM DEVELOPMENT CO., LTD. and HUA TAI INVESTMENT CORPORATION participated in the land development project of Taipei City Project-Taipei Main Station Special Zone E1/E2 to jointly establish Tua Tiann Co., Ltd. The capital contributions of the three parties account for 24.5%, 51% and 24.5% of the total capital and equity of the joint venture company, respectively. Tua Tiann Co. Ltd. will be jointly controlled by the three parties based on the joint venture agreement.

(6) Property, plant and equipment

2023

	Buildings and structures	Machinery and equipment	Molding equipment	Computers and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>										
Cost	\$ 2,152,394	\$ 559,178	\$ 10,255	\$ 69,669	\$ 21,850	\$ 95,849	\$ 138,480	\$ 37,783	\$ 2,221,077	\$5,306,535
Accumulated depreciation and impairment	( 865,817)	( 186,664)	( 2,983)	( 53,946)	( 16,556)	( 82,571)	( 58,819)	( 10,853)	-	( 1,278,209)
	<u>\$ 1,286,577</u>	<u>\$ 372,514</u>	<u>\$ 7,272</u>	<u>\$ 15,723</u>	<u>\$ 5,294</u>	<u>\$ 13,278</u>	<u>\$ 79,661</u>	<u>\$ 26,930</u>	<u>\$ 2,221,077</u>	<u>\$4,028,326</u>
Opening net book amount as at January 1	\$ 1,286,577	\$ 372,514	\$ 7,272	\$ 15,723	\$ 5,294	\$ 13,278	\$ 79,661	\$ 26,930	\$ 2,221,077	\$4,028,326
Additions	539	7,007	1,567	11,119	-	592	806	3,858	449,528	475,016
Reclassifications	( 12,120)	( 4,742)	-	( 7)	-	( 408)	797	( 671)	( 1,887,833)	( 1,904,984)
Disposals	( 407)	( 239)	-	( 164)	( 424)	( 3,763)	-	( 4)	-	( 5,001)
Depreciation charge	( 87,244)	( 41,349)	( 2,149)	( 5,653)	( 1,133)	( 1,248)	( 15,698)	( 5,271)	-	( 159,745)
Net exchange differences	( 20,091)	( 5,645)	( 114)	( 192)	( 72)	( 207)	( 195)	( 89)	( 34,685)	( 61,290)
Closing net book amount as at December 31	<u>\$ 1,167,254</u>	<u>\$ 327,546</u>	<u>\$ 6,576</u>	<u>\$ 20,826</u>	<u>\$ 3,665</u>	<u>\$ 8,244</u>	<u>\$ 65,371</u>	<u>\$ 24,753</u>	<u>\$ 748,087</u>	<u>\$2,372,322</u>
<u>At December 31</u>										
Cost	\$ 2,056,665	\$ 458,115	\$ 11,662	\$ 74,825	\$ 17,317	\$ 56,859	\$ 139,078	\$ 38,836	\$ 748,087	\$3,601,444
Accumulated depreciation and impairment	( 889,411)	( 130,569)	( 5,086)	( 53,999)	( 13,652)	( 48,615)	( 73,707)	( 14,083)	-	( 1,229,122)
	<u>\$ 1,167,254</u>	<u>\$ 327,546</u>	<u>\$ 6,576</u>	<u>\$ 20,826</u>	<u>\$ 3,665</u>	<u>\$ 8,244</u>	<u>\$ 65,371</u>	<u>\$ 24,753</u>	<u>\$ 748,087</u>	<u>\$2,372,322</u>

2022

	Buildings and structures	Machinery and equipment	Molding equipment	Computers and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>										
Cost	\$ 2,051,630	\$ 535,600	\$ 15,168	\$ 68,800	\$ 24,738	\$ 97,532	\$ 68,614	\$ 18,036	\$ 728,429	\$ 3,608,547
Accumulated depreciation and impairment	( 715,985)	( 142,261)	( 6,443)	( 51,396)	( 19,105)	( 82,792)	( 46,069)	( 10,604)	-	( 1,074,655)
	<u>\$ 1,335,645</u>	<u>\$ 393,339</u>	<u>\$ 8,725</u>	<u>\$ 17,404</u>	<u>\$ 5,633</u>	<u>\$ 14,740</u>	<u>\$ 22,545</u>	<u>\$ 7,432</u>	<u>\$ 728,429</u>	<u>\$ 2,533,892</u>
Opening net book amount as at January 1	\$ 1,335,645	\$ 393,339	\$ 8,725	\$ 17,404	\$ 5,633	\$ 14,740	\$ 22,545	\$ 7,432	\$ 728,429	\$ 2,533,892
Additions	18,651	14,016	769	3,784	1,341	840	80,908	24,640	848	145,797
Reclassifications	25,391	5,623	-	( 32)	-	492	( 145)	763	1,480,653	1,512,745
Disposals	( 15,549)	( 532)	-	( 131)	( 540)	( 1,511)	( 93)	( 1,426)	-	( 19,782)
Depreciation charge	( 98,001)	( 45,875)	( 2,355)	( 5,513)	( 1,218)	( 1,509)	( 23,896)	( 4,581)	-	( 182,948)
Net exchange differences	<u>20,440</u>	<u>5,943</u>	<u>133</u>	<u>211</u>	<u>78</u>	<u>226</u>	<u>342</u>	<u>102</u>	<u>11,147</u>	<u>38,622</u>
Closing net book amount as at December 31	<u>\$ 1,286,577</u>	<u>\$ 372,514</u>	<u>\$ 7,272</u>	<u>\$ 15,723</u>	<u>\$ 5,294</u>	<u>\$ 13,278</u>	<u>\$ 79,661</u>	<u>\$ 26,930</u>	<u>\$ 2,221,077</u>	<u>\$ 4,028,326</u>
<u>At December 31</u>										
Cost	\$ 2,152,394	\$ 559,178	\$ 10,255	\$ 69,669	\$ 21,850	\$ 95,849	\$ 138,480	\$ 37,783	\$ 2,221,077	\$ 5,306,535
Accumulated depreciation and impairment	( 865,817)	( 186,664)	( 2,983)	( 53,946)	( 16,556)	( 82,571)	( 58,819)	( 10,853)	-	( 1,278,209)
	<u>\$ 1,286,577</u>	<u>\$ 372,514</u>	<u>\$ 7,272</u>	<u>\$ 15,723</u>	<u>\$ 5,294</u>	<u>\$ 13,278</u>	<u>\$ 79,661</u>	<u>\$ 26,930</u>	<u>\$ 2,221,077</u>	<u>\$ 4,028,326</u>

- A. Refer to Note 6(9) D for the amount of borrowing costs capitalized as part of unfinished construction and the range of the interest rates for the years ended December 31, 2023 and 2022.
- B. The significant components of the Group's buildings and structures, including main construction, steel structure, and related equipment of underground mezzanine are depreciated over 2 to 15 years.
- C. Information about the property, plant, and equipment that were pledged to others as collateral is provided in Note 8.
- D. The Group has no impairment about the property, plant and equipment.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including land use right, office and transportation equipment. Rental contracts are typically made for periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise office premises.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 3,408,625	\$ 3,860,771
Office	128,105	205,912
Transportation equipment	1,672	-
	<u>\$ 3,538,402</u>	<u>\$ 4,066,683</u>
	<u>Years ended</u>	<u>Years ended</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 48,407	\$ 48,506
Office	76,904	71,495
Transportation equipment	478	-
	<u>\$ 125,789</u>	<u>\$ 120,001</u>

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$5,948 and \$175,634, respectively.
- E. The information on profit and loss accounts related to lease contracts is as follows:

	<u>Years ended</u>	<u>Years ended</u>
<u>Items affecting profit or loss</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Interest expense on lease liabilities	\$ 6,766	\$ 8,664
Expense on short-term lease contracts	\$ 9,441	\$ 15,417
Gain on lease modification	\$ -	\$ 1,057
Gain on sublease of right-of-use assets	\$ 3,916	\$ 95,066

- F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$137,720 and \$125,002, respectively.
- G. The Group leased back certain floors of the building sold for a lease term of 4 years, and this lease agreement does not include extension or purchase clauses. The rental payments for each year are \$47,500, \$47,500, \$48,925 and \$50,393, respectively.
- H. Luoyang Buynow, Guiyang Buynow, Yinkou Buynow, Dezhou Buynow, Buynow (Jinzhou) and Kapok (Kunshan) acquired the land use right from their respective local government agencies for a period of 40 to 50 years. Except for the land use right of Kapok (Kunshan) which is for factory land use (As of December 31, 2023, the amount was \$18,478), others are for shopping mall land

use.

I. Guiyang Buynow and Yinkou Buynow entered into the state-owned construction land use right assignment contracts for the years ended December 31, 2014 and 2013 with their local government agencies. The total consideration was RMB 327,101, of which RMB 306,538 had been paid and RMB 20,563 remains unpaid as of December 31, 2023. As of December 31, 2023, the transfer of property rights has not yet been completed.

(8) Leasing arrangements - lessor

A. The Group leases various assets classified as investment property. Rental contracts are typically made for periods of 1 and 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Company leases buildings under a finance lease. Based on the terms of the lease contract, the lease period of the building covers the main part of the economic life of the underlying asset.

Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Finance income from the net investment in the finance lease	\$ 1,554	\$ 225

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2023	December 31, 2022
2023	\$ -	\$ 43,945
2024	46,657	42,314
2025	43,163	39,581
	<u>\$ 89,820</u>	<u>\$ 125,840</u>

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2023	
	Current	Non-current
Undiscounted lease payments	\$ 46,657	\$ 43,163
Unearned finance income	( 985)	( 225)
Net investment in the lease	<u>\$ 45,672</u>	<u>\$ 42,938</u>
	December 31, 2022	
	Current	Non-current
Undiscounted lease payments	\$ 43,945	\$ 81,895
Unearned finance income	( 1,515)	( 1,125)
Net investment in the lease	<u>\$ 42,430</u>	<u>\$ 80,770</u>



E. For the years ended December 31, 2023 and 2022, the Group recognised rent income on investment property in the amount of \$2,448,963 and \$2,451,684, respectively, based on the operating lease agreement, which does not include variable lease payments.

F. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
2023	\$ -	\$ 532,608
2024	659,498	574,616
2025	705,339	598,635
2026	736,458	628,249
2027	747,655	636,643
2028	605,326	458,784
2029 and after	6,668,397	5,155,182
	<u>\$ 10,122,673</u>	<u>\$ 8,584,717</u>

(9) Investment property

	<u>2023</u>	<u>2022</u>
At January 1	\$ 62,526,250	\$ 62,408,602
Additions from subsequent expenditures	88,122	78,456
Disposals	( 28,341)	( 10,080)
Reclassifications	3,244,966	-
Transfer to non-current assets held for sale	-	( 581,409)
Net losses from fair value adjustment	( 624,598)	( 333,016)
Net exchange differences	( 984,162)	963,697
At December 31	<u>\$ 64,222,237</u>	<u>\$ 62,526,250</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Years ended December 31, 2023</u>	<u>Years ended December 31, 2022</u>
Rental income from investment property	<u>\$ 2,448,963</u>	<u>\$ 2,451,684</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 873,197</u>	<u>\$ 904,858</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ 144,043</u>	<u>\$ 83,790</u>

B. Measurement of investment property at fair value

The fair value of the investment property held by the Group as at December 31, 2023 and 2022 was \$64,222,237 and \$62,526,250, respectively, which was valued by independent appraisers. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

- (a) Investment property is mainly divided into Taiwan-computer segment and China-Buynow Plaza. Currently, the lease terms of investment property for different segments are: approximately 31 years (from 2007 to 2038) for Buynow (Changsha); 20 years (from 2022 to 2042) for Buynow (Nanchang); 20 years (from 2008 to 2028) for Beijing Clevo Investment; 10 years (from 2017 to 2027) for Suzhou Jinzuo; 6 to 20 years (from 2019 to 2040) for Buynow (Anshan); 12.5 to 15 years (from 2019 to 2034) for Luoyang Buynow; 17 years (from 2023 to 2040) for Buynow (Xian), and 1 year for the remaining segments. The comparison information between local rent and similar objective property rent is provided in the ‘Summary of fair value disclosure on investment property’ (referred herein as “the following table”).
- (b) Movements of average occupancy rates in the prior year and earnings in prior years are provided in the following table.
- (c) The Group adopts the discounted cash flow analysis under income approach. The estimation process of the appraisal method is subject to the determination of the annual rent growth rate range using the comparison information between local rent and similar objective property rent, and takes into consideration vacancy loss to estimate net rent income over the next ten years as future cash inflow and discounted to the date of appraisal with the discount rate described in (d). In addition, considering the ending balance of disposal value of the objective property is calculated based on the operating revenue over the next year starting from the disposal date to estimated remaining lives of the use right at the disposal date, which will be capitalised based on the estimated discount rate and annual rent growth rate as well as discounted to the appraisal date. The market value is calculated based on the ending disposal value plus the present value of rent for each period.
- Future cash outflow consists of expenses directly and necessarily related to leasing such as property management fees, utilities and promotion costs; and operating expenses necessarily related to operations (i.e. repair expenses), taxes, insurance fees, and capital expenditures. The rates of changes used in the estimation of future movements are in accordance with the rent growth rate used in the imputed rent income.
- (d) The information on the range of discount rates is provided in the following table. The discount rates are determined to take into consideration the interest rate of time deposits or government bonds, as well as the Group’s liquidity, risk, value-added and degree of difficulty of management.
- (e) The fair values of investment property under construction at the appraisal date and income estimation process were first determined by considering the growth of rent income under the forecast market conditions when the construction was completed, and were discounted using expected rental growth rate and vacancy loss to the appraisal date with a 10-year estimation period. Subsequently, the aforementioned discounted values reduced the necessary engineering costs and expenses incurred from appraisal date to expected completion date plus the discounted estimated salvage values.

- (f) The appraisal reports adopted by the Group are co-certified by the real estate appraisers, Charlie Yang and Wei-Cyuan LEI from Cushman & Wakefield Limited (referred herein as “Cushman & Wakefield”) and Cushman & Wakefield Limited (HK). The appraisal dates are January 1, 2024 and 2023.

Summary of fair value disclosure on investment property:

<u>Year ended December 31, 2023</u>	<u>Buynow plaza</u>
Comparative information between local rent and similar objective property rent (dollar/square or square meter/month)	\$115~\$4,645
Movements of earnings in the prior year	\$16,706~\$294,936
Average occupancy rates	86%
<u>Year ended December 31, 2022</u>	<u>Buynow plaza</u>
Comparative information between local rent and similar objective property rent (dollar/square or square meter/month)	\$89~\$4,655
Movements of earnings in the prior year	\$19,046~\$295,538
Average occupancy rates	88%
Discount rate	<u>December 31, 2023</u> <u>December 31, 2022</u>
-Buynow plaza	4.75%~6.75%    4.75%~6.75%

- C. The fair value information about the investment property is provided in Note 12(3).
- D. Amount of borrowing costs capitalised as part of unfinished construction, investment property and long-term lease prepayments and the range of the interest rates for such capitalisation are as follows:

	<u>Years ended December 31, 2023</u>	<u>Years ended December 31, 2022</u>
Amount capitalised	\$114,545	\$108,557
Range of the interest rates for capitalisation	3.45%~5.10%	3.70%~5.30%

- E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(10) Intangible assets

	2023		
	Software	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 47,457	\$ 10,494	\$ 57,951
At January 1	\$ 47,457	\$ 10,494	\$ 57,951
Additions-acquired separately	17,751	-	17,751
Amortisation charge	( 26,700)	-	( 26,700)
Net exchange differences	( 18)	( 164)	( 182)
At December 31	\$ 38,490	\$ 10,330	\$ 48,820
<u>At December 31</u>			
Cost	\$ 38,490	\$ 10,330	\$ 48,820

	2022		
	Software	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 8,088	\$ 10,335	\$ 18,423
At January 1	\$ 8,088	\$ 10,335	\$ 18,423
Additions-acquired separately	54,119	-	54,119
Reclassifications	( 89)	-	( 89)
Amortisation charge	( 14,714)	-	( 14,714)
Net exchange differences	53	159	212
At December 31	\$ 47,457	\$ 10,494	\$ 57,951
<u>At December 31</u>			
Cost	\$ 47,457	\$ 10,494	\$ 57,951

Goodwill arose from Buynow segment of the Group.

Details of amortization on intangible assets are as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Administrative expenses	\$ 3,884	\$ 3,245
Research and development expenses	22,816	11,461
	\$ 26,700	\$ 14,706

(11) Non-current assets held for sale

- A. The assets related to investment property of Quanzhou Buynow Mall Co., Ltd. (part of Buynow plaza segment) have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on September 23, 2022. The completion date for the transaction was in December 2022.

B. In 2022, impairment loss of \$74,977 was recognised in other gains and losses as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(12) Other non-current assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepayments for construction	\$ 1,158,047	\$ 1,099,066
Guarantee deposits paid	45,539	55,141
Others	387,908	367,651
	<u>\$ 1,591,494</u>	<u>\$ 1,521,858</u>

Information on the amount of borrowing costs capitalised as part of prepayments for construction and the range of the interest rates for such capitalisation is provided in Note 6(9)D.

(13) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 238,607	2.9%	Property, plant and equipment
Secured borrowings	737,080	2.9%~4.33%	Investment property
Unsecured borrowings	3,851,230	1.65%~2.7%	Promissory note
	<u>\$ 4,826,917</u>		

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 44,071	4.1%	Investment property
Unsecured borrowings	3,281,648	1.4%~3.95%	Promissory note
	<u>\$ 3,325,719</u>		

(14) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured bonds payable	\$ 5,000,000	\$ 5,000,000
Less: Current portion of secured bonds payable	( 5,000,000)	-
	<u>\$ -</u>	<u>\$ 5,000,000</u>

A. On August 22, 2019, Clevo Co. issued the first domestic secured bonds of \$5,000,000, as approved by the regulatory authority.

B. The terms of the secured bonds are as follows:

Type of Bonds	Issuance date	Period	Amount	Coupon rate	Payment term	Security
Secured bonds payable	2019/8/26	5 years	\$5,000,000	fixed rate of 0.8%	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Unsecured borrowings	Borrowing period is from June 13, 2022 to December 17, 2026; interest is payable monthly, principal is payable at maturity date	1.73%~1.85%	Promissory note	\$ 9,646,000
Unsecured borrowings	Borrowing period is from March 31, 2023 to March 31, 2028; interest is payable monthly, principal is payable in installments	1.98%~4.7%	Promissory note	6,473,011
				<u>16,119,011</u>
Secured borrowings	Borrowing period is from June 8, 2015 to August 4, 2026; interest is payable monthly, principal is payable in installments	4.43%~4.53%	Investment property	2,990,108
Secured borrowings	Borrowing period is from March 10, 2022 to March 29, 2027; interest is payable quarterly, principal is payable at maturity date	2.9%	Investment property	737,513
Secured borrowings	Borrowing period is from December 6, 2019 to March 23, 2028; interest is payable quarterly, principal is payable in installments	4.15%~4.62%	Investment property	3,977,819
Secured borrowings	Borrowing period is from August 18, 2018 to August 17, 2028; interest is payable quarterly, principal is payable in installments	4.7%	Property, plant and equipment and investment property	1,193,036
				<u>8,898,476</u>
				25,017,487
Less: Current portion of long-term loans				( 2,168,832)
				<u>\$ 22,848,655</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Unsecured borrowings	Borrowing period is from June 13, 2022 to December 17, 2026; interest is payable monthly, principal is payable at maturity date	1.391%~1.918%	Promissory note	\$ 10,350,000
Unsecured borrowings	Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments	1.9127%~2.1145%	Promissory note	4,000,000
				<hr/> 14,350,000
Secured borrowings	Borrowing period is from August 18, 2018 to August 17, 2028; interest is payable quarterly, principal is payable in installments	4.80%	Property, plant and equipment and investment property	1,256,034
Secured borrowings	Borrowing period is from June 8, 2015 to June 4, 2026; interest is payable monthly, principal is payable in installments	4.55%~4.87%	Investment property	3,493,805
Secured borrowings	Borrowing period is from March 10, 2022 to March 29, 2027; interest is payable quarterly, principal is payable at maturity date	3.5%~6.4825%	Investment property	2,283,910
Secured borrowings	Borrowing period is from December 6, 2019 to October 21, 2027; interest is payable quarterly, principal is payable in installments	4.3%~5.05%	Investment property	3,782,138
Secured borrowings	Borrowing period is from December 28, 2021 to May 22, 2023; interest is payable quarterly, principal is payable at maturity date	3.3%	Right-of-use assets and property, plant and equipment	251,207
				<hr/> 11,067,094
				25,417,094
Less: Current portion of long-term loans				( 7,863,802)
				<hr/> <u>\$ 17,553,292</u>

## (16) Pensions

### A. Defined benefit pension plans

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the

aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 297,584	\$ 314,522
Fair value of plan assets	( 351,134)	( 353,812)
Net defined benefit liability	(\$ 53,550)	(\$ 39,290)

(c) Movements in net defined benefit liabilities (assets) are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Balance at January 1	\$ 314,522	(\$ 353,812)	(\$ 39,290)
Current service cost	110	-	110
Interest expense (income)	4,183	( 4,705)	( 522)
	<u>318,815</u>	<u>( 358,517)</u>	<u>( 39,702)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	-	-	-
Change in financial assumptions	3,057	-	3,057
Experience adjustments	( 5,818)	( 1,279)	( 7,097)
	<u>( 2,761)</u>	<u>( 1,279)</u>	<u>( 4,040)</u>
Pension fund contribution	-	( 9,808)	( 9,808)
Paid pension	( 18,470)	18,470	-
Balance at December 31	<u>\$ 297,584</u>	<u>(\$ 351,134)</u>	<u>(\$ 53,550)</u>



	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Balance at January 1	\$ 322,555	(\$ 322,555)	\$ -
Current service cost	2,305	-	2,305
Interest expense (income)	2,311	( 2,290)	21
	<u>327,171</u>	<u>( 324,845)</u>	<u>2,326</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	809	-	809
Change in financial assumptions	( 4,462)	-	( 4,462)
Experience adjustments	( 4,955)	( 24,280)	( 29,235)
	<u>( 8,608)</u>	<u>( 24,280)</u>	<u>( 32,888)</u>
Pension fund contribution	-	( 8,728)	( 8,728)
Paid pension	( 4,041)	4,041	-
Balance at December 31	<u>\$ 314,522</u>	<u>(\$ 353,812)</u>	<u>(\$ 39,290)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Discount rate	<u>1.23%</u>	<u>1.33%</u>
Future salary increases	<u>2.5%</u>	<u>2.5%</u>

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 14,884)	\$ 15,918	\$ 15,635	(\$ 14,775)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 16,874)	\$ 18,101	\$ 17,797	(\$ 16,767)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$9,808.
- (g) As of December 31, 2023, the weighted average duration of the retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 2 years	\$ 252,573
2-5 years	18,093
Over 5 years	2,638
	<u>\$ 273,304</u>

#### B. Defined contribution plan

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage of the employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were \$33,755 and \$35,094, respectively.

(17) Provisions

	Warranty	
	2023	2022
At January 1	\$ 58,523	\$ 58,523
Additional provisions	72,693	85,122
Used during the year	( 72,693)	( 85,122)
At December 31	<u>\$ 58,523</u>	<u>\$ 58,523</u>
Analysis of total provisions:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current	<u>\$ 58,523</u>	<u>\$ 58,523</u>

The Group provides warranties on computer products sold. Provision for warranty is estimated based on historical warranty data of computer products.

(18) Share capital

A. As of December 31, 2023, the Company's authorised capital was \$9,000,000 and the paid-in capital was \$6,322,630, consisting of 632,263 thousand shares with a par value of \$10 (in dollars) per share. The foregoing includes 20 million shares reserved for employee stock options with a par value of \$10 (in dollars) per share, which the Board of Directors are authorised to issue depending on actual demand.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023	2022
At January 1 (At December 31)	<u>585,216</u>	<u>585,216</u>

## B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	December 31, 2023	
		Number of shares	Carrying amount
The Company	To be reissued to employees	20,000 thousand	\$ 625,712
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,306
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,182
Name of company holding the shares	Reason for reacquisition	December 31, 2022	
		Number of shares	Carrying amount
The Company	To be reissued to employees	20,000 thousand	\$ 625,712
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,306
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,182

- (b) On August 12, 2022 and November 12, 2021, the Company handled the cancellation of treasury shares by the resolution of the board of directors. The amount of capital reduction was \$100,000 and \$75,000, consisting of 10,000 thousand shares and 7,500 thousand shares, respectively. The capital reduction ratios were 1.56% and 1.15%, and the capital reduction base dates were August 16, 2022 and January 14, 2021, respectively.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

## (19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal

reserve is insufficient.

(20) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve amounts to the authorised capital, this shall not apply. Additionally, the Group shall special reserve in accordance with related regulations. If the balance of the special reserve is insufficient compared to the total of the cumulative amount of the net increase in fair value of investment property and the cumulative amount of other deductions from equity in preceding period, an additional amount shall be set aside as special reserve from the after-tax net profit for the period plus items other than after-tax net profit for the period. If there is a surplus, the Board of Directors shall draft the allocation resolved by the shareholders. On June 15, 2022, the shareholders during their meeting passed a resolution to amend the Company's Articles of Association. In accordance with the amended Articles of Association, if there is a surplus, the Board of Directors shall propose for the reversal of the excess amount of the special reserve to be approved by the shareholders.

The Board of Directors is authorised to distribute all or part of dividends, bonuses, legal reserve and capital surplus in the form of cash by approval of more than half of directors present at a meeting attended by more than two thirds of the directors, and such distribution shall also be reported at the shareholders' meeting.

B. The Company belongs to high tech and electronics industry. As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans, based on vision of industrial development, capital expenditure demand, sound financial plan and to protect the rights and interests of investors. In accordance with the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified

subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

- (c) According to Jin-Guan-Zheng-Fa-Zi Letter No. 1030006415, dated March 18, 2014, investment properties are initially and subsequently measured using the fair value model. Changes in value due to appreciation as of December 31, 2013 are reflected in the increase in Appropriated Retained Earnings. The Company will recognise the reversal of earnings if subsequently disposed or the investment properties decrease.

- E. The appropriations of 2022 and 2021 earnings as resolved by the shareholders on May 31, 2023 and June 15, 2022, respectively, are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 71,804		\$ 302,123	
Reversal of special reserve	( 974,795)		( 493,824)	
Cash dividends	918,395	\$ 1.5	1,285,752	\$ 2.1
	<u>\$ 15,404</u>		<u>\$1,094,051</u>	

- F. The appropriations of 2023 net income were resolved by the Board of Directors during its meeting on March 14, 2024 as follows:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 109,406	
Special reserve	762,104	
Cash dividends	979,621	\$ 1.6
	<u>\$ 1,851,131</u>	

As of the financial report date, the Company's 2023 profit distribution proposal has not yet been resolved by the shareholders. Information about the distribution of profits as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Other equity items

	2023	2022
	<u>Currency translation</u>	<u>Currency translation</u>
At January 1	(\$ 3,771,472)	(\$ 4,628,787)
Currency translation differences:		
–Group	( 774,311)	812,675
–Associates	( 23,158)	55,801
–Tax on associates	4,631	( 11,161)
At December 31	(\$ 4,564,310)	(\$ 3,771,472)

(22) Operating revenue

	Years ended December 31, 2023	Years ended December 31, 2022
Revenue from contracts with customers		
-Sales revenue of computer products	\$ 21,294,381	\$ 18,812,645
-Sales revenue of computer peripherals	12	363,796
-Land development and resale	6,517	29,498
-Other revenue	629,880	539,237
Others-rental revenue	2,448,963	2,451,684
	<u>\$ 24,379,753</u>	<u>\$ 22,196,860</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major product lines and geographical regions:

	Computer Segment	Buynow Plaza			
Year ended December 31, 2023	Computer products	Land development and resale	Computer peripherals	Others	Total
Total segment revenue	\$ 37,981,816	\$ 6,517	\$ 12	\$ 629,880	\$ 38,618,225
Inter-segment revenue	( 16,687,435)	-	-	-	( 16,687,435)
Revenue from external customer contracts	<u>\$ 21,294,381</u>	<u>\$ 6,517</u>	<u>\$ 12</u>	<u>\$ 629,880</u>	<u>\$ 21,930,790</u>
At a point in time	<u>\$ 21,294,381</u>	<u>\$ 6,517</u>	<u>\$ 12</u>	<u>\$ 629,880</u>	<u>\$ 21,930,790</u>

	Computer Segment	Buynow Plaza			
Year ended December 31, 2022	Computer products	Land development and resale	Computer peripherals	Others	Total
Total segment revenue	\$ 32,557,010	\$ 29,498	\$ 363,796	\$ 539,237	\$ 33,489,541
Inter-segment revenue	( 13,744,365)	-	-	-	( 13,744,365)
Revenue from external customer contracts	<u>\$ 18,812,645</u>	<u>\$ 29,498</u>	<u>\$ 363,796</u>	<u>\$ 539,237</u>	<u>\$ 19,745,176</u>
At a point in time	<u>\$ 18,812,645</u>	<u>\$ 29,498</u>	<u>\$ 363,796</u>	<u>\$ 539,237</u>	<u>\$ 19,745,176</u>

## B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities:			
Contract liabilities –			
Advance			
sales receipts	\$ 41,378	\$ 134,656	\$ 45,890
Contract liabilities –			
Advance			
real estate receipts	3,610	10,558	42,263
	<u>\$ 44,988</u>	<u>\$ 145,214</u>	<u>\$ 88,153</u>

## C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	<u>Years ended December 31, 2023</u>	<u>Years ended December 31, 2022</u>
Revenue recognised that was included		
in the contract liability balance at the		
beginning of the year		
Advance sales receipts	\$ 105,625	\$ 40,562
Advance real estate receipts	8,446	20,518
	<u>\$ 114,071</u>	<u>\$ 61,080</u>

### (23) Interest income

	<u>Years ended December 31, 2023</u>	<u>Years ended December 31, 2022</u>
Interest income from bank deposits	\$ 236,103	\$ 65,446
Other interest income	1,953	2,245
	<u>\$ 238,056</u>	<u>\$ 67,691</u>

### (24) Other income

	<u>Years ended December 31, 2023</u>	<u>Years ended December 31, 2022</u>
Dividend income	\$ 58,773	\$ 49,270
Rent income	4,253	3,970
Other income	74,018	165,970
	<u>\$ 137,044</u>	<u>\$ 219,210</u>



(25) Other gains and losses

	Years ended December 31, 2023	Years ended December 31, 2022
Foreign exchange (loss) gains	(\$ 119,912)	\$ 296,618
Gain on sublease of right-of-use assets	3,916	95,066
Fee expense arising from financial liabilities not at fair value through profit or loss	( 2,840)	( 3,464)
(Losses) gains on disposals of property, plant and equipment	( 3,004)	3,188
Losses on disposals of investment property	( 18,994)	( 2,700)
Gains (losses) on financial assets at fair value through profit or loss	652,192	( 246,105)
Fee expense arising from trust and fiduciary services	( 5,110)	( 9,517)
Losses on fair value adjustment, investment property	( 624,598)	( 333,016)
Loss on disposals of investments (Note)	( 3,860)	-
Miscellaneous expenses	( 10,637)	( 14,648)
Gains on lease modification	-	1,057
Impairment loss recognised in profit or loss, non-current assets held for sale	-	( 74,977)
	<u>(\$ 132,847)</u>	<u>(\$ 288,498)</u>

Note: Loss arising from deregistration of subsidiaries.

(26) Finance costs

	Years ended December 31, 2023	Years ended December 31, 2022
Bank borrowings	\$ 941,664	\$ 849,724
Less: Capitalisation of qualifying assets	( 114,545)	( 117,152)
	827,119	732,572
Interest expense on lease liabilities	6,766	8,664
Interest expense	<u>\$ 833,885</u>	<u>\$ 741,236</u>

(27) Expenses by nature

	Years ended December 31, 2023	Years ended December 31, 2022
Employee benefit expense	\$ 2,082,266	\$ 2,045,363
Depreciation charges on property, plant and equipment	159,745	182,948
Depreciation charges on right-of-use assets	125,789	120,001
Amortisation charges on intangible assets	26,700	14,714
Operating costs and expenses	<u>\$ 2,394,500</u>	<u>\$ 2,363,026</u>

(28) Employee benefit expense

	Years ended December 31, 2023	Years ended December 31, 2022
Wages and salaries	\$ 1,786,130	\$ 1,717,042
Labour and health insurance fees	59,889	57,079
Pension costs	35,343	37,420
Other personnel expenses	200,904	233,822
	<u>\$ 2,082,266</u>	<u>\$ 2,045,363</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 5%~15% for employees' compensation and shall not be higher than 1% for directors' and supervisors' remuneration.
- B. For the years ended December 31, 2023 and 2022, employees' compensation were accrued at \$129,000 and \$108,000, respectively; while directors' and supervisors' remuneration were accrued at \$12,700 and \$10,600, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2023, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5%~15% and not higher than 1% of distributable profit of current year, respectively.

Employees' compensation and directors' and supervisors' remuneration for 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 and 2022 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2023	Years ended December 31, 2022
Current tax:		
Current tax on profits for the year	\$ 448,175	\$ 416,650
Tax on undistributed surplus earnings	34,611	36,963
Prior year income tax overestimation	( 864)	( 26,214)
Total current tax	<u>481,922</u>	<u>427,399</u>
Deferred tax:		
Origination and reversal of temporary differences	( 439,910)	( 360,387)
Total deferred tax	<u>( 439,910)</u>	<u>( 360,387)</u>
Income tax expense	<u>\$ 42,012</u>	<u>\$ 67,012</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Currency translation differences	\$ 4,631	(\$ 11,161)
Remeasurement of defined benefit obligations	( 808)	( 6,576)
	<u>\$ 3,823</u>	<u>(\$ 17,737)</u>

B. Reconciliation between income tax expense and accounting profit

Income/(Loss)	Years ended December 31, 2023	Years ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ 268,040	\$ 142,820
Effect from expenses disallowed by tax regulation	( 47,101)	( 39,547)
Taxable loss not recognised as deferred tax assets	159,690	232,111
Change in assessment of realization of deferred tax assets	( 372,364)	( 279,121)
Tax on undistributed surplus earnings	34,611	36,963
Prior year income tax overestimation	( 864)	( 26,214)
Income tax expense	<u>\$ 42,012</u>	<u>\$ 67,012</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Temporary differences:					
Unrealized exchange loss	\$ -	\$ 30,026	\$ -	\$ -	\$ 30,026
Unrealized sales gain	1,138	( 842)	-	-	296
Allowance for bad debts	9,100	( 8,035)	-	-	1,065
Allowance for spare valuation losses	4,114	3,000	-	-	7,114
Allowance for inventory valuation losses	73,212	( 1,164)	-	-	72,048
Unused compensated absences	5,065	-	-	-	5,065
Currency translation differences	9,237	-	4,631	-	13,868
Lease liabilities	-	15,543	-	-	15,543
Tax losses	720,393	( 135,865)	-	-	584,528
	<u>822,259</u>	<u>( 97,337)</u>	<u>4,631</u>	<u>-</u>	<u>729,553</u>
Deferred tax liabilities:					
Temporary differences:					
Unrealized exchange gain	( 6,124)	6,124	-	-	-
Foreign investment income using equity method	( 505,353)	( 3,086)	-	-	( 508,439)
Rent by straight-line method	( 77,493)	( 18,679)	-	-	( 96,172)
Unrealized sales losses	-	-	-	-	-
Net defined benefit assets	( 6,599)	( 3,305)	( 808)	-	( 10,712)
Fair value adjustment, investment property	( 11,672,520)	569,923	-	171,236	( 10,931,361)
Right-of-use asset	-	( 13,730)	-	-	( 13,730)
	<u>( 12,268,089)</u>	<u>537,247</u>	<u>( 808)</u>	<u>171,236</u>	<u>( 11,560,414)</u>
	<u>(\$ 11,445,830)</u>	<u>\$ 439,910</u>	<u>\$ 3,823</u>	<u>\$ 171,236</u>	<u>(\$ 10,830,861)</u>

2022					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Temporary differences:					
Unrealized exchange losses	\$ -	\$ 1,138	\$ -	\$ -	\$ 1,138
Allowance for bad debts	3,609	5,491	-	-	9,100
Allowance for spare valuation losses	3,773	341	-	-	4,114
Allowance for inventory valuation losses	70,894	2,318	-	-	73,212
Unused compensated absences	5,065	-	-	-	5,065
Currency translation differences	20,398	-	( 11,161)	-	9,237
Tax losses	283,589	436,804	-	-	720,393
	<u>387,328</u>	<u>446,092</u>	<u>( 11,161)</u>	<u>-</u>	<u>822,259</u>
Deferred tax liabilities:					
Temporary differences:					
Unrealized exchange gain	( 12,215)	6,091	-	-	( 6,124)
Foreign investment income using equity method	( 559,713)	54,360	-	-	( 505,353)
Rent by straight-line method	( 75,684)	( 1,809)	-	-	( 77,493)
Unrealized sales losses	( 855)	855	-	-	-
Net defined benefit assets	( 23)	-	( 6,576)	-	( 6,599)
Fair value adjustment, investment property	( 11,354,417)	( 145,202)	-	( 172,901)	( 11,672,520)
	<u>( 12,002,907)</u>	<u>( 85,705)</u>	<u>( 6,576)</u>	<u>( 172,901)</u>	<u>( 12,268,089)</u>
	<u>(\$ 11,615,579)</u>	<u>\$ 360,387</u>	<u>(\$ 17,737)</u>	<u>(\$ 172,901)</u>	<u>(\$ 11,445,830)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets from the Company's subsidiaries are as follows:

December 31, 2023				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2019	\$ 1,445,272	\$ 1,246,197	\$ 527,327	2024
2020	955,206	822,826	338,052	2025
2021	951,605	904,677	470,561	2026
2022	1,388,783	1,388,783	1,025,992	2027
2023	1,092,153	1,092,153	786,998	2028

December 31, 2022				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2018	\$ 1,018,955	\$ 866,215	\$ 394,205	2023
2019	1,472,396	1,428,651	770,601	2024
2020	982,662	976,969	432,791	2025
2021	964,521	964,521	442,382	2026
2022	1,610,837	1,610,837	928,157	2027

- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the temporary differences unrecognised as deferred tax liabilities were \$9,408,636 and \$9,188,459, respectively.
- F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(30) Earnings per share

Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,060,090	585,216	\$ 1.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,060,090	585,216	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	3,882	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,060,090	589,098	\$ 1.80
Year ended December 31, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 824,526	585,216	\$ 1.41
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 824,526	585,216	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	4,909	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 824,526	590,125	\$ 1.40

(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31, 2023	Years ended December 31, 2022
Acquisition of property, plant and equipment	\$ 475,016	\$ 145,797
Add: Opening balance of payable	287,370	263,725
Ending balance of prepayment	742	5,162
Less: Ending balance of payable	( 506,176)	( 287,370)
Opening balance of prepayment	( 5,162)	( 3,896)
Capitalisation of interest	( 44,995)	( 35,753)
Cash paid during the year	<u>\$ 206,795</u>	<u>\$ 87,665</u>
Acquisition of investment property	\$ 88,122	\$ 78,456
Add: Opening balance of payable	25,460	31,257
Less: Ending balance of payable	( 36,715)	( 25,460)
Cash paid during the year	<u>\$ 76,867</u>	<u>\$ 84,253</u>
Dividend income	\$ 58,773	\$ 49,270
Add: Dividend received from investments accounted for using the equity method	766	213,782
Add: Opening balance of receivable	692,171	478,389
Less: Ending balance of receivable	( 692,171)	( 692,171)
Cash received during the year	<u>\$ 59,539</u>	<u>\$ 49,270</u>
	Years ended December 31, 2023	Years ended December 31, 2022
Cash dividends	\$ 918,395	\$ 1,285,752
Less: Cash dividends received from the parent company	( 40,571)	( 56,800)
Cash paid during the year	<u>\$ 877,824</u>	<u>\$ 1,228,952</u>



(32) Changes in liabilities from financing activities

	2023				
	Short-term borrowings	Long-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$3,325,719	\$25,417,094	\$5,000,000	\$ 345,923	\$ 34,088,736
Changes in cash flow from financing activities	1,525,492	( 226,783)	-	( 121,513)	1,177,196
Impact of changes in foreign exchange rate	( 24,294)	( 172,824)	-	( 1,081)	( 198,199)
Changes in other non-cash items	-	-	-	5,948	5,948
At December 31	<u>\$4,826,917</u>	<u>\$25,017,487</u>	<u>\$5,000,000</u>	<u>\$ 229,277</u>	<u>\$ 35,073,681</u>
	2022				
	Short-term borrowings	Long-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$4,746,423	\$21,670,347	\$5,000,000	\$ 284,024	\$ 31,700,794
Changes in cash flow from financing activities	( 1,436,159)	3,591,881	-	( 100,921)	2,054,801
Impact of changes in foreign exchange rate	15,455	154,866	-	( 21,478)	148,843
Changes in other non-cash items	-	-	-	184,298	184,298
At December 31	<u>\$3,325,719</u>	<u>\$25,417,094</u>	<u>\$5,000,000</u>	<u>\$ 345,923</u>	<u>\$ 34,088,736</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Kent Hsu	Key management personnel
Chicony Electronics (Suzhou) Co., Ltd.	Other related party
Chicony Power Technology Co., Ltd.	Other related party
Honghui Real Estate Company	Other related party
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Associate
Chicony Square (Wuhan) Inc.	Associate
Chicony Industry (Wuhan) Co., Ltd.	Associate
Chicony Square (Wuhan) Inc.	Associate
Chicony Square (Cayman) Inc.	Associate
Epoque Corporation	Other related party
Hon Hui Si Yuan Co., Ltd.	Other related party
HUA TAI INVESTMENT CORPORATION	Other related party
Taipei Twin Corporation	Entity with joint control over this entity
Tua Tiann Co., Ltd.	Entity with joint control over this entity

### (2) Significant related party transactions

#### A. Operating revenue

	<u>Years ended</u> <u>December 31, 2023</u>	<u>Years ended</u> <u>December 31, 2022</u>
Sales of goods:		
-Entity with joint control over this entity	\$ 420	\$ 501
Sales of services:		
-Other related parties	2,350	3,338
	<u>\$ 2,770</u>	<u>\$ 3,839</u>

The Group (Buynow (China)) offered the services to related parties.

#### B. Purchases

	<u>Years ended</u> <u>December 31, 2023</u>	<u>Years ended</u> <u>December 31, 2022</u>
Purchases of goods:		
-Other related parties	\$ 914,699	\$ 835,132

The purchases of the Group's subsidiary, Kapok Computer (Kunshan), from other related parties are unique. Accordingly, the purchase prices are incomparable and payment terms are the same with third parties, which are within 1 ~ 5 months.

C. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
-Chicony Electronics (Suzhou) Co., Ltd.	\$ 179,180	\$ 199,740
-Chicony Power Technology Co., Ltd.	81,671	80,982
	<u>\$ 260,851</u>	<u>\$ 280,722</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

D. Other receivables from related parties (shown as other current assets)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other receivables - dividends:		
-CHICONY SQUARE (WUHAN) INC.	<u>\$ 692,915</u>	<u>\$ 692,171</u>

The receivables from related parties arise mainly from dividends received from investments accounted for using the equity method. The receivables are unsecured in nature and bear no interest.

E. Loans from related parties

Loans from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
CHICONY SQUARE (CAYMAN) INC.	<u>\$ 433,251</u>	<u>\$ 432,785</u>

The loans from associates are payable at maturity within 1~5 years after the loan is made and carry interest at 0% for the years ended December 31, 2023 and 2022.

F. Acquisition of financial assets

				<u>Year ended December 31, 2023</u>
	<u>Accounts</u>	<u>No. of shares (in thousands)</u>	<u>Objects</u>	<u>Consideration</u>
TAIPEI TWIN CORPORATION	Investment accounted using the equity method	115,000	Stock	<u>\$ 1,150,000</u>

			Year ended December 31, 2022	
	Accounts	No. of shares (in thousands)	Objects	Consideration
Tua Tiann Co., Ltd.	Investment accounted using the equity method	49,000	Stock	\$ 490,000
TAIPEI TWIN CORPORATION	Investment accounted using the equity method	10,000	Stock	100,000
				<u>\$ 590,000</u>

G. Lease transactions - lessee

(a) The Group leased buildings from Hon Hui Si Yuan Co., Ltd. and Honghui Real Estate Company in April 2022 and January 2021, respectively. Rental contracts are typically made for a period of 3~5 years. The lease is subject to IFRS 16 as the usage of lease was included in the operating plan. Rents are paid to Hon Hui Si Yuan Co., Ltd. and Honghui Real Estate Company at the beginning and end of the month.

(b) Acquisition of right-of-use assets:

	Years ended December 31, 2023	Years ended December 31, 2022
Hon Hui Si Yuan Co., Ltd.	\$ -	\$ 175,634

(c) Lease liabilities

(i) Outstanding balance:

	December 31, 2023	December 31, 2022
Hon Hui Si Yuan Co., Ltd.	\$ 76,489	\$ 134,724
Honghui Real Estate Company	8,718	25,920
	<u>\$ 85,207</u>	<u>\$ 160,644</u>

(ii) Interest expense

	Years ended December 31, 2023	Years ended December 31, 2022
Hon Hui Si Yuan Co., Ltd.	\$ 1,512	\$ 1,577
Honghui Real Estate Company	907	1,754
	<u>\$ 2,419</u>	<u>\$ 3,331</u>

H. Others

The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu for the years ended December 31, 2023 and 2022.

(3) Key management compensation

	Years ended December 31, 2023	Years ended December 31, 2022
Salaries and other short-term employee benefits	\$ 105,644	\$ 113,093
Post-employment benefits	1,275	1,250
	<u>\$ 106,919</u>	<u>\$ 114,343</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	December 31, 2023	December 31, 2022	Purpose
Financial assets at amortised cost (current and non- current)	\$ 1,090,767	\$ 1,127,857	Long-term and short-term borrowings
Property, plant and equipment	1,032,419	1,125,611	Long-term borrowings
Investment property and right-of-use assets	54,788,264	55,024,429	Long-term and short-term borrowings
	<u>\$ 56,911,450</u>	<u>\$ 57,277,897</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT  
COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2023 and 2022, the Company issued guarantee notes amounting to \$25,764,881 and \$25,321,482, respectively, for bank repayment and forward exchange trading.
- B. On March 30, 2023, the Company entered into a syndicated loan agreement with 11 banks including Taiwan Cooperative Bank amounting to \$7,200,000 and provided equal amount of guarantee notes. The Company and the Chairman of the Group are the joint guarantors and co-issuers of the guarantee notes.
- C. As of December 31, 2023 and 2022, the Group's total contract prices for signed construction contracts amounted to \$5,764,537 and \$5,642,337, of which \$5,383,712 and \$5,113,747 had been paid and \$380,825 and \$528,590 remain unpaid, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors has resolved the appropriation of 2023 earnings on March 14, 2024. Details are provided in Note 6(20) F.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital

structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the year ended December 31, 2023, the Group's strategy, which was unchanged from 2022, was to maintain the gearing ratio within 39% to 60%. The gearing ratios at December 31, 2023 and 2022, were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total borrowings	\$ 34,844,404	\$ 33,742,813
Less: Cash and cash equivalents	( 5,215,454)	( 7,051,419)
Net debt	29,628,950	26,691,394
Total equity	41,183,369	41,790,352
Total capital	<u>\$ 70,812,319</u>	<u>\$ 68,481,746</u>
Gearing ratio	42%	39%

## (2) Financial instruments

### A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 3,039,986	\$ 2,181,499
Financial assets at amortised cost	11,640,391	11,711,849
	<u>\$ 14,680,377</u>	<u>\$ 13,893,348</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 24,212	\$ -
Financial liabilities at amortised cost	40,390,648	38,633,964
	<u>\$ 40,414,860</u>	<u>\$ 38,633,964</u>
Lease liability	<u>\$ 229,277</u>	<u>\$ 345,923</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable, lease receivables, other receivables, guarantee deposits paid and financial assets at amortised cost-current and non-current; financial liabilities at amortised cost include short-term borrowings, accounts payable (including related parties), notes payable, other payables (including related parties), corporate bonds payable, long-term borrowings (including current portion), guarantee deposits received and long-term accounts payable to related parties.

## B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows.

## C. Significant financial risks and degrees of financial risks

### (a) Market risk

#### Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
	Foreign currency amount		Book value (NTD
	(In thousands)	Exchange rate	in thousands)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 344,347	30.73	\$ 10,581,783
USD:RMB	15,746	7.08	483,830
RMB:NTD	22,907	4.34	99,416
HKD:NTD	3	3.93	12
JPY:NTD	14	0.22	3
<u>Investments accounted for using the equity method</u>			
USD:NTD	42,193	30.73	1,296,586
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	34,544	30.73	1,061,537
USD:RMB	87,018	7.08	2,673,819

December 31, 2022			
	Foreign currency amount		Book value (NTD
	(In thousands)	Exchange rate	in thousands)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 326,892	30.69	\$ 10,032,315
USD:RMB	20,987	6.96	644,167
RMB:NTD	4,541	4.41	20,026
HKD:NTD	3	3.94	12
JPY:NTD	64	0.23	15
<u>Investments accounted for using the equity method</u>			
USD:NTD	42,500	30.69	1,304,315
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	39,072	30.69	1,199,120
USD:RMB	118,420	6.96	3,634,736

- v. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to (\$119,912) and \$296,618, respectively.



vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 84,654	\$	-
USD:RMB	1%	3,871		-
RMB:NTD	1%	795		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	8,492		-
USD:RMB	1%	21,391		-
Year ended December 31, 2022				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 80,259	\$	-
USD:RMB	1%	5,153		-
RMB:NTD	1%	160		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	9,593		-
USD:RMB	1%	29,078		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity

securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$29,263 and \$20,871, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars and RMB dollars.
- ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased/increased by \$233,130 and \$223,631, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit department. The utilization of credit limits is regularly monitored.
- iv. For banks and financial institutions, only independently rated parties with a best rating are accepted.
- v. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
  - (i) If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
  - (ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

- vi. The Company assumes that if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; if past due over 270 days, a default has occurred.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - The disappearance of an active market for that financial asset because of financial difficulties;
  - Default or delinquency in interest or principal repayments;
  - Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using the provision matrix to estimate expected credit loss.
- ix. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Group had no written-off financial assets that are still under recourse procedures.
- x. The Group used the forecast ability of research report, such as Taiwan Institute of Economic Research boom observation report and Conference Board to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

December 31, 2023	Not past due	1~90 days past due	91~180 days past due
Expected loss rate	0.03%~35.97%	0.08%~45.36%	3.44%~45.48%
Total book value	\$ 2,258,245	\$ 610,884	\$ 58,545
Loss allowance	1,206	2,276	2,903
	181~270 days past due	Over 270 days	Total
Expected loss rate	10.34%~100%	100%	
Total book value	\$ 35,138	\$ 79,864	\$ 3,042,676
Loss allowance	5,339	79,864	91,588

December 31, 2022	Not past due	1~90 days past due	91~180 days past due
Expected loss rate	0.03%~3.34%	0.10%~54.99%	12.63%~57.65%
Total book value	\$ 1,906,169	\$ 610,730	\$ 29,613
Loss allowance	1,146	5,106	15,286
	181~270 days past due	Over 270 days	Total
Expected loss rate	90.39%~100%	100%	
Total book value	\$ 47,654	\$ 42,753	\$ 2,636,919
Loss allowance	42,121	42,753	106,412

xi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	\$ 106,412	\$ 43,889
Provision for impairment	( 1,000)	73,973
Write-offs	( 11,794)	-
Effect of foreign exchange	( 2,030)	( 11,450)
At December 31	<u>\$ 91,588</u>	<u>\$ 106,412</u>

(c) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Lease liability	\$ 121,726	\$ 63,277	\$ 12,470	\$ 66,272
Long-term note payable	-	\$ 7,229	-	-
Bonds payable	5,025,973	-	-	-
Long-term borrowings (including current portion)	2,249,071	5,456,138	18,026,917	-
Guarantee deposits received	-	667,720	-	-
Long-term accounts payable to related parties	-	-	433,251	-

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Lease liability	\$ 127,128	\$ 180,706	\$ 12,226	\$ 71,463
Bonds payable	40,000	5,025,973	-	-
Long-term borrowings (including current portion)	8,101,916	5,633,619	11,645,229	805,954
Guarantee deposits received	-	660,947	-	-
Long-term accounts payable to related parties	-	-	432,785	-

Except for the abovementioned, the non-derivative financial liabilities of the Group are all expiring within one year.

- iii. The Group does not expect the maturity date will be early, or the actual amount will be different.

### (3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in off-the-run beneficiary certificates, bank debentures bonds and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in investment property is included in Level 3.

- B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, financial assets at amortised cost, short-term borrowings, notes payable, accounts payable (including related parties), other payables, corporate bonds payable, long-term borrowings (including current portion) and long-term accounts payable to related parties financial liabilities are approximate to their fair values.

- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 is as follows:

- (a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 1,668,081	\$ -	\$ -	\$ 1,668,081
Beneficiary certificates	568,885	803,020	-	1,371,905
Investment property (Note 1)	-	-	64,222,237	64,222,237
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Forward foreign exchange				
contracts	-	( 24,212)	-	( 24,212)
	<u>\$ 2,236,966</u>	<u>\$ 778,808</u>	<u>\$ 64,222,237</u>	<u>\$ 67,238,011</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 846,673	\$ -	\$ -	\$ 846,673
Beneficiary certificates	225,368	1,109,458	-	1,334,826
Investment property (Note 1)	-	-	62,526,250	62,526,250
	<u>\$ 1,072,041</u>	<u>\$ 1,109,458</u>	<u>\$ 62,526,250</u>	<u>\$ 64,707,749</u>

Note 1: Investment property measured at fair value.

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market

participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
  - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
  - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- E. The movement of Level 3 of investment property for the years ended December 31, 2023 and 2022 is provided in Note 6(9).
- F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.
- G. Financial and Administrative segment is in charge of valuation procedures for fair value measurements being categorised within Level 3 (investment property), which is based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer. The Group sets up valuation policies, valuation processes, and rules for measuring fair value of investment property and ensures compliance with the related requirements in IFRS.
- H. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 64,222,237	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note)	The higher the long- term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 62,526,250	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note)	The higher the long- term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

Note: The range of long-term rent revenue growth rate is (10%)~20%; the range of discount rate is provided in Note 6(9).

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

The disclosures of investee companies were based on financial statements reviewed by independent auditors and the following transactions with subsidiaries were eliminated when preparing the consolidated financial statements. The following disclosure information is for reference only.

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 4.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer



to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting period: Refer to table 7.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 9.

B. Significant transactions, price, payment term and unrealized gain or loss, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 7.

(4) Major shareholders information

Major shareholders information: Refer to table 10.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision maker-Board of Directors that are used to make strategic decisions.

The Group's main operating businesses are manufacturing and trading of computer and computer peripherals; research and development, production, and sales of computer software and hardware; after-sales services for aforementioned products and property management. The product features and manufacturing procedures are different so that its marketing and selling ways are different. The chief operating decision-maker operates various businesses from the perspective of different products. Currently, businesses are mainly divided into computer segment, Buynow Plaza and other segments, of which computer segment and Buynow Plaza are the reportable segments.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

<u>Year ended December 31, 2023</u>	Computer Segment	Buynow Plaza	Others	Total
Revenue from external customers	\$ 21,294,381	\$ 3,084,157	\$ 1,215	\$24,379,753
Inter-segment revenue	16,687,584	-	-	16,687,584
Total segment revenue	<u>\$ 37,981,965</u>	<u>\$ 3,084,157</u>	<u>\$ 1,215</u>	<u>\$41,067,337</u>
External-segment income (before tax)	<u>\$ 1,096,686</u>	<u>(\$ 16,656)</u>	<u>\$ 22,072</u>	<u>\$ 1,102,102</u>
Segment income (after tax)	<u>\$ 909,177</u>	<u>\$ 129,440</u>	<u>\$ 21,473</u>	<u>\$ 1,060,090</u>
Segment income (loss), including				
Interest income	<u>\$ 197,913</u>	<u>\$ 39,936</u>	<u>\$ 207</u>	<u>\$ 238,056</u>
Interest expense	<u>(\$ 345,230)</u>	<u>(\$ 488,655)</u>	<u>\$ -</u>	<u>(\$ 833,885)</u>
Depreciation and amortisation	<u>\$ 152,681</u>	<u>\$ 159,553</u>	<u>\$ -</u>	<u>\$ 312,234</u>
Gains arising from sale and leaseback transactions	<u>\$ 3,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,916</u>
Gains (losses) on disposals of investment property	<u>\$ -</u>	<u>(\$ 18,994)</u>	<u>\$ -</u>	<u>(\$ 18,994)</u>
Fair value adjustment - investment property	<u>\$ -</u>	<u>(\$ 624,598)</u>	<u>\$ -</u>	<u>(\$ 624,598)</u>
Income tax expense (benefit)	<u>(\$ 187,509)</u>	<u>\$ 146,096</u>	<u>(\$ 599)</u>	<u>(\$ 42,012)</u>
<u>Year ended December 31, 2022</u>	Computer Segment	Buynow Plaza	Others	Total
Revenue from external customers	\$ 18,812,645	\$ 3,383,226	\$ 989	\$22,196,860
Inter-segment revenue	13,744,365	-	-	13,744,365
Total segment revenue	<u>\$ 32,557,010</u>	<u>\$ 3,383,226</u>	<u>\$ 989</u>	<u>\$35,941,225</u>
External-segment income (before tax)	<u>\$ 1,008,383</u>	<u>(\$ 111,084)</u>	<u>(\$ 5,761)</u>	<u>\$ 891,538</u>
Segment income (after tax)	<u>\$ 868,238</u>	<u>(\$ 37,951)</u>	<u>(\$ 5,761)</u>	<u>\$ 824,526</u>
Segment income (loss), including				
Interest income	<u>\$ 55,329</u>	<u>\$ 12,300</u>	<u>\$ 62</u>	<u>\$ 67,691</u>
Interest expense	<u>(\$ 198,057)</u>	<u>(\$ 543,179)</u>	<u>\$ -</u>	<u>(\$ 741,236)</u>
Depreciation and amortisation	<u>\$ 128,706</u>	<u>\$ 188,957</u>	<u>\$ -</u>	<u>\$ 317,663</u>
Gains arising from sale and leaseback transactions	<u>\$ 95,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,066</u>
Gains (losses) on disposals of investment property	<u>\$ -</u>	<u>(\$ 2,700)</u>	<u>\$ -</u>	<u>(\$ 2,700)</u>
Fair value adjustment - investment property	<u>\$ -</u>	<u>(\$ 333,016)</u>	<u>\$ -</u>	<u>(\$ 333,016)</u>
Impairment loss on property, plant and equipment	<u>\$ -</u>	<u>(\$ 74,977)</u>	<u>\$ -</u>	<u>(\$ 74,977)</u>
Income tax expense (benefit)	<u>(\$ 140,145)</u>	<u>\$ 73,133</u>	<u>\$ -</u>	<u>(\$ 67,012)</u>

(3) Information on products and services

	Years ended December 31, 2023	Years ended December 31, 2022
Sales of computer products	\$ 21,294,381	\$ 18,812,645
Rental revenue	2,448,963	2,451,684
Sales of computer peripherals	12	363,796
Land development and resale from Buynow	6,517	29,498
Other revenue	629,880	539,237
	<u>\$ 24,379,753</u>	<u>\$ 22,196,860</u>

(4) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
<u>Revenue</u>		
Sales of computer products		
China	\$ 8,262,360	\$ 6,350,178
Asia-Pacific	7,464,894	6,541,730
Europe	4,544,678	4,225,815
the Americas	1,022,449	1,694,922
	<u>21,294,381</u>	<u>18,812,645</u>
Rental revenue		
China	<u>2,448,963</u>	<u>2,451,684</u>
Sales of computer peripherals		
China	<u>12</u>	<u>363,796</u>
Land development and resale		
China	<u>6,517</u>	<u>29,498</u>
Hotel revenue		
China	<u>-</u>	<u>-</u>
Other revenue		
China	<u>629,880</u>	<u>539,237</u>
Total revenue	<u>\$ 24,379,753</u>	<u>\$ 22,196,860</u>

	Years ended December 31, 2023	Years ended December 31, 2022
<u>Non-current assets</u>		
China	<u>\$ 71,526,068</u>	<u>\$ 71,860,653</u>
Taiwan	<u>\$ 244,606</u>	<u>\$ 366,044</u>

(5) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,			
	December 31, 2023		December 31, 2022	
	Revenue	Proportion of consolidated revenue	Revenue	Proportion of consolidated revenue
A	\$ 4,681,418	19%	\$ -	0%
B	\$ -	0%	\$ 2,306,945	10%

(Remainder of page intentionally left blank)

CLEVO CO. and Subsidiaries  
Loans to others  
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate range	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short- term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Name	Value			
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	\$ 164,205	\$ 107,807	\$ 107,807	4.50%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,473,348	\$ 41,183,369	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	335,047	317,694	317,694	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	50,324	50,324	50,324	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	224,507	90,020	90,020	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	141,862	141,862	141,862	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	110,627	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	380,035	39,479	39,479	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	26,030	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	Other receivables - related parties - current	Yes	110,410	88,718	88,718	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	126,592	126,592	126,592	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	164,855	108,458	108,458	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	311,707	311,707	311,707	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	41,214	41,214	41,214	1.65%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	62,905	52,060	52,060	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	475,695	475,695	475,695	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	163,337	142,947	142,947	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	31,670	31,670	31,670	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	173,532	173,532	173,532	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	190,668	190,668	190,668	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	170,495	170,495	170,495	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	170,582	170,582	170,582	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	644,541	644,541	644,541	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	97,178	97,178	97,178	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	Other receivables - related parties - current	Yes	88,501	88,501	88,501	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate range	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short- term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Name	Value			
4	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	\$ 482,072	\$ 482,072	\$ 482,072	4.50%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,473,348	\$ 41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	173,532	173,532	173,532	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	82,428	82,428	82,428	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	431,661	431,661	431,661	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	193,488	193,488	193,488	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	549,663	549,663	549,663	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	260,298	260,298	260,298	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	106,939	96,093	96,093	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	258,693	231,795	231,795	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	130,670	124,162	124,162	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	20,824	14,316	14,316	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	82,211	68,328	68,328	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	194,443	137,177	137,177	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	137,828	137,828	137,828	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	104,943	65,942	65,942	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	145,333	49,890	49,890	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	30,368	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	102,688	31,106	31,106	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	184,378	184,378	184,378	1.65%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	21,692	21,692	21,692	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	107,373	75,270	75,270	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	Other receivables - related parties - current	Yes	156,179	154,443	154,443	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	132,665	132,665	132,665	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	112,796	112,796	112,796	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	52,060	47,721	47,721	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	71,842	71,842	71,842	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	207,371	207,371	207,371	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate range	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short- term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Name	Value			
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	\$ 122,731	\$ 111,451	\$ 111,451	3.45%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,473,348	\$ 41,183,369	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	206,069	206,069	206,069	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other receivables - related parties - current	Yes	4,338	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	32,537	10,846	10,846	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	77,656	77,656	77,656	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	21,692	21,692	21,692	1.65%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	39,045	34,706	34,706	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	135,268	135,268	135,268	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	240,993	176,352	176,352	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
11	Quality Trust Property Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	31,670	31,670	31,670	3.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
11	Quality Trust Property Management Co., Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	198,043	187,631	187,631	3.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
11	Quality Trust Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	22,125	7,809	7,809	3.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	250,320	239,474	239,474	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	274,614	263,769	263,769	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	194,824	194,824	194,824	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	32,537	32,537	32,537	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
13	Wuxi Quntai Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	28,633	28,633	28,633	3.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
14	Beijing Kaiye Electronic Technology Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	26,030	-	-	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
15	Buynow (Chongqing) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	49,457	20,390	20,390	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	147,068	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	81,560	51,192	51,192	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	283,681	275,786	275,786	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	114,618	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	500,206	500,206	500,206	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	236,090	236,090	236,090	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	156,613	134,921	134,921	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate range	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short- term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Name	Value			
17	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 68,111	\$ 57,266	\$ 57,266	3.45%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,473,348	\$ 41,183,369	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	269,018	269,018	269,018	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	Other receivables - related parties - current	Yes	152,899	150,730	150,730	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	30,368	30,368	30,368	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	266,155	-	-	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	21,692	21,692	21,692	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	266,155	266,155	266,155	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	342,726	342,726	342,726	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	24,511	24,511	24,511	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
19	Beijing Clevo Investment Management Consultant Co.,Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	267,022	126,461	126,461	4.80%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
19	Beijing Clevo Investment Management Consultant Co.,Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	299,777	291,968	291,968	4.80%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
19	Beijing Clevo Investment Management Consultant Co.,Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	21,692	17,353	17,353	4.80%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	350,491	333,138	333,138	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	67,244	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	64,163	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	152,101	139,086	139,086	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	30,151	22,776	22,776	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	Other receivables - related parties - current	Yes	10,846	10,846	10,846	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	12,581	12,581	12,581	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	3,471	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	4,338	-	-	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	251,621	216,915	216,915	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	86,766	17,353	17,353	1.65%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	223,422	223,422	223,422	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	271,144	262,901	262,901	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8



No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate range	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short- term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Name	Value			
21	Shantou Buynow Mall Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	\$ 69,413	\$ 69,413	\$ 69,413	4.50%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,473,348	\$ 41,183,369	Note 8
21	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	607,188	332,791	332,791	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
21	Shantou Buynow Mall Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	339,906	339,906	339,906	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
21	Shantou Buynow Mall Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	75,053	74,185	74,185	4.50%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
22	Quanzhou Buynow Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	77,872	77,872	77,872	3.45%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8
23	Kunshan Kaishuo Trading Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	21,692	-	-	0.00%	2	-	Additional operating capital	-	-	-	16,473,348	41,183,369	Note 8

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023.

Note 4: The nature of loans :

- (1) Related to business transactions is "1".
- (2) short-term financing is "2".

Note 5: In accordance with the Article 4 of the Company's "Procedures for Provision of Loans" the limit on the loans to a party with business transactions is lower than the amount occurred between the creditor and borrower in the current year when nature of the loan is related to business transactions.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: According to the Company’s “Procedures for Provision of Loans”

- (1) The ceiling on loans granted by the Company to other shall not be more than 40% of the Company's net assets.
- (2) The limit on loans granted by the Company to a single party shall not be more than 30% of the Company's net assets.

Note 8:According to the Subsidiaries' “Procedures for Provision of Loans”

- (1) The limit on loans granted by a subsidiary to a single party in which the Company directly and indirectly holds 100% of the voting shares shall not be more than 40% of the Company's net assets.
- (2) The ceiling on loans to others in which the Company directly and indirectly holds 100% of the voting shares shall not be more than 100% of the Company's net assets.
- (3) The ceiling on loans to others in which the Company directly and indirectly holds 100% of the voting shares limit to other single party is 40% of the subsidiary's net assets.

Note 9: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment.

In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

CLEVO CO. and Subsidiaries  
Provision of endorsements and guarantees to others  
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the investor (Note 2)											
1	Changsha Hungyu Business Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	\$ 41,183,369	\$ 765,276	\$ 765,276	\$ 498,106	\$ 765,276	1.86%	\$ 41,183,369	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,183,369	173,532	-	-	-	-	41,183,369	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	41,183,369	342,726	-	-	-	-	41,183,369	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	3	41,183,369	130,149	130,149	122,817	130,149.00	0.32%	41,183,369	N	N	Y	-
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,183,369	1,084,575	824,277	634,757	824,277	2.00%	41,183,369	N	N	Y	-
4	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	41,183,369	1,561,788	1,561,788	1,193,033	1,561,788	3.79%	41,183,369	N	N	Y	-
4	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	41,183,369	765,276	765,276	498,106	-	1.86%	41,183,369	N	N	Y	-
5	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,183,369	1,084,575	1,084,575	976,118	1,084,575.00	2.63%	41,183,369	N	N	Y	-
6	Zibo Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,183,369	199,562	-	-	-	-	41,183,369	N	N	Y	-
6	Zibo Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	41,183,369	134,487	-	-	-	-	41,183,369	N	N	Y	-
7	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	3	41,183,369	433,830	-	-	-	0.00%	41,183,369	N	N	Y	-
7	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	41,183,369	416,477	416,477	333,181	416,477	1.01%	41,183,369	N	N	Y	-
7	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,183,369	138,826	138,826	128,414	138,826	0.34%	41,183,369	N	N	Y	-
7	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	41,183,369	299,343	299,343	284,376	299,343	0.73%	41,183,369	N	N	Y	-
8	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	41,183,369	843,860	843,860	607,362	843,860	2.05%	41,183,369	N	N	Y	-
9	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,183,369	173,532	-	-	-	0.00%	41,183,369	N	N	Y	-
10	Buynow (Changchun) Industry Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	41,183,369	485,890	485,890	388,814	485,890	1.18%	41,183,369	N	N	Y	-
10	Buynow (Changchun) Industry Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	3	41,183,369	156,179	156,179	112,796	156,179	0.38%	41,183,369	N	N	Y	-
11	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,183,369	1,084,575	1,084,575	976,118	1,084,575	2.63%	41,183,369	N	N	Y	-
12	Guangdong Buynow Real Estate Management Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	41,183,369	2,304,525	768,175	735,530	768,175	1.87%	41,183,369	N	N	Y	-
13	Buynow (Harbin) Industry Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	3	41,183,369	390,447	390,447	97,612	390,447	0.95%	41,183,369	N	N	Y	-

No. (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the investor (Note 2)											
14	Taizhou Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	\$ 41,183,369	\$ 173,532	\$ 173,532	\$ 169,194	\$ 173,532	0.42%	\$ 41,183,369	N	N	Y	-
15	Suzhou Jinzuo Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,183,369	433,830	433,830	-	433,830	1.05%	41,183,369	N	N	Y	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: In accordance with Company's procedures of endorsements and guarantees, limit on the Company's total guarantee amount is 200% of the Company's net assets, and the limit on endorsement/guarantee to a single party is 100% of the aforementioned total amount. The limit on total guarantee amount and the endorsement/guarantee to a single party of the subsidiaries owned directly or indirectly 100% voting shares by the Company are both 200% of the Company's net assets. The limit on total guarantee amount and the endorsement/guarantee to a single party of the subsidiaries owned directly or indirectly 100% voting shares by the Company are both 200% of the Company's net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: The limit on the Company and the subsidiaries' total endorsement/guarantee amount is 300% of the Company's net assets.

Note 9: The limit on endorsement/guarantee to a single party of the Company and the subsidiaries is 100% of the Company's net assets.

Note 10: When the total guarantee amount of the Company and the subsidiaries reached 50% of the Company's net assets, it is necessary to explain the necessity and reasonableness at the shareholders' meeting.

Note 11: In accordance with Article 5 of the Company's procedures of endorsements and guarantees, due to the endorsement of the business relationship, the limit on endorsement/guarantee to a single party due to business relationship shall not exceed the limit mentioned in Note 3 and the actual sales amount between of the single enterprise and the guarantee company within the last year.

CLEVO CO. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Ending Balance				Footnote (Note 4)
				No. of shares	Book value (Note 3)	(%)	Fair Value	
	Stock							
Clevo Co.	CHICONY ELECTRONICS CO., LTD.	Same chairman as the Company	Financial assets at fair value through profit or loss - current	4,627,000	\$ 809,725	0.61%	\$ 809,725	-
Clevo Co.	BOE Technology Group Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200,000	3,384	0.01%	3,384	-
Clevo Co.	HOTA INDUSTRIAL MFG. CO., LTD.	-	Financial assets at fair value through profit or loss - current	2,000	119	0.00%	119	-
Clevo Co.	YIEH PHUI ENTERPRISE CO.,LTD.	-	Financial assets at fair value through profit or loss - current	375,000	6,694	0.02%	6,694	-
Clevo Co.	DELTA ELECTRONICS, INC.	-	Financial assets at fair value through profit or loss - current	78,000	24,453	0.00%	24,453	-
Clevo Co.	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	35,000	20,755	0.00%	20,755	-
Clevo Co.	Winbond Electronics Corporation	-	Financial assets at fair value through profit or loss - current	242,944	7,398	0.01%	7,398	-
Clevo Co.	SDI CORPORATION	-	Financial assets at fair value through profit or loss - current	110,000	12,485	0.06%	12,485	-
Clevo Co.	ASUSTEK COMPUTER INC.	-	Financial assets at fair value through profit or loss - current	23,000	11,259	0.00%	11,259	-
Clevo Co.	GIGA-BYTE TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss - current	60,000	15,960	0.01%	15,960	-
Clevo Co.	NANYA TECHNOLOGY CORPORATION	-	Financial assets at fair value through profit or loss - current	296,000	23,088	0.01%	23,088	-
Clevo Co.	AUO Corporation	-	Financial assets at fair value through profit or loss - current	824,391	14,963	0.01%	14,963	-
Clevo Co.	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	12,000	12,180	0.00%	12,180	-
Clevo Co.	EVA AIRWAYS CORPORATION	-	Financial assets at fair value through profit or loss - current	300,000	9,435	0.01%	9,435	-
Clevo Co.	TAIWAN BUSINESS BANK,LTD.	-	Financial assets at fair value through profit or loss - current	8,735,435	119,675	0.11%	119,675	-
Clevo Co.	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	12,200	791	0.00%	791	-
Clevo Co.	CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at fair value through profit or loss - current	2,250,000	63,788	0.01%	63,788	-
Clevo Co.	Elite Semiconductor Microelectronics Tech Inc	-	Financial assets at fair value through profit or loss - current	235,000	23,030	0.08%	23,030	-
Clevo Co.	Tripod Technology Corporation	-	Financial assets at fair value through profit or loss - current	20,000	3,900	0.00%	3,900	-
Clevo Co.	GRAND PROCESS TECHNOLOGY CORPORATION	-	Financial assets at fair value through profit or loss - current	9,000	5,364	0.03%	5,364	-
Clevo Co.	Advanced Ceramic X Corporation	-	Financial assets at fair value through profit or loss - current	30,000	7,350	0.04%	7,350	-
Clevo Co.	Wistron Corporation	-	Financial assets at fair value through profit or loss - current	100,000	9,860	0.00%	9,860	-
Clevo Co.	Xintec Inc.	-	Financial assets at fair value through profit or loss - current	44,000	5,610	0.02%	5,610	-
Clevo Co.	Global Unichip Corp.	-	Financial assets at fair value through profit or loss - current	20,000	34,800	0.01%	34,800	-
Clevo Co.	Universal Microwave Technology,Inc.	-	Financial assets at fair value through profit or loss - current	25,000	4,063	0.04%	4,063	-
Clevo Co.	VIKING TECH CORPORATION	-	Financial assets at fair value through profit or loss - current	153,000	8,553	0.13%	8,553	-
Clevo Co.	Eris Technology Corp.	-	Financial assets at fair value through profit or loss - current	1,300	349	0.00%	349	-
Clevo Co.	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	120,000	16,200	0.00%	16,200	-
Clevo Co.	TaiMed Biologics Inc.	-	Financial assets at fair value through profit or loss - current	1,000	82	0.00%	82	-
Clevo Co.	ONENESS BIOTECH CO., LTD.	-	Financial assets at fair value through profit or loss - current	24,000	4,668	0.01%	4,668	-
Clevo Co.	Primax Electronics Ltd.	-	Financial assets at fair value through profit or loss - current	63,000	4,265	0.01%	4,265	-
Clevo Co.	Nuvoton Technology Corporation	-	Financial assets at fair value through profit or loss - current	102,000	14,484	0.02%	14,484	-
Clevo Co.	Zhen Ding Technology Holding Limited	-	Financial assets at fair value through profit or loss - current	380,000	41,420	0.04%	41,420	-
Clevo Co.	Fitipower Integrated Technology Inc.	-	Financial assets at fair value through profit or loss - current	50,000	12,875	0.04%	12,875	-
Clevo Co.	Parade Technologies, Ltd.	-	Financial assets at fair value through profit or loss - current	8,000	9,600	0.01%	9,600	-
Clevo Co.	Sercomm Corporation	-	Financial assets at fair value through profit or loss - current	80,000	10,760	0.03%	10,760	-
Clevo Co.	TAIWAN SEMICONDUCTOR CO., LTD.	-	Financial assets at fair value through profit or loss - current	49,000	4,484	0.02%	4,484	-
Clevo Co.	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	45,000	8,820	0.01%	8,820	-
Clevo Co.	GENESYS LOGIC, INC.	-	Financial assets at fair value through profit or loss - current	125,000	15,000	0.14%	15,000	-
Clevo Co.	Anpec Electronics Corporation	-	Financial assets at fair value through profit or loss - current	30,000	6,645	0.04%	6,645	-
Clevo Co.	TONG HSING ELECTRONIC INDUSTRIES ,LTD.	-	Financial assets at fair value through profit or loss - current	59,000	9,293	0.03%	9,293	-
Clevo Co.	ENNOCONN CORPORATION	-	Financial assets at fair value through profit or loss - current	20,000	5,360	0.02%	5,360	-
Clevo Co.	Silergy Corp.	-	Financial assets at fair value through profit or loss - current	24,000	12,000	0.01%	12,000	-
Clevo Co.	M31 Technology Corporation	-	Financial assets at fair value through profit or loss - current	3,000	3,180	0.01%	3,180	-
Clevo Co.	uPI Semiconductor Corp.	-	Financial assets at fair value through profit or loss - current	22,000	6,908	0.03%	6,908	-

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Ending Balance				Footnote (Note 4)
				No. of shares	Book value (Note 3)	(%)	Fair Value	
Clevo Co.	Sports Gear Co., Ltd.	-	Financial assets at fair value through profit or loss - current	70,000	\$ 4,683	0.04%	\$ 4,683	-
Clevo Co.	AES Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	8,000	6,024	0.01%	6,024	-
Clevo Co.	SHINFOX ENERGY CO., LTD.	-	Financial assets at fair value through profit or loss - current	180,000	19,170	0.08%	19,170	-
Clevo Co.	ALLIED CIRCUIT CO.,LTD	-	Financial assets at fair value through profit or loss - current	19,000	2,945	0.04%	2,945	-
Clevo Co.	ACTRON TECHNOLOGY CORPORATION	-	Financial assets at fair value through profit or loss - current	53,693	9,960	0.05%	9,960	-
Clevo Co.	Phison Electronics Corp.	-	Financial assets at fair value through profit or loss - current	44,000	22,879	0.02%	22,879	-
Clevo Co.	MERIDA INDUSTRY CO.,LTD.	-	Financial assets at fair value through profit or loss - current	35,000	6,387	0.01%	6,387	-
Clevo Co.	Foxconn Industrial Internet Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,760,000	115,446	0.01%	115,446	-
	Beneficiary certificate							
Clevo Co.	UG Greater China Multi-Strategy Fund	-	Financial assets at fair value through profit or loss - current	78,788	314,309	-	314,309	-
Clevo Co.	Invesco 3 to 6 Year Maturity Emerging Market Bond Fund Acc	-	Financial assets at fair value through profit or loss - current	1,500,000	14,962	-	14,962	-
Clevo Co.	Cathay Global Autonomous and Electric Vehicles ETF	-	Financial assets at fair value through profit or loss - current	3,000,000	53,790	-	53,790	-
Clevo Co.	President ICE FactSet Asia Semiconductor Net Total Return Index ETN	-	Financial assets at fair value through profit or loss - current	5,000,000	44,150	-	44,150	-
Clevo Co.	JPMorgan Funds – America Equity Fund	-	Financial assets at fair value through profit or loss - current	54,984	192,404	-	192,404	-
	Stock							
Kapok Computer Co., Ltd.	CHICONY ELECTRONICS CO., LTD.	Same chairman as the Company	Financial assets at fair value through profit or loss - current	40,862	7,151	0.01%	7,151	-
Kapok Computer Co., Ltd.	CLEVO CO.	The Company	Financial asset measured at fair value through other comprehensive income- non-current	16,966,596	690,540	2.68%	690,540	-
	Beneficiary certificate							
Kapok Computer Co., Ltd.	Yuanta Japan Leaders Equity Fund	-	Financial assets at fair value through profit or loss - current	2,014,099	20,141	-	20,141	-
Kapok Computer Co., Ltd.	UPAMC Taiwan High Dividend and Growth Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	21,960	-	21,960	-
	Stock							
Clevo Investment Co., Ltd.	CHICONY ELECTRONICS CO., LTD.	Same chairman as the Company	Financial assets at fair value through profit or loss - current	162,072	28,363	0.02%	28,363	-
Clevo Investment Co., Ltd.	CLEVO CO.	The Company	Financial asset measured at fair value through other comprehensive income- non-current	10,080,669	410,283	1.59%	410,283	-
	Beneficiary certificate							
Clevo Investment Co., Ltd.	Yuanta Taiwan High-yield Leading Company Fund	-	Financial assets at fair value through profit or loss - current	1,000,000	16,210	-	16,210	-
Clevo Investment Co., Ltd.	Yuanta Japan Leaders Equity Fund	-	Financial assets at fair value through profit or loss - current	1,007,049	10,070	-	10,070	-
Clevo Investment Co., Ltd.	Fubon US Treasury Bond ETF Umbrella Fund-Fubon 20+ Years US Treasury Bond ETF	-	Financial assets at fair value through profit or loss - current	500,000	16,290	-	16,290	-
Clevo Investment Co., Ltd.	UPAMC US Treasury 20 Plus Year ETF	-	Financial assets at fair value through profit or loss - current	1,000,000	15,210	-	15,210	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	UG Hidden Dragon Special Opportunity Fund	-	Financial assets at fair value through profit or loss - current	59,195	168,315	-	168,315	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	UG Great Wall Absolute Return Fund	-	Financial assets at fair value through profit or loss - current	120,943	83,844	-	83,844	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	UG Greater China Multi-Strategy Fund	-	Financial assets at fair value through profit or loss - current	59,297	236,552	-	236,552	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	KGI Next Generation Multi-Asset Fund	-	Financial assets at fair value through profit or loss - current	384,911	134,238	-	134,238	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BlackRock Global Funds - ESG Multi Asset Fund	-	Financial assets at fair value through profit or loss - current	18,939	29,458	-	29,458	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

CLEVO CO. and Subsidiaries  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Year ended December 31, 2023

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Transaction date or date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Buynow (Xian) Industry Co., Ltd.	Construction in Progress, Prepayments and Land Use Right	2005~Fourth Quarter of 2023	\$ 1,837,486	\$ 1,582,006	Xi'an Xinxiaozhai Old Village Reconstruction and Construction Development Co., Ltd. etc.	-	-	-	-	\$ -	Mutual agreement	Department store; under construction	-
Yingkou Buynow Electronic Information Co., Ltd.	Construction in Progress and Land Use Right	Second Quarter of 2011~Fourth Quarter of 2023	746,657	723,319	Bureau of Land and Resources of Yingkou City etc.	-	-	-	-	-	Mutual agreement	Department store; under construction	-
Guiyang Buynow Electronic Information Co., Ltd.	Construction in Progress and Land Use Right	Fourth Quarter of 2011~Fourth Quarter of 2023	1,434,231	1,350,207	Guiyang Municipal Bureau of Land and Resources etc.	-	-	-	-	-	Mutual agreement	Department store; under construction	-
Buynow (Jinzhou) Industry Co., Ltd.	Buildings and Land Held for Sale, Construction in Progress and Land Use Right	Second Quarter of 2013~Fourth Quarter of 2023	1,746,163	1,728,180	Jinzhou Municipal Bureau of Land and Resources etc.	-	-	-	-	-	Mutual agreement	Department store; under construction	-

Note 1: The appraisal result should be presented in the ‘Basis or reference used in setting the price’ column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

CLEVO CO. and Subsidiaries  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance at December 31, 2023	Percentage of total notes/accounts receivable (payable)	
Clevo Co.	Kapok Computer (Kunshan) Co., Ltd.	The Company's ultimate parent company	Purchases	\$ 16,803,771	63.64%	30 days after monthly billings and offset between creditor's rights and debt obligation. Prepayment is allowed when there is a fund requirement.	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions.	1~5 months for normal customers due to fund requirements.	\$ -	-	-
Clevo Co.	Kapok Computer (Kunshan) Co., Ltd.	The Company's ultimate parent company	Sales	( 7,147,883)	25.14%	180 days	The goods are not sold to other customers, so the prices cannot be compared.	1~2 months for normal customers due to fund requirements.	130,964	4.44%	-
Kapok Computer (Kunshan) Co., Ltd.	Clevo Co.	The Company as the ultimate parent company	Sales	( 16,803,771)	99.99%	30 days after monthly billings	It is the only customer, so the price cannot be compared.	-	-	-	-
Kapok Computer (Kunshan) Co., Ltd.	Clevo Co.	The Company as the ultimate parent company	Purchases	7,147,883	46.41%	180 days	It is the only supplier, so the price cannot be compared.	-	( 130,964)	4.80%	-

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

CLEVO CO. and Subsidiaries  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Clevo Co.	Kapok Computer (Kunshan) Co., Ltd.	The transaction object is a subsidiary of the company.	\$ 130,964	109.16	-	Reclassified to other receivables - related parties - current	\$ 130,964	\$ -

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties....

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.



CLEVO CO. and Subsidiaries  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	CLEVO CO.	Kapok Computer (Kunshan) Co., Ltd.	1	Purchases	\$ 16,803,771	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions. The payment period is 30 days after monthly billings.	68.93%
0	CLEVO CO.	Kapok Computer (Kunshan) Co., Ltd.	1	Sales	7,147,883	It is the only customer, so the price cannot be compared. The payment period is 180 days.	29.32%
0	CLEVO CO.	Kapok Computer (Kunshan) Co., Ltd.	3	Accounts Payable - related parties	130,964	-	0.14%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	107,807	4.50%	0.11%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	317,694	4.50%	0.34%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	50,324	4.50%	0.05%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	90,020	4.50%	0.10%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	141,862	4.50%	0.15%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	61,392	-	0.07%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	3	Other receivables - related parties - current	88,718	3.45%	0.09%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	126,592	3.45%	0.13%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other receivables - related parties - current	108,458	3.45%	0.11%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	311,707	3.45%	0.33%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	52,060	3.45%	0.06%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	3	Receivables - related parties	59,933	-	0.06%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	89,217	-	0.09%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	61,315	-	0.06%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	475,695	3.45%	0.50%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	142,947	3.45%	0.15%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Receivables - related parties	\$ 73,167	-	0.08%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Receivables - related parties	75,391	-	0.08%
4	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	173,532	4.50%	0.18%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other receivables - related parties - current	190,668	4.50%	0.20%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	170,495	4.50%	0.18%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	170,582	4.50%	0.18%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	644,541	4.50%	0.68%
4	Kapok Computer (Kunshan) Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Other receivables - related parties - current	97,178	4.50%	0.10%
4	Kapok Computer (Kunshan) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	3	Other receivables - related parties - current	88,501	4.50%	0.09%
4	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other receivables - related parties - current	482,072	4.50%	0.51%
4	Kapok Computer (Kunshan) Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other receivables - related parties - current	173,532	4.50%	0.18%
4	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	82,428	4.50%	0.09%
4	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	431,661	4.50%	0.46%
4	Kapok Computer (Kunshan) Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	193,488	4.50%	0.20%
4	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	549,663	4.50%	0.58%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	260,298	4.50%	0.28%
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	96,093	4.50%	0.10%
5	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	231,795	4.50%	0.25%
5	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	124,162	4.50%	0.13%
5	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	68,328	4.50%	0.07%
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	137,177	4.50%	0.15%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	137,828	3.45%	0.15%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	65,942	3.45%	0.07%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	\$ 184,378	1.65%	0.20%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Receivables - related parties	52,046	-	0.06%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	75,270	3.45%	0.08%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	3	Other receivables - related parties - current	154,443	3.45%	0.16%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	132,665	3.45%	0.14%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	112,796	3.45%	0.12%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	90,284	-	0.10%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	71,842	3.45%	0.08%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	207,371	3.45%	0.22%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Other receivables - related parties - current	111,451	3.45%	0.12%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Receivables - related parties	55,803	-	0.06%
9	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	206,069	3.45%	0.22%
9	Buynow (Changchun) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	77,656	3.45%	0.08%
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	135,268	3.45%	0.14%
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	176,352	3.45%	0.19%
11	Quality Trust Property Management Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Other receivables - related parties - current	187,631	3.00%	0.20%
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	239,474	3.45%	0.25%
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	263,769	3.45%	0.28%
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	194,824	3.45%	0.21%
13	Buynow (Chongqing) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	63,680	-	0.07%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	51,192	4.50%	0.05%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	275,786	4.50%	0.29%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	500,206	4.50%	0.53%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	\$ 236,090	4.50%	0.25%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	123,283	-	0.13%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	68,909	-	0.07%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	77,684	-	0.08%
15	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	134,921	3.45%	0.14%
15	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	57,266	3.45%	0.06%
15	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	269,018	3.45%	0.28%
15	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	3	Other receivables - related parties - current	150,730	3.45%	0.16%
15	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	67,430	-	0.07%
15	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	62,811	-	0.07%
16	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	266,155	0.00%	0.28%
16	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	342,726	0.00%	0.36%
17	Beijing Clevo Investment Management Consultant Co.,Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	126,461	4.80%	0.13%
17	Beijing Clevo Investment Management Consultant Co.,Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	291,968	4.80%	0.31%
17	Beijing Clevo Investment Management Consultant Co.,Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Receivables - related parties	67,623	-	0.07%
17	Beijing Clevo Investment Management Consultant Co.,Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	59,187	-	0.06%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	333,138	3.45%	0.35%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	139,086	3.45%	0.15%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	216,915	3.45%	0.23%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	223,422	3.45%	0.24%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	262,901	3.45%	0.28%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	163,358	-	0.17%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Receivables - related parties	50,092	-	0.05%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
18	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	\$ 74,128	-	0.08%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	98,350	-	0.10%
19	Shantou Buynow Mall Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	69,413	4.50%	0.07%
19	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	332,791	4.50%	0.35%
19	Shantou Buynow Mall Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	3	Other receivables - related parties - current	339,906	4.50%	0.36%
19	Shantou Buynow Mall Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	74,185	4.50%	0.08%
19	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	72,279	-	0.08%
20	Quanzhou Buynow Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other receivables - related parties - current	77,872	3.45%	0.08%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:  
(1) Parent company is ‘0’.  
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it  
(1) Parent company to subsidiary.  
(2) Subsidiary to parent company.  
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

CLEVO CO. and Subsidiaries  
Information on investees  
Year ended December 31, 2023

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	No. of shares	Ownership (%)	Book value			
Clevo Co.	CLEVO COMPUTER SINGAPORE PTE LTD.	Singapore	Investment	\$ 420,061	\$ 420,061	22,325,453	100.00	\$ 7,656,911	\$ 48,266	\$ 48,266	The subsidiary of the Company
Clevo Co.	CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	Cayman Islands	Investment	15,754,974	15,754,974	369,370,000	100.00	42,653,466	81,149	81,149	The subsidiary of the Company
Clevo Co.	KAPOK COMPUTER (SAMOA) CORPORATION	Samoa	Investment	520,995	489,985	17,000,000	100.00	1,771,355	106,254	106,168	The subsidiary of the Company
Clevo Co.	BUYNOW ON-LINE HOLDING CORPORATION	Samoa	Investment	35,513	35,513	1,100,000	100.00	4,869	24	24	The subsidiary of the Company
Clevo Co.	Clevo Investment Co., Ltd.	Taiwan	Investment	140,000	140,000	14,000,000	100.00	101,758	36,594	21,473	The subsidiary of the Company
Clevo Co.	Kapok Computer Co., Ltd.	Taiwan	Design and sale of computers and computer peripherals	80,000	80,000	8,000,000	100.00	79,214	30,651	5,201	The subsidiary of the Company
Clevo Co.	Taipei Twin Corporation	Taiwan	Commercial real estate development	2,250,000	1,100,000	225,000,000	50.00	2,120,628	( 117,108)	( 58,554)	Long-term equity investment accounted for using equity method
Clevo Co.	Tua Tiann Co., Ltd.	Taiwan	Commercial real estate development	490,000	490,000	49,000,000	24.50	493,451	12,865	3,152	Long-term equity investment accounted for using equity method
CLEVO COMPUTER SINGAPORE PTE LTD.	BUYNOW (CHENGDU) CORPORATION	Samoa	Investment	278,468	278,468	7,000,000	100.00	3,437,737	( 2,172)	( 2,172)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GLOBAL CORPORATION	British Virgin Islands	Investment	92,651	118,490	2,800,000	100.00	960,808	13,332	13,332	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (HANGZHOU) CORPORATION	British Virgin Islands	Investment	173,107	173,107	5,000,000	100.00	3,657,828	92,903	92,903	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (ZHENGZHOU) CORPORATION	Samoa	Investment	103,185	103,185	3,000,000	100.00	3,385,341	108,651	108,651	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (CHANGSHA) CORPORATION	British Virgin Islands	Investment	136,180	136,180	4,000,000	100.00	242,142	12,643	12,643	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (NANCHANG) CORPORATION	Samoa	Investment	104,484	104,484	3,000,000	100.00	1,118,898	80,099	80,099	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (GUANGZHOU) CORPORATION	Samoa	Investment	161,745	161,745	5,000,000	100.00	2,238,408	( 572)	( 572)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	FLYING WOLF INVESTMENT LIMITED	British Virgin Islands	Investment	96,141	96,141	3,000,000	100.00	3,188,604	27,621	27,621	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (XIAMEN) CORPORATION	Samoa	Investment	95,502	95,502	3,000,000	100.00	1,982,652	27,372	27,372	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (XIAN) CORPORATION	Samoa	Investment	96,543	96,543	3,000,000	100.00	647,328	( 215,009)	( 215,009)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (CHANGCHUN) CORPORATION	Samoa	Investment	64,064	64,064	2,000,000	100.00	3,087,262	99,055	99,055	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (QINGDAO) CORPORATION	Samoa	Investment	115,648	115,648	3,500,000	100.00	108,873	12,318	12,318	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	No. of shares	Ownership (%)	Book value			
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (CHONGQING) LIMITED	Hong Kong	Investment	\$ 169,140	\$ 169,140	5,000,000	100.00	\$ 982,321	(\$ 49,463)	(\$ 49,463)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	FLYING INTERNATIONAL INVESTMENT LIMITED	Samoa	Investment	178,968	178,968	3,000,000	100.00	2,299,945	( 24,842)	( 24,842)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (WUXI) CORPORATION	Samoa	Investment	64,054	64,054	2,000,000	100.00	1,380,925	41,186	41,186	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (HARBIN) CORPORATION	Samoa	Investment	99,012	99,012	3,000,000	100.00	114,558	( 157,247)	( 157,247)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (DAQING) CORPORATION	Samoa	Investment	96,894	96,894	3,000,000	100.00	( 107,567)	3,379	3,379	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (ZIBO) CORPORATION	Samoa	Investment	95,805	95,805	3,000,000	100.00	( 172,253)	( 8,166)	( 8,166)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (BEIJING) CORPORATION	Samoa	Investment	244,256	244,256	6,000,000	100.00	2,288,480	367,252	367,252	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	SKILL DEVELOP INTERNATIONAL LIMITED	Samoa	Investment	581,916	581,916	9,350,000	100.00	5,131,189	59,781	59,781	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (YANCHENG) CORPORATION	Samoa	Investment	931,920	931,920	31,500,000	100.00	735,036	-	-	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (HUIZHOU) CORPORATION	Samoa	Investment	200,737	200,737	1,500,000	100.00	( 118,760)	( 11,391)	( 11,391)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (YINGKOU) CORPORATION	Samoa	Investment	434,082	434,082	15,000,000	100.00	411,327	( 390)	( 390)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (ANSHAN) CORPORATION	Samoa	Investment	1,119,393	1,119,393	38,000,000	100.00	774,743	( 70,396)	( 70,396)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (GUYANG) CORPORATION	Samoa	Investment	301,236	301,236	20,000,000	100.00	256,482	( 1,427)	( 1,427)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	CHICONY SQUARE (WUHAN) INC.	British Virgin Islands	Investment	123,204	123,204	3,600,000	30.00	1,275,404	( 48,034)	( 14,410)	Long-term equity investment accounted for using equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	CHICONY SQUARE (CAYMAN) INC.	Cayman Islands	Investment	86,886	86,886	3,000,000	30.00	( 31,827)	63,236	18,971	Long-term equity investment accounted for using equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (WUHAN) CORPORATION	Samoa	Investment	-	-	4,500,000	30.00	106,980	( 77,584)	( 23,275)	Long-term equity investment accounted for using equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	CHICONY CHENGDU INTERNATIONAL INC.	British Virgin Islands	Investment	362,866	362,866	1,500,000	3.75	53,008	289,853	10,869	Long-term equity investment accounted for using equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (TAIZHOU) CORPORATION	Samoa	Investment	505,786	505,786	17,000,000	100.00	301,862	( 9,388)	( 9,388)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	SMARTER CAPITAL LIMITED	Samoa	Investment	1,013,693	1,013,693	14,900,000	100.00	1,025,163	13,954	13,954	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (DEZHOU) CORPORATION	Samoa	Investment	881,914	881,914	30,000,000	100.00	348,764	( 100,104)	( 100,104)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (LUOYANG) CORPORATION	Samoa	Investment	894,346	894,346	30,000,000	100.00	( 68,448)	( 96,145)	( 96,145)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (FUJIAN QUANZHOU) CORPORATION	Samoa	Investment	446,195	446,195	15,000,000	100.00	76,795	( 13,951)	( 13,951)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (JINZHOU) CORPORATION	Samoa	Investment	448,081	448,081	15,000,000	100.00	( 55,086)	( 96,705)	( 96,705)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	No. of shares	Ownership (%)	Book value			
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (SHANTOU) CORPORATION	Samoa	Investment	\$ 578,224	\$ 578,224	20,000,000	100.00	\$ 470,296	(\$ 52,263)	(\$ 52,263)	The Company as the ultimate parent company
SKILL DEVELOP INTERNATIONAL LIMITED	WELL ASIA INVESTMENT LIMITED	Hong Kong	Investment	277,817	277,817	9,200,000	100.00	5,131,189	59,781	59,781	The Company as the ultimate parent company
SMARTER CAPITAL LIMITED	BUYNOW SZ. CORPORATION	Samoa	Investment	452,081	452,081	14,900,000	100.00	1,025,163	13,954	13,954	The Company as the ultimate parent company
BUYNOW ON-LINE HOLDING CORPORATION	BUYNOW ON-LINE LIMITED	Hong Kong	Investment	35,483	35,483	1,100,000	100.00	4,869	24	24	The Company as the ultimate parent company

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at December 31, 2023’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.
- (2) The ‘Net profit (loss) of the investee for the year ended December 31, 2023’ column should fill in amount of net profit (loss) of the investee for this period.
- (3) The ‘Investment income (loss) recognised by the Company for the year ended December 31, 2023’ column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.



CLEVO CO. and Subsidiaries  
Information on investments in Mainland China  
Year ended December 31, 2023

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Buynow (Chengdu) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	\$ 278,468	(2)	\$ 278,468	\$ -	\$ -	\$ 278,468	(\$ 2,172)	100.00	(\$ 2,172)	\$ 3,437,737	\$ -	-
Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronic products	58,159	(2)	37,522	-	-	37,522	( 4,487)	100.00	( 4,487)	1,965,295	-	-
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronic products	69,491	(2)	-	-	-	-	49,929	100.00	49,929	2,346,740	-	-
Kapok Computer (Kunshan) Co., Ltd.	Manufacturing, sale, research and development and maintenance service of computer, notebook, tablet, information and communication products and computer components	238,599	(2)	238,599	-	-	238,599	123,790	100.00	123,790	1,744,710	-	-
Kunshan Kaiming Trading Co., Ltd.	Provide market management services for operators of laptop computer, tablet, desktop computer, palmtop computer, information and communication products and computer components	17,746	(3)	-	-	-	-	( 54)	100.00	( 54)	6,146	-	-
Chicony Industry (Wuhan) Co.,Ltd.	Research, development, production and sales of computer software and hardware, electronic products; sales services, non-staple food; coffee shop operations; venue rental	1,927,049	(2) CHICONY SQUARE (WUHAN) INC.	526,552	-	-	526,552	127,635	30.00	38,291	821,950	-	-
Wuhan Qunbai Industry Co., Ltd.	Research, development and sales of computer software, hardware and electronic products; sales services; wenue retal	58,904	(2) CHICONY SQUARE (WUHAN) INC.	-	-	-	-	( 35,102)	30.00	( 10,531)	23,179	-	-
Chicony Square (Wuhan) Management Co., Ltd.	Sales of service and non-staple food; cafe operation; venue rental	14,414	(3)	-	-	-	-	4,987	24.99	1,246	8,828	-	-
Qunguang Industrial (Xian) Co., Ltd.	Research, development, production and sales of computer software and hardware, electronic products; sales services, nonstaple food; coffee shop operations; venue rental; catering services; parking lot management and retail	4,053,756	(3)	-	-	-	-	( 414,075)	30.00	( 124,223)	193,447	-	-
Buynow (Hangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	198,848	(2)	198,848	-	-	198,848	92,903	100.00	92,903	3,657,828	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Buynow Electronic Information Co., Ltd.	Rental of the display venues of computer and related electronic products; information consultation; maintenance services; property management	\$ 521,418	(2)(3)	\$ 56,778	-	-	\$ 56,778	\$ 7,109	100.00	\$ 7,109	\$ 3,189,235	\$ -	-
Quality Trust Property Management Co., Ltd	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	24,975	(2)	21,645	-	-	21,645	15,630	100.00	15,630	283,902	-	-
Wuxi Quntai Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	2,402	(3)	-	-	-	-	2,668	100.00	2,668	33,670	-	-
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	504,484	(3)	-	-	-	-	49,827	100.00	49,827	4,772,004	-	-
Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance	359,053	(3)	-	-	-	-	27,068	100.00	27,068	3,908	-	-
Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	293,328	(2)(3)	119,297	-	-	119,297	215,550	100.00	215,550	3,426,945	-	-
Changsha Hungyu Business Management Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	119,297	(2)	119,297	-	-	119,297	12,643	100.00	12,643	242,142	-	-
Buynow (Zhengzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	119,123	(2)	119,123	-	-	119,123	108,651	100.00	108,651	3,385,341	-	-
Buynow(Guangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	198,670	(2)	198,670	-	-	198,670	( 588)	100.00	( 588)	2,237,042	-	-
Tianjin Buynow Electronic Information Co., Ltd.	Development, production and sales of computer hardware and software and electronic digital technology products	224,794	(2)	206,061	-	-	206,061	( 24,842)	100.00	( 24,842)	2,299,945	-	-
Beijing Clevo Investment Management Consultant Co.,Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	305,459	(2)(3)	314,567	-	-	314,567	483,226	100.00	483,226	3,011,158	-	-
Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	942,511	(2)	942,511	-	-	942,511	-	100.00	-	735,036	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Buynow (Xian) Industry Co., Ltd	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	\$ 116,528	(2)	\$ 116,528	-	-	\$ 116,528	(\$ 215,009)	100.00	(\$ 215,009)	\$ 647,328	\$ -	-
Buynow (Fujian) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	119,117	(2)	119,117	-	-	119,117	27,372	100.00	27,372	1,982,652	-	-
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Developing and manufacturing computers, hardware, electronic products; production and sales of cosmetics and daily necessities; rental business	2,291,275	(2) CHICONY CHENGDU INTERNATIONAL INC.	687,382	-	-	687,382	289,853	30.00	86,956	424,057	-	-
Buynow Electronic Information (Shenyang) Co., Ltd.	Research and development of computers and computer peripherals and electronic products, and advisory of economic information	119,298	(2)	119,298	-	-	119,298	6,197	100.00	6,197	2,481,975	-	-
Guangdong Buynow Real Estate Management Co., Ltd.	Self-owned property management and leasing. manufacturing, sale, research and development of computer software and hardware and digital products	442,167	(2)(3)	363,300	-	-	363,300	92,169	100.00	92,169	7,893,788	-	-
Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	81,539	(2)	77,656	-	-	77,656	104,005	100.00	104,005	3,241,560	-	-
Buynow (Wuhan) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products, and property management of buildings	468,580	(2) BUYNOW(WUHAN) CORPORATION	-	-	-	-	( 77,584)	30.00	( 23,275)	106,979	-	-
Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals. Display, advisory and after-sales service of digital products. Property management of self-owned buildings	551,402	(2)(3)	133,021	-	-	133,021	59,824	100.00	59,824	528,766	-	-
Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	106,622	(2)	76,158	-	-	76,158	57,660	100.00	57,660	1,933,256	-	-
Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	2,454	(3)	-	-	-	-	18	100.00	18	2,416	-	-
Buynow (Harbin) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	111,364	(2)	111,364	-	-	111,364	( 157,293)	100.00	( 157,293)	110,699	-	-
Buynow (Chongqing) Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals (not including electronic publishing), shopping mall management, wholesale and retail of electronic products, property management and parking lot service	164,167	(2)	164,167	-	-	164,167	( 49,463)	100.00	( 49,463)	982,320	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Buynow Online Information Technology Co., Ltd.	Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products; development, technology transfer, advisory, service and training of Internet, computer software and hardware and communication equipment	\$ 48,158	(2)(3)	\$ 32,630	-	-	\$ 32,630	\$ 57	100.00	\$ 57	\$ 3,083	\$ -	-
Daqing Buynow Electronic Information Corporation	Manufacturing, retail and wholesale of computers and computer peripherals, and electronic information shopping mall management	98,158	(2)	98,158	-	-	98,158	3,379	100.00	3,379	( 107,567)	-	-
Buynow Electronic Information (Huizhou) Co., Ltd.	Manufacturing, sale, research and development and after-sales service of computers and computer peripherals; property management of buildings	120,115	(2)(3)	211,996	-	-	211,996	( 28,478)	100.00	( 28,478)	( 296,899)	-	-
Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	574,562	(2)	574,562	-	-	574,562	( 52,263)	100.00	( 52,263)	470,296	-	-
Zibo Buynow Electronic Information Co., Ltd	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products. Advisory of business management, leasing of self-owned buildings, parking lot management, shopping mall management and property management	98,012	(2)	98,012	-	-	98,012	( 8,166)	100.00	( 8,166)	( 172,253)	-	-
Yingkou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	464,194	(2)	464,194	-	-	464,194	( 390)	100.00	( 390)	411,327	-	-
Anshan Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	1,150,017	(2)	1,150,017	-	-	1,150,017	( 70,396)	100.00	( 70,396)	774,743	-	-
Clevo (China) Investment Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	897,135	(2)	897,135	-	-	897,135	( 15,017)	100.00	( 15,017)	2,699,738	-	-
Guiyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	303,271	(2)	303,271	-	-	303,271	( 1,427)	100.00	( 1,427)	256,481	-	-
Taizhou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	507,871	(2)	507,871	-	-	507,871	( 9,388)	100.00	( 9,388)	301,860	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	\$ 480,460	(2)	\$ 1,008,954	-	-	\$ 1,008,954	\$ 13,954	100.00	\$ 13,954	\$ 1,025,163	\$ -	-
Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	1,748,220	(2)(3)	881,914	-	-	881,914	( 205,975)	100.00	( 205,975)	717,622	-	-
Luoyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	893,922	(2)	893,922	-	-	893,922	( 96,145)	100.00	( 96,145)	( 68,448)	-	-
Quanzhou Buynow Industry Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	446,195	(2)	446,195	-	-	446,195	( 13,951)	100.00	( 13,951)	76,795	-	-
Buynow (Jinzhou) Industry Co., Ltd.	Manufacturing of computer software and hardware and consumer electronic products, advisory of business management and shopping mall management	448,342	(2)	448,342	-	-	448,342	( 96,705)	100.00	( 96,705)	( 55,086)	-	-
Kunshan Kaishuo Trading Co., Ltd.	Mechanical equipment and accessories, wire and cable, air conditioning equipment, building and decoration material, lighting equipment, kitchen appliance, water cleaner, pipeline and accessories, fire safety equipment, compressor and accessories, wholesale of elevators and appliances, import and export and advisory services	-	(2)	30,198	-	-	30,198	( 7)	100.00	( 7)	-	-	-
Shanghai Huihei Advertisment Co., Ltd.	Advertising design and marketing	-	(3)	-	-	-	-	66	100.00	66	-	-	-
Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	-	(3)	-	-	-	-	( 33)	100.00	( 33)	-	-	-

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. For the investee in the third area of consolidated subsidiaries, please refer to Note 4(3)B. Others has been shown in the table.

(3) Others: Through investing in investees in the third areas, which then invested in the investee in Mainland China or were split.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023, the amount recognised in the financial statements of the investee that were reviewed by its CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Clevo Co.	\$ 13,393,300 (USD 421,680 thousand)	\$ 15,908,300 (USD 456,227 thousand)	\$ 24,710,021

Note 1: According to the MOEA Regulation No. 09704604680, “Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area”, announced on August 29, 2008, limit on accumulated amount of investment in Mainland China is the higher of 60% of net assets and consolidated net assets. The ultimate limit of investment is 60% of the consolidated net worth.  $(41,183,369 \times 60\% = 24,710,021)$

Note 2: It has been liquidated as of December 31, 2023, and has been approved to invest US\$4,120,000 by the Ministry of Economic Affairs.

Note 3: As of December 31, 2023, the capital increased by the earnings extension which has been approved by the Ministry of Economic Affairs for an investment of US\$30,426,900.

CLEVO CO. and Subsidiaries  
Major shareholders information  
Year ended December 31, 2023

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Kent Hsu	46,701,335	7.39%
Huatai Investment Co., Ltd.	37,326,144	5.90%
EPOQUE CORPORATION	33,567,888	5.31%
Fu-Chia Hsu	33,527,454	5.25%

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Clevo Co.

PWCR23000486

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Clevo Co. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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.

### ***Basis for opinion***

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



### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Refer to Note 6(5) for the subsidiaries held by the Company as of December 31, 2023. As the financial position and financial performance of those subsidiaries were material to the Company's parent company only financial statements, their key audit matters - Valuation of inventories, Existence of booth rental revenue and Valuation of investment properties were included in the Company's key audit matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

#### **Investments accounted for using equity method - valuation of investment properties**

##### **Description**

Refer to Note 4(19) of consolidated financial statements accounting policies on investment properties, Note 5(2) of consolidated financial statements for uncertainty of accounting estimates and assumptions in relation to the fair value measurement of investment properties, and Note 6(9) of consolidated financial statements for details of investment properties.

The subsidiary of the Company measures investment properties using the fair value model. The fair value measurement is based on income approach and the discounted cash flow by using estimated future rental income less essential costs, and obtaining the valuation report by appraiser as valuation basis in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The discount rate and future rental income used as the basis of fair value measurement mentioned above involves future prediction, and the estimated result has a significant impact on fair value measurement. Therefore, we considered the valuation of investment properties as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Examined the analysis period and assumption methods used in the valuation report in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. Evaluated the reasonableness of rental earnings related to individual investment property, current market rents for similar comparable properties, rental growth rate and industry forecast reports.
3. Evaluated the reasonableness of discount rate used in valuation and capital costs caused by local property environment.

**Investments accounted for using equity method - existence of booth rental revenue**

Description

Refer to Note 4(33) of consolidated financial statements for accounting policies on revenue recognition and Note 6(22) for details of operating revenue.

One of the operating revenues of the Company’s subsidiary is to earn booth rental income from holding investment properties. After customers sign the contracts, the Group allocates and recognises booth rental revenue based on the period of realisation of agreements.

The customers of booth rental revenue are merchants in the location of investment property, the customers are numerous and most contract periods are from 6 months to one year. The main customers are primarily engaged in the sales of 3C products and food service. In recent years, the growth of ecommerce in China has made an impact on the sales of bricks-and-mortar stores. Therefore, there is higher uncertainty of existence of rental revenue. Thus, we considered the existence of booth rental revenue as a key audit

matter.

How our audit addressed the matter

We performed the following procedures in respect of the above key audit matter:

1. Ensured the reasonableness by validating and testing the appropriateness of internal controls over booth rental revenue, including inspecting the lease contracts and related supporting documents.
2. Verified existence of merchants by performing physical count of the booths.
3. Obtained the listings of booth rental revenue and confirmed the existence of booth rental revenue by sampling and inspecting the lease contracts and physical inventory lists.

**Valuation of inventories**

Description

Refer to Note 4(12) for accounting policy on the valuation of inventories, Note 5(2) for uncertainty of accounting estimations and assumptions in relation to inventory valuation, and Note 6(4) for the details of inventory valuation.

The Group is primarily engaged in manufacturing and sales of notebook computers, construction in progress and buildings and land held for sale. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk for inventory losses due from market value decline or obsolescence. Additionally, most of construction in progress and buildings and land held for sale are located in second-tier or third-tier cities. The property cycle is mostly influenced by local policy and economic situation. Due to long inventory holding period, there is a higher risk for inventory losses due from market value decline.

The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on the age and damage of inventory. As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value is subject to management's judgment, we considered the allowance for inventory valuation losses a key audit matter.

#### How our audit addressed the matter

We performed the following procedures in respect of the above key audit matter:

1. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Obtained the listings of lower of cost or net realizable value and obsolescence losses amount, selected samples and inspected related supporting documents. Calculated the accuracy and assessed the reasonableness of the estimation of net realizable value.
3. Verified information obtained from physical inventory of notebook computers, and inquired with management and relevant staff if the inventory is identified as slow-moving, surplus, obsolete or damaged.

#### ***Other matter – Reference to the audits of other auditors***

We did not audit the financial statements of an investment accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of this associate, is based solely on the report of the other auditors. The balance of this investment accounted for under the equity method amounted to NT\$493,451 thousand and NT\$491,065 thousand, both constituting 1% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$3,152 thousand and NT\$1,065 thousand, constituting 1% and 0% of the total comprehensive income for the years then ended, respectively.

***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

***Auditors’ responsibilities for the audit of the parent company only financial statements***

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period 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.

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LIN, PO-CHUAN

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Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.



CLEVO CO.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,600,394	6	\$ 5,249,460	8
1110	Financial assets at fair value through profit or loss - current	6(2)	2,252,184	3	1,280,273	2
1136	Financial assets at amortised cost - current	6(1) and 8	1,937,776	3	-	-
1170	Accounts receivable, net	6(3)	2,757,533	4	2,365,541	4
1180	Accounts receivable - related parties	6(3) and 7	130,964	-	-	-
1197	Finance lease receivable, net	6(8)	45,672	-	42,430	-
130X	Inventory	6(4)	305,021	1	466,143	1
1410	Prepayments		104,008	-	82,815	-
1479	Other current assets		234,609	-	79,599	-
11XX	Total current assets		11,368,161	17	9,566,261	15
Non-current assets						
1535	Financial assets at amortised cost - non-current	6(1) and 8	6,243	-	1,046,589	2
1550	Investments accounted for under equity method	6(5) and 7	54,881,652	83	54,290,369	83
1600	Property, plant and equipment	6(6)	93,520	-	103,513	-
1755	Right-of-use assets	6(7) and 7	74,853	-	131,726	-
1780	Intangible assets		31,858	-	46,313	-
1840	Deferred income tax assets	6(25)	61,087	-	32,386	-
194D	Long-term finance lease receivable, net	6(8)	42,938	-	80,770	-
1975	Net defined benefit asset, non-current	6(12)	53,550	-	39,290	-
1990	Other non-current assets		39,853	-	35,256	-
15XX	Total non-current assets		55,285,554	83	55,806,212	85
1XXX	Total assets		\$ 66,653,715	100	\$ 65,372,473	100

(Continued)

CLEVO CO.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 2,548,000	4	\$ 1,770,000	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	24,212	-	-	-
2130	Current contract liabilities	6(18)	41,378	-	134,656	-
2150	Notes payable		25,062	-	53,218	-
2170	Accounts payable		372,256	1	307,838	-
2180	Accounts payable to related parties	7	-	-	429,219	1
2200	Other payables		362,519	1	343,728	1
2230	Current income tax liabilities		250,190	-	311,026	-
2250	Provisions for liabilities - current	6(13)	58,523	-	58,523	-
2280	Lease liabilities	7	107,511	-	102,163	-
2320	Long-term liabilities, current portion	6(10)(11)	5,000,000	7	5,200,000	8
2399	Other current liabilities		36,091	-	26,229	-
21XX	Total current liabilities		8,825,742	13	8,736,600	13
Non-current liabilities						
2530	Corporate bonds payable	6(10)	-	-	5,000,000	8
2540	Long-term borrowings	6(11)	16,046,000	24	9,150,000	14
2570	Deferred tax liabilities	6(25)	519,151	1	518,076	1
2580	Lease liabilities - non-current	7	59,592	-	162,365	-
2645	Guarantee deposits received		12,632	-	15,080	-
2670	Other non-current liabilities		7,229	-	-	-
25XX	Total non-current liabilities		16,644,604	25	14,845,521	23
2XXX	Total liabilities		25,470,346	38	23,582,121	36
Equity						
	Share capital	6(14)				
3110	Ordinary share		6,322,630	10	6,322,630	10
	Capital surplus	6(15)				
3200	Capital surplus		97,389	-	56,461	-
	Retained earnings	6(16)				
3310	Legal reserve		2,282,456	3	2,210,652	3
3320	Special reserve		34,207,562	51	35,186,883	54
3350	Unappropriated retained earnings		3,666,842	6	2,614,398	4
	Other equity interest	6(17)				
3400	Other equity interest		( 4,564,310)	( 7)	( 3,771,472)	( 6)
3500	Treasury stocks	6(14)	( 829,200)	( 1)	( 829,200)	( 1)
3XXX	Total equity		41,183,369	62	41,790,352	64
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 66,653,715	100	\$ 65,372,473	100

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

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(18)		\$ 21,284,601	100	\$ 18,800,588	100
5000 Operating costs	6(4)(23)(24) and 7	(	19,548,456)	( 92)	( 16,845,333)	( 90)
5900 Net operating margin			1,736,145	8	1,955,255	10
5910 Unrealized profit from sales		(	1,481)	-	( 5,690)	-
5920 Realized profit (loss) from sales			5,690	-	( 4,277)	-
5950 Net operating margin			1,740,354	8	1,945,288	10
Operating expenses	6(23)(24)					
6100 Selling expenses		(	184,882)	( 1)	( 175,805)	( 1)
6200 General and administrative expenses		(	334,303)	( 1)	( 307,085)	( 2)
6300 Research and development expenses		(	704,043)	( 3)	( 630,168)	( 3)
6000 Total operating expenses		(	1,223,228)	( 5)	( 1,113,058)	( 6)
6900 Operating profit			517,126	3	832,230	4
Non-operating income and expenses						
7100 Interest income	6(19)		195,187	1	54,423	-
7010 Other income	6(20)		92,875	-	133,790	1
7020 Other gains and losses	6(21)		603,979	3	608,295	3
7050 Finance costs	6(22) and 7	(	410,191)	( 2)	( 284,646)	( 1)
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net			206,880	1	( 396,175)	( 2)
7000 Total non-operating income and expenses			688,730	3	115,687	1
7900 Profit before income tax			1,205,856	6	947,917	5
7950 Income tax expense	6(25)	(	145,766)	( 1)	( 123,391)	( 1)
8200 Profit for the year			\$ 1,060,090	5	\$ 824,526	4
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Actuarial gains on defined benefit plan	6(12)	\$	4,040	-	\$ 32,888	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(	808)	-	( 6,576)	-
8310 Other comprehensive income that will not be reclassified to profit or loss			3,232	-	26,312	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations		(	797,469)	( 4)	868,476	5
8399 Income tax relating to the components of other comprehensive income	6(25)		4,631	-	( 11,161)	-
8360 Other comprehensive (loss) income that will be reclassified to profit or loss		(	792,838)	( 4)	857,315	5
8300 Total other comprehensive (loss) income for the year		(	789,606)	( 4)	\$ 883,627	5
8500 Total comprehensive income for the year			\$ 270,484	1	\$ 1,708,153	9
Earnings per share (in dollars)	6(26)					
9750 Basic earnings per share		\$	1.81		\$ 1.41	
9850 Diluted earnings per share		\$	1.80		\$ 1.40	

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

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

			Capital Reserves			Retained Earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>Year ended December 31, 2022</u>											
Balance at January 1, 2022		\$ 6,497,630	\$ 56,267	\$ 16,228	\$ 983	\$ 1,908,529	\$ 35,684,459	\$ 3,149,950	(\$ 4,628,787 )	(\$ 1,374,835 )	\$ 41,310,424
Profit for the year		-	-	-	-	-	-	824,526	-	-	824,526
Other comprehensive income for the year	6(17)	-	-	-	-	-	-	26,312	857,315	-	883,627
Total comprehensive income		-	-	-	-	-	-	850,838	857,315	-	1,708,153
Appropriations of 2021 earnings	6(16)										
Legal reserve		-	-	-	-	302,123	-	( 302,123 )	-	-	-
Special reserve		-	-	-	-	-	( 493,824 )	493,824	-	-	-
Cash dividends		-	-	-	-	-	-	( 1,285,752 )	-	-	( 1,285,752 )
Treasury stock retired	6(14)	( 175,000 )	( 1,516 )	( 73,028 )	-	-	-	( 296,091 )	-	545,635	-
Past due dividends not received by shareholders		-	-	-	727	-	-	-	-	-	727
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	56,800	-	-	-	-	-	-	56,800
Reversal of special reserve		-	-	-	-	-	( 3,752 )	3,752	-	-	-
Balance at December 31, 2022		\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472 )	(\$ 829,200 )	\$ 41,790,352
<u>Year ended December 31, 2023</u>											
Balance at January 1, 2023		\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472 )	(\$ 829,200 )	\$ 41,790,352
Profit for the year		-	-	-	-	-	-	1,060,090	-	-	1,060,090
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	-	-	3,232	( 792,838 )	-	( 789,606 )
Total comprehensive income (loss)		-	-	-	-	-	-	1,063,322	( 792,838 )	-	270,484
Appropriations of 2022 earnings	6(16)										
Legal reserve		-	-	-	-	71,804	-	( 71,804 )	-	-	-
Special reserve		-	-	-	-	-	( 974,795 )	974,795	-	-	-
Cash dividends		-	-	-	-	-	-	( 918,395 )	-	-	( 918,395 )
Past due dividends not received by shareholders		-	-	-	357	-	-	-	-	-	357
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	40,571	-	-	-	-	-	-	40,571
Reversal of special reserve		-	-	-	-	-	( 4,526 )	4,526	-	-	-
Balance at December 31, 2023		\$ 6,322,630	\$ 54,751	\$ 40,571	\$ 2,067	\$ 2,282,456	\$ 34,207,562	\$ 3,666,842	(\$ 4,564,310 )	(\$ 829,200 )	\$ 41,183,369

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

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,205,856	\$ 947,917
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(23)	19,962	12,640
Depreciation of right-of-use assets	6(7)(23)	59,023	51,451
Amortisation	6(23)	24,085	12,368
Net (gain) loss on financial assets measured at fair value through profit or loss	6(21)	( 595,066 )	127,644
Interest expense	6(22)	410,191	284,646
Interest income	6(19)	( 195,187 )	( 54,423 )
Dividend income	6(20)	( 58,256 )	( 49,020 )
Share of (profit) loss of associates and joint ventures accounted for under the equity method	6(5)	( 206,880 )	396,175
Gain on sublease of right-of-use assets	6(7)(21)	( 3,916 )	( 95,066 )
Gain on disposal of property, plant and equipment	6(21)	-	( 32 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		( 376,845 )	140,849
Accounts receivable, net		( 522,956 )	2,745,570
Inventories		161,122	( 51,278 )
Prepayments		( 21,193 )	( 16,144 )
Net defined benefit asset, non-current		( 10,221 )	( 8,728 )
Other current assets		( 125,040 )	20,094
Changes in operating liabilities			
Financial liabilities measured at fair value through profit or loss		24,212	-
Contract liabilities		( 93,278 )	88,766
Notes payable		( 20,927 )	43,094
Accounts payable		64,418	3,709
Accounts payable to related parties		( 429,219 )	429,219
Other payables		22,012	( 190,611 )
Other current liabilities		9,862	4,062
Cash (outflow) inflow generated from operations		( 658,241 )	4,842,902
Interest received		181,342	34,402
Dividends received		58,256	49,020
Cash dividends received from subsidiaries		43,917	23,948
Income taxes paid		( 212,390 )	( 116,535 )
Interest paid		( 413,412 )	( 277,974 )
Net cash flows (used in) from operating activities		( 1,000,528 )	4,555,763

(Continued)

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of property, plant and equipment and investment property		\$ -	\$ 200
Acquisition of investments accounted for under the equity method		( 1,181,010 )	( 590,000 )
Acquisition of property, plant and equipment	6(6)	( 9,969 )	( 106,429 )
Acquisition of intangible assets		( 9,630 )	( 54,119 )
Increase in financial assets at amortised cost - current		( 921,810 )	-
Decrease (increase) in financial assets at amortised cost - non-current		24,380	( 34,419 )
Increase in refundable deposits		( 640 )	( 14,053 )
Net cash flows used in investing activities		( 2,098,679 )	( 798,820 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		46,113,000	41,509,431
Decrease in short-term borrowings		( 45,335,000 )	( 43,475,908 )
Increase in long-term borrowings		41,715,000	35,760,231
Repayments of long-term borrowings		( 40,019,000 )	( 32,960,231 )
(Decrease) increase in guarantee deposit		( 2,448 )	14,976
Payments of lease liabilities	6(27)	( 103,373 )	( 84,004 )
Cash dividends paid	6(16)	( 918,395 )	( 1,285,752 )
Past due dividends not received by shareholders		357	727
Net cash flows from (used in) financing activities		1,450,141	( 520,530 )
Net (decrease) increase in cash and cash equivalents		( 1,649,066 )	3,236,413
Cash and cash equivalents at beginning of year		5,249,460	2,013,047
Cash and cash equivalents at end of year		\$ 3,600,394	\$ 5,249,460

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

CLEVO CO.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Clevo Co. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the design, manufacture and sales of VDUs, computers and peripheral devices.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.



- (b) Investment property measured at fair value.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in “New Taiwan Dollars”, which is the Company’s functional currency and the Company’s presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange

rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that

meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Company initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(9) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable and lease receivables that have a significant financing

component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(11) Leasing arrangements (lessor) – lease receivables / operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(13) Investments accounted for using equity method / subsidiaries

A. Subsidiaries refer to the entities (including special purpose entities) that the Company has control

over their financial and operating policies and own more than 50% of voting shares directly or indirectly. The Company evaluates investments in subsidiaries accounted under equity method in these parent company only financial statements.

- B. Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted to comply with the Company's accounting policies.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Joint operation and investment accounted for using equity method - joint ventures

Investment of joint arrangements are classified as joint ventures based on its contractual rights and obligations.

Investment accounted for using equity method - joint ventures

The Company accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are

depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	3 ~ 5 years
Computer and communication Equipment	2 ~ 5 years
Transportation equipment	1 ~ 5 years
Other equipment	3 ~ 5 years

(16) Leasing arrangements (lessee) — right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date; and
  - (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

(18) Intangible assets

Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 6 years.

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less

transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Financial guarantee contracts

A financial guarantee contract is a contract that requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. At initial recognition, the Company measures financial guarantee contracts at fair value and subsequently at the higher of the amount of provisions determined by the expected credit losses and the cumulative gains that were previously recognised.

(27) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(28) Provisions

Warranties provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans



- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or

loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(31) Share capital

- A. Ordinary shares are classified as equity.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(32) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(33) Revenue recognition

- A. Sales of goods
  - (a) The Company designs, manufactures and sells a range of video display devices, computers and peripheral products. Sales are recognised when control of the products has transferred,

being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. The sales usually are made with a credit term of 30 days to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

- (b) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

### 5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

#### (1) Critical judgements in applying the Company's accounting policies

None.

#### (2) Critical accounting estimates and assumptions

##### A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was \$305,021.

**B. Investment property measured at fair value**

The Company assesses the fair value of investment property based on the professional judgement of appraiser, and determines the future cash flows of the investment property, discount rate and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of strategy might cause material effect in amount of investment property measured at fair value.

**6. DETAILS OF SIGNIFICANT ACCOUNTS**

**(1) Cash and cash equivalents**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 262	\$ 291
Checking accounts and demand deposits	865,429	1,657,971
Time deposits	<u>2,734,703</u>	<u>3,591,198</u>
	<u>\$ 3,600,394</u>	<u>\$ 5,249,460</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Time deposits that do not meet the definition of cash equivalent and pledged to others as collateral for borrowings and bonds payable totaling \$1,937,776 and \$0 were classified as 'financial assets at amortised cost - current' as of December 31, 2023 and 2022, respectively.

B. Demand deposits pledged to others as collateral for bonds payable amounting to \$6,243 and \$1,046,589 were classified as 'financial assets at amortised cost - current' as of December 31, 2023 and 2022, respectively.

**(2) Financial assets (liabilities) at fair value through profit or loss**

<u>Assets items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 947,254	\$ 647,964
Beneficiary certificates	551,228	374,841
Valuation adjustment	<u>753,702</u>	<u>257,468</u>
	<u>\$ 2,252,184</u>	<u>\$ 1,280,273</u>

A. Amounts recognized in profit or loss in relation to financial assets (liabilities) at fair value through profit or loss are listed below:

	Year ended December 31, 2023	Year ended December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 627,472	(\$ 128,518)
Beneficiary certificates	( 8,194)	3,601
	<u>\$ 619,278</u>	<u>(\$ 124,917)</u>
Financial liabilities held for trading		
Derivatives	(\$ 24,212)	(\$ 2,727)

B. The Company entered into contracts relating to derivative financial liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2023	
	Contract amount (notional principal)	Contract period
Derivative financial instruments		
Current items:		
Forward foreign exchange contracts	<u>USD \$21,000</u>	2023/11/06-2024/05/22

As of December 31, 2022: None.

Forward foreign exchange contracts / Foreign exchange swaps

The Company entered into forward foreign exchange contracts and foreign exchange swaps to sell or buy foreign currency to hedge exchange risk of foreign currency and earn the exchange rate spread. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Company has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 2,762,859	\$ 2,370,867
Accounts receivable - related parties	130,964	-
Less: Allowance for uncollectible accounts	( 5,326)	( 5,326)
	<u>\$ 2,888,497</u>	<u>\$ 2,365,541</u>

A. The aging analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 2,205,948	\$ 1,827,946
Up to 30 days	533,861	523,367
31 to 90 days	9,502	18,884
91 to 180 days	12,897	-
Over 181 days	651	670
	<u>\$ 2,762,859</u>	<u>\$ 2,370,867</u>

The above aging analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables from contracts with customers amounted to \$2,762,859, \$2,370,867, and \$5,116,437, respectively.

C. The Company has no accounts receivable pledged to others.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$2,888,497 and \$2,365,541, respectively.

E. The Company has taken out credit insurance on accounts receivable from some of the main clients.

The Company will get compensation based on the proportion of the agreements.

F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 323,275	(\$ 18,259)	\$ 305,016
Semi-finished goods	6	(1)	5
	<u>\$ 323,281</u>	<u>(\$ 18,260)</u>	<u>\$ 305,021</u>
	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 484,795	(\$ 18,661)	\$ 466,134
Semi-finished goods	9	-	9
	<u>\$ 484,804</u>	<u>(\$ 18,661)</u>	<u>\$ 466,143</u>

The cost of inventories recognized as expense for the years ended December 31, 2023 and 2022 was \$19,548,456 and \$16,845,333, respectively, including the amount of \$0 and \$6,751, respectively, that the Company wrote down inventories from cost to net realizable value accounted for as cost of goods sold.

(5) Investments accounted for using equity method and Prepayments for investments

A. Investments accounted for using equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
Kapok Computer Co., Ltd.	\$ 79,214	\$ 77,847
Clevo Investment Co., Ltd.	101,758	79,032
Clevo (Cayman Islands) Holding Company	42,653,466	43,142,281
Kapok Computer (Samoa) Corporation	7,656,911	7,805,693
Clevo Computer Singapore Pte. Ltd.	1,771,355	1,660,391
Buynow On-line Holding Corporation	4,869	4,878
Joint venture:		
TAIPEI TWIN CORPORATION	2,120,628	1,029,182
Tua Tiann Co., Ltd.	493,451	491,065
	<u>\$ 54,881,652</u>	<u>\$ 54,290,369</u>

The related information on subsidiaries is provided in Note 4(3) of the 2023 consolidated financial statements.

B. Joint ventures

(a) The basic information of the joint ventures that are material to the Company is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>December 31, 2023</u>	<u>December 31, 2022</u>		
TAIPEI TWIN CORPORATION	New Taipei City	50%	50%	Financial investment	Equity method
Tua Tiann Co., Ltd.	Taipei City	24.5%	24.5%	Financial investment	Equity method

- (b) The summarised financial information of the joint ventures that are material to the Company is as follows:

Balance sheet

TAIPEI TWIN CORPORATION		
	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 201,914	\$ 228,937
Other current assets	1,094	144,823
Current assets	203,008	373,760
Prepaid contract payments	9,648,562	2,808,441
Other non-current assets	535,646	258,636
Non-current assets	10,184,208	3,067,077
Total assets	\$ 10,387,216	\$ 3,440,837
Other payables	(\$ 198,002)	(\$ 398,222)
Lease liabilities	( 76,532)	( 7,879)
Other current liabilities	( 3,848)	( 9,640)
Current liabilities	( 278,382)	( 415,741)
Long-term borrowings	( 2,900,000)	( 940,000)
Lease liabilities - non-current	( 88,303)	( 26,732)
Other non-current liabilities	( 2,879,274)	-
Non-current liabilities	( 5,867,577)	( 966,732)
Total liabilities	( 6,145,959)	( 1,382,473)
Total net assets	\$ 4,241,257	\$ 2,058,364
Share in joint venture's net assets	\$ 2,120,628	\$ 1,029,182
Carrying amount of the joint venture	\$ 2,120,628	\$ 1,029,182

Statement of comprehensive income

TAIPEI TWIN CORPORATION		
	Year ended December 31, 2023	Year ended December 31, 2022
Other operating expenses	(\$ 113,565)	(\$ 72,109)
Depreciation and amortisation	( 7,745)	( 6,688)
Interest income	4,666	2,842
Other gains and losses	( 464)	( 272)
Loss before income tax	( 117,108)	( 76,227)
Income tax expense	-	-
Profit or loss, net of tax	(\$ 117,108)	(\$ 76,227)
Total comprehensive loss	(\$ 117,108)	(\$ 76,227)
Dividends received from joint venture	\$ -	\$ -

The Company and EPOQUE CORPORATION participated in the land development project



of Taipei City Western District Gateway Project-Taipei Main Station Special Zone C1/D1(Eastern Part) to jointly establish TAIPEI TWIN CORPORATION. The investments amounting to \$2.25 billion from both the Company and EPOQUE CORPORATION account for 50% of the total investment and the shareholding ratio is 50% for each as at December 31, 2023. TAIPEI TWIN CORPORATION would be jointly controlled by both parties based on the joint venture agreement.

- (c) The summarized financial information of the joint venture that is material to the Group is as follows:

		Tua Tiann Co., Ltd.	
		December 31, 2023	December 31, 2022
Cash and cash equivalents	\$	52,539	\$ 8,931
Financial assets at amortised cost - current		50,000	200,000
Other current assets		10,642	7,476
Current assets		113,181	216,407
Prepaid contract payments		576,163	467,864
Other non-current assets		1,325,961	1,320,180
Total assets	\$	2,015,305	\$ 2,004,451
Current liabilities	(	1,077)	( 103)
Non-current liabilities	(	141)	-
Total liabilities	(	1,218)	( 103)
Total net assets	\$	2,014,087	\$ 2,004,348
Share in joint venture's net assets	\$	493,451	\$ 491,065
Carrying amount of the joint venture	\$	493,451	\$ 491,065
		Tua Tiann Co., Ltd.	
		Year ended December 31, 2023	Year ended December 31, 2022
Other operating expenses	(\$	182)	(\$ 690)
Other gains and losses		17,350	5,038
Profit before income tax		17,168	4,348
Income tax expense	(	4,303)	-
Profit or loss, net of tax	\$	12,865	\$ 4,348
Total comprehensive income	\$	12,865	\$ 4,348
Dividends received from joint venture	\$	766	\$ -

The Company, KINDOM DEVELOPMENT CO., LTD. and HUA TAI INVESTMENT CORPORATION participated in the land development project of Taipei City Project-Taipei Main Station Special Zone E1/E2 to jointly establish Tua Tiann Co., Ltd. The capital contributions of the three parties account for 24.5%, 51% and 24.5% of the total capital and equity of the joint venture company. Tua Tiann Co. Ltd. will be jointly controlled by the three

parties based on the joint venture agreement.

(6) Property, plant and equipment

	Machinery	Computers and communication equipment	Transportation equipment	Lease improvements	Others	Total
At January 1, 2023						
Cost	\$ 20,613	\$ 6,245	\$ 2,642	\$ 74,073	\$ 24,220	\$ 127,793
Accumulated depreciation	( 9,578)	( 2,874)	( 1,924)	( 6,936)	( 2,968)	( 24,280)
	<u>\$ 11,035</u>	<u>\$ 3,371</u>	<u>\$ 718</u>	<u>\$ 67,137</u>	<u>\$ 21,252</u>	<u>\$ 103,513</u>
<u>2023</u>						
Opening net book amount as at January 1	\$ 11,035	\$ 3,371	\$ 718	\$ 67,137	\$ 21,252	\$ 103,513
Additions	2,038	6,810	-	689	432	9,969
Disposals (costs)	( 2,420)	( 1,040)	-	-	( 228)	( 3,688)
Disposals (accumulated depreciation)	2,420	1,040	-	-	228	3,688
Depreciation charge	( 3,275)	( 1,571)	( 195)	( 11,931)	( 2,990)	( 19,962)
Closing net book amount as at December 31	<u>\$ 9,798</u>	<u>\$ 8,610</u>	<u>\$ 523</u>	<u>\$ 55,895</u>	<u>\$ 18,694</u>	<u>\$ 93,520</u>
At December 31, 2023						
Cost	\$ 20,231	\$ 12,015	\$ 2,642	\$ 74,762	\$ 24,424	\$ 134,074
Accumulated depreciation	( 10,433)	( 3,405)	( 2,119)	( 18,867)	( 5,730)	( 40,554)
	<u>\$ 9,798</u>	<u>\$ 8,610</u>	<u>\$ 523</u>	<u>\$ 55,895</u>	<u>\$ 18,694</u>	<u>\$ 93,520</u>
	Machinery	Computers and communication equipment	Transportation equipment	Lease improvements	Others	Total
At January 1, 2022						
Cost	\$ 14,400	\$ 5,321	\$ 2,868	\$ -	\$ 2,422	\$ 25,011
Accumulated depreciation	( 9,392)	( 1,734)	( 2,348)	-	( 1,645)	( 15,119)
	<u>\$ 5,008</u>	<u>\$ 3,587</u>	<u>\$ 520</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ 9,892</u>
<u>2022</u>						
Opening net book amount as at January 1	\$ 5,008	\$ 3,587	\$ 520	\$ -	\$ 777	\$ 9,892
Additions	8,464	924	374	74,073	22,594	106,429
Disposals (costs)	( 2,251)	-	( 600)	-	( 796)	( 3,647)
Disposals (accumulated depreciation)	2,083	-	600	-	796	3,479
Depreciation charge	( 2,269)	( 1,140)	( 176)	( 6,936)	( 2,119)	( 12,640)
Closing net book amount as at December 31	<u>\$ 11,035</u>	<u>\$ 3,371</u>	<u>\$ 718</u>	<u>\$ 67,137</u>	<u>\$ 21,252</u>	<u>\$ 103,513</u>
At December 31, 2022						
Cost	\$ 20,613	\$ 6,245	\$ 2,642	\$ 74,073	\$ 24,220	\$ 127,793
Accumulated depreciation	( 9,578)	( 2,874)	( 1,924)	( 6,936)	( 2,968)	( 24,280)
	<u>\$ 11,035</u>	<u>\$ 3,371</u>	<u>\$ 718</u>	<u>\$ 67,137</u>	<u>\$ 21,252</u>	<u>\$ 103,513</u>

A. No borrowing costs were capitalized on property, plant and equipment for the years ended December 31, 2023 and 2022.

B The Company does not provide information on real property, plant and equipment for guarantee.

(7) Leasing arrangements — lessee

- A. The Company leases various assets including office. Rental contracts are made for periods of 3 to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Printers are the low-value assets that the Company leased.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	Year ended December 31, 2023	December 31, 2022	Year ended December 31, 2022
	Carrying amount	Depreciation charge	Carrying amount	Depreciation charge
Office	\$ 73,181	\$ 58,545	\$ 131,726	\$ 51,451
Transportation equipment	1,672	478	-	-
	<u>\$ 74,853</u>	<u>\$ 59,023</u>	<u>\$ 131,726</u>	<u>\$ 51,451</u>

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$5,948 and \$175,634, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended	
	December 31, 2023	December 31, 2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,089	\$ 3,721
Expense on short-term lease contracts	1,129	1,403
Gain on sublease of right-of-use assets	3,916	95,066

- F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$107,591 and \$89,128, respectively.
- G. The Company sold property, plant and equipment located at Sanchong Dist., New Taipei City to TransGlobe Life in the amount of \$4,100,000 on October 15, 2021. The Company leased back the aforementioned sold assets for a lease term of 4 years, and the lease agreement does not include extension or purchase clauses. The rental payments for each year are \$47,500, \$47,500, \$48,925 and \$50,393, respectively.

(8) Leasing arrangements – lessor

- A. The Company leases various assets including buildings. Rental contracts are typically made for 1 year. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, all or certain leased assets may not be lent, subleased, sold or consolidated with other companies, entrusted to others for operation or granted in any different form to the third parties.
- B. The Company leases buildings under a finance lease. Based on the terms of the lease contract,

the lease period of the building covers the main part of the economic life of the underlying asset. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Finance income from the net investment in the finance lease	\$ 1,554	\$ 225

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2023	December 31, 2022
2023	\$ -	\$ 43,945
2024	46,657	42,314
2025	43,163	39,581
	<u>\$ 89,820</u>	<u>\$ 125,840</u>

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2023	
	Current	Non-current
Undiscounted lease payments	\$ 46,657	\$ 43,163
Unearned finance income	( 985)	( 225)
Net investment in the lease	<u>\$ 45,672</u>	<u>\$ 42,938</u>

	December 31, 2022	
	Current	Non-current
Undiscounted lease payments	\$ 43,945	\$ 81,895
Unearned finance income	( 1,515)	( 1,125)
Net investment in the lease	<u>\$ 42,430</u>	<u>\$ 80,770</u>

E. For the years ended December 31, 2023 and 2022, the Company recognized rent income in the amounts of \$4,253 and \$3,970, respectively, based on the operating lease agreement, which does not include variable lease payments.

F. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
2022	\$ -	\$ 3,970
2023	4,253	-
	<u>\$ 4,253</u>	<u>\$ 3,970</u>

(9) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 2,548,000</u>	1.65% ~ 1.85%	Promissory note

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	\$ 1,770,000	1.40% ~ 1.60%	Promissory note

(10) Bonds payable

	December 31, 2023	December 31, 2022
Secured bonds payable	\$ 5,000,000	\$ 5,000,000
Less: Current portion of secured bonds payable	( 5,000,000)	-
	\$ -	\$ 5,000,000

A. On August 22, 2019, Clevo Co. issued \$5,000,000 secured bonds, as approved by the regulatory authority.

B. The terms of the secured bonds are as follows:

Type of Bonds	Issuance date	Period	Amount	Coupon rate	Payment term	Security
Secured bonds payable	2019/8/26	5 years	\$ 5,000,000	fixed rate of 0.8%	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.

(11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Unsecured borrowings	Borrowing period is from September 30, 2022 to December 17, 2026; interest is payable monthly, principal is payable at maturity date.	1.73% ~ 1.85%	Promissory note	\$ 9,646,000
Unsecured borrowings	Borrowing period is from March 31, 2023 to March 31, 2028; interest is payable monthly, principal is payable in installments.	1.978% ~ 2.1303%	Promissory note	6,400,000
				<u>\$ 16,046,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Unsecured borrowings	Borrowing period is from June 13, 2022 to December 17, 2026; interest is payable monthly, principal is payable at maturity date.	1.391% ~ 1.918%	Promissory note	\$ 10,350,000
Unsecured borrowings	Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments.	1.9127% ~ 2.1145%	Promissory note	4,000,000
				<u>14,350,000</u>
Less: Current portion of long-term loans				( <u>5,200,000</u> )
				<u>\$ 9,150,000</u>

The Company's liquidity risks are described in Note 12(2)C.(C).

## (12) Pensions

### A. Defined benefit pension plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 297,584	\$ 314,522
Fair value of plan assets	( 351,134 )	( 353,812 )
Net defined benefit assets	<u>( \$ 53,550 )</u>	<u>( \$ 39,290 )</u>

(c) Movements in net defined benefit liabilities (assets) are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Balance at January 1	\$ 314,522	(\$ 353,812)	(\$ 39,290)
Current service cost	110	-	110
Interest expense (income)	4,183	( 4,705)	( 522)
	<u>318,815</u>	<u>( 358,517)</u>	<u>( 39,702)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in financial assumptions	3,057	-	3,057
Experience adjustments	( 5,818)	( 1,279)	( 7,097)
	<u>( 2,761)</u>	<u>( 1,279)</u>	<u>( 4,040)</u>
Pension fund contribution	-	( 9,808)	( 9,808)
Paid pension	( 18,470)	18,470	-
Balance at December 31	<u>\$ 297,584</u>	<u>(\$ 351,134)</u>	<u>(\$ 53,550)</u>
	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Balance at January 1	\$ 322,555	(\$ 322,555)	\$ -
Current service cost	2,305	-	2,305
Interest expense (income)	2,311	( 2,290)	21
	<u>327,171</u>	<u>( 324,845)</u>	<u>2,326</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	809	-	809
Change in financial assumptions	( 4,462)	-	( 4,462)
Experience adjustments	( 4,955)	( 24,280)	( 29,235)
	<u>( 8,608)</u>	<u>( 24,280)</u>	<u>( 32,888)</u>
Pension fund contribution	-	( 8,728)	( 8,728)
Paid pension	( 4,041)	4,041	-
Balance at December 31	<u>\$ 314,522</u>	<u>(\$ 353,812)</u>	<u>(\$ 39,290)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Discount rate	1.23%	1.33%
Future salary increases	2.50%	2.50%

Future mortality rate was estimated based on 90% of the 6th Taiwan Standard Ordinary Experience Mortality Table in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 14,884)	\$ 15,918	\$ 15,635	(\$ 14,775)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 16,874)	\$ 18,101	\$ 17,797	(\$ 16,767)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.



The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$9,808.

(h) As of December 31, 2023, the weighted average duration of the retirement plan is 10 years.

The analysis of timing of the future pension payment was as follows:

Within 2 years	\$	252,573
2-5 years		18,093
Over 5 years		2,638
	\$	<u>273,304</u>

#### B. Defined contribution plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were \$35,755 and \$35,094, respectively.

#### (13) Provisions

	Warranty	
	2023	2022
At January 1	\$ 58,523	\$ 58,523
Additional provisions	72,639	85,122
Used during the year	( 72,639)	( 85,122)
At December 31	<u>\$ 58,523</u>	<u>\$ 58,523</u>

Analysis of total provisions:

	December 31, 2023	December 31, 2022
Current	<u>\$ 58,523</u>	<u>\$ 58,523</u>

The Company provides warranties on computer products sold. Provision for warranty is estimated based on historical warranty data of computer products.

(14) Share capital

A. As of December 31, 2023, the Company's authorised capital was \$9,000,000, consisting of 900 million shares of ordinary stock, and the paid-in capital was \$6,322,630, consisting of 632,263 thousand shares with a par value of \$10 (in dollars) per share. The foregoing includes 20 million shares reserved for employee stock options with a par value of \$10 (in dollars) per share, which the Board of Directors are authorised to issue depending on actual demand.

Movements in the number of the Company's ordinary shares outstanding (shares in thousands) are as follows:

	2023	2022
At January 1 (At December 31)	<u>585,216</u>	<u>585,216</u>

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	20,000 thousand	\$ 625,712
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,306
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,182

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	20,000 thousand	\$ 625,712
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,306
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,182

(b) On August 12, 2022 and November 12, 2021, the Company handled the cancellation of treasury shares by the resolution of the board of directors. The amount of capital reduction was \$100,000 and \$75,000, consisting of 10,000 thousand shares and 7,500 thousand shares, respectively. The capital reduction ratios were 1.56% and 1.15%, and the capital reduction base dates were August 16, 2022 and January 14, 2021, respectively.

(c) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding

shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. According to the law or the authority, the special surplus reserve shall be set or reversed. If there is still surplus, the Board of Directors shall draft the allocation which shall be resolved at the shareholders' meeting. On June 15, 2022, the shareholders during their meeting passed a resolution to amend the Company's Articles of Association. In accordance with the amended Articles of Association, the special surplus reserve shall be set or reversed. If there is still surplus, the Board of Directors shall draft the allocation which shall be resolved at the shareholders' meeting.

The Board of Directors is authorized to distribute all or part of dividends, bonuses, legal reserve and capital surplus in the form of cash by approval of more than half of directors present at a meeting attended by more than two thirds of the directors, and such distribution shall also be reported at the shareholders' meeting.

B. The Company belongs to high tech and electronics industry. As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans, based on vision of industrial development, capital expenditure demand, sound financial plan and protecting the rights and interests of investors. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in

proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. Special reserve

- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- (c) According to Jin-Guan-Zheng-Fa-Zi Letter No.1030006415, dated March 18, 2014, investment properties are initially and subsequently measured using fair value model. Changes of value due to appreciation as of December 31, 2013 are reflected in the increase of Appropriated Retained Earnings. The Company will recognise the reversal of earnings upon subsequent disposal or decrease of the investment properties.

E. The appropriations of 2022 and 2021 earnings had been resolved at the stockholders' meeting on May 31, 2023 and June 15, 2022, respectively. Details are summarised below:

	2022		2021	
	Dividends per share		Dividends per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 71,804		\$ 302,123	
Reverse of special reserve (	974,795)		( 493,824)	
Cash dividends	918,395	\$ 1.50	1,285,752	\$ 2.10
	<u>\$ 15,404</u>		<u>\$1,094,051</u>	

F. The resolution of the appropriations of 2023 earnings was approved by the Board of Directors during its meeting on March 14, 2024 as follows:

	2023	
	Dividends per share	
	Amount	(in dollars)
Legal reserve	\$ 109,406	
Set aside special reserve	762,104	
Cash dividends	979,621	\$ 1.6
	<u>\$ 1,851,131</u>	

As of the financial report date, the Company's 2023 profit distribution proposal has not yet been resolved by the shareholders. Information about the distribution of profits as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(17) Other equity items

	2023	2022
	Currency translation	Currency translation
At January 1	(\$ 3,771,472)	(\$ 4,628,787)
Currency translation differences:		
–The Company and subsidiaries	( 792,838)	857,315
At December 31	(\$ 4,564,310)	(\$ 3,771,472)

(18) Operating revenue

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from contracts with customers	\$ 21,284,601	\$ 18,800,588

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods over time and at a point in time in the following major product lines and geographical regions:

		China computer	Asia-Pacific computer	Other computer	
2023	products	products	products	products	Total
Total segment revenue	\$ 15,400,463	\$ 7,464,894	\$ 5,567,127	\$ 28,432,484	
Inter-segment revenue	( 7,147,883)	-	-	( 7,147,883)	
Revenue from external customer contracts	\$ 8,252,580	\$ 7,464,894	\$ 5,567,127	\$ 21,284,601	
Timing of revenue recognition					
At a point in time	\$ 8,252,580	\$ 7,464,894	\$ 5,567,127	\$ 21,284,601	

		China computer	Asia-Pacific computer	Other computer	
2022	products	products	products	products	Total
Total segment revenue	\$ 11,158,199	\$ 6,541,730	\$ 5,920,737	\$ 23,620,666	
Inter-segment revenue	( 4,820,078)	-	-	( 4,820,078)	
Revenue from external customer contracts	\$ 6,338,121	\$ 6,541,730	\$ 5,920,737	\$ 18,800,588	
Timing of revenue recognition					
At a point in time	\$ 6,338,121	\$ 6,541,730	\$ 5,920,737	\$ 18,800,588	

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities:			
Contract liabilities – Advance sales receipts	<u>\$ 41,378</u>	<u>\$ 134,656</u>	<u>\$ 45,890</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance real estate receipts	<u>\$ 105,625</u>	<u>\$ 40,562</u>

(19) Interest income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Interest income from bank deposits	\$ 193,234	\$ 54,026
Other interest income	<u>1,953</u>	<u>397</u>
	<u>\$ 195,187</u>	<u>\$ 54,423</u>

(20) Other income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Dividend income	\$ 58,256	\$ 49,020
Rent income	4,253	3,970
Other income	<u>30,366</u>	<u>80,800</u>
	<u>\$ 92,875</u>	<u>\$ 133,790</u>

(21) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Gains on disposals of property, plant and equipment	\$ –	\$ 32
Foreign exchange gains	12,947	652,186
Gains on financial assets and liabilities at fair value through profit or loss	595,066 (	127,644)
Income from subleasing right-of-use assets	3,916	95,066
Fee expense arising from financial liabilities not at fair value through profit or loss	( 2,840) (	3,464)
Fee expense arising from trust and fiduciary activities	( 5,110) (	7,827)
Other losses	- (	54)
	<u>\$ 603,979</u>	<u>\$ 608,295</u>

(22) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense:		
Bank borrowings	\$ 308,624	\$ 193,049
Other interest expense	101,567	91,597
Financial costs	<u>\$ 410,191</u>	<u>\$ 284,646</u>

(23) Expenses by nature

	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expense	\$ 922,580	\$ 833,284
Depreciation charges on property, plant and equipment	19,962	12,640
Depreciation charges on right-of-use assets	59,023	51,451
Amortisation charges on intangible assets	24,085	12,368
	<u>\$ 1,025,650</u>	<u>\$ 909,743</u>

(24) Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Wages and salaries	\$ 789,148	\$ 704,622
Labour and health insurance fees	59,889	57,079
Pension costs	35,343	37,420
Other personnel expenses	38,200	34,163
	<u>\$ 922,580</u>	<u>\$ 833,284</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 5%~15% for employees' compensation and shall not be higher than 1% for directors' and supervisors' remuneration.
- B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$129,000 and \$108,000, respectively; while directors' and supervisors' remuneration was accrued at \$12,700 and \$10,600, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5%~15% and not higher than 1% of distributable profit of current year for the year ended December 31, 2023. The employees' compensation and directors' and supervisors' remuneration as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 and 2022 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the year	\$ 136,059	\$ 182,615
Tax on undistributed surplus earnings	34,611	36,963
Prior year income tax overestimation	( 1,101)	(26,641)
Total current tax	<u>169,569</u>	<u>192,937</u>
Deferred tax:		
Origination and reversal of temporary differences	( 23,803)	(69,546)
Total deferred tax	( 23,803)	( 69,546)
Income tax expense	<u>\$ 145,766</u>	<u>\$ 123,391</u>



(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Currency translation differences	\$ 4,631	(\$ 11,161)
Remeasurement of defined benefit obligations	( 808)	( 6,576)
	<u>\$ 3,823</u>	<u>(\$ 17,737)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ 241,171	\$ 189,583
Tax exempt income by tax regulation	( 128,915)	( 76,514)
Prior year income tax overestimation	( 1,101)	(26,641)
Tax on undistributed surplus earnings	34,611	36,963
Income tax expense	<u>\$ 145,766</u>	<u>\$ 123,391</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealised exchange loss	\$ -	\$ 30,026	\$ -	\$ 30,026
Unrealised sales gain	1,138	( 842)	-	296
Allowance for spare valuation losses	4,114	3,000	-	7,114
Allowance for inventory valuation losses	3,732	( 80)	-	3,652
Allowance for bad debts	9,100	( 8,034)	-	1,066
Unused compensated absences	5,065	-	-	5,065
Currency translation differences	9,237	-	4,631	13,868
	<u>\$ 32,386</u>	<u>\$ 24,070</u>	<u>\$ 4,631</u>	<u>\$ 61,087</u>

2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	(\$ 6,124)	\$ 6,124	\$ -	\$ -
Foreign investment income using equity method	( 505,353)	( 3,086)	-	( 508,439)
Net defined benefit assets	( 6,599)	( 3,305)	( 808)	( 10,712)
	( 518,076)	( 267)	( 808)	( 519,151)
	<u>(\$ 485,690)</u>	<u>\$ 23,803</u>	<u>\$ 3,823</u>	<u>(\$ 458,064)</u>
2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealised sales gain	\$ -	\$ 1,138	\$ -	\$ 1,138
Allowance for spare valuation losses	3,773	341	-	4,114
Allowance for inventory valuation losses	2,462	1,270	-	3,732
Allowance for bad debts	3,609	5,491	-	9,100
Unused compensated absences	5,065	-	-	5,065
Currency translation differences	20,398	-	( 11,161)	9,237
	<u>\$ 35,307</u>	<u>\$ 8,240</u>	<u>(\$ 11,161)</u>	<u>\$ 32,386</u>

	2022			
		Recognised	Recognised	December
	January 1	in profit or	in other	31
		loss	comprehensive	
			income	
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	(\$ 12,215)	\$ 6,091	\$ -	(\$ 6,124)
Foreign investment income using equity method	( 559,713)	54,360	-	( 505,353)
Unrealised sales gain	( 855)	855	-	-
Net defined benefit assets	( 23)	-	( 6,576)	( 6,599)
	( 572,806)	61,306	( 6,576)	( 518,076)
	(\$ 537,499)	\$ 69,546	(\$ 17,737)	(\$ 485,690)

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary differences unrecognised as deferred tax liabilities were \$9,408,636 and \$9,188,459, respectively.

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	Year ended December 31, 2023		
		Weighted average	Earnings per
		number of ordinary	share
		shares outstanding	
	Amount after tax	(shares in thousands)	(in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,060,090	585,216	\$ 1.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,060,090	585,216	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	3,882	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,060,090	589,098	\$ 1.80

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 824,526</u>	<u>585,216</u>	<u>\$ 1.41</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	824,526	585,216	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>4,909</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 824,526</u>	<u>590,125</u>	<u>\$ 1.40</u>

(27) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Corporate bonds payable	Lease liabilities	Liabilities from financing activities- gross
At January 1, 2023	\$1,770,000	\$14,350,000	\$5,000,000	\$264,528	\$21,384,528
Changes in cash flow from financing activities	778,000	1,696,000	-	(103,373)	2,370,627
Changes in other non-cash items	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,948</u>	<u>5,948</u>
At December 31, 2023	<u>\$2,548,000</u>	<u>\$16,046,000</u>	<u>\$5,000,000</u>	<u>\$167,103</u>	<u>\$23,761,103</u>
	Short-term borrowings	Long-term borrowings	Corporate bonds payable	Lease liabilities	Liabilities from financing activities- gross
At January 1, 2022	\$3,736,477	\$11,550,000	\$5,000,000	\$172,897	\$20,459,374
Changes in cash flow from financing activities	(1,966,477)	2,800,000	-	(84,004)	749,519
Changes in other non-cash items	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,635</u>	<u>175,635</u>
At December 31, 2022	<u>\$1,770,000</u>	<u>\$14,350,000</u>	<u>\$5,000,000</u>	<u>\$264,528</u>	<u>\$21,384,528</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Kent Hsu	Key management personnel
Kapok Computer (Kunshan) Co., Ltd.	Subsidiary
KAPOK COMPUTER (SAMOA) CORPORATION	Subsidiary
Hon Hui Si Yuan Co., Ltd.	Other related party
HUA TAI INVESTMENT CORPORATION	Other related party
Taipei Twin Corporation	Entity with joint control over this entity
Tua Tiann Co., Ltd.	Entity with joint control over this entity

### (2) Significant related party transactions

#### A. Operating revenue:

- (a) The products sold to subsidiaries are not sold to other customers. The sales price cannot be compared with others. The credit term for related parties is 180 days, while the credit terms for general customers are within 1~2 months.
- (b) The Company sells materials (LCD) and semi-finished goods to subsidiaries to manufacture laptops, and the Company buys back those laptops, which will be sold to customers under a triangle trade. Materials and semi-finished goods sold to subsidiaries amounted to \$7,147,883 and \$4,820,078 for the years ended December 31, 2023 and 2022, respectively. The purchases and sales are offset and shown at net amount in the financial statements.

#### B. Purchases:

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Purchases of goods:		
Kapok Computer (Kunshan) Co., Ltd.	\$ <u>16,803,771</u>	\$ <u>13,897,287</u>

As the goods purchased from the subsidiary are unique, the purchase prices cannot be compared with other items. The payment term is within 30 days after receipt of the monthly statement and the debit and credit amounts are offset. The Company may prepay if the related parties need the funds to prepare the materials. The payment terms of general customers are within 1~5 months.

#### C. Receivables from related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
Kapok Computer (Kunshan) Co., Ltd.	\$ <u>130,964</u>	\$ <u>-</u>

Receivables from related parties mainly arise from sales of products. The receivables do not bear interest and no collaterals were pledged. There are no provisions held against receivables from related parties.

D. Payables to related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
Kapok Computer (Kunshan) Co., Ltd.	\$ -	\$ 429,219

The payables to related parties mainly arise from purchase transactions and are due 30 days after the date of purchase. The payables bear no interest.

E. Acquisition of financial assets:

				<u>Year ended December 31, 2023</u>
	<u>Accounts</u>	<u>No. of shares (in thousands)</u>	<u>Objects</u>	<u>Consideration</u>
TAIPEI TWIN CORPORATION	Investment accounted using the equity method	115,000	Stock	\$ 1,150,000
KAPOK COMPUTER (SAMOA) CORPORATION	Investment accounted using the equity method	1,000	Stock	31,010
				<u>\$ 1,181,010</u>
				<u>Year ended December 31, 2022</u>
	<u>Accounts</u>	<u>No. of shares (in thousands)</u>	<u>Objects</u>	<u>Consideration</u>
Tua Tiann Co., Ltd.	Investment accounted using the equity method	49,000	Stock	\$ 490,000
TAIPEI TWIN CORPORATION	Investment accounted using the equity method	10,000	Stock	100,000
				<u>\$ 590,000</u>

F. Lease transactions — lessee

- (a) The Group leased buildings from Hon Hui Si Yuan Co., Ltd. in April 2022. Rental contracts are typically made for a period of 3~5 years. The lease is subject to IFRS 16 as the usage of lease was included in the operating plan. Rents are paid to Hon Hui Si Yuan Co., Ltd. at the beginning and end of the month.

(b) Acquisition of right-of-use assets:

	Year ended December 31, 2023	Year ended December 31, 2022
Hon Hui Si Yuan Co., Ltd.	\$ -	\$ 175,634

(c) Lease liabilities

(i) Outstanding balance:

	December 31, 2023	December 31, 2022
Hon Hui Si Yuan Co., Ltd.	\$ 76,489	\$ 134,724

(ii) Interest expense

	Year ended December 31, 2023	Year ended December 31, 2022
Hon Hui Si Yuan Co., Ltd.	\$ 1,512	\$ 1,577

G. Endorsements and guarantees provided to related parties:

- (a) The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu in 2023 and 2022.
- (b) The Company jointly participated in the Taipei Main Station District Parcel C1/D1 (the Eastern Part) Land Development Project of Taipei City Government and jointly established Tatpei Twin Towers Limited with Epoque Corporation. Refer to Note 6(5) for further information.
- (c) On July 15, 2022, the Company's Board of Directors approved for the Company, together with KINDOM DEVELOPMENT CO., LTD. (leader) and HUA TAI INVESTMENT CORPORATION, to participate in the land development project of Taipei City Project-Taipei Main Station Special Zone E1/E2 to jointly establish Tua Tiann Co., Ltd. The related information is provided in Note 6(5).

(3) Key management compensation

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and other short-term employee benefits	\$ 45,398	\$ 54,466
Post-employment benefits	1,275	1,250
	<u>\$ 46,673</u>	<u>\$ 55,716</u>

## 8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at amortised cost - current	\$ 1,015,966	\$ -	Bonds payable
Financial assets at amortised cost - non- current	6,243	1,046,589	Long-term debt payable
	<u>\$ 1,022,209</u>	<u>\$ 1,046,589</u>	Bonds payable

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

None.

### (2) Commitments

1. As of December 31, 2023 and 2022, the Company has issued guarantee notes amounting to \$25,764,881 and \$25,321,482, respectively, for bank repayment and forward exchange trading.
2. On March 30, 2023, the Company entered into a syndicated loan agreement with 11 banks including Taiwan Cooperative Bank amounting to \$7,200,000 and provided equal amount of guarantee notes. The Company and the Chairman of the Group are the joint guarantors and co-issuers of the guarantee notes.

## 10. SIGNIFICANT DISASTER LOSS

None

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors has resolved the appropriation of 2023 earnings on March 14, 2024. Details are provided in Note 6(16) .

## 12. OTHERS

### (1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.



During the year ended December 31, 2023, the Company's strategy, which was unchanged from 2022, was to maintain the gearing ratio under 50%. The gearing ratios at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total borrowings	\$ 23,594,000	\$ 21,120,000
Less: Cash and cash equivalents	( 3,600,394)	( 5,249,460)
Net debt	19,993,606	15,870,540
Total equity	41,183,369	41,790,352
Total capital	\$ 61,176,975	\$ 57,660,892
Gearing ratio	33%	28%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 2,252,184	\$ 1,280,273
Financial assets at amortised cost	\$ 8,777,178	\$ 8,849,646
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 24,212	\$ -
Financial liabilities at amortised cost	\$ 24,366,469	\$ 22,269,083
Lease liability	\$ 167,103	\$ 264,528

Note: Financial assets measured at amortised cost include cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), finance lease receivable, refundable deposits and financial assets measured at amortised cost – current and non-current. Financial liabilities measured at amortised cost include short-term borrowings, accounts and notes payable (including related parties), other payables, corporate bonds payable, long-term borrowings (including those maturing within one year or one business cycle) and guarantee deposits received.

B. Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company's operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
	Foreign currency		Book value
	amount		(NTD
	(In thousands)	Exchange rate	in thousands)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 270,861	30.73	\$ 8,323,559
RMB:NTD	22,907	4.34	99,416
HKD:NTD	3	3.93	12
JPY:NTD	14	0.22	3
<u>Investments accounted for under the equity method</u>			
USD:NTD	1,694,976	30.73	52,086,600
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	19,435	30.73	597,238

December 31, 2022			
	Foreign currency		Book value
	amount		(NTD
	(In thousands)	Exchange rate	in thousands)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 255,528	30.69	\$ 7,842,154
RMB:NTD	4,541	4.41	20,026
HKD:NTD	3	3.94	12
JPY:NTD	64	0.23	15
<u>Investments accounted for under the equity method</u>			
USD:NTD	1,714,345	30.69	52,613,243
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	23,963	30.69	735,424

- v. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to \$12,947 and \$652,186, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 66,588	\$ -
RMB:NTD	1%	795	-
HKD:NTD	1%	-	-
JPY:NTD	1%	-	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	4,778	-

Year ended December 31, 2022			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 62,737	\$ -
RMB:NTD	1%	160	-
HKD:NTD	1%	-	-
JPY:NTD	1%	-	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,883	-

#### Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$17,824 and \$10,242, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

#### Cash flow and fair value Interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2023 and 2022, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased/increased by \$188,752 and \$128,960, respectively. The main factor is that

changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management of credit manage. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only independently rated parties with a best rating are accepted.
- v. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
  - (i) If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
  - (ii) If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.
- vi. The Company assumes that if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; if past due over 270 days, a default has occurred.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. The Company classifies customer's accounts receivable in accordance with customer types. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

- ix. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	1~90 days past due	91~180 days past due
<u>At December 31, 2023</u>			
Expected loss rate	0.05%	0.08%	10.35%
Total book value	\$ 2,336,912	\$ 543,363	\$ 12,897
Loss allowance	( 1,875)	( 699)	( 2,101)
	181~270 days past due	Over 270 days past due	Total
Expected loss rate	100%	100%	
Total book value	\$ -	\$ 651	\$ 2,893,823
Loss allowance	-	( 651)	( 5,326)
	Not past due	1~90 days past due	91~180 days past due
<u>At December 31, 2022</u>			
Expected loss rate	0.06%	0.10%	12.63%
Total book value	\$ 1,827,946	\$ 542,251	\$ -
Loss allowance	( 1,128)	( 3,528)	-
	181~270 days past due	Over 270 days past due	Total
Expected loss rate	100.00%	100.00%	
Total book value	\$ -	\$ 670	\$ 2,370,867
Loss allowance	-	( 670)	( 5,326)

- x. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2023 Accounts receivable
At January 1	\$ 5,326
Provision	-
Write-offs	-
At December 31	\$ 5,326

	2022
	Accounts receivable
At January 1	\$ 5,326
Provision	-
Write-offs	-
At December 31	<u>\$ 5,326</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for nonderivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Long-term notes payable	\$ -	\$ 7,229	\$ -	\$ -
Bonds payable	5,025,973	-	-	-
Long-term borrowings (including current portion)	20,020	3,768,873	12,575,811	-
Lease liabilities	108,996	59,393	244	-
December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Bonds payable	\$ 40,000	\$5,025,973	\$ -	\$ -
Long-term borrowings (including current portion)	5,200,094	3,509,265	5,797,916	-
Lease liabilities	105,211	163,830	-	-

Except for the above, the Company's non-derivative financial liabilities have a maturity within 1 year.

- iii. The Company does not expect the maturity date will be early, or the actual amount will be different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in off-the-run beneficiary certificates, bank debentures, convertible bonds and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in investment property is included in Level 3.

**B. Financial instruments not measured at fair value**

The carrying amounts of cash and cash equivalents, accounts receivable(including related parties), other receivables, financial assets at amortised cost, short-term borrowings, notes payable, accounts payable (including related parties), other payables, corporate bonds payable and long-term borrowings (including current portion) are approximate to their fair values.

**C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 is as follows:**

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,632,569	\$ -	\$ -	\$ 1,632,569
Beneficiary certificates	305,306	314,309	-	619,615
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	-	( 24,212)	-	( 24,212)
	<u>\$ 1,937,875</u>	<u>\$ 290,097</u>	<u>\$ -</u>	<u>\$ 2,227,972</u>



<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 829,159	\$ -	\$ -	\$ 829,159
Beneficiary certificates	<u>81,377</u>	<u>369,737</u>	<u>-</u>	<u>451,114</u>
	<u>\$ 910,536</u>	<u>\$ 369,737</u>	<u>\$ -</u>	<u>\$ 1,280,273</u>

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of

financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

A. Loans to others: Refer to pages 266~270.

B. Provision of endorsements and guarantees to others: Refer to pages 271~272.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to pages 273~274.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to page 275.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to page 276.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to page 277.

I. Trading in derivative instruments undertaken during the reporting period: Refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Refer to pages 278~282.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Refer to pages 283~285.

#### (3) Information on investments in Mainland China

A. Basic information: Refer to pages 286~291.

B. Significant transactions, price, payment term and unrealised gain or loss, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to pages 278~282.

#### (4) Major shareholders information

Major shareholders information: Refer to page 292.

### 14. SEGMENT INFORMATION

None.

**1. Company's Spokesperson:**

Name: Wu, Mai

Title: Vice President of Finance Management Center

Tel.: 886(2) 2278-9696

Company's Spokesperson E-mail: [public@clevo.com.tw](mailto:public@clevo.com.tw)

Company's Deputy Spokesperson:

Name: Chiu, Shu-Chuan

Title: Direct of Finance Division

Tel.: 886(2) 2278-9696

**2. Address and Telephone Number of Company's Headquarters, Branches and Plant**

(1) Headquarters:

Add: 35F., No. 555, Siyuan Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.).

Tel: 886(2) 2278-9696

(2) Branch: (None)

(3) Plant:

Add: No. 200, Second Avenue, Kunshan Comprehensive Bonded Zone, Jiangsu, China

Tel: 886(2) 2278-9696

**3. Common Share Transfer Agent And Registrar**

Name: Agency Department of Chinatrust Commercial Bank

Add: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan, R.O.C.

Tel. : 886(2) 6636-5566

Website: <https://ecorp.chinatrust.com.tw/cts/index.jsp>

**4. Information of the Certified Public Accountants for the Latest Financial Report**

Name of CPAs: Lin, Po-Chuan CPA and Feng, Min-Juan CPA

Firm: PwC Taiwan

Add : 27F., No. 333, Sec. 1, Keelung Rd., Songshan Dist., Taipei City 105, Taiwan, R.O.C.

Tel : 886(2) 2729-6666

Website: <https://www.pwc.tw/>

**5. Overseas Trade Places for Listed Negotiable Securities**

None

**6. Corporate Website**

<https://www.clevo.com.tw/>