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CLEVO CO.

2022

Annual Report

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None

6. Corporate Website

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Clevo CO.
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One. Letter to Shareholders

Dear Shareholders:

I. 2022 Business Report

(I) Results of the operation plan implementation for 2022

A review of 2022 shows that the third year of COVID-19 was also a year of unrest. The economic recovery was feeble under the influence of various complex factors such as the war between Russia and Ukraine at the beginning of the year, increased global geopolitical risks, accelerated international inflation due to energy supply and demand imbalance, the U.S. FED's rapid interest rate hikes, increased trade restrictions between the U.S. and China, China's repeated zero COVID lockdown policies, and the global supply chain crises. The global notebook industry was affected by the decline in overall environmental demand, and shipments decreased by 23.4% for several years. The China Distribution Business Group was affected by China's zero COVID policy and travel restrictions, which significantly suppressed its income. Despite the overall market environment pressures, the group's consolidated operating income reached NT\$22.2 billion and operating profit was flat at over 9%. Earnings for the year were 1.41 per share, which remained stable despite the COVID-19 challenges, the interest rate hikes, and China's lockdown policies.

Notebook Business Group

The global shipment of notebooks totaled 200 million units in 2022, down 23.4% year-over-year. Our shipments totaled 1.61 million units, and our revenues from the notebook business were NT\$18.8 billion, down 17.7% year-over-year but still the second-highest performance in 11 years. By optimizing the product portfolio over the years to enhance customer market competitiveness and shipment demand, the annual sales of blue ocean models exceeded 76%, with an annual growth of 10 percentage points. The proportion of sales for blue ocean models has continued to hit a new high, the contribution margin of each unit increased by 6%, and the operating profit rate of notebooks stabilized at 6%. The Company has actively implemented effective inventory management strategies with clients to quickly grasp market destocking changes and challenges in the market. The number of inventory days dropped by 15 compared to the previous year to 39 days. The team exhibits high agility and adaptability by working with hundreds of channel clients to grasp market changes and actively seize profit opportunities in niche markets.

China Distribution Business Group

China's economic growth rate is 3% in 2022, far below the target of 5.5%. The overall consumer market has been significantly disturbed by COVID-19. During the COVID lockdown period, Buynow's stores joined forces with merchants to tide over the difficulties. The average occupancy rate of the 18 Buynow Technology Plazas still reached 95%, and the annual rental income was CNY670 million, an annual decrease of 6%. With 30% reinvestment, Chicony Square Department Store was even more significantly affected by COVID lockdowns. Although Q4 turned profitable after the restrictions were lifted, the annual revenue of CNY4.137 billion still decreased by 22% year-on-year. Shopping malls in various channels are actively marketing in response to the post-epidemic consumption tide, improving brand awareness through the most popular online media outlets, and using push notifications to share the latest and exciting event information in real time. We held various e-sports, animation, and other large-scale events in physical stores to attract consumers to visit physical shopping malls offline and welcome back the long-lost crowd. Shopping mall activity incomes are steadily improving, and the channel's normal operating revenues are predicted to increase year-on-year.

(II) Financial analysis

In 2022, the group's annual consolidated operating income was NT\$22.2 billion. The gross profit margin was 22%, with an annual increase of 2 percentage points. The operating profit rate is 9%, with an annual increase of 1 percentage point. However, the income of Chicony Square Department Store was affected by interest rate hikes and China's lockdown policies. The net profit after tax was only NT\$825 million, with earnings per share of NT\$1.41 and net value per share of NT\$71.41. The current period's inventory and accounts receivable management is fast and accurate, thanks to the efforts of the operating teams. Despite global inflation and rising interest rates, the cash inflow reached NT\$3.19 billion from consolidated operational activities. The group's net cash increased by NT\$3.2 billion, and we are ready for the volatile global economy in the future with our sound financial structure.

(III) Review of research and development

In 2022, 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 is committed to developing more innovative and high-value products to meet consumer demands in different global commercial and application fields.

In 2023, the Company will continue cooperating with major processor manufacturers Intel and AMD to develop a new series of products and adopt NVIDIA's next-generation independent graphics card GN21 Refresh series products to expand product diversification, create excellent multi-tasking 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. Our products use superior graphics, video functions, and large screen options perfect for maps, movies, 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.

II. 2023 Business Plan

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

Notebook Business Group

Research firm OMDIA indicated that global notebook computer shipments would reach approximately 194 million units in 2023 in response to the hybrid working environment, the development trend of edge computing products, environmental protection, and the decentralization effect of geopolitical supply chains. The Company focuses on blue ocean and niche models and balances between volumes and quality in shipment. We will continue with strict control over cost and meet customers' needs. The product strategy is centered on four categories: high-margin ultra-slim (e-sports) notebooks; mid-to-high-end gaming notebooks; commercial notebooks; and creator notebooks. Clevo has actively developed new products with integrated major brand processors and new-generation graphics cards. In addition to customizing products with market competitiveness for different regions or countries, we also collaborate with international manufacturers to develop products that meet market expectations and continue to deepen the blue ocean market while focusing on quality to maximize profits. After the expected rate hike in the U.S. and inflation cools, Clevo will use its new product advantages to help hundreds of channel customers worldwide stabilize their niche market. The management team has set a shipment target of 1.8 million units in 2023.

China Distribution Business Group

After China's two congress sessions, China's policies will insist on progress while maintaining stability by focusing on expanding domestic demand, prioritizing consumption recovery and expansion, increasing the income of urban and rural residents through various channels, and promoting the recovery of life service consumption. The market predicts China's GDP growth will reach 5% after lifting the COVID restrictions. The total retail sales of social consumer are showing a year-on-year increase of 3.5% from January to February 2023. Consumption growth has improved and increased compared to last year, and consumption's contribution to the overall economy will significantly be improved. The group's channel business group Buynow has steadily withstood the COVID-19's impact for 3 years. We look forward to welcoming back the flow of people and money, the annual increase in rental incomes, and a return to normal operations after the

COVID restrictions are lifted. Chicony Square, 30% owned by the Company, returned to the growth track in the first quarter of this year. The department store performance and profit are expected to rise steadily this year, returning to the prosperity of contributing to the group's profits before the epidemic.

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

As the global economy transitions to a green economy, countries worldwide have declared the "net zero emission" goal. Clevo Group adheres to the business philosophy of honesty and pragmatism while paying attention to energy conservation, carbon reduction, climate change, and transformation. In addition to integrating environmental protection concepts into product R&D, shopping mall operation, and property management, we established a Sustainable Development Team last year and a sustainable development roadmap for the group to actively face the business environment changes and challenges.

OMDIA predicts that the global notebook computer shipments in 2023 will be approximately 194 million units. The commercial notebook computer market is experiencing a wave of machine replacements, and creator notebooks are entering the emerging field of artificial intelligence, which will spark another wave of growth. It is estimated that by 2024, the notebook computer market will grow again to over 207 million units. The company will continue to focus on notebook R&D, provide customers with a comprehensive product portfolio and the best customized and differentiated products, and maintain a win-win business relationship with customers.

China has actively launched policies to expand domestic demand and promote consumption in the post-epidemic era, and the consumer market recovery is expected to continue. Currently, BUYNOW Malls are the most professional and the largest physical channel in China for smart technology and Internet-of-Things. A total of seven product categories are offered: new and high tech; smart wearables; audio/video; smart living; creative digital; e-sports notebooks & peripherals; and smart toys. The Company will continue to specialize on these products by introducing 5G and Big Data and serving as the best platform to bridge smart tech and consumers. We will capitalize on the economic recovery following China's removal of COVID restrictions, accelerate asset optimization and activation strategies, and facilitate consistent profit growth for Chinese business groups.

Along the way, the Company has amassed a net worth of NT\$71 per share thanks to the assistance of friendly business operation partners and the efforts of all colleagues and completed the previous actions to return to Taiwan and invest in the C1D1 and E1E2 development projects. These projects will integrate the entire advantageous resources of the group over the years, such as the commercial real estate development and management as well as smart green building system experience. We aim to construct a beautiful new world in the western district of Taipei City, let the shareholders see the projects in person, and allow the group's projects to reach their peaks again. 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: Tsai, Ming-Hsien
Also Vice President

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"> 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.
1984	<ul style="list-style-type: none"> The approved and paid-in capital was increased to NT\$ 5,000,000 and the Company was moved to Section 5, Nanjing East Road.
1985	<ul style="list-style-type: none"> Moved to No. 17, Yongji Road, Taipei City
1986	<ul style="list-style-type: none"> Established the keyboard business division, and built up a keyboard factory at Yongji Road. Annual sales increased greatly to NT\$ 101,313,069. Completed the development of large-scale IBM compatible XT/AT keyboard, and mass-produced for sales.
1987	<ul style="list-style-type: none"> 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. Successfully developed small-scale IBM compatible XT/AT keyboard, and mass-produced for sales.
1988	<ul style="list-style-type: none"> The approved and paid-in capital was increased to NT\$ 70,000,000. Led in the industry to complete the development and design of 286 laptops.
1989	<ul style="list-style-type: none"> Established the personal computer business division, and built up a personal computer factory in Xizhi. Keyboard factory was moved from Yongji Road to Xizhi. Established president office and general administration office. Annual sales increased greatly to NT\$ 657,836,467. Successfully developed keyboard for the use of laptop. Led in the industry to complete the design of VGA laptop. Took the lead in completing the mass-production of VGA laptop, and successfully developed 386SX laptop.
1990	<ul style="list-style-type: none"> The approved and paid-in capital was increased to NT\$ 198,000,000. Officially invested in Malaysia Clevo Computer Private Service Ltd. with 100% of shareholding to build up overseas production base for keyboard. Personal computer factory was moved from Xizhi to Wugu, and expanded the production capacity for portable personal computers. Annual sales increased greatly to NT\$ 1,751,257,424. Developed the first 386DX laptop in the domestic industry. 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.
1991	<ul style="list-style-type: none"> 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. For the long-term demand of sound development, the Company purchased the lands to build up factory and office building at home. Annual sales increased to NT\$ 1,888,874,127. First manufacturer in the domestic industry to complete 386DX of notebook's design and passed the FCC's accreditation. First manufacturer in the domestic industry to complete 486DX of notebook's design and passed the FCC's accreditation.
1992	<ul style="list-style-type: none"> The Securities Management Commission of Ministry of Finance approved the Company's stock public offering. The approved and paid-in capital was increased to 42,000,000 shares and NT\$ 420,000,000. Annual sales increased to NT\$ 3,303,410,169. Reinvested in the Zhengda Technology Co., Ltd. to mainly produce the monitor. In order to build up a complete sales network in overseas markets, the European office in Germany established the German Clevo Ltd.. The export sales' growth in Europe was ranked the third for the Awards of Excellent Trading Businesses.

1993	<ul style="list-style-type: none"> • The approved and paid-in capital was increased to 54,600,000 shares and NT\$ 546,000,000. • The 486DX-2 series of color notebooks was mass-produced and passed the FCC's accreditation. • 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. • Established the U.K. Clevo Ltd. in the U.K. in order to build up a complete sales network in overseas markets. • Researched/developed the PENTIUM 80586 series of color notebook and conducted the pilot production • 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.
1994	<ul style="list-style-type: none"> • The approved and paid-in capital was increased to 68,250,000 shares and NT\$ 682,500,000. • 586 series of color notebooks were mass-produced and passed the FCC's accreditation. • Established France Clevo Ltd. in France in order to build up a complete sales network in overseas markets. • Passed the certification of ISO-9002 international quality. • Annual sales increased to NT\$ 5,973,247,006.
1995	<ul style="list-style-type: none"> • The paid-in capital was increased to 81,900,000 shares and NT\$ 819,000,000. • The stock was approved to be traded in the Securities Brokerage. • Research/developed 586 high-end multimedia notebooks and mass-produced.
1996	<ul style="list-style-type: none"> • The paid-in capital was increased to 99,918,000 shares and NT\$ 999,180,000. • The stock was publicly traded at OTC on March 4.
1997	<ul style="list-style-type: none"> • The stock was listed and traded in Taiwan Stock Exchange on April 2. • The approved capital was increased to 500,000,000 shares and NT\$ 5,000,000,000. • 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. • The paid-in capital was NT\$ 2,500,000,000. • Spent NT\$ 700 million to purchase the original Makro's land for building the Clevo second phase of the factory in Wugu.
1998	<ul style="list-style-type: none"> • Passed the certification of ISO-9001 international quality and strictly asked for the product's quality starting from research and development. • 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. • 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. • In August, established the Clevo Investment Corporation with the capital of NT\$ 190,000,000. • In October, the Sanchong factory was constructed completely and officially launched.
1999	<ul style="list-style-type: none"> • In January, Vice President, Tsai, Ming-Hsien, was promoted as President. • In February, the headquarter was transferred from Wugu factory to Sanchong factory. • 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. • In September, reinvested in the establishment of the Clevo (Nanking) Computer Ltd. through Clevo Computer Singapore Pte Ltd. • In December, invested in Xubang Venture Capital Co., Ltd. with NT\$ 50,000,000. • Developed the 5101 largest-scale 3-SPINDLE notebook in the world.
2000	<ul style="list-style-type: none"> • In February, invested in Avita Corporation with NT\$ 80,700,000. • In March, all employees in the Wugu factory were moved to the Sanchong factory. • In April, the sales volume of the notebook broke through 50,000 units to reach 50,106 units. • In April, the Wugu factory was leased to the Desheng Enterprise Co., Ltd. • In May, invested in Taiwan Fixed Network Co., Ltd. with NT\$ 400,000,000. • 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.
2001	<ul style="list-style-type: none"> • In September, invested in Chicony Software Inc. with US\$1,500,000.

	<ul style="list-style-type: none"> • 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. • 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. • In October, the Buynow Plaza of the Clevo (Nanking) Computer Ltd. was inaugurated. • Successfully developed the first 8880 model in support of P4 WILLAMETTE 2G CPU and 5 SPINDLE in the world.
2002	<ul style="list-style-type: none"> • 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. • 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. • 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. • In September, invested in the establishment of the Buynow Electronic Information (Hangzhou) with US\$2,000,000.
2003	<ul style="list-style-type: none"> • In March, increased capital to Buynow Electronic Information (Hangzhou) with US\$3,000,000. • In March, invested in the Buynow Electronic Information (Shanghai) with US\$1,500,000. • In May, sold out the Avita Corporation to Chicony Power. • In July, sold out the Wugu factory to Prodisc Technology Inc. • 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. • In September, the Jinan Store of the Buynow Plaza was inaugurated. • In October, the Kunshan factory completed the assembly production line and began to mass-produce the machinery and ship out. • 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.
2004	<ul style="list-style-type: none"> • In July, the Changsha Store of the Buynow Plaza was inaugurated. • 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. • In September, the Zhengzhou Store of the Buynow Plaza was inaugurated. • In December, the Tianjin Store of the Buynow Plaza was inaugurated.
2005	<ul style="list-style-type: none"> • In January, the Hefei Store of the Buynow Plaza was inaugurated. • In January, the Clevo M38EW multimedia luxury video/audio series models of notebook was honored with the 13th term of Taiwan Excellence Awards. • 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. • In June, the Hangzhou Store of the Buynow Plaza was inaugurated. • 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. • In August, the Sanchong factory's production line was transferred to the Kunshan factory.
2006	<ul style="list-style-type: none"> • 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. • 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.
2007	<ul style="list-style-type: none"> • In March, the Changchun Store of the Buynow Plaza was inaugurated. It was the tenth store. • 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. • In April, sold out 28,000,000 shares of the Taiwan Fixed Network Co., Ltd.'s shareholding. After selling out, the shareholding was zero.

	<ul style="list-style-type: none"> • In June, the outbound volume of the Kapok Computer (Kunshan) Ltd. reached a new high record of 100,000 units in a single month. • 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. • In September, the Shanghai (Pudong) Store of the Buynow Plaza was inaugurated. It was the eleventh store. • In November, the sales of notebooks reached a new high record of NT\$ 1.5 billion. • In December, the Xi'an Store of the Buynow Plaza was inaugurated. It was the twelfth store.
2008	<ul style="list-style-type: none"> • In March, the Harbin Store of the Buynow Plaza was inaugurated. It was the thirteenth store. • 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. • In June, the Xiamen Store of the Buynow Plaza was inaugurated. It was the fourteenth store. • 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. • In September, the sales of notebooks reached a new high record of NT\$ 1.76 billion.
2009	<ul style="list-style-type: none"> • In January, the Wuxi Store of the Buynow Plaza was inaugurated. It was the fifteenth store. • In April, the Beijing Store of the Buynow Plaza was inaugurated. It was the sixteenth store. • 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. • In August, the Xuhui Store of the Buynow Plaza was inaugurated. It was the seventeenth store. • In September, the Qingdao Store of the Buynow Plaza was inaugurated. It was the eighteenth store.
2010	<ul style="list-style-type: none"> • In February, the Changzhou Store of the Buynow Plaza was inaugurated. It was the nineteenth store. • In April, the Chongqing Store of the Buynow Plaza was inaugurated. It was the twentieth store. • 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. • In July, the original shareholders were distributed by NT\$ 1.5 of cash dividend per share. • In October, the Chengdu Store in the Chicony Plaza Department Store was officially inaugurated. • In December, the Daqing Store of the Buynow Plaza was inaugurated. It was the twenty-first store. • In October, obtained the land in Shantou.
2011	<ul style="list-style-type: none"> • In February, obtained the land used for Buynow in Yancheng. • In April, the Taiwan Excellence Pavilion was inaugurated in Buynow. • In June, the Zibo Store of the Buynow Plaza was inaugurated. • In June, obtained land in Yingkou and Anshan. • In June, the Buynow's headquarter was transferred to the Epoque Building in Shanghai. • In July, the original shareholders were distributed by NT\$ 1 of cash dividend per share. • In August, obtained the land in Guiyang. • In November, obtained the real estate in Taizhou.
2012	<ul style="list-style-type: none"> • In January, signed the letter of intent for industry-academia collaboration with Taipei University of Technology. • In July, the original shareholders were distributed by NT\$ 1.5 of cash dividend per share. • In July, obtained land used for Buynow in Dezhou. • In September, obtained land used for Buynow in Luoyang. • 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. • In December, the Taizhou Store of the Buynow Plaza was inaugurated.
2013	<ul style="list-style-type: none"> • 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. • In January, disposed of the Company's factory located at the Wugu Industrial Park and the disposed price was NT\$ 2.67 billion.

	<ul style="list-style-type: none"> • In March, obtained the land used for Buynow in Quanzhou. • In July, the original shareholders were distributed by NT\$ 2.0 of cash dividend per share. • In August, obtained the land used for Buynow in Jinzhou. • 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.
2014	<ul style="list-style-type: none"> • In March, obtained land No. 850, 851, and 852, Dingkan Section, Sanchong District, New Taipei City. • 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. • In June, completed the Clevo's syndicated loan program of NT\$ 6 billion with five year of term. • In June, the Chairman, Hsu, Kun-Tai was awarded the honorary doctorate of the Engineering Institute, Taipei University of Technology. • In July, the original shareholders were distributed NT\$ 3.15 of cash dividend per share. • In November, obtained three property buildings in Tokyo, Japan. The total measurement was 4,000 pings. • The Wuhan Store of the Buynow Plaza was officially opened on October 18, 2014. • The Suzhou Store of the Buynow Plaza was officially opened on November 22, 2014.
2015	<ul style="list-style-type: none"> • 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. • In April, the Company was evaluated as A-grade in the 12th term of the Information Disclosure Evaluation for TWSE/TPEX Listed Companies. • In May, completed the five-year term of the syndicated loan program for Clevo (Cayman Islands) Holding Company with US\$120 million. • In July, the original shareholders were distributed by NT\$ 2.5 of cash dividend per share. • 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. • 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. • 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. • 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.
2016	<ul style="list-style-type: none"> • In February, finished the treasury shares' buy-back with 10,000 shares; the average buy-back price was NT\$ 31.22. • 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. • In May, the Hyatt Place Luoyang was officially inaugurated. • In May, disposed of the Company's land No. 848, 850, 851 and 85, Dingkan Section, Sanchong District, New Taipei City. • In July, the original shareholder was distributed by NT\$ 1.1 of cash dividend per share. • On July 16, the Chengdu Grand Hyatt in the Chicony Plaza Department Store was officially inaugurated. • 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.
2017	<ul style="list-style-type: none"> • In July, the original shareholders were distributed by NT\$ 0.7 of cash dividend per share. • In August, completed the first issuance of 2016 CSR Report. • On November 11, the Xi'an Store of the Chicony Plaza Department Store was officially inaugurated. • 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.
2018	<ul style="list-style-type: none"> • 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. • In March, the shareholding and the management power of the Buynow Plaza's Wuhan Store were handed over to the Chicony Plaza Department Store. • 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. • 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. • In July, the capital surplus was distributed to the shareholders by NT\$ 0.8 of cash dividend per share. • In October, cancelled 3,400 shares of treasury stock to reduce capital. After change, the capital was NT\$ 6,797,630,000. • 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. • In October, the Dezhou Store of the Chicony Plaza Department Store was inaugurated. • In December, the Shantou Store of the Chicony Plaza Department Store was inaugurated.
2019	<ul style="list-style-type: none"> • 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. • In February, cancelled 10,000 shares of the treasury stock to reduce the capital. After change, the capital was NT\$ 6,697,630,000. • Kept in the third range for the 5th term of the corporate governance evaluation.

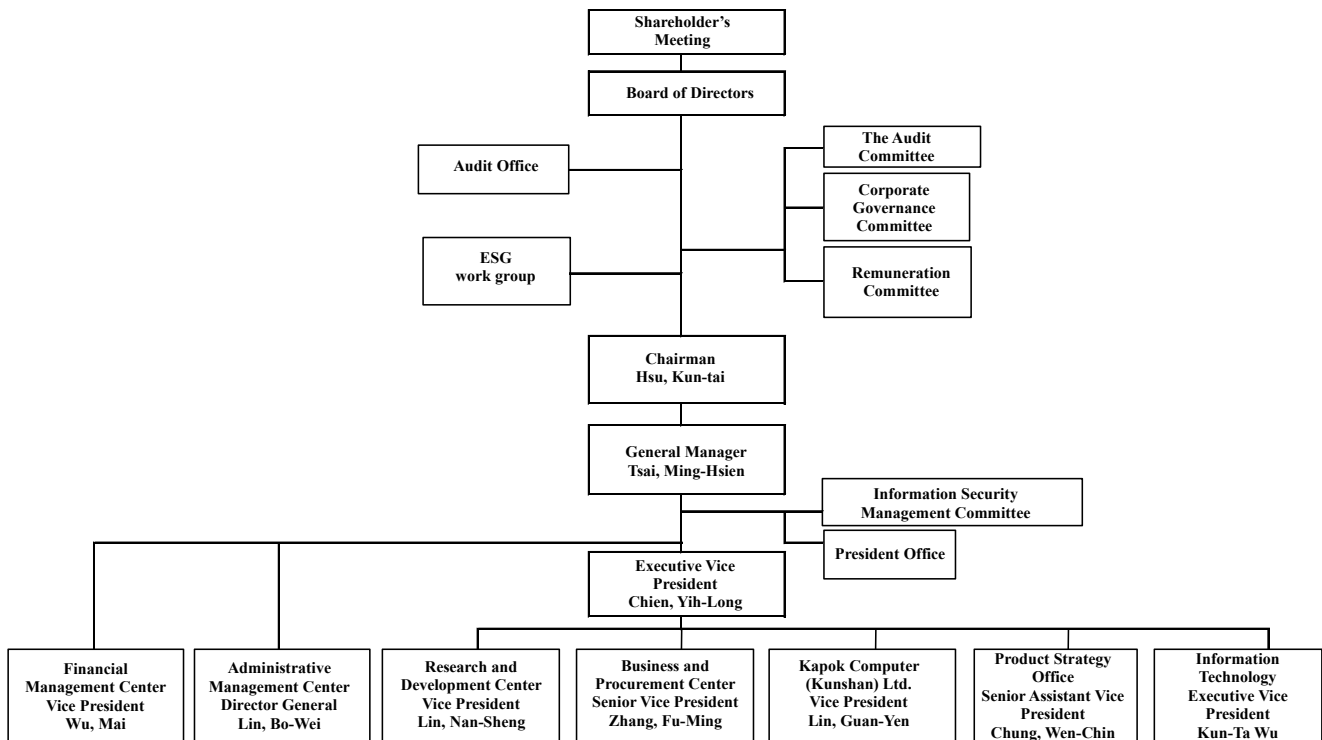
	<ul style="list-style-type: none"> • In May, the board of directors approved the disposal of Chicony Malls in Shantou City to Chicony Industry (Wuhan) Co., Ltd. in order to enhance the business synergy within the group, boost the return on investment and maximize the group's operational efficiency. • 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. • 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. • 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. • In July, the Company disposed three investment properties in Tokyo. • 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." • 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. • 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.
2020	<ul style="list-style-type: none"> • 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. • 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. • In May, the Chicony-CLEVO group was ranked the 44th in CommonWealth Magazine's list of Top 50 Business Groups for 2020. • In July, cash dividends of NT\$ 0.4 per share were issued with capital surplus.
2021	<ul style="list-style-type: none"> • In April, capitalization was reduced with the cancelation of 10,000 treasury shares. The resulting share capital was NT\$ 6,597,630,000. • 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. • In June, 10,000 treasury shares were canceled. After the change, the share capital was NT\$6,497,630,000. • In July, cash dividends at NT\$0.6 per share were distributed to the original shareholders. • In October, the Company's factory office building in Sanchong District was disposed of for NT\$4.1 billion. • 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. • Our shipments totaled 2.07 million units, and the group's consolidated revenues exceeded NT\$26.99 billion, both record-high levels.
2022	<ul style="list-style-type: none"> • In January, 7,500 treasury shares were canceled. After the change, the share capital was NT\$6,422,630,000. • 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. • 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. • In March, the Company was relocated to 35F, No. 555, Siyuan Rd, Xinzhuang District, New Taipei City. • 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. • 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. • Selected as a constituent stock of the "Corporate Governance 100 Index" on July 18. • In July, the original shareholders were distributed NT\$2.1 as a cash dividend per share. • 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. • Buynow (Quanzhou) shopping mall was sold on September 23. • The groundbreaking ceremony for the Taipei Twin Towers Development Project was held on November 11.
2023	<ul style="list-style-type: none"> • The Company enter into a 5 years SyndicatedLoan Agreement of NT\$7.2 billion with a group of banks on March 30. • 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.

Three. Corporate Governance Report

I. Organization System

(I) Organization Structure

Chart creation date: 2023.04.30



(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, 2023

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(2385) 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. 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	-	-	-	-
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 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	The Company's independent director 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.	The Company's independent director Director, Zippy Materials Science Inc. Chairman, Betterment Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Lai, Ling-Ming	Female 51~60 years old	August 26, 2021	3 Years	June 19, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, University Of Liège, Belgium President, Chinese Business, AON Risk Services Australia (Sydney) Director, Aon Risk Services Hk Chairman And Ceo, Aon Risk Services Tw	The Company's independent director Chairman, Toro Biotech 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, 2023

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.(P12)	(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. (P12)	(Note 4)	None
Lai, Ling-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: President, Chinese Business, AON RISK SERVICES AUSTRALIA (SYDNEY) Director of AON RISK SERVICES HK, Chairman and CEO of AON RISK SERVICES TW (P12)	(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.

All the current directors are Taiwanese citizens. In 2022, the directors, who were the Company's employees, accounted for 29% of the board. Independent directors also accounted for 43% of the board. Two independent directors have a 3 to 6 years tenure, one with a 6 to 9 years tenure. Two directors are above 70 years old, three are between 61 and 70 years old, and two are below 60 years old. The Company emphasizes gender equality in the board composition. Female directors account for 14% of the board. Going forward, we plan to recruit one or two high-caliber female professionals to serve as our directors. The table below summarizes the realization of board diversity:

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	
Lai, Ling-Ming (Independent Director)	R.O.C.	Female	51~60	3~6 years	V	V	V	V	V	V	V	V	V	V	V	V

Note: All of the Company's seven 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. As an expert in corporate governance and risk management, Lai, Ling-Ming helps to enhance the decision-making quality of the Company and the board.

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

Among the Company's seven directors, three are independent (43%). 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, 2023

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. 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	-	-	-	-
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

(I) 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

Unit: NT\$ thousand

Title	Full 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	8,200	8,200	560	560	8,760 1.06%	8,760 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	2,400	2,400	1,380	1,380	3,780 0.46%	3,780 0.46%
	Chen, Tsung-Ming										
	Lai, Ling-Ming										

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	11,148	52,594	201	201	20,756	0	20,756	0	40,865 4.96%	82,311 9.98%	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	3,780 0.46%	3,780 0.46%	None
	Chen, Tsung-Ming											
	Lai, Ling-Ming											

- 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.
- 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)	Parent company and all reinvested businesses (Note 9) I
Under NT\$ 1,000,000				
NT\$ 1,000,000 ~ NT\$ 1,999,999	Lu, Jin-Zong / Chien, Yih-Long / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming	Lu, Jin-Zong / Chien, Yih-Long / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming
NT\$ 2,000,000 ~ NT\$ 3,499,999	Hsu, Kun-tai / Tsai, Ming-Hsien	Hsu, Kun-tai / Tsai, Ming-Hsien		
NT\$ 3,500,000 ~ NT\$ 4,999,999				
NT\$ 5,000,000 ~ NT\$ 9,999,999			Hsu, Kun-tai	
NT\$ 10,000,000 ~ NT\$ 14,999,999			Chien, Yih-Long	Hsu, Kun-tai
NT\$ 15,000,000 ~ NT\$ 29,999,999			Tsai, Ming-Hsien	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.

* 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	14,715	25,093	1,250	1,250	4,333	50,459	33,950	0	33,950	0	54,248 6.58%	110,752 13.43%	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	Lin, Nan-Sheng / Li, Wen-Hua	Wu, Mai / Lin, Guan-Yen /
NTD 5,000,000 ~ NTD 9,999,999	Zhang, Fu-Ming	Li, Wen-Hua / Chen, Hsueh-Wen / Lin, Nan-Sheng
NTD 10,000,000 ~ NTD 14,999,999	Tsai, Ming-Hsien / Chien, Yih-Long	
NTD 15,000,000 ~ NTD 29,999,999		Chien, Yih-Long / Zhang, Fu-Ming
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-subsidiary 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-subsidiary 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 fell into the bottom range 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.

(V) Names of managers who received compensations as employees

Unit: NT\$ thousand					December 31, 2022	
	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	43,091	43,091	5.23%
	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	2021				2022			
	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)	24,240	24,240	1.35%	1.35%	12,540	12,540	1.52%	1.52%
Presidents and Vice Presidents (Note 2)	50,535	104,517	2.81%	5.82%	43,176	101,803	5.24%	12.35%
Total	74,775	128,757	4.16%	7.17%	55,716	114,343	6.76%	13.87%

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 2022 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 9 (A) meetings in 2022. 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	9	0	100%	
Director	Tsai, Ming-Hsien	9	0	100%	
Director	Chien, Yih-Long	9	0	100%	
Director	Lu, Jin-Zong	9	0	100%	
Independent Director	Chou, Po-Chiao	9	0	100%	
Independent Director	Chen, Tsung-Ming	7	1	78%	
Independent Director	Lai, Ling-Ming	9	0	100%	

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: 2022.02.25

Name of Director: Hsu, Kun-Tai

Proposal: The Company's plan to cooperate with Epoque Group.

Causes for recusal: Chairman Hsu, Kun-Tai was an interested party and was recused due to the interesting relationship. Vice-chairman Tsai, Ming-Hsien was publicly recommended as the chairman of the case.

Voting participation status: Except for Chairman Hsu, Kun-Tai, who was recused from discussion and voting due to a conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2022.02.25

Name of Director: Hsu, Kun-Tai

Proposal: Lease office buildings and parking spaces from the related party Epoque Group.

Causes for recusal: Chairman Hsu, Kun-Tai was an interested party and was recused due to the interesting relationship. Vice-chairman Tsai, Ming-Hsien was publicly recommended as the chairman of the case.

Voting participation status: Except for Chairman Hsu, Kun-Tai, who was recused from discussion and voting due to a conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2022.05.20

Name of Director: Hsu, Kun-Tai

Proposal: The Company's plan to cooperate with Hua Tai Investment.

Causes for recusal: Chairman Hsu, Kun-Tai was an interested party and was recused due to the interesting relationship. Vice-chairman Tsai, Ming-Hsien was publicly recommended as the chairman of the case.

Voting participation status: Except for Chairman Hsu, Kun-Tai, who was recused from discussion and voting due to a conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2022.06.29

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

Proposal: Distribution of 2021 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: 2022.06.29

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

Proposal: Distribution of 2021 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: 2022.06.29

Director: Tsai, Ming-Hsien, Chien, Yih-Long

Proposal: Distribution of 2021 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: 2022.07.15

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

Proposal: Capital increase of NT\$250 million 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	2022/01/01 to 2022/12/31	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	2022/01/01 to 2022/12/31	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	2022/01/01 to 2022/12/31	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.
Conduct once every three year	2022/01/01 to 2022/12/31	The Board of Directors and Functional Committees	Commissioned the "Taiwan Institute of Ethical Business" to conduct an external assessment	(1) Professional capabilities. (2) Effectiveness of decision-making. (3) Internal control. (4) Sustainable development.

(2) The Company's board, individual directors, and functional committees have completed the internal and external self-assessments for 2022. The assessment results were presented to the Board of Directors on March 15, 2023, as shown on pages 39-42.

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 serve as the committee members. The Corporate Governance Committee submitted its 2023 implementation plan for the board's approval on November 10, 2022. 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 and external performance review of the Board of Directors and the functional committees for 2022. The assessment results were presented to the Board of Directors on 2023.03.15 to enhance the board's effectiveness. The board's overall functioning was robust. The assessment results are available on pages 39-42.

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.

2022 Task Highlights:

(1) Review the financial report

The Company's Board of Directors has prepared the Company's 2021 Business Report, financial statements, and proposal for earnings distributions. The financial statements have been audited by CPA Han-Chi Wu and CPA Eileen Liang 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 14th meeting of the first Audit Committee on March 28, 2022, reviewed and approved that both CPA Han-Chi Wu and CPA Eileen Liang 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 7 (A) meetings in 2022. 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	7	0	100%	
Independent Director (Member of the Audit Committee)	Chen, Tsung-Ming	5	1	71%	
Independent Director (Member of the Audit Committee)	Lai, Ling-Ming	7	0	100%	

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:

Baord of Directors	Contents of motion and the follow-up measures	Matters listed by Article 14-5 of the Securities and Exchange Act	Any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors
2022 First on 2022.02.25	1. Approved the Company's planned cooperation with Epoque Corporation 2. Approved the planned leasing of office buildings from the related party Epoque Corporation	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.02.25.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Second on 2022.03.28	1. Approved the Company's finalized account and business report for 2021 2. Approved the Company's distribution of 2021 earnings 3. 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." 4. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 5. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 6. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 7. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 8. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 9. Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system	V V V V V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.03.28.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Third on 2022.05.11	Approved the Company's consolidated financial statements for the first quarter of 2022.	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.05.11.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Sixth on 2022.07.15	1. Passed the Company's proposal to invest and establish a project company with Kindom Construction Corp. and Hua Tai Investment. 2. Passed the capital increase of NT\$250 million in Taipei Twin Towers Limited.	V V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.07.15.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Seventh on 2022.08.12	1. Approved the Company's consolidated financial statements for the second quarter of 2022.	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.08.12.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Eighth on 2022.09.23	1. Passed the disposal of real property for Quanzhou Buynow Corporation, a subsidiary of the Company.	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.09.23.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Ninth on 2022.11.10	1. Approved the Company's consolidated financial statements for the third quarter of 2022. 2. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 3. Approved the Company's 2023 audit proposal.	V V V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.11.10.		
	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 2022.

- (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 2022.

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.

2022 Audit Committee Meeting Minutes Summary:

Second on 2022

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Proposal	Independent Director			Remark
					Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	4	2022.02.16	2022.02.25	1. Approved the Company's planned cooperation with Epoque Corporation 2. Approved the planned leasing of office buildings from the related party Epoque Corporation	V	Absent	V	Wu, Ma Chiu, Shu-Juan Lin, Bo-Wei
2	5	2022.03.17	2022.03.28	1. Implementation of the matters decided by the 3 rd and 4 th meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's finalized account and business report for 2021 4. Approved the Company's distribution of 2021 earnings 5. 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." 6. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 7. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 8. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 9. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 10. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 11. Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi
3	6	2022.05.03	2022.05.11 (Video Conference)	1. Implementation of the matters decided by the 5 th meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the first quarter of 2022	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi
4	7	2022.07.07	2022.07.15 (Video Conference)	1. Passed the Company's proposal to invest and establish a project company with Kindom Construction Corp. and Hua Tai Investment. 2. Passed the capital increase of NT\$250 million in Taipei Twin Towers Limited.	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan
5	8	2022.08.04	2022.08.12	1. Implementation of the matters decided by the 6 th and 7 th meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the second quarter of 2022	V	Lai, Ling-Ming as proxy	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi
6	9	2022.09.15	2022.09.23 (Video Conference)	1. Passed the disposal of real property for Quanzhou Buynow Corporation, a subsidiary of the Company.	V	V	V	Wu, Mai Yu-Shiuan Hsu Chiu, Shu-Juan Wu, Han-Qi
7	10	2022.11.01	2022.11.10	1. Implementation of the matters decided by the 8 th and 9 th meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the third quarter of 2022. 4. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 5. Approved the Company's 2023 audit proposal.	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi

Summary of meetings among independent directors, internal auditors, and CPAs in 2022

Date	Subject	Communication matters	Independent directors in attendance	Communication personnel	Communicate results
2022/3/28 The Audit Committee	1. The internal auditors described the implementation from November 2021 to February 2022 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 Ming-Chih Hung 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	All the attending independent directors reviewed, agreed and reported to the board.
2022/5/11 The Audit Committee	1. The Company's consolidated financial statements proposal for the first quarter of 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	All the attending independent directors reviewed, agreed and reported to the board.
2022/8/12 The Audit Committee	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 2022" was changed into a document presentation, as the auditors could not return to Taiwan due to COVID-19. In-person meetings would be scheduled for communication and discussion. 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. In March 2022, the company moved to a new office location. Some parts of the operation and the original internal control system are not applicable. It has been discussed with relevant departments for revision and is scheduled to be completed before the end of the year.	Independent Director Chou, Po-Chiao 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 consolidated financial statements proposal for the second quarter of 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 Lai, Ling-Ming	CPA Wu, Han-Qi	All the attending independent directors reviewed, agreed and reported to the board.
2022/11/10 The Audit Committee	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 2023 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 2023 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. 2023 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 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 consolidated financial statements proposal for the third quarter of 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	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 2015-2022 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 14~15 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 serve as the committee members. The Corporate Governance Committee submitted its 2023 implementation plan for the board's approval on November 10, 2022. 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.
(III) Does the Company establish the "Regulations Governing the Board Performance assessment" and its methods of	V		(III) To fulfill corporate governance, the Company referred to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	

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>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?</p> <p>(IV) Does the Company evaluate the independence of the CPAs regularly?</p>	V		<p>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 2022 covering five major aspects. In 2022, an external professional independent organization, the "Taiwan Institute of Ethical Business," was appointed to perform the performance evaluation of the Board of Directors. The internal and external evaluation results were submitted in the Board of Directors report on 2023.03.15. Please refer to the annual report page 39-42 (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.</p> <p>(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. In addition to requiring the CPAs to provide a "Statement of Detachment and Independence," the Company's Audit Committee also reviews and approves the independence of external accountants each year before submitting the findings to the board for discussion. The assessment covers whether there is a breach of No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountants of the Republic of China and Article 47 of the Certified Public Accountant Act. It seeks to confirm whether external accountants are involved in financial benefits or business relations other than auditing the Company's financial statements and tax filings. The assessment also inspects whether the external accountants have a conflict of interest by serving as the Company's directors, managers, or shareholders or receiving salaries from the Company. The Company's assessment confirmed the independence of external accountants. On March 15, 2023, 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 15, 2023. We are certain that the CPAs are competent and independent. Please refer to page 43 of the annual report (Note 3) for the assessment criteria.</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	
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 44 (Note 4) for the primary responsibilities, functioning, and continuing education in 2022.	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 https://www.clevo.com.tw/ 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 2021 stakeholder communication results were submitted to the Board of Directors on June 29, 2022. The 2022 stakeholder communication results will be submitted in the Board of Directors report during the second half of 2023.	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 https://www.clevo.com.tw/ 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 https://www.clevo.com.tw/ .	
(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 2022 financial statements were published and filed on March 15, 2023.	
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 & 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 & 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, 2023. The sum insured coverage and liability insurance premiums for directors have been reported to the Board of Directors. The new insurance policy from 2023.05.15 to 2024.05.15 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 2022 was 96.8%. 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 45 (Note 5) for the continuing education of the Company's directors and managers in 2022. 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 https://mops.twse.com.tw/mops/web/index.</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 2022 corporate governance evaluation results: 96.52. It improved by 3 points compared with the previous year, ranking among the top 6%~20% of listed companies for three consecutive years. The improvement items compared with 2021 are as follows:</p> <ol style="list-style-type: none"> 1. The Company has been issuing major announcements in English simultaneously. 2. Regularly report communications with stakeholders to the Board of Directors. 3. Regularly report ESG Implementation to the Board of Directors. <p>(II) Improvements in the non-conformities identified in the 2022 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. A shareholder meeting is scheduled before the end of May 2023.				
(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 2023.				
2. Plan the Task Force on Climate-related Financial Disclosures (TCFD) framework. We anticipated to disclose information regarding the Company's climate-related risks and opportunities on the company's website in the second half of 2023.				
3. The 2022 Sustainability Report referenced the Listed companies prepare and declare ESG report operation method to disclose relevant ESG information.				

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	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 2022 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	3	2022.03.17	2021.03.28	1. Proposal for the Company's 2021 corporate governance implementation status report. 2. Passed the Company's "Corporate Governance Best Practice Principles" amendment proposal. 3. Passed the proposal to formulate the Company's "Management and Operating Procedures for Preparation of Financial Statements." 4. Passed the proposal to formulate the Company's "Management and Operating Procedures for Related Party Transactions." 5. Passed the proposal to formulate the Company's "Operational Regulations Governing Financials and Businesses Among Affiliates." 6. Passed the company's 2021 internal control system proposal and issued an internal control system statement according to the self-assessment results.	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan
2	4	2022.11.01	2022.11.10	1. Implementation of the matters decided by the 3rd meeting of the 2nd Corporate Governance Committee. 2. Report on the Company's 2023 audit plan. 3. Approved the committee's 2023 implementation plan proposal. 4. 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
3	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

Note 2: 2022 performance assessments of the Board of Directors and functional committees

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2022 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 2022 is divided into internal self-assessment and external assessment. The external assessment part was commissioned and handled by the external professional independent organization "Taiwan Institute of Ethical Business," completed on 2023.03.14. The implementation status and results of the relevant evaluation are as follows:

One. Internal Self-assessment

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 2022 was 96.8%. 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 2022 was 4.87 (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	4.75 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	5.00 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. Seven directors in service filled in the self-assessment questionnaires, and all seven were recovered. The overall score averaged 4.91 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	3 Items	5.00 points

directors' duties and responsibilities		
C. Participation level for the Company's operations	8 Items	4.79 points
D. Management and communication of internal relations	3 Items	4.95 points
E. Professionalism and continued education of directors	3 Items	5.00 points
F. Internal control	3 Items	4.95 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 result consisted of 21 indicators for "Excellent" (5) and 1 for "Good" (4). The average score for performance reviews in 2022 was 4.95 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	4.75 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 17 indicators and Good (4) for one indicator. The average score in 2021 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	4.50 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 2022 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

Two. External Assessment:

Evaluation agency: Taiwan Institute of Ethical Business

Executive members: Ching-Ping Shao, Yang-Tsong Tsai, Chao-Sheng Chiang

This assessment report includes 4 aspects: professional functions, decision-making effectiveness, internal control, and sustainable development. They are used to evaluate the performance of the Board of Directors and functional committees. The evaluation questionnaire is divided into "Evaluation

Questions" and "Feedback." For "Evaluation Questions," the respondents answer the questions based on the situation described in each question. A score of 5 to 1 is given according to the level of differences: "Achieve satisfaction at all times," "Achieve satisfaction in most situations (above average)," "Achieve satisfaction sometimes (average)," "Occasionally achieve satisfaction (below average)," "Rarely achieve satisfaction." The evaluation results are summarized as follows:

(I) The questionnaire survey results for the seven directors of the Board of Directors showed an average score of 4.95 points (out of 5 points). The individual directors believed that the Board of Directors was operating well in the following aspects:

1. Good communication.
2. Sound financial and audit management.
3. Very clear direction for the Company's operations.
4. Prompt communication.

(II) The questionnaire survey results for the functional committees are as follows:

1. Audit Committee averaged 4.96 out of 5.0.
2. Remuneration Committee averaged 4.96 out of 5.0.

Feedback from individual directors: Salary assessments in the appropriate industrial market can be conducted to determine whether the salary level of the Company's professional managers is market-competitive or too low.

3. Corporate Governance Committee averaged 4.95 out of 5.0.

Conclusion and suggestions:

According to the meeting minutes of the Board of Directors meeting provided by the assessed company and the internal regulations regarding corporate governance, as well as referring to the answers to the written questionnaire by the directors of the assessed company and the interviews of individual directors, the description of the observed conclusion and suggestion for improvement for the operations of the Board of Directors of the assessed company are as follows:

(I) Strengthen the Board of Directors and functional committees' meeting minutes

A review of the assessed enterprise's Board of Directors' and functional committees' meeting minutes showed no record of speeches made by the directors or members of the functional committees. According to interviews, the Board of Directors and functional committees of the assessed enterprise communicated smoothly, and there were sufficient discussions on various proposals before or during the meeting. However, the meeting minutes showed insufficient records during the discussions.

To make it easier for the Board of Directors and various functional committees to review the past decision-making records reference prior experience, it is advised that the discussion content in the meeting be selected and recorded promptly.

(II) Strengthen the communication density between managers and non-operating team directors

Some interviewed directors mentioned that although the Board of Directors communicates smoothly, it is difficult for management team directors to have a clear grasp of the assessed enterprise's operations due to its relatively large scale and complex business operations. In this regard, it is suggested that the management team of the assessed enterprise should organize the discussion and evaluation points of the proposal and communicate with directors who are not involved in daily operations separately in advance, depending on the complexity of the proposal, to give them a deeper understanding of the proposal's background and evaluation factors.

Secondly, after the assessed enterprise has communicated with the members of the Board of Directors who are not involved in daily operations in advance, the management team can summarize the questions or suggestions raised by the directors separately so that other directors are also aware of the concerns of different directors in advance. The goal is to give the directors a more consistent understanding of each proposal, increasing the discussion efficiency.

Furthermore, regarding other corporate practices, independent directors can be invited to participate in the manager team's annual or quarterly strategic meetings to better understand the manager team's daily operation assessment and discussions and contribute to the risk management supervision-related proposals.

(III) Establish and execute the integrated risk management mechanism

Enterprise Risk Management (ERM) is essential to corporate governance. Its connotation is not limited to risks such as sales, inventory, and collection but can also cover risk management in different aspects such as R&D, information security, and sustainability.

The directors and independent directors of the assessed enterprise have professional backgrounds in industry, management, accounting, risk control, etc. They can advise the management team professionally, enhancing the assessed enterprise's resilience against market risks. Although the assessed enterprise currently adopts a stable and conservative attitude and reduces risks by controlling funds and transaction partners, the risk assessments proposed by the managers of each department are based on the judgments and assessments proposed by their respective business content, which may not fully cover the overall potential risks in light of the

diverse risk categories. The assessed enterprise may consider establishing an integrated risk management unit, such as a risk management committee affiliated with the Board of Directors, to facilitate complete risk monitoring and management while upgrading the relevant risk management to overall and institutional control.

(IV) Strengthen the risk control of subsidiaries in mainland China

The interviewed directors indicated that due to geographical restrictions on the internal control implementation of subsidiaries in mainland China, the assessed enterprise has to rely on the explanations of the audit and financial departments. Their grasp is less comprehensive than that of the headquarters. In addition, due to the limited human resources stationed overseas, the subsidiaries' supervisors in mainland China tend to be localized gradually. So talent cultivation in China has also become an important issue.

In this regard, it is suggested that the assessed enterprise should strengthen the frequency and density of communication with its subsidiaries in mainland China and deepen the interaction. The goal is to understand the daily operation status and potential operational risks of the subsidiaries and encourage the subsidiaries to share the same corporate culture and values as the assessed enterprise. Regarding human resource localization in China, the connection with the headquarters' human resources can also be deepened depending on the specific situation. Appropriate personnel training can be supplemented to strengthen the assessed enterprise's overall human resource management performance.

(V) Continuously review whether the reward mechanism and talent performance evaluation standards are sound

Talent cultivation and human development are essential to the sustainable operation of enterprises and one of the key ESG values. Establishing transparent and appropriate performance measurement standards and employee rewards mechanisms is crucial to talent cultivation and human development.

The interview results showed that the assessed enterprise's directors seem to be doubtful about whether the current reward system has considerable industrial competitiveness. Since there is no standard for reward system design, we must pay attention to the scale of the reference subject and whether the industry is comparable when comparing the reward mechanism with peers. It is recommended that the assessed enterprise hold in-depth discussions to determine the characteristics of required talent according to corporate culture and strategic goals and evaluate whether the current reward system meets the needs of the enterprise before creating a reward system to help achieve the enterprise's strategic goals.

In sum, the assessed enterprise should start from the corporate culture perspective and strategic goals to discuss the talent needs, appropriate rewards, and performance evaluation standards so that the reward system and evaluation standards can align with the enterprise's needs. The goal is to develop more detailed and clear operating standards to increase the evaluated enterprise's attractiveness to the talents they need, thereby strengthening the industrial competitiveness. .

Three. The Company's Board of Directors and functional committees under the board performed well in 2022. They properly assessed and supervised the Company operations and corporate governance. All directors kept good attendance and fully exercised their expertise. To improve the Board of Directors functions and continue to strengthen its policies, the Board of Directors shall incorporate the suggestions from individual directors and external organizations and develop relevant improvement solutions or plans.

Four. The preceding internal and external performance evaluations of the Board of Directors, individual directors, and functional committees for 2022 were presented to the Board of Directors on March 15, 2023.

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 2022:

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 2022:

In adherence to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, Vice President Wu, Ma completed 14 hours of training in 2022 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	Number of Hours of Education <u>Hours of Education</u>
<u>From</u>	<u>To</u>			
2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
2022/12/05	2022/12/05	Accounting Research and Development Foundation	Common Deficiencies in Corporate Financial Report Preparation and Compliance with Internal Audit and Internal Control Laws and Regulations	6
2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4

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	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Vice Chairperson and President	Tsai, Ming-Hsien	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Director	Lu, Jin-Zong	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Director and Executive Vice President	Chien, Yih-Long	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Independent Director	Chou, Po-Chiao	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/08/30	2022/08/30	Taiwan Corporate Governance Association	Evaluate M&A Investments from a Legal Perspective	3
		2022/10/19	2022/10/19	Taiwan Corporate Governance Association	The 18th (2022) Corporate Governance Summit Forum---Improving Directors' Functions and Corporate Governance Implementation	3
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Independent Director	Chen, Tsung-Ming	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Independent Director	Lai, Ling-Ming	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Ma	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/05	2022/12/05	Accounting Research and Development Foundation	Common Deficiencies in Corporate Financial Report Preparation and Compliance with Internal Audit and Internal Control Laws and Regulations	6
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4

- (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, 2022

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
Independent Director (Remuneration Committee member)	Lai, Ling-Ming	Work experience of over five years in business, law, finance or banking Work experience: President, Chinese Business, AON RISK SERVICES AUSTRALIA (SYDNEY); Director, Aon Risk Services HK ; Chairman And CEO Of Aon Risk Services Tw (page 12)	(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, 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.

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 2022. 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	2	0	67%	
Member	Lai, Ling-Ming	3	0	100%	
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					

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.

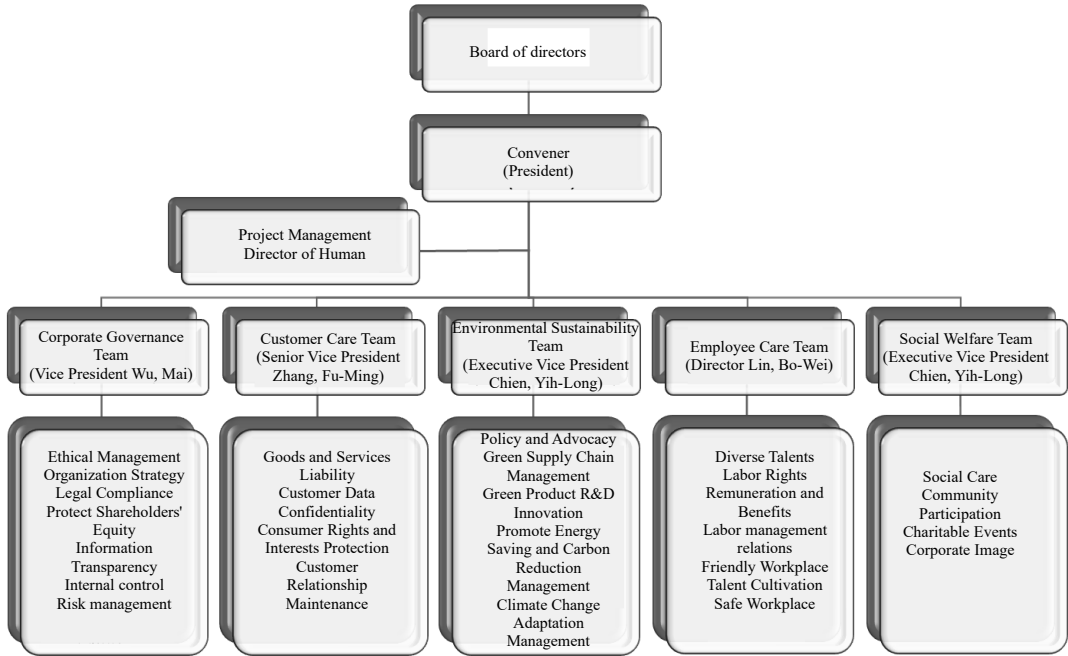
Summary Table of the Meetings Record for the Remuneration Committee:

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	2	2022.01.06.	2022.01.20 (Video Conference).	Review of year-end bonuses to managers for 2021	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
2	3	2022.03.17	2022.03.28	Review of the amount of remunerations to directors and employees for 2021	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
3	4	2022.06.17	2022.06.29 (Video Conference).	1. Review of the Company's 2021 remuneration to directors 2. Review of the Company's 2021 remuneration to the independent director [Chou, Po-Chiao] 3. Review of the Company's 2021 remuneration to the independent director [Chen, Tsung-Ming] 4. Review of the Company's 2021 remuneration to the independent director [Lai, Ling-Ming] 5. Review of remuneration to managers and employees for 2021	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
4	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
5	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

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) 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>The Company has established a CSR work team since 2016 to implement its sustainable development policies. On November 10, 2022, the original CSR work team was renamed the Sustainable Development Work Team, the responsible unit for Clevo's sustainable development management. The president serves as its convener. The work team is responsible for formulating sustainable development policies, system establishment, and design for related management policies. It leads the subgroups and various departments of the Company to implement Clevo's operating procedures.</p> <p>The Sustainable Development Work Team is responsible for compiling and publishing the sustainable development report. The Board of Directors shall authorize the high-level executives to handle related matters, and they shall report the implementation status to the Board of Directors at least once a year. The Sustainable Development Work Team is divided into 5 divisions according to the field. They include corporate governance, customer care, environmental sustainability, employee care, and social welfare. Its organizational structure and responsibilities are as follows:</p>  <pre> graph TD Board[Board of directors] --> Convener[Convener (President)] Convener --> PMD[Project Management Director of Human] Convener --> CGT[Corporate Governance Team (Vice President Wu, Mai)] Convener --> CCT[Customer Care Team (Senior Vice President Zhang, Fu-Ming)] Convener --> EST[Environmental Sustainability Team (Executive Vice President Chien, Yih-Long)] Convener --> ECT[Employee Care Team (Director Lin, Bo-Wei)] Convener --> SWT[Social Welfare Team (Executive Vice President Chien, Yih-Long)] CGT --> CGT_List["Ethical Management Organization Strategy Legal Compliance Protect Shareholders' Equity Information Transparency Internal control Risk management"] CCT --> CCT_List["Goods and Services Liability Customer Data Confidentiality Consumer Rights and Interests Protection Customer Relationship Maintenance"] EST --> EST_List["Policy and Advocacy Green Supply Chain Management Green Product R&D Innovation Promote Energy Saving and Carbon Reduction Management Climate Change Adaptation Management"] ECT --> ECT_List["Diverse Talents Labor Rights Remuneration and Benefits Labor management relations Friendly Workplace Talent Cultivation Safe Workplace"] SWT --> SWT_List["Social Care Community Participation Charitable Events Corporate Image"] </pre> <p>The sustainable development team reported the sustainable development implementation status for 2021 to the board of directors on</p>	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													
			June 29, 2022, and plans to report the implementation status for 2022 to the board of directors in the second half of 2023. 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><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 2022 to December 2022. 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</td><td><ul style="list-style-type: none">• Response to Climate Change• Greenhouse Gas and Energy Management</td><td><ul style="list-style-type: none">• The Company's potential climate change risks are mainly at the environmental and operational levels. The Company has established the "Energy Resource Management Operating Procedures" as the operational requirement guideline for energy resource consumption, conservation, and carbon reduction and introduced an environmental management system. We have obtained the ISO 14001 environmental management system certification and regularly monitored and improved energy resource consumption to reduce environmental impact and prevent environmental pollution.</td></tr><tr><td>Social/Employee</td><td><ul style="list-style-type: none">• Employee Welfare• Employee Education and Training• Occupational Health and Safety</td><td><ul style="list-style-type: none">• The Company is people-centric and employees are important partners to us. We believe that a positive and active workplace culture is only possible with happy and healthy employees, and this enhances work efficiency and retain suitable talents.• 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.• The Company greatly emphasizes the corporate culture of environmental safety and health. We impose a zero-hazard rule and require ongoing examinations and improvements to improve environmental safety and health through regular audits by the Environmental Safety and Health Committee. The goal is to give employees a comfortable and safe environment to work in.</td></tr><tr><td>Governance / Economy</td><td><ul style="list-style-type: none">• Corporate governance</td><td><ul style="list-style-type: none">• Clevo adheres to the fundamental corporate governance principles, adopts governance practices of the highest standard, and chooses board members by</td></tr></table></div>	Major issues	Risk assessment	Note	Environment	<ul style="list-style-type: none">• Response to Climate Change• Greenhouse Gas and Energy Management	<ul style="list-style-type: none">• The Company's potential climate change risks are mainly at the environmental and operational levels. The Company has established the "Energy Resource Management Operating Procedures" as the operational requirement guideline for energy resource consumption, conservation, and carbon reduction and introduced an environmental management system. We have obtained the ISO 14001 environmental management system certification and regularly monitored and improved energy resource consumption to reduce environmental impact and prevent environmental pollution.	Social/Employee	<ul style="list-style-type: none">• Employee Welfare• Employee Education and Training• Occupational Health and Safety	<ul style="list-style-type: none">• The Company is people-centric and employees are important partners to us. We believe that a positive and active workplace culture is only possible with happy and healthy employees, and this enhances work efficiency and retain suitable talents.• 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.• The Company greatly emphasizes the corporate culture of environmental safety and health. We impose a zero-hazard rule and require ongoing examinations and improvements to improve environmental safety and health through regular audits by the Environmental Safety and Health Committee. The goal is to give employees a comfortable and safe environment to work in.	Governance / Economy	<ul style="list-style-type: none">• Corporate governance	<ul style="list-style-type: none">• Clevo adheres to the fundamental corporate governance principles, adopts governance practices of the highest standard, and chooses board members by	No deviation.
Major issues	Risk assessment	Note														
Environment	<ul style="list-style-type: none">• Response to Climate Change• Greenhouse Gas and Energy Management	<ul style="list-style-type: none">• The Company's potential climate change risks are mainly at the environmental and operational levels. The Company has established the "Energy Resource Management Operating Procedures" as the operational requirement guideline for energy resource consumption, conservation, and carbon reduction and introduced an environmental management system. We have obtained the ISO 14001 environmental management system certification and regularly monitored and improved energy resource consumption to reduce environmental impact and prevent environmental pollution.														
Social/Employee	<ul style="list-style-type: none">• Employee Welfare• Employee Education and Training• Occupational Health and Safety	<ul style="list-style-type: none">• The Company is people-centric and employees are important partners to us. We believe that a positive and active workplace culture is only possible with happy and healthy employees, and this enhances work efficiency and retain suitable talents.• 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.• The Company greatly emphasizes the corporate culture of environmental safety and health. We impose a zero-hazard rule and require ongoing examinations and improvements to improve environmental safety and health through regular audits by the Environmental Safety and Health Committee. The goal is to give employees a comfortable and safe environment to work in.														
Governance / Economy	<ul style="list-style-type: none">• Corporate governance	<ul style="list-style-type: none">• Clevo adheres to the fundamental corporate governance principles, adopts governance practices of the highest standard, and chooses board members by														

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		
				<ul style="list-style-type: none">• Legal Compliance• Ethical Management and Anti-corruption• Economic performance• Information Security Management and Customer Privacy professional background while observing gender equality guidelines. Steps are taken to ensure the effective functioning of the board and protection of all stakeholders' interests. <ul style="list-style-type: none">• 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.• The Company establishes operational targets each year for the next five years and amends these targets year-over-year according to the global economic growth. This facilitates the strategic planning and action plans for the future in order to achieve gradual and stable growth.• The Company has established an information security management committee under the Information Security Department and the Information Department. Its purpose is coordinating information security-related policy formulation and implementation and conducting risk management and compliance inspections.	
			Product	<ul style="list-style-type: none">• Responsible Production• Innovative R&D• Customer relationship management• Supplier management <ul style="list-style-type: none">• To incorporate ISO standards into the design phase and observe international standards and requirements for the safety and environment friendliness of products manufactured, while making products functionally competitive in the market. To ensure compliance, we work with procurement, sales, and supply partners to evaluate regulations and standards local and abroad, and take the initiative to observe them.• Establish well-defined "customer service management," "non-conforming product control," and grievance handling procedures to ensure standardized services to customers.• The Company has formulated the "Supplier Management Procedures" to evaluate and audit suppliers to ensure product quality stability.	
III. Environmental issues (I) Does the Company establish the suitable environmental management systems upon its industrial characteristics?	V		(I)	The Company is a professional notebook computer manufacturer and service provider and has adopted a computer-assisted environmental management system to actively devise management strategies and performance indicators to serve as behavioral guidelines throughout the organization. We constantly review and improve the environmental management system yearly to ensure policy performance, and the president formulates the management policy. The environmental management policies include: Following the relevant environmental protection laws and regulations and being a compliant enterprise; executing pollution prevention measures in advance to reduce the impact on the environment; continuously	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 seek to enhance the efficiency of energy utilization and the use of recycled materials with a low environmental burden?	V		<p>improving the environmental management plan and taking actions to protect the earth; and actively separate, recycle, and reuse waste generated from Company's activities. The Company's main production and manufacturing factory is the Kunshan factory. Therefore, the relevant management systems and standards only created in the Kunshan factory and it had obtained the new version of certification ISO 14001: 2015 environmental management system on April 6, 2023 and the certification is valid until April 7, 2026.</p> <p>(II) Every year, the Company continues to invest funds and resources for various operations such as implementation of water resources management, energy saving and carbon reduction, waste disposal and treatment , treatment of waste gas emissions and remedial measures, pollution prevention, and environmental management. The Company is also in accordance with the trend of environmentally friendly products and relevant environmental protection directives by the European Union such as WEEE (Waste Electrical and Electronic Equipment) Directives and Restriction of Hazardous Substances (RoHS) Directive, to develop environmentally friendly green electronic products in response to the changes in the consumer electronics market worldwide as well as consumers' focus on manufacturers' environmental protection subject.</p>	
(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		<p>(III) The potential risks due to climate change to the Company are primarily related to the environment and the operations. For example, resource scarcity, rising raw material costs, disability of transportation requirements, the threat to employees' safety due to extreme climate can all have direct and impact effects on the Company's operations. In response to the impact of GHG emissions on the global climate change and the environment, the Company has established Operational Procedures for Energy and Resources Management as the guideline for operational requirements, energy efficiency and carbon reduction in the use of energy resources. We have also introduced the environmental management system to regularly monitor and improve the utilization of energy resources. This mitigates the environmental impact and prevents environmental pollutions. The detailed description of the Company's climate change risk and opportunity analysis is scheduled to be disclosed in the Company's sustainability report for the second half of 2023 and posted on the Company's website at https://www.clevo.com.tw/tw/esg/ESG_main.</p>	
(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	V		<p>(IV) The Company has formulated the Operational Procedures for Energy and Resources Management and tracked its greenhouse gas emissions and targets for sustainability since 2019 by reducing 10% carbon emissions over 10 years. We will extend the efforts to the Group's Chinese Channel Business subsidiaries and adjust and strengthen the greenhouse gas emission reduction targets accordingly to help achieve net zero emissions. Energy efficiency measures are put in place at</p>	

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													
energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of other waste?			production sites and headquarters. Details of energy savings, greenhouse gas reductions, emissions, water consumption, and waste weights are disclosed in corporate sustainable development reports and on the Company's website. 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 https://www.clevo.com.tw/tw/esg/ESG_main .													
IV. Social issues				No deviation.												
(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.													
(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		(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 101~102 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. The average salary adjustment for employees in 2022 is as follows: <table><tr><td>Salary adjustment</td><td>Remark</td><td>Salary adjustment for non-managerial employees</td><td>Remark</td><td>Salary adjustment of managerial employees</td><td>Remark</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark							
Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark											

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								
				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.	0~3.0%	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, and arrange the regular training relating to safety and health?	V		(III)	1.Arrange the health promotion activities to increase the colleagues' healthiness and prevent the diseases. 2.Arrange the courses of the health lectures regularly to enhance the colleagues' healthy awareness and healthy behaviors. 3.Implement anti-COVID measures and install equipment to combat the virus, to protect the health and work quality of all employees. 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. 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. 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. 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. 8.Kunshan factory had obtained the new version of certification ISO 14001: 2015 environmental management system on April 6, 2023 and the certification is valid until April 7, 2026. Note: In 2022, the Company has no major occupational accidents.							
(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	V		(V)	For the marketing and labeling of the products and services, the Company complies with the relevant regulations and							

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	
<p>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?</p> <p>(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?</p>	V		<p>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.</p> <p>(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.</p>	
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 2022, 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 https://www.clevo.com.tw/tw/esg/ESG_main .	No deviation.
<p>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.</p> <p>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.</p>				
<p>VII. Other important information that helps to understand the implementation and the drive for sustainable development:</p> <p>1. Significant natural disasters and other donations during the past three years</p>				

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		
Year	Note	Amount Put In (Unit: NTD)			
2020	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 - Taiwan Foundation for the Blind and Syin-Lu Social Welfare Foundation	\$32,845			
	New Taipei City Association of Visual Impaired (Daan Sheltered Farm Of New Taipei City) (donations from employees, not recognized on the Company's account)	\$12,630			
	Events for students and art & cultural development - sponsorship to the ocean documentary in Taiwan (Whale Island)	\$60,000			
	Social Welfare and Public Welfare Trust, Clevo Co.	\$2,000,000			
	Fire Department, New Taipei City Government - donation of fire alarms	\$150,000			
	Development Center for the Spinal Cord Injured - donation of preowned books	\$1,500			
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			
Total		\$6,479,785			

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.

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	
<p>3. Social Co-Prosperity</p> <p>(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 2022 received the environmentally-friendly cutlery sets and 333 sports mugs when they came on board.</p> <p>(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 35,000 dollars in 2022. We hope to support and help the development of local farmers in Taiwan long term.</p> <p>(3) In 2022, the Social Welfare and Public Welfare Trust of Clevo Co. donated NT\$2,040,000 to disadvantaged families in Tainan to help create a better society.</p> <p>(4) Partner with the visually impaired association to purchase handmade soap gift boxes for every employee as a Christmas gift. The total expenditure was NT\$333,900.</p> <p>(5) Epoque i-Tower Happy Market event helps local entrepreneur friends and encourages colleagues to spend more to participate.</p> <p>(6) Selected as the New Taipei City Disaster Prevention Excellent Enterprise.</p> <p>(7) The Company contributed NT\$2,393,900 to charity donations and various social projects organized by local government agencies in 2022. 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.</p> <p>The aforesaid matters and results in relation to sustainable development are regularly disclosed on the Company’s website and sustainability reports.</p>				

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.

(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 2022 was reported to the Board of Directors on March 15, 2023.</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		(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 2022.	
(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 2022 implementation was as follows:</p> <ol style="list-style-type: none"> 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 2022, a total of 79 new hires 	

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 2022, a total of 79 visitors clicked on the curriculum. No illegal behavior was reported in 2022 via the hotline or emails.</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 2022, a total of 217 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.</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 https://www.clevo.com.tw.</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"> 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. 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. 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. 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. 				

(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 15, 2023

Based on self-assessment of its internal control system for 2021, 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, 2022, 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 15, 2023, at which this Statement was unanimously endorsed by all 7 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 June 15, 2022, and the implementations are as follows:
- (1) Reports on Company Affairs
- Subject 1: 2021 business report proposal.
- Subject 2: 2021 final statement for audited by the Audit Committee audit proposal.
- Subject 3: 2021 employee, director, and supervisor remuneration distribution proposal.
- Subject 4: 2021 earnings distribution and cash dividends status report proposal.
- Subject 5: Report on the Company's treasury stock implementation.
- (2) Matters to be Ratified
- Motion 1: Passed the Company's 2021 final accounts proposal.
- Progress: This proposal has come into effect after being passed at the shareholders' meeting.
- Motion 2: Passed the Company's 2021 earnings distribution proposal.
- Implementation: According to the law, the Company's undistributed surplus at the beginning of the 2021 year has been adjusted to NT\$1,353,601,285. The 2021 annual surplus distributed was NT\$ 3,341,652,545, as shareholder cash dividend was NT\$1,285,752,300. NT\$2.1 per share was distributed according to Articles of Association. July 2, 2022, was set as the ex-dividend base date, and the payment was completed on July 22, 2022.
- (3) Discussions
- Motion 1: Passed the discussion proposal to amend the Company's "Articles of Incorporation."
- Progress: This proposal has come into effect after being passed at the shareholders' meeting.
- Motion 2: Passed the discussion proposal to amend the Company's "Acquisition or Disposal of Asset Handling Procedures."
- Progress: This proposal has come into effect after being passed at the shareholders' meeting.
- Motion 3: Passed the discussion proposal to amend the Company's "Rules and Procedures of Shareholders Meetings."
- Progress: This proposal has come into effect after being passed at the shareholders' meeting.

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			Remark
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	4	2022.02.16	2022.02.25 (Video Conference)	1. Approved the Company's planned cooperation with Epoque Corporation 2. Approved the planned leasing of office buildings from the related party Epoque Corporation	V	V	V	V	V	Absent	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan Lin, Bo-Wei
2	5	2022.03.17	2022.03.28	1. Report on the implementation of the resolutions passed at the ninth meeting in 2021 and the first meeting of the Board of Directors in 2022. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on issuance and transfer of treasury shares. 5. Report on performance assessment results on the board and functional committee in 2021. 6. Report on implementation of the ethical corporate management policy in 2021. 7. Reported on the implementation of corporate governance in 2021. 8. Approved the Company's finalized account and business report for 2021 9. Approved the review by the Audit Committee on remunerations to employees and directors in 2021. 10. Approved the Company's distribution of 2021 earnings 11. Approved the appropriation of the Company's 2021 earnings via cash dividends. 12. Approved the change of the Company's business address. 13. 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." 14. Adoption of amendments to the Articles of Association of the Company. 15. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 16. Adoption of amendments to the Rules and Procedures of Shareholders' Meetings. 17. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 18. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 19. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 20. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 21. Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system 22. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 23. Adoption of the agenda for convening the general meeting for 2022, and the discussion for relevant operations.	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi
3	6	2022.05.03	2022.05.11 (Video Conference)	1. Report on the implementation of the resolutions passed at the second meeting of the Board of Directors in 2022. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the implementation by the Company's Information Security Management Committee in 2021. 5. Report on the Company's corporate governance evaluation results in 2021. 6. Approved the Company's consolidated financial statements for the first quarter of 2022 7. 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, Ma Liu, Yi-Mei Lin, Chun-Jun Chiu, Shu-Juan Wu, Han-Qi
4	7	2022.05.18	2022.05.20 (Video Conference)	1. Passed the cooperation proposal between the Company and Hua Tai Investment.	V	V	V	V	V	V	V	Wu, Ma Chiu, Shu-Juan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
5	8	2022.06.17	2022.06.29 (Video Conference)	1. Proposal to report the Company's 3rd~4th Board resolution implementation status of 2022. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Proposal to report the Company's 2021 sustainable development promotion status. 5. Proposal to report the Company's 2021 stakeholder communication status. 6. Passed the Company's greenhouse gas emissions inventory and verification proposal. 7. Adoption of the proposed purchase of liability insurance for the Company's directors and important staff. 8. Passed the 2021 director remuneration distribution operation proposal. 9. Passed the 2021 independent director remuneration distribution operation proposal. 10. Passed the 2021 employee remuneration distribution operation proposal. 11. Passed the proposal to apply for credit extension and trade credit for transactions in derivative financial products to financial institutions	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan
6	9	2022.07.07	2022.07.15 (Video Conference)	1. Passed the Company's proposal to invest and establish a project company with Kindom Construction Corp. and Hua Tai Investment. 2. Passed the capital increase of NT\$250 million in Taipei Twin Towers Limited.	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan
7	10	2022.08.04	2022.08.12	1. The Company's 2022 5th~6th 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. Proposal to submit the Company's greenhouse gas emissions inventory and verification plan implementation report. 5. Approved the Company's consolidated financial statements for the second quarter of 2022. 6. Passed the capital reduction base date for treasury stock cancellation. 7. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	V	V	V	V	V	Lai, Ling-Ming as proxy	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi
8	11	2022.09.15	2022.09.23 (Video Conference)	1. Passed the disposal of real property for Quanzhou Buynow Corporation, a subsidiary of the Company. 2. 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 Wu, Han-Qi
9	12	2022.11.01	2022.11.10	1. The Company's 2022 7th~8th 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. Proposal to submit the Company's greenhouse gas emissions inventory and verification plan implementation report. 5. The Company's intellectual property management matters implementation status report. 6. Taipei Twin Towers Limited investment progress report proposal. 7. Passed the Company's 2022 third-quarter final statement proposal. 8. Passed the proposal to change the Company's "C.S.R. work team" to a "sustainable development team." 9. Passed the "2023 Action Plan" proposal for the Company's Corporate Governance Committee. 10. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 11. Approved the Company's 2023 audit proposal. 12. 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 Wu, Han-Qi
10	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

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Lu, Jin-Zong	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
11	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
12	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. Report on the implementation by the Company's Information Security Management Committee in 2022. 5. Report on the Company's corporate governance evaluation results in 2022. 6. Approved the Company's consolidated financial statements for the first quarter of 2023. 7. Approved the Company's "non-authentication service pre-approval policy". 8. Approved Capital increase USD 4 million of KAPOK COMPUTER (SAMOA) CORPORATION. 9. 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

- (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	Liang, Hua-ling	2022.01.01~2022.09.30	4,050	100	4,150	1. Due to the rotation policy of PwC, starting from the fourth quarter of 2022, CPA Liang, Hua-ling was changed to CPA Lin, Po-Chuan. 2. Explanation on non-audit fees: NT\$100 thousand for business registration
	Wu, Han-Qi	Lin, Po-Chuan	2022.10.01~2022.12.31				

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	2022.12.31		
Reasons for Replacement	Due to the rotation policy of PwC Taiwan, the Company has replaced the former CPA Liang, Hua-ling with the CPA Lin, Po-Chuan from the 4th quarter of 2022.		
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 Wu, Han-Qi and CPA Lin, Po-Chuan
Date of appointment	2022.12.31
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	2022		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	-	-	-	-
Senior Vice President	Zhang, Fu-Ming	-	-	-	-
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai	-	-	-	-
Vice President	Li, Wen-Hua	(17,000)	-	-	-
Vice President	Chen, Hsueh-Wen	-	-	-	-
Vice President	Lin, Nan-Sheng	-	-	-	-
Vice President	Lin, Guan-Yen	-	-	-	-
Senior Assistant Vice President	Zhang, Wen-Song	(10,000)	-	-	-
Senior Assistant Vice President	Wang, Feng-Zhu	(121,000)	-	-	-
Senior Assistant Vice President	Chung, Wen-Chin	-	-	-	-

Title (Note 1)	Full name	2022		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	- (20,000)	- -	- -	- -
Senior Assistant Vice President	Lin, Sheng-Hsiang	- -	- -	- -	- -
Senior Assistant Vice President	Lin, Liang-Shih	- (18,000)	- -	- -	- -
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, 2023

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 Hsu, Yueh-Sen	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 Second-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 Hsu, Yueh-Sen	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 Second-degree relatives of the Company's representative	-
Hsu, Fu-Chia	33,536,454	5.30%	4,023,196	0.64%	0	0%	Hsu, Kun-tai Hsu, Yueh-Sen Lin, Feng-Chu Hsu, Li-Hsin Hsu, Cheng-Hsin	First-degree relative First-degree relative First-degree relative Second-degree relative Second-degree relative	-
Lin, Feng-Chu	21,371,784	3.38%	46,701,335	7.39%	0	0%	Hsu, Kun-Tai Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu Yueh-Sen Hsu	Spouse First-degree relative First-degree relative First-degree relative Second-degree relative	-
Hsu, Li-Hsin	19,204,568	3.04%	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 Hsu, Yueh-Sen	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 Second-degree relatives of the Company's representative	-
Youkang Electronics Co., Ltd. Person in charge: Lu, Jin-Zong	16,730,000	2.65%	0	0%	0	0%	-	-	-
Hsu, Yueh-Sen	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	-
Yueh-Sen Hsu	15,284,373	2.42%	0	0%	0	0%	Hsu, Kun-tai Hsu, Fu-Chia Lin, Feng-Chu	Second-degree relative First-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, 2023

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	16,000,000	100%	0	0 %	16,000,000	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, 2023

Shareholder Quantity	Government agencies	Financial institutions	Other legal persons	Foreign institutions and individuals	Individuals	Treasury Shares	Total
Headcount	4	7	61	158	25,719	1	25,950
Number of shares held	157	1,753,785	194,389,231	57,396,585	358,723,242	20,000,000	632,263,000
Shareholding %	0.00%	0.28%	30.74%	9.08%	56.74%	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, 2023

Shareholding grading	Number of shareholders	Number of shares held	% of shareholding
1-999	12,701	2,919,731	0.46%
1,000-5,000	9,594	20,565,155	3.26%
5,001-10,000	1,752	13,366,269	2.11%
10,001-15,000	524	6,603,253	1.04%
15,001-20,000	338	6,150,473	0.97%
20,001-30,000	310	7,845,347	1.24%
30,001-40,000	159	5,640,871	0.89%
40,001-50,000	2016	4,829,468	0.76%
50,001-100,000	189	13,404,818	2.12%
100,001-200,000	118	17,078,864	2.70%
200,001-400,000	55	15,885,702	2.51%
400,001-600,000	18	8,888,576	1.41%
600,001-800,000	13	9,109,066	1.44%
800,001-1,000,000	11	9,803,324	1.55%
1,000,001 and more	63	490,172,083	77.54%
Total	25,950	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, 2023

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	33,536,454	5.30%
Lin, Feng-Chu	21,371,784	3.38%
Hsu, Li-Hsin	19,204,568	3.04%
KAPOK COMPUTER CO	16,966,596	2.68%
Youkang Electronics Co., Ltd.	16,730,000	2.65%
Hsu, Yueh-Sen	15,768,156	2.49%
Hsu, Yueh-Sen	15,284,373	2.42%

(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		2021	2022	As of March 31, 2023, for the current year (Note 8) Top of the form
Market value per share (Note 1)	Maximum	35.7	36.2	32.10
	Minimum	27.4	29.45	29.90
	Average	30.45	31.97	30.56
Net value per share (Note 2)	Before distribution	63.58	66.10	65.62
	After distribution	61.60	64.64	Note 9
Earnings per share	Weighted average shares (thousand shares)	593,451	585,216	585,216
	Earnings per share (Note 3)	3.03	1.41	0.62
Dividends per share	Cash dividends	2.1	1.5	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)		10.05	22.67
	Price to dividend ratio (Note 6)		14.50	21.31
	Cash dividend yield (%) (Note 7)		6.90%	4.69%

*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:

Allocation of Dividends by KAPOK (2362)						
						Unit: Yuan
Year	Cash dividends	Stock dividends from retained earnings	Stock dividends from capital reserves	Stock dividends	Total	Employee stock bonus%
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
2018	0.2000	0	0.8000	0	1.0000	0

Note: Distribution of dividends for 2022 is to be reported to the 2023 shareholders meeting.

2. 2023 General Shareholders Meeting Discussion on the dividends distribution for 2022
 - (1) Cash dividends: On March 15, 2023, the Board of Directors approved the cash dividend distribution to shareholders for NT\$918,394,500 or NT\$1.5 per share, which was proposed at the 2023 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 2022 and 2021 were NT\$108,000 thousand and NT\$181,800 thousand, respectively, and the estimated remuneration amounts for directors were NT\$10,600 thousand and NT\$22,200 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 2022.
 - (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 15, 2023, the Board of Directors approved the remuneration distribution to employees for 2022 at NT\$ \$108,000 thousand for employees and NT\$10,600 thousand for directors. These amounts are consistent with the recognized amounts for 2022 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 2021, 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\$181,800 thousand as remuneration to employees and NT\$22,200 thousand as remuneration to directors and supervisors. These amounts are consistent with the amounts recognized on the 2021 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, Jackie Feng 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) China's Distribution Division: The deployment and leasing of domestic sales channels in the Buynow Malls in China.

2. Sales breakdown: 85% of the consolidated revenue from the PC Business Unit and 15% from Buynow Malls in China in 2022.

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 2022, 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 2023, 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 2023 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 2023 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 2023, 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 2023, 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.

5. Projects for China Distribution Business Group:

- (1) Asset Business Unit: The construction of all the projects on hand has been completed. The current inventory of office buildings (Anshan and Luoyang) is CNY306 million and is expected to be sold out over the next two years. We continue to optimize and dispose of assets by adjusting operational strategies. Underperforming shops will be sold or leased out for cash inflows.
- (2) 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.

(II) Industry Overview

●Industry overview of the PC Business Unit

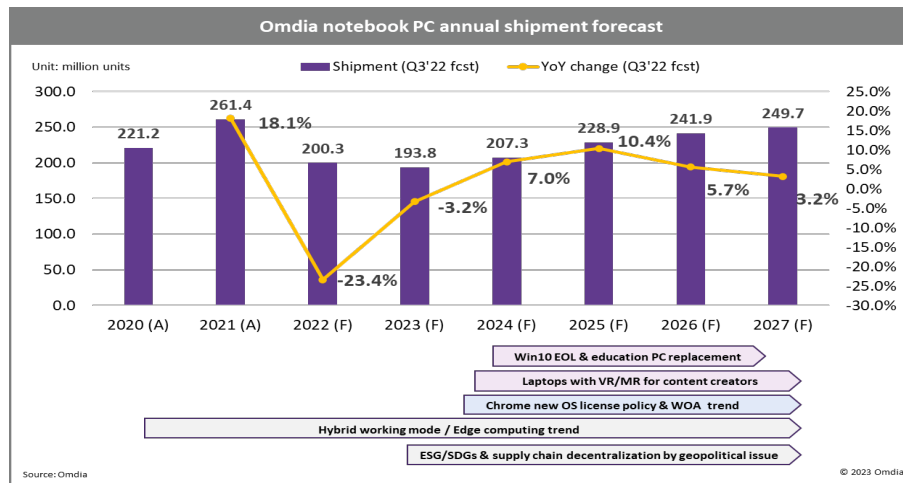
1. The current situation and prospect of the industry

A review of 2022 showed that the overall economy was still troubled. In 2022, the global real GDP grew 3.4% in 2022. Risks to the global economy that persist in 2023 include: The aftermath of the Russia-Ukraine conflict and its global impacts, the lingering effects of COVID-19 on global supply chains and the economy, unstable economic and political factors across the Americas, China-U.S. relations and their impact on global supply chains, the evolution of cybersecurity, etc. The IMF forecasts global real GDP growth of 2.8% in 2023.

OMDIA, a market research company, estimated that global notebook computer shipments reached about 200 million units in 2022, showing an annual decline of 23.4% compared with 2021. In 2023, the notebook computer industry will respond to changes in the Hybrid Working Mode, Edge Computing Trends, and ESG & Supply Chain Decentralization by Geopolitical Issues. OMDIA predicts that global notebook computer shipments will reach about 194 million units in 2023, showing a slight decline of less than 5% from 2022. However, the notebook computer market may begin to recover in the second half of 2023 due to the following factors: (1) Microsoft Windows 10 will withdraw from the market in the third quarter of 2024 and will no longer be supported, creating a replacement demand in the education market; (2) the market demand for creators' laptops paired with Virtual Reality (VR), Augmented Reality (AR), and Mixed Reality (MR)" applications is rising; and (3) new Google browser operating system (Chrome OS) authorization policy and Microsoft Windows operating system support on the ARM platform.

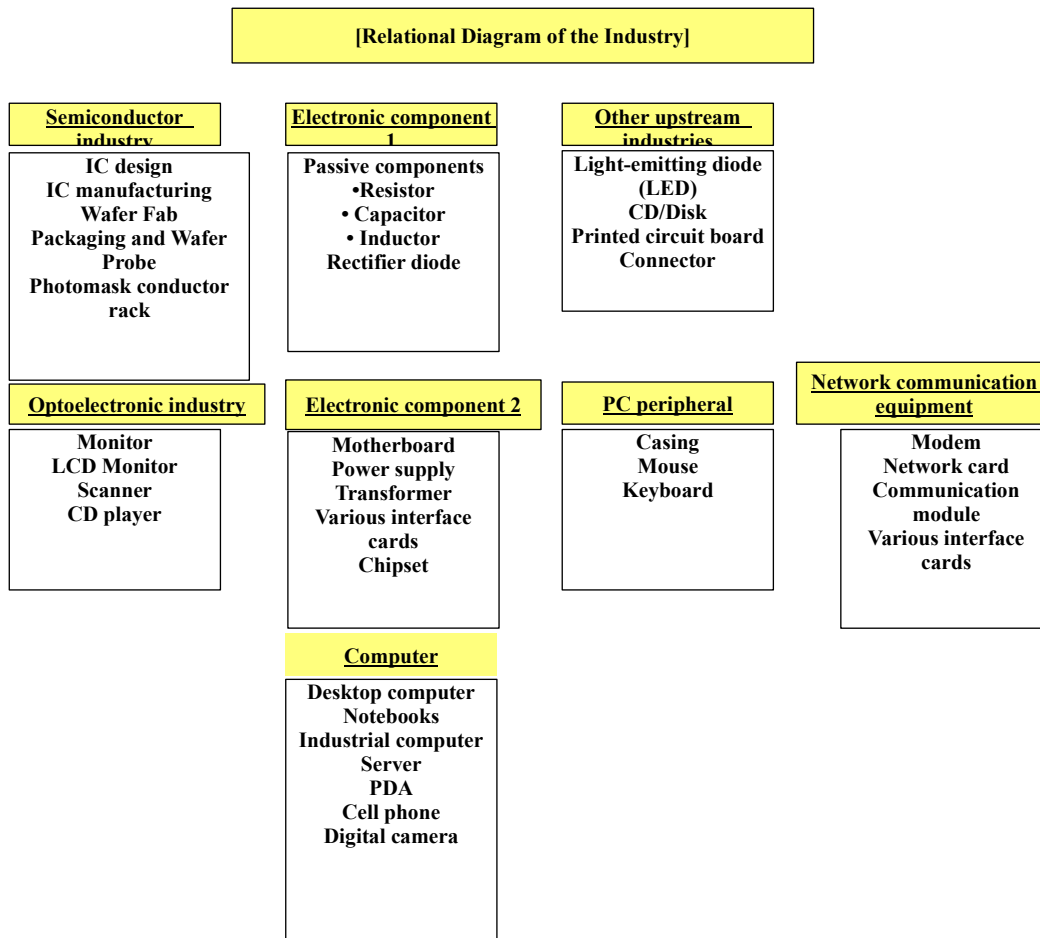
Source: OMDIA, 1/2023

Regarding brands and products, the personal computer market has changed due to the pandemic. Notebooks will maintain over 70% of the entire market. While the demand for educational notebooks (particularly Chromebooks) will fall back to normal, the e-sports ecosystem is maturing, and the metaverse is rising from the fusion of the virtual world and the real world. Flagship gaming models are launched yearly with features such as AR/VR/MR/xR, AI, deep learning super sampling (DLSS), and real-time-ray-tracing. This is expected to push up further the global shipment of e-sport notebooks. In addition, the demand enters a rapid growth stage for convertible, detachable and ultra-light, and ultra-slim notebooks, and the demand for commercial notebooks is expected to hold steady after COVID-19. The new creator notebook will continue to lead the way in notebook design innovation and meet consumer market demands. According to OMDIA's research report, the top 7 laptop brand manufacturers' shipment target for laptops in 2023 will increase from about 181 million units in 2022 to 183 million units, with an annual growth rate of 1.1%.



Information source: OMDIA, 1/2023

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" and "Meteor Lake H45/U15" platforms, and AMD will launch processors for the "Rembrandt Plus" and "Phoenix" platforms. The top graphics chip manufacturer, NVIDIA, will launch the next-generation graphics chips (GN21Refresh and RTX 40 Ti 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 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 RTRT makes e-sports applications hotter

In 2021, Nvidia provided a forward-looking roadmap in computer graphics based on artificial intelligence and real-time-ray-tracing. Its Ampere architecture, built on Volta, is equipped with multicore streaming multiprocessors (SM), Tensor Cores for raytracing calculations and RT Cores providing up to 125 TFLOPS for half-precision floating-point and real-time raytracing performance. RTX Core GPU enables 8K high dynamic range (HDR) and supports the USB Type-C transmission interface and NVIDIA's own VR interface VirtualLink. This is the first real-time raytracing technology in the history of GPUs. Meanwhile, Nvidia uses the DLSS technology to create more sophisticated gaming and graphic images and enhance low-resolution and aliased images, so that the refined and vivid graphic details improve the gaming experience. We worked with the development teams from NVIDIA 3A Games, Electronic Arts, Epic Games, Remedy Entertainment, and Unity for a few dozen models in 2023. The availability of games supporting real-time-ray-tracing and DLSS has created a new wave in the industry. With large e-sports events reopening live and gaming companies about to launch major titles with VR and metaverse, there will be replacement demand for e-sports notebooks in 2023.

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

Ultra-thin notebooks went through the embryonic stage in 2019 and the initial growth stage in 2020. Due to the COVID-19 lockdowns, the additional demand for products in the

notebook market has changed since 2020.

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. According to the OMDIA research report, shipments of non-gaming notebooks with thin and light designs became mainstream and reached 165 million units in 2022. Among them, Microsoft Windows notebooks accounted for approximately 131 million units, Chromebook for the education market shrank to 9 million, and Apple's MacBook series shipments reached about 25 million. In 2023, shipments of mainstream non-gaming laptops equipped with Microsoft Windows operating systems will reach approximately 122 million units. Although the shipments will decline 7.2% year-on-year compared to 2022, the overall specifications will continue to upgrade. Intel's central processing unit (CPU) will adopt the Intel 4 advanced process to release Meteor Lake U15 and H45, providing the best-performance system platform with lower energy consumption and faster speed. It uses Intel's new Power Performance Management (PPM) technology, allowing different application software to consume less energy and maintain basic work productivity. In addition to the low-light face recognition functions, the camera's resolution is gradually moving towards a narrow edge with 1080P support. The Secured-Core PC hardware certification design is adopted for the security requirement platform of the entire system.

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. This was the reason why heavyweights such as Intel, Microsoft and Nvidia began to promote creator laptops in 2020. Leading brands are giving users more choices and reclaiming back the market for creators from Apple. The glorious days of creators are expected to officially arrive. We have launched a series of 14", 15", and 17" creator notebooks since 2020 and added development for 16-inch creator notebooks in 2023. Meet the demands of the new "digital content creation" era.

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; (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. Microsoft's Windows operating system (Windows 11) was launched in October 2022 in the 22H2 version. In addition to improving information security protection (Security Level 3), Windows 11 offers an Efficiency Mode that can save power without sacrificing system computing speed. The Windows 11 23H2 version, expected to be launched in October 2023, will introduce a Real-Time Communication specification to meet the needs of mixed workplaces, making video conferencing more humanized with the improved video quality.

(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 6/6E), 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, PCIe8, USB 3.2 Gen1/2, Thunderbolt 4.0 Technology, Intel Turbo Boost 3.0, HDMI 2.x, Gigabit Wi-Fi 802.11ax(Wi-Fi 6/6E), 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 6/6E), 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 in 2023 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 in 2022/2023. 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 Plus U/H" and "Phoenix H" are designed for system-on-chip (SoC), which will mainly replace the "Rembrandt H" and "Rembrandt U" mobile APUs from 2022. "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.

(2) Competition of notebook products

According to the forecast released by the research institution "Newzoo" on November 16, 2022, the game market scale in 2022 would decline for the first time with an estimated rate of 4.3%. After over 2 years of COVID-19 "stay-at-home economy" dividends, 2022 became the correction year as countries started to relax the anti-epidemic measures. Games provide entertainment, socialization, and interaction with friends and families during the COVID-19 social distancing period. This, combined with the reopening of live large e-sports events, contributed to the overall revenue of \$184.4 billion in 2022. Newzoo predicted that the gaming market will generate US\$2,112 billion in revenue by 2025 with a CAGR of 3.4%. Among them, the PC game market reached US\$40.5 billion in 2022, which increased by 0.5% over 2021.

According to the research firm IDC, the replacement cycle is three to five years for consumer notebooks and commercial notebooks, two to three years for e-sports notebooks. The replacement cycles underpinning the growth momentum is driven by hardware such as new generation GPUs and new CPU architectures and by the launch of major game titles. E-sports notebooks mostly come in the price range of US\$1,000~1,500. This pricing point combined with the purchase of peripherals means each e-sports notebook is worth US\$300~350 more compared with consumer notebooks. 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.

According to the 2022 Global Games Market Report published by Newzoo, the market in Asia Pacific is estimated to be US\$87.3 billion in 2022, accounting for 46.1% of the global e-sports market. China is the world's largest market, at a scale of US\$48.9 billion, and it is also the country with the largest number of e-sports players in the world. With the promotion from government agencies and private sectors, several national and international e-sports events were held in China during the past few years. As a result, the Chinese e-sports market has been growing rapidly, which is also the highest-growing segment in our businesses. The Company's e-sports notebook shipments in China accounted for 63.8% of the total in 2022 and was the fastest-growing field. The Americas and Europe accounted for 2.3% and 7.4% of gaming notebook shipments, respectively, and the Company's e-sports notebooks accounted for a relatively small market share in these regions. In addition to the Chinese single market, North America and Europe account for 24.1% (US\$45.64 billion) and 17.3% (US\$32.76 billion) of the global gaming market, respectively. With a view to balanced regional development and risk diversification, the Company has recently been developing clientele in North America and Europe.

(III) Technology and R&D Overview

1. The research costs spent for the year ended March 31, 2023, were NT\$169,808 thousand, accounting for 3.6% of the annual turnover of the PC Business Unit.
2021: NT\$632,583 thousand, or 2.8% of PC Business Unit's revenues.

2022: NTD 630,168 thousand, accounting for 3.4% 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 2022 and as of April 30, 2023.

The Company's product development in 2022 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:
 - X270PTA Series, X370SNx-G Series, PD70SNx(-G/-D) Series, PD50SNx(-G/-D) Series, PE60RNx(-G/-D/-S) Series, V25RNx Series, V26RNx Series, V27RNx Series, V170RNx Series, V150RNx Series, NP70SNx Series, NP60SNx Series, NP50SNx Series, NP50RNx Series, NP60RNx Series, NP70RNx Series, NV40RNx(-D) Series, NS70PU/AU Series, NS50PU/AU Series, L140PU/AU Series, NJ70PU/AU Series, NJ50PU/AU Series, NL50PU/AU Series, NL40PU/AU Series, etc.
- (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.
 - X270PTA : 17.3" 16:9 Mini LED UHD (3840 x 2160) screen, with Intel Alder Lake Core i9/i7 12xxx processors, equipped with Intel DG2-Sku 1 graphic cards. Memory up to 64G DDR5 4800MHz, up to two PCIe SSDs for RAID 0/1.
 - X370SNx-G(DDS/G-Sync): 17.3" 16:9 UHD(3840 x 2160) 144Hz screen equipped with Intel Raptor Lake HX Core i9/i7 13xxxHX series processors, NVIDIA RTX 4090/4080 graphics card, memory supports up to 64G DDR5 4800MHz, supports up to 3 PCIe, and the interface SSD can be used as array RAID 0/1/5.
 - 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 Core i9/i7 13xxxHX series processors, support Intel XTU Over-Clocking technology, equipped with GeForce RTX 4070/4060/4050, memory supports up to 64G DDR4 4800MHz and supports up to 2 SSDs with PCIe interface for array RAID 0/1.
- (3) The Company continued the 2021 and 2022 business model series at the international exhibition CES and Computex 2022 Virtual Link in 2023. It launched a series of products to meet data and business application security demands. They include models that support Intel PTT or TPM 2.0 with fingerprint recognition, including 14-inch models that support NVIDIA RTX graphics card NV40PNx(-D) series and Intel Iris™ Xe graphics card L140MU 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 64G DDR4 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/P/U series, integrated with wireless communication Wi-Fi 6/Wi-Fi 6E, 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, V170RNx Series, V150RNx Series, NP70SNx Series, NP60SNx Series, NP5xSNx Series, NP70RNx Series, NP60RNx Series, NP5xRNx Series, NV40RNx Series, etc.
 - Mainstream and entry models: NS50PU/AU Series, NS70PU/AU Series, etc.
 - Business work models: L140PU/AU series.
 - Trendy and compact notebooks: NJ70PU/AU Series, NJ50PU/AU Series, NL50PU/AU Series, NL40PU/AU Series, etc.
- (5) In 2023, the Company shall continue to collaborate with Intel to develop a new series equipped with "Raptor Lake HX Refresh," "Arrow Lake HX," and "Meteor Lake H/U" platform products, with AMD to develop "Rembrandt Plus," "Mendocino," and "Phoenix" 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" models: Brand new flagship X370SNx-G and successor models, PD70SNx-G, and other series models.
 - ✓ 16" models: 16:10 QHD+ 240Hz display PE60RNx-G/-S (G-Sync/Color Calibration), and other series models
 - ✓ 15.6 models: PD50SNx-G and other series models.
- Home multimedia entertainment NB
 - ✓ 17.3 models: NP70SNx, NP70RNx, V270RNx, V170RNx, and other series models.
 - ✓ 16.0" models: NP60SNx, NP60RNx, V26RNx, and other series models.
 - ✓ 15.6" models: NP50SNx, NP50RNx, V250RNx, V150RNx, and other series models.
 - ✓ 14" models: NV4RNx/-D successor models.

(2) Commercial NB

In 2023, 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".

- L140PU/AU, NJ50PU/AU, NJ70PU/AU, NS50PU/AU, and NS70PU/AU.

(3) Mainstream NB

For mainstream laptops in 2023, 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's Rembrandt Plus H/U and Mendocino U series processors.

- 17.3": NS70PU/AU and NJ70PU/AU.
- 15.6": NS50PU/AU, NJ50PU/AU, and NL50PU/AU.
- 14.1": L140PU/AU and NL40PU/AU

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

The new small-sized notebooks in 2022 combine Intel's high-performance dual-core Gemini Lake; DDR4 designed for low power consumption; Wi-Fi AC, Bluetooth, and 4G LTE;

and a variety of optional features such as Video Camera to address a wider market.

- NJ50GU, NL50GU1 and NL40GU1

In 2023, the Company will invest more resources in software and hardware R&D. In response to important customers' needs (such as Acer India) in emerging markets. The Company will continue to develop thin, light, and energy-saving notebooks using AMD's Barcelo U and Mendocino system platforms. The goal is to meet the needs of different customer segments for diverse, high-quality features and capitalize on opportunities in the blue ocean market.

(5) 2023 R&D plans and expected expenses:

(NT\$ thousand)		
Item	R&D plan	2023 Estimated Investment Expenses
Notebooks	Line layout	568,988
	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 the OMDIA research report, notebook computer shipments reached approximately 200 million units in 2022, showing an annual decline of 23.4% for the first time. Main reasons: (1) The inventory of parts and materials is too high due to the Russian-Ukrainian war and high inflation, (2) the uncertainty of the international currency exchange rate due to the USD interest hikes, (3) Intel CPU platform conversion and price fluctuations, and (4) the stagnant production capacity and shipments due to COVID-19 lockdowns in mainland China. The notebook computer shipment forecast for 2023 depends on the progress of the Russia-Ukraine war, changes in inflation and exchange rates, mainland China's governance policies, and global supply chains and semiconductor production capacity. OMDIA predicts that global notebook computer shipments will be approximately 194 million units in 2023, showing an annual decline of 3.2%. 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 computer market will grow again to over 200 million units (about 207 million units). In 2023, the World Health Organization indicates that COVID-19 is expected to be increasingly flu-like. Most companies will continue the hybrid work model post the pandemic. The demand for business notebooks will continue. However, the demand for long-distance teaching will quickly decelerate with the continuous increase in global vaccine coverage and regular vaccination policies. The overall demand for educational notebooks will drop, particularly with Chromebooks on Chrome OS. In contrast, the demand for educational notebooks on Windows OS will persist. Finally, as the stay-at-home economy continues and the metaverse ecosystem of e-sports emerges, the demand for ultra-slim notebooks and e-sports notebooks will continue to grow over the next few years. To balance shipment volumes and profits, the Company anticipates shipping 1.8 million units in 2023, up by 12% year-over-year. The outlook for Notebook Business Group is optimistic.

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 2023, 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.

◆ China Distribution Business Group

The 18 Buynow Malls have officially eliminated the rent subsidy reduction and exemption

interferences due to the COVID-19 lockdowns in the past 3 years. We will cooperate with manufacturers and merchants to increase brand popularity through the most popular online media, push the most recent and favorable event information to consumers in real-time, and hold large-scale events such as e-sports and animation in physical stores to attract consumers to visit offline Buynow shopping. In the future, the overall operations will return to the original lease base period. Buynow is expected to return to the normal operating track as the shopping malls' revenues recover, and year-on-year growth can be expected. Chicony Square, 30% owned by the Company, returned to the growth track in the first quarter of this year. The department store performance and profit are expected to rise steadily this year, returning to the prosperity of contributing to the group's profits before the epidemic.

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	2020	2021	2022
Europe	25.11%	22.07%	20.14%
America	6.23%	9.85%	9.38%
Asia Pacific (including domestic sales)	35.39%	33.47%	32.82%
China	33.27%	34.61%	37.66%
Total (thousand units)	1,518	2,074	1,610

The European market's overall shipments have dropped to 20.14% year-by-year due to the Russian-Ukrainian war, COVID-19, insufficient natural resources (natural gas, oil, etc.), risen raw material prices, increased labor costs, weakened education market demand, and inflationary pressures. As usual, the North American market is the matured market for the notebook PC, but over 90% of major international brands have dominated over the past years. Fortunately, significant growth is seen in the education market and the tendering contract for the entry-level commercial notebook PC, as experienced in Central America. As a result, the overall American region takes 9.38% of the overall output. The shipment to Asia Pacific was over 32% for two years due to the stable economy in Southeast Asia and South Asia and the demand for e-sports notebooks in Japan and South Korea. The proportion of shipments in the Chinese market continued to increase to more than 37%, mainly due to the growth of new customers (such as Ouyang and Colorful) and stable customers in the Chinese market (such as Hasee and Haier). In 2023, the Company will continue developing emerging markets in Asia Pacific and Latin America. For the markets with developed footprints, particularly in Southeast Asia and Africa, we will seek proactive expansion and adjustment in quality and quantity. The sales strategy will be modified to balance regional distributions and reduce the overconcentration risk in any market.

2. Market shares

According to a market research organization, OMDIA, global notebook computer shipments reached approximately 200 million units in 2022, of which the scale of the gaming notebook market was 15.18 million units. The Company shipped 1.61million units in 2022, although it only accounted for 0.8% of the global notebook market. However, the Company shipped approximately 910,000 gaming notebooks, accounting for over 50% of the overall notebook shipments and approximately 6% of the global gaming notebook market. The Company is constantly developing products with high prices and high profits.

3. Future Market Supply and Demand, and Future Growth

As COVID-19 becomes flu-like in 2023, the hybrid work model is expected to continue, and hence, the impact on the commercial segment is relatively muted. However, the story for the education market is different. The effect of long-distance teaching fell short of expectations. Under-developed countries on a tight budget can no longer afford to subsidize educational notebooks. The subsidy programs in developed and emerging markets have come to an end. Hence, the demand for educational notebooks will plummet after two years of explosive growth, particularly with Chromebook on Chrome OS. In the meantime, there will be a wave of replacement demand for e-sports notebooks as Intel and AMD launch their new platforms, and Nvidia unveils its new generation GPUs. The market for ultra-slim models (below 1.3kg) has benefited from the pandemic during the past two years. In addition, the creator segment has entered a rapid growth period. The research institute MIC forecasts the global shipment to be 240 million units in 2023. To balance shipment volumes and profits, the Company anticipates shipping 1.8million units in 2023, up by 12% year-over-year.

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 2022 will maintain above the 200 million mark.

The outbreak and the adverse effects of COVID-19 in 2020 have triggered the following four changes to the personal computer industry in 2021:

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;

In 2022, global notebook computers declined by 23.4% compared to 2021, and the overall shipments still exceeded 200 million units.

As the semiconductor continues to expand or shift capacities in 2023, the shortage of key components should be gradually easing. The Russia-Ukraine war and geopolitics will impact the supply chain, energy, food, and global economy. However, the notebook market still faces the pressure of destocking in the first half of 2023, resulting in weaker demand for notebooks. However, in response to the end of inventory digestion and the slowdown of COVID-19 in the second half of the year, the global notebook market will usher in another wave of recovery.

In 2023, the Company will focus on blue ocean and niche models and balances between volumes and quality in shipment. We will continue with strict control over cost and meet customers' needs. The product strategy is centered on four categories: high-margin ultra-slim (e-sports) notebooks; mid-to-high-end gaming notebooks; commercial notebooks; and creator notebooks. In 2023, the Company will introduce high-performance flagship gaming models with new platforms launched by Intel and new-generation graphic cards powered by Nvidia. We will also offer commercial notebooks emphasizing security and safety to meet the replacement requirement in the mature market and the demand for commercial models from government agencies and SMEs (small-and-medium enterprises) in emerging markets. We plan to launch a series of mainstream models for the mass market to address the demand from government buyers and consumers in the emerging market. We will also offer ultra-light and ultra-slim notebooks with long standbys, quick boots, and high graphic performances. Our product portfolio includes ultra-light models (below 1kg) with a compact size, high mobility, long standbys, and wireless connectivity anytime and anywhere to satisfy the needs of digital content creators in audio/video post-production, model making, and photo-editing with artificial intelligence. This full series will support 100% sRGB color gamut, color accuracy at Delta E<2, and Pantone Validated in color 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

Over the past years, alliances, acquisitions, privatizations, restructurings, and spin-offs have been among the top ten brands. Korean brands exited and subsequently re-entered the market. Emerging Chinese handset brands such as Huawei and Xiaomi made a foray into the ultra-light and ultra-slim notebook market. Meanwhile, international brands have acquired large regional or clone brands to grab market shares in recent years. As a result, the market competition has intensified. The shipment of regional and clone brands has declined for consecutive years since 2016 and is expected to be squeezed further in 2023, with international brands upping their game.

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 manufacturers 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 the research report from the research institute IDC, the demand for replacing e-sports notebooks every 2~3 years will become the growth momentum of the brand factories, mainly driven by game events, display cards, and Intel's new architecture processors. According to a research report by Newzoo, an e-sports research institution, hardware accounted for about 20-25% of the overall game output value, and global e-sports hardware sales reached approximately US\$90 billion in 2022. Since Intel, AMD, and Nvidia successively launched higher-performance CPUs and GPUs, the speed and capacity of system memory, display memory, and solid-state storage devices have also increased. The sales amount of the entire e-sports hardware is bound to grow. It is forecasted to exceed US\$100 billion in 2023. The CAGR is projected to be 16.7% for 2020-2025. In sum, the e-sports segment outperforms the mainstream market, whose market size is set to shrink over the same period. Most e-sports buyers spend US\$1,000~1,500 on each machine. This pricing point, combined with the purchase of peripherals, means each e-sports notebook is worth US\$400 more than standard notebooks. This is why the global top ten brands continue to increase R&D in this high-unit-priced and high-margin segment to boost profits and product differentiation.

(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. While the semiconductor industry is actively expanding or transferring capacities in 2023, the components shortage is expected to ease. In addition, cut-throat competition will continue with Chinese contract manufacturers slashing prices for orders and price cuts by international personal computer brands. The fight for business in the regional brand markets in 2023 is set to intensify. It is a balancing act for the Company between shipment volumes and gross profits. In contrast with Chinese contract manufacturers who cut prices for orders and Taiwanese contract manufacturers who prioritize capacity utilization due to still high reliance on orders for personal computers, we will focus on gross margin maintenance by selecting orders of high unit prices or high profits.

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, and creator 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 2023.

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.

● China Distribution Business Group:

CLEVO founded Buynow Malls in China in 1998. Twenty-five years later, we currently own 31 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. The average occupancy rate of 18 BUYNOW Malls is over 95%.

China's economic growth rate for 2022 was 3%, which fell far below the 5.5% target. The overall consumer market has been significantly disturbed by COVID-19. Fortunately, successive policies to promote consumption have stabilized the consumer market. The total retail sales of consumer goods for the year reached CN¥43.9 trillion, a slight decrease of 0.2%. The consumer market scale is still exceedingly large. 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

We continue to introduce the new retail model by creating the "experience economy" with an innovative shopping environment, contents and services. A variety of business projects connect the frontend sale to the backend maintenance, a breakthrough from the stereotypical electronic malls. With one strategy for each shop, we establish the optimal local model to enhance the customer stickiness to brick-and-mortar. Buynow has accumulated a brand culture of 25 years. In light of the rapidly changing market during recent years, a rebranding initiative was commenced in 2022. The Buynow brand is repositioned, repackaged, and re-promoted with new content. We will maximize the advantage as an IT brand and professional shop by continuing to increase brand popularity via the most popular online media; pushing the latest and most favorable event information in real-time to consumers; and holding various e-sports, animation, and other large-scale events in physical stores to attract consumers to shop in Buynow stores offline. The goal is to transcend the traditional IT technology shopping mall model to create a new brand image and an asset-light model to target young customers and prepare Buynow for its 25th year.

(2) O2O two-way interaction among stream of people:

Buynow has been adjusting the operational structure of its malls during recent years by creating an innovative shopping environment and atmosphere, emphasizing contents and

services, adding entertainment offerings and restaurants, and providing nation-wide coverage of computer repair services and memberships. We hope consumers enjoy one-stop shopping and have fun in this new style of shopping. By integrating multiple online and offline channels and leveraging the marketing strengths of physical distributions and ecommerce marketing, we seek to capitalize on the recovery of the consumer market in China.

(3) 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.

(4) 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.

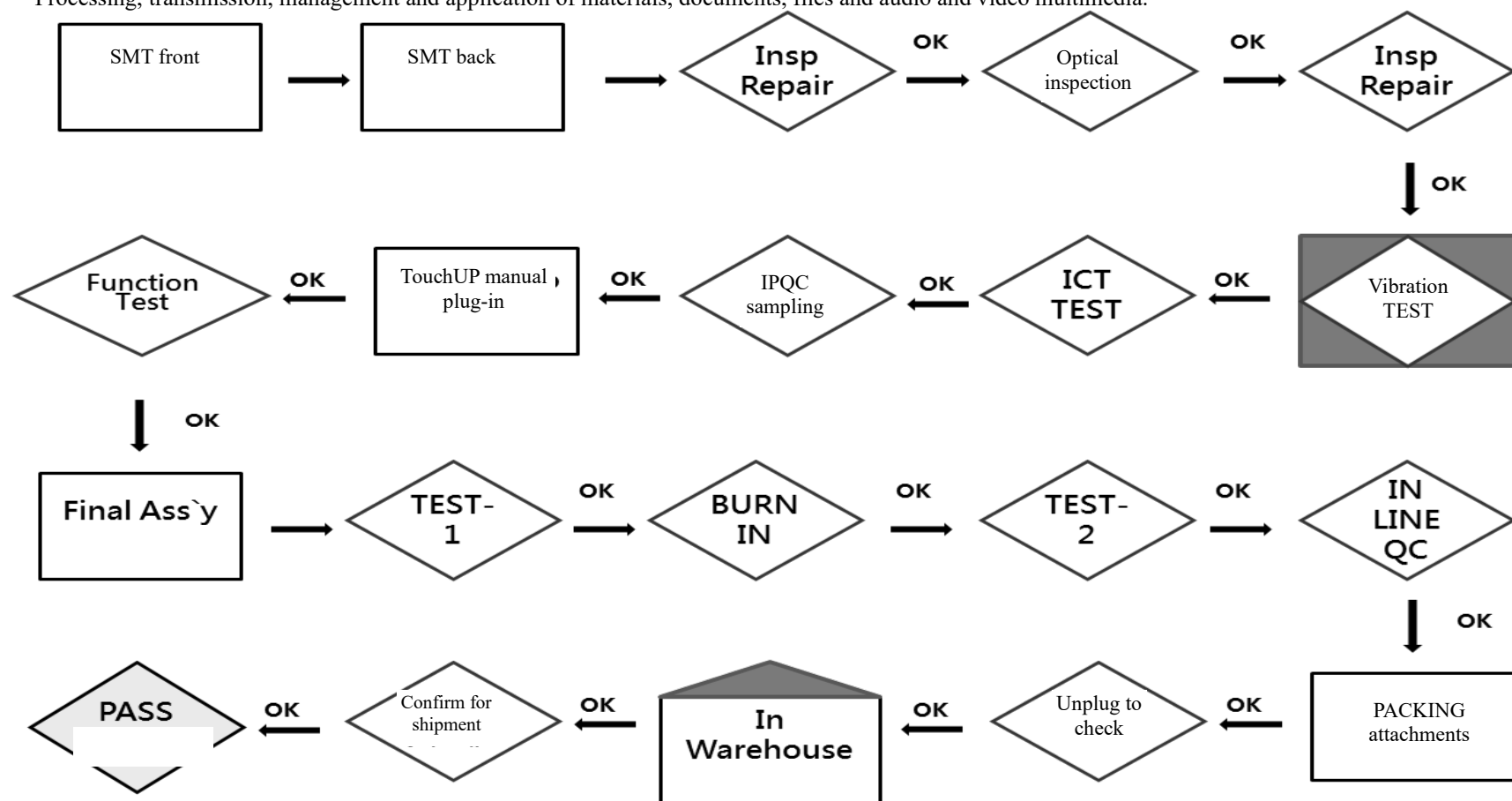
2. Impact of the external competitive environment, regulatory environment and overall business environment:

- (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) The IMF predicted that the global economic growth rate in 2023 will reach 2.8%. The IMF report indicated that even though factors such as high inflation and the Russia-Ukraine war will continue to impact global economic activities in 2023, the United States, Europe, and other major emerging markets and developing economies will continue all bottom out in 2023 and experience moderate growth. The Chinese economy is expected to directly impact global economic growth in 3 aspects after its COVID restrictions are lifted: domestic demand, outbound tourism, and commodities.
- (4) The notebook computer shipment forecast for 2023 depends on the progress of the Russia-Ukraine war, changes in inflation and exchange rates, mainland China's governance policies, and global supply chains and semiconductor production capacity. OMDIA predicts that the global notebook computer shipments in 2023 will be approximately 194 million units. The commercial notebook computer market is experiencing a wave of machine replacements, and creator notebooks are entering the emerging field of artificial intelligence, which will spark another wave of growth. It is estimated that by 2024, the notebook computer market will grow again to over 207 million units.
- (5) IMF predicts China's GDP will grow by 5.2% after lifting COVID restrictions. China's policy setting adheres to the general tone of seeking progress while maintaining stability, focusing on expanding domestic demand and prioritizing recovery and consumption expansion. It also aims to increase the income of urban and rural residents through various channels, stabilize bulk consumption, and promote the recovery of life service consumption. The total retail sales of social consumer goods reached CNY770 million from January to February 2023, showing a year-on-year increase of 3.5%. Consumption growth has improved and increased compared to last year, and consumption's contribution to the overall economy will significantly be improved. Currently, BUYNOW Malls are the most professional and the largest physical channel in China for smart technology and Internet-of-Things (IoT). A total of seven product categories are offered: new and high tech; smart wearables; audio/video; smart living; creative digital; e-sports notebooks & peripherals; and smart toys. The Company will continue to specialize on these products by introducing 5G and Big Data and serving as the best platform to bridge smart tech and consumers.
- (6) As the global economy transitions to a green economy, countries worldwide have declared the "net zero emission" goal. Clevo Group adheres to the business philosophy of honesty and pragmatism while paying attention to energy conservation, carbon reduction, climate change, and transformation. In addition to integrating environmental protection concepts into product R&D, shopping mall operation, and property management, we established a Sustainable Development Team last year and a sustainable development roadmap for the group to actively face the business environment changes and challenges.

(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:
No such suppliers in Q1 of 2021 to 2022.
 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

	2021				2022				As of the end of Q1 in 2023 (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	3,020,634	11.19%	None	Customer A	2,027,696	9.14%	None	Customer A	1,186,923	21.56%	None
2	Customer B	360,068	1.33%	None	Customer B	2,306,945	10.39%	None	Customer B	60,482	1.10%	None
3	Customer C	0	0%		Customer C	0	0%		Customer C	649,212	11.79%	
4.	Others	23,611,140	87.48%		Others	17,862,219	80.47%		Others	3,607,756	65.55%	
Total	Net sales	26,991,842	100.00%		Net sales	22,196,860	100.00%		Net sales	5,504,373	100.00%	

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	2021			2022		
		Production capacity (unit)	Production volume (unit)	Production value	Production capacity (unit)	Production volume (unit)	Production value
Principal products							
Notebooks		2,200,000	2,077,927	19,602,515	2,200,000	1,623,503	16,142,368
Total		2,200,000	2,077,927	19,602,515	2,200,000	1,623,503	16,142,368

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

Unit: Units; NT\$ thousand

Sales volume and value	Year	2021				2022			
		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		133	1,897	2,074,120	14,497,459	144	1,997	1,609,671	12,111,752
Others			8,935		8,330,717		8,586		6,678,253
Total			10,832		22,828,176		10,583		18,790,005

Rental income from Buynow Malls	2,561,967	2,451,684
Income from sales of buildings related to Buynow Malls	443,679	29,498
Hotel revenue	2,858	0
Others	1,144,330	915,110

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

Year		2021		2022		Up to April 31 in the current year	
		The Company	Group	The Company	Group	The Company	Group
Number of employees	Office clerks	618	1,543	611	1,415	614	1,426
	Technical personnel	0	0	0	0	0	0
	Operators	0	1,042	0	894	0	922
	Total	618	2,585	611	2,309	614	2,348
Average age		44.14	32.41	44.58	32.34	44.59	33.59
Average years of service		12.09	4.13	12.50	4.71	12.51	4.57
Degree Distribution	Doctor	0.16%	0.00%	0.33%	0.00%	0.33%	0.00%
	Master	18.12%	0.23%	19.64%	0.35%	18.89%	0.47%
	Junior college	76.38%	42.75%	74.63%	43.66%	75.40%	43.27%
	Senior high school	5.02%	54.31%	5.07%	53.13%	5.05%	53.32%
	Below senior high school	0.32%	2.71%	0.33%	2.86%	0.33%	2.94%
	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"> Welfare measures directly taken by the Company: <ol style="list-style-type: none"> 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. Labor insurance: Employees are covered by labor insurance from the date of employment. National Health Insurance: Employees are covered by national health insurance from the date of employment. 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. 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. Set up a staff restaurant to provide meals, provide free overtime dinner. Employees may apply for gifts or grants for marriage, funeral, happy events, and celebration. 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. 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"> Tourism activities: The Welfare Committee plans and organizes various domestic and international trips funded in whole or in part during holidays. Club Activities: for the relaxation of body and mind, employees may set up various clubs, such as billiard club, badminton club, etc., subsidized by the Welfare Committee, with special competitions or activities funded separately. 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. Arrange employees to dine together from time to time. Birthday parties: Throw a birthday party every month and give gifts to celebrate the birthday(s) of employee(s). Employees may purchase the Company's products at a special price. Discounts are available for employees to purchase products from specific manufacturers. 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> Retirement system: The Company makes a provision for pensions according to law and the retirement regulations on a monthly basis. The Company provides a flexible working hours system to enable employees to better balance work and personal life. The Company provides equal vacation rights for men and women while cooperating with the rolling adjustment of the Labor Standards Act.
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,"

Item	Contents																																													
	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. 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 style="text-align: center;">The Company's training and education results in 2022 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>3,651</td><td>72</td><td>3,514</td><td>100,988</td></tr><tr><td>Labor safety and health</td><td>242</td><td>7</td><td>237</td><td>3,000</td></tr><tr><td>Orientation training</td><td>79</td><td>1</td><td>780</td><td>0</td></tr><tr><td>Training in computer skills</td><td>83</td><td>2</td><td>84</td><td>480</td></tr><tr><td>Management training</td><td>201</td><td>26</td><td>704</td><td>220,780</td></tr><tr><td>Language training</td><td>1</td><td>1</td><td>18</td><td>0</td></tr><tr><td>Lectures/activities</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>4,257</td><td>109</td><td>5,337</td><td>325,248</td></tr></table>	Type of courses	Number of trainees	Number of classes	Total hours	Total costs	Professional knowledge	3,651	72	3,514	100,988	Labor safety and health	242	7	237	3,000	Orientation training	79	1	780	0	Training in computer skills	83	2	84	480	Management training	201	26	704	220,780	Language training	1	1	18	0	Lectures/activities	0	0	0	0	Total	4,257	109	5,337	325,248
Type of courses	Number of trainees	Number of classes	Total hours	Total costs																																										
Professional knowledge	3,651	72	3,514	100,988																																										
Labor safety and health	242	7	237	3,000																																										
Orientation training	79	1	780	0																																										
Training in computer skills	83	2	84	480																																										
Management training	201	26	704	220,780																																										
Language training	1	1	18	0																																										
Lectures/activities	0	0	0	0																																										
Total	4,257	109	5,337	325,248																																										

(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 2022:

System usability

- System/network usability status monitoring
- Remote backup mechanism, data backup, and backup measures
- Regular disaster recovery drills

External threat

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

Privilege management

- Computer room personnel access privilege control
- Personnel account and privilege management

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 2022:

- 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, click rate < 10%
- System Backup and Restore Drill
- Conduct software inventory on computers to ensure the legal use of authorized software.
- Software and hardware asset management system monitoring.

(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, 2023					
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 st , 9 th , 11 th , 12 th and 13 th 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 st to the 35 th floors and 36 th -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)				
		2018	2019	2020	2021	2022
Current assets		12,716,633	13,187,473	8,676,228	9,234,132	9,566,261
Property, plant and equipment (Note 2)		340,737	338,989	335,258	9,892	103,513
Intangible assets		4,972	10,933	10,385	4,562	46,313
Other assets (Note 3)		56,689,585	54,629,424	56,573,933	54,305,592	55,656,386
Total assets		69,751,927	68,166,819	65,595,804	63,554,178	65,372,473
Current liabilities	Before distribution	4,418,958	9,122,992	9,077,976	6,791,043	8,736,600
	After distribution	5,169,121	9,506,897	9,552,534	8,280,795	9,773,595
Non-current liabilities		23,493,127	19,248,566	16,638,690	15,452,711	14,845,521
Total liabilities	Before distribution	27,912,085	28,371,558	25,716,666	22,243,754	23,582,121
	After distribution	28,662,248	28,755,463	26,191,224	23,733,506	24,619,116
Equity attributable to owners of the parent		41,839,842	39,795,261	39,879,138	41,310,424	41,790,352
Capital Stock		6,797,630	6,697,630	6,697,630	6,497,630	6,322,630
Capital surplus		982,539	333,951	95,864	73,478	56,461
Retained earnings	Before distribution	38,063,584	38,956,743	39,667,346	40,742,938	40,011,933
	After distribution	37,827,231	38,821,743	39,192,788	39,253,186	38,974,939
Other equity		(2,720,683)	(4,836,021)	(4,928,011)	(4,628,787)	(3,771,472)
Treasury stock		(1,283,228)	(1,357,042)	(1,653,691)	(1,374,835)	(829,200)
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	41,839,842	39,795,261	39,879,138	41,310,424	41,790,352
	After distribution	41,603,489	39,660,261	39,404,580	39,820,672	40,753,358

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 2018 to 2022, 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 2022 earnings distribution of cash dividends on March 15, 2023, and will be presented to the 2023 general shareholders' meeting. No distribution was resolved by the Board of Directors or the general shareholders' meeting during the first quarter of 2023.

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)				
	2018	2019	2020	2021	2022
Operating Revenue	14,560,392	15,372,546	16,209,091	22,839,008	18,800,588
Operating margin	1,008,868	1,134,027	1,656,910	2,458,467	1,955,255
Operation profits/losses	(229,724)	(45,080)	595,100	1,211,762	832,230
Non-operating income and expenses	1,780,378	1,254,632	78,868	863,678	115,687
Net profits before tax	1,550,654	1,209,552	673,968	2,075,440	947,917
Profits after tax from operations of continued segments for the current period	1,454,904	1,068,639	666,944	1,796,350	824,526
Losses from discontinued departments	-	-	-	-	-
Profits/losses after tax for the current period	1,454,904	1,068,639	666,944	1,796,350	824,526
Other comprehensive income for the current period (after tax)	(607,882)	(2,111,987)	(48,331)	320,146	883,627
Total comprehensive income for the current period	847,022	(1,043,348)	618,613	2,116,496	1,708,153
Net income attributable to owners of the parent	1,454,904	1,068,639	666,944	1,796,350	824,526
Net income attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to owners of the parent	847,022	(1,043,348)	618,613	2,116,496	1,708,153
Total comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	2.32	1.75	1.12	3.03	1.41

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

Unit: P15 thousand

Year Item		Five-Year Financial Analyses (Note 1)					Financial information for the current year as of March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		25,591,179	21,608,848	14,235,887	15,854,087	17,053,164	16,706,161
Property, plant and equipment (Note 2)		9,970,165	5,822,337	4,711,606	2,533,892	4,028,326	4,099,191
Intangible assets		21,311	29,926	30,705	18,423	57,951	55,640
Other assets (Note 3)		76,877,202	72,925,624	75,288,024	72,887,725	73,027,618	73,335,565
Total assets		112,459,857	100,386,735	94,266,222	91,294,127	94,167,059	94,196,557
Current liabilities	Before distribution	19,063,643	21,000,567	17,815,332	13,760,799	16,114,574	15,680,067
	After distribution	19,813,806	21,384,472	18,289,890	15,250,551	17,151,569	(Note 4)
Non-current liabilities		51,539,084	39,590,907	36,571,752	36,222,904	36,262,133	37,028,841
Total liabilities	Before distribution	70,602,727	60,591,474	54,387,084	49,983,703	52,376,707	52,708,908
	After distribution	71,352,890	60,975,379	54,861,642	51,473,455	53,413,702	(Note 4)
Equity attributable to owners of the parent		41,839,842	39,795,261	39,879,138	41,310,424	41,790,352	41,487,649
Capital Stock		6,797,630	6,697,630	6,697,630	6,497,630	6,322,630	6,322,630
Capital surplus		982,539	333,951	95,864	73,478	56,461	56,832
Retained earnings	Before distribution	38,063,584	38,956,743	39,667,346	40,742,938	40,011,933	39,454,754
	After distribution	37,827,231	38,821,743	39,192,788	39,253,186	38,974,939	(Note 4)
Other equity		(2,720,683)	(4,836,021)	(4,928,011)	(4,628,787)	(3,771,472)	(3,517,367)
Treasury stock		(1,283,228)	(1,357,042)	(1,653,691)	(1,374,835)	(829,200)	(829,200)
Non-controlling interest		17,288	0	0	0	0	0
Total equity	Before distribution	41,857,130	39,795,261	39,879,138	41,310,424	41,790,352	41,487,649
	After distribution	41,620,777	39,660,261	39,404,580	39,820,672	40,753,358	(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 2023.

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

Note 3: The assets were not revalued from 2018 to 2022, 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 2022 earnings distribution of cash dividends on March 15, 2023, and will be presented to the 2023 general shareholders' meeting. No distribution was resolved by the Board of Directors or the general shareholders' meeting during the first quarter of 2023.

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, 2023
	2018	2019	2020	2021	2022	
Operating Revenue	19,796,072	21,900,662	20,238,946	26,991,842	22,196,860	5,504,373
Operating margin	5,280,363	5,050,925	4,356,119	5,315,576	4,939,234	1,099,685
Operation profits/losses	1,466,849	884,163	1,476,183	2,089,839	1,918,807	393,261
Non-operating income and expenses	888,826	875,469	(779,978)	161,007	(1,027,269)	158,491
Net profits before tax	2,355,675	1,759,632	696,205	2,250,846	891,538	551,752
Profits after tax from operations of continued segments for the current period	1,456,359	1,073,864	666,944	1,796,350	824,526	361,216
Losses from discontinued departments	-	-	-	-	-	-
Profits/losses after tax for the current period	1,456,359	1,073,864	666,944	1,796,350	824,526	361,216
Other comprehensive income for the current period (after tax)	(607,003)	(2,098,782)	(48,331)	320,146	883,627	254,105
Total comprehensive income for the current period	849,356	(1,024,918)	618,613	2,116,496	1,708,153	615,321
Net income attributable to owners of the parent	1,454,904	1,068,639	666,944	1,796,350	824,526	361,216
Net income attributable to non-controlling interest	1,455	5,225	-	-	-	-
Total comprehensive income attributable to owners of the parent	847,022	(1,043,348)	618,613	2,116,496	1,708,153	615,321
Total comprehensive income attributable to non-controlling interest	2,334	18,430	-	-	-	-
Earnings per share	2.32	1.75	1.12	3.03	1.41	0.62

Note 1: The financial information shown above has been audited and certified by CPAs; The financial information for the first quarter of 2023 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
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 and Wu, Han-Qi	Unqualified opinions
2018	PwC Taiwan	Feng, Min-Juan and 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 2022 if the range of changes reaches 20% or more compared to 2021	Current year as of 2023/03/31 (Note 1)
		2018	2019	2020	2021	2022		
Financial structure (%)	Ratio of liabilities to assets	62.78	60.36	57.70	54.75	55.62		55.96
	Ratio of long-term capital to property, plant and equipment (Note 2)	936.76	1,363.48	1,622.61	3,059.85	1,937.59	(1)	1,915.41
Solvency (%)	Current ratio	134.24	102.9	85.65	115.21	105.82		106.54
	Quick ratio	89.28	81.44	63.09	77.65	80.20		79.91
	Times interest earned ratio	3.68	2.59	1.77	4.52	2.20	(2)	3.61
Operating ability	Receivable turnover (times)	10.72	11.74	9.33	9.37	7.26	(3)	8.59
	Average collection period	34.04	31.09	39.12	38.95	50.27	(3)	42.50
	Inventory's turnover	1.86	2.75	3.88	4.83	3.75	(4)	4.20
	Payables turnover	7.25	8.91	7.89	8.91	6.60	(4)	6.83
	Average days in sales	196.23	132.72	94.07	75.56	97.33	(4)	86.88
	Turnover of property, plant and equipment	2.15	2.77	3.84	7.45	6.77		5.42
Profitability	Total assets turnover	0.18	0.21	0.21	0.29	0.24		0.23
	Return on assets (%)	1.94	1.84	1.43	2.49	1.53	(2)	0.56
	Return on equity (%)	3.46	2.62	1.67	4.43	1.98	(2)	0.87
	Ratio of net profit before tax to paid-in capital (%)	34.65	26.27	10.39	34.64	14.10	(2)	8.73
	Net profit margin (%)	7.36	4.88	3.30	6.66	3.71	(2)	6.56
Cash flow	Earnings per share (NTD)	2.32	1.75	1.12	3.03	1.41	(2)	0.62
	Cash flow ratio (%)	(0.27)	6.2	3.82	3.74	19.82	(5)	(0.96)
	Cash flow adequacy ratio (%)	23.41	34.66	81.95	66.02	85.73	(6)	114.86
Leverage	Cash reinvestment ratio (%)	(2.73)	5.19	4.89	1.12	18.47	(5)	(1.40)
	Operational leverage	1.12	1.22	1.20	1.13	1.17		1.21
	Financial leverage	2.49	(3.99)	2.60	1.44	1.63		2.16
<p>Explanations for 20% or higher change in financial ratios from 2022 to 2021: (not required if the change is below 20%)</p> <p>(1) Due to the increase in the reclassification of property, plant, and equipment compared with the previous period.</p> <p>(2) Due to decreased profit before tax and net profit after tax during the period.</p> <p>(3) Due to the decrease in net sales in the current period compared with the previous period.</p> <p>(4) Due to the decrease in the cost of goods sold in the current period compared with the previous period.</p> <p>(5) Due to the increase in net cash inflow from operating activities in the current 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>								

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 2023 has been reviewed by CPAs.

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

Note 3: Please refer to page 110-111 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 2022 if the range of changes reaches 20% or more compared to 2021
			2018	2019	2020	2021	2022	
Financial structure (%)	Ratio of liabilities to assets		40.02	41.62	39.2	35.0	36.07	
	Ratio of long-term capital to property, plant and equipment (Note 2)		19,174.04	17,417.62	16,858.01	573,828.7	54,713.78	(1)
Solvency (%)	Current ratio		287.77	144.55	106.84	135.98	109.50	
	Quick ratio		253.25	139.48	98.65	128.88	103.21	
	Times interest earned ratio		4.97	3.94	2.76	8.43	4.33	(2)
Operating ability	Receivable turnover (times)		6.41	5.73	4.89	5.29	5.02	
	Average collection period		56.94	63.70	74.64	68.99	72.70	
	Inventory's turnover		36.25	42.43	27.83	36.83	36.94	
	Payables turnover		36.38	73.50	58.19	57.16	30.50	(3)
	Average days in sales		10.07	8.6	13.11	9.91	9.88	
	Turnover of property, plant and equipment		42.46	45.23	48.08	132.34	331.57	(4)
	Total assets turnover		0.21	0.22	0.24	0.35	0.29	
Profitability	Return on assets (%)		2.55	2.03	1.45	3.13	1.63	(2)
	Return on equity (%)		3.46	2.62	1.67	4.43	1.98	(2)
	Ratio of net profit before tax to paid-in capital (%)		22.81	18.06	10.06	31.94	14.99	(2)
	Net profit margin (%)		9.99	6.95	4.11	7.87	4.39	(2)
	Earnings per share (NTD)		2.32	1.75	1.12	3.03	1.41	(2)
Cash flow	Cash flow ratio (%)		(42.63)	9.09	(8.40)	(11.07)	52.15	(5)
	Cash flow adequacy ratio (%)		(36.15)	(20.20)	(5.30)	(49.55)	54.38	(6)
	Cash reinvestment ratio (%)		(4.10)	0.33	(1.86)	(1.98)	5.92	(7)
Leverage	Operational leverage		0.93	0.65	1.03	1.01	1.10	
	Financial leverage		0.37	0.10	2.80	1.30	1.52	
<p>Explanations for 20% or higher change in financial ratios from 2022 to 2021: (not required if the change is below 20%)</p> <p>(1) Due to the relocation of the headquarters in 2011, the right-of-use assets and equipment increased compared with the previous period.</p> <p>(2) Due to the decreased profit before tax and net profit after tax during the period.</p> <p>(3) Due to the decreased cost of goods sold in the current period.</p> <p>(4) Due to the decrease in net sales in the current period and the increase in the leased assets and equipment compared with the previous period.</p> <p>(5) Due to the increase in net cash inflow from operating activities in the current 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 the leased assets and equipment and the increase in net cash inflow from operating activities in the current period 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 2022 Business Report, financial statements, and proposal for earnings distributions. The financial statements have been audited by CPA Han-Chi Wu and CPA Po-Chuan Lin 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.

2023 General Shareholders' Meeting

Convener of Audit Committee: Chou, Po-Chiao

March 15, 2023

IV. Audited consolidated financial report of the most recent year: Please refer to pages 142~295 of the annual report.

V. Audited individual financial report of the most recent year: Please refer to pages 296~361 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	2022	2021	Unit: NT\$ thousand	
			Difference	
			Amount	%
Current assets	17,053,164	15,854,087	1,199,077	7.56
Non-current assets	77,113,895	75,440,040	1,673,855	2.22
Total assets	94,167,159	91,294,127	2,873,032	3.15
Current liabilities	16,114,574	13,760,799	2,353,775	17.10
Non-current liabilities	36,262,133	36,222,904	39,229	0.11
Total liabilities	52,376,707	49,983,703	2,393,004	4.79
Capital stock	6,322,630	6,497,630	(175,000)	(2.69)
Capital surplus	56,461	73,478	(17,017)	(23.16)
Retained earnings	40,011,933	40,742,938	(731,005)	(1.79)
Other equity	(3,771,472)	(4,628,787)	857,315	18.52
Equity attributable to owners of the parent	41,790,352	41,310,424	479,928	1.16
Total equity	41,790,352	41,310,424	479,928	1.16

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 treasury share cancellation during the current period.

II. Analysis of Financial performance

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

Unit: NT\$ thousand

Item/Year	2022	2021	Increase/decrease	% of changes
Operating Revenue	22,196,860	26,991,842	(4,794,982)	(17.76)
Operating costs	(17,257,626)	(21,676,266)	4,418,640	(20.38) Note 1
Operating margin	4,939,234	5,315,576	(376,342)	(7.08)
Operating expenses	(3,020,427)	(3,225,737)	205,310	(6.36)
Operating profits	1,918,807	2,089,839	(171,032)	(8.18)
Non-operating income and expenses	(1,027,269)	161,007	(1,188,276)	(738.03) Note 2
Net profits before tax	891,538	2,250,846	(1,359,308)	(60.39) Note 3
Income tax expenses	(67,012)	(454,496)	387,484	(85.26) Note 4
Profits after tax from operations of continued segments for the current period	824,526	1,796,350	(971,824)	(54.10) Note 3
Profits/losses after tax for the current period	824,526	1,796,350	(971,824)	(54.10) Note 3
Other comprehensive income for the current period (after tax)	883,627	320,146	563,481	(167.79) Note 5
Total comprehensive income for the current period	1,708,153	2,116,496	(408,343)	(19.29)
Total comprehensive income attributable to owners of the parent	1,708,153	2,116,496	(408,343)	(19.29)
Basic earnings per share (NTD) in total	1.41	3.03	(1.62)	(53.47) Notes 3, 4

(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 notebook product portfolio improvement and expense control during this period.

Note 2: Mainly because the benefits of rights transferred after sale and leaseback in the previous period are more favorable than in the current period.

Note 3: Mainly because the non-industrial income in the previous period was more favorable than the current period.

Note 4: Mainly due to the decrease in net profit before tax.

Note 5: 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:

The notebook computer shipment forecast for 2023 depends on the progress of the Russia-Ukraine war, changes in inflation and exchange rates, mainland China's governance policies, and global supply chains and semiconductor production capacity. OMDIA predicts that global notebook computer shipments will be approximately 194 million units in 2023, showing an annual decline of 3.2%. 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 computer market will grow again to over 200 million units. The Company aims to focus on sales volume and profit in 2023. The target sales volume is 1.8 million, with an estimated annual growth rate of 12%. In response to the supply chain shortage, the Company continue to adjust production schedules. In terms of product allocations, we continue to develop new products by integrating processors and the next generation graphic cards. In addition to continued offering of customized and competitive products for different regions or countries, we also cooperate with international companies to develop products that meets the market expectation. We continue to develop the blue ocean markets, with qualities and quantities and for higher profits.

III. Analysis of Cash flows

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

Item \ Year	2022/12/31	2021/12/31	Ratio of increase/decrease (%)
Cash flow ratio (%)	19.82	3.74	429.80 (Note 1)
Cash flow adequacy ratio (%)	85.73	66.02	29.85 (Note 1)
Cash reinvestment ratio (%)	18.47	1.12	1,261.29 (Note 1)
Analysis of changes to the proportion of increase or decrease: (more than 20%)			
Note 1: Mainly due to the increase in net cash inflow from operating activities in the current period compared with the previous period.			

(II) Improvement plan for insufficient liquidity: The current ratio is 105.82%, 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
\$7,051	\$21,544	\$20,191	\$ 8,404	-	-

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	2022 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)	135,859 (Note 1)	The Buynow shopping mall has continued to transform and work with merchants to survive COVID-19. The average occupancy rate remained stable at 95%, and the overall investment efficiency improved.	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY (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.	(174,273) (Note 2)	30% of the reinvestment was transferred to Chicony Plaza Department Store, severely affected by the COVID-19 lockdowns. The after-tax net loss was CN¥182 million, which affected the overall investment profit.	The first quarter of 2023 grew by over 15% compared to the same period in 2022. With the lifting of lockdowns and the increase in the flow of people, the performance and profit of Chicony Plaza Department Store this year are expected to steadily return to pre-epidemic prosperity.
KAPOK COMPUTER (SAMOA) CORPORATION	USD 16,000	Investment in the establishment of Kaibo Computer (Kunshan), notebook production base	(312,334)	Losses occurred in the current period due to increased financial expenses and recognized exchange losses from RMB depreciation.	The constant adjustment of the RMB position.
BUYNOW ON-LINE HOLDING CORPORATION	USD1,100	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.	464	Business exchange benefits.	
CLEVO Investment Co., Ltd.	NT\$ 140,000		(5,761)	The securities are evaluated for losses.	-
KAPOK COMPUTER	NT\$ 80,000		(3,093)	The securities are evaluated for losses.	-
Taipei Twin Towers Limited	NTD1,000,000	The Company established a joint venture with Epoque Group to participate in the tender for Taipei Twin Towers.	(38,113)	No substantial operation or revenue yet	-
Tua Tiann Co., Ltd.	NTD490,000	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.	1,065	Currently, there is no operating income; the main profit is interest income.	-

Note 1: Please refer to page 286 of this annual report for details.

Note 2: Please refer to page 289~P294 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¥310 million and is expected to be sold out over the next two years. The joint investment of Taipei Twin Towers Limited and Tua Tiann Co., Ltd. is in line with the project's progress, and there is no plan for a capital increase in 2023. 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, 2022, was NT\$28.74 billion, and the consolidated total financial loan amount on March 31, 2023, was NT\$26.96 billion. Assume the Company's borrowing amount to stay at NT\$ 29 billion, a 0.25% change (one markup) in interest rates will increase or decrease the Company's interest burden by NT\$ 72,500 thousand.
- (2) Consolidated net interest expense in 2022 was NT\$673,545 thousand, and consolidated net interest expense in Q1 of 2023 was NT\$211,110 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 85% 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 15% of the operating revenue. Assuming a 1% change in the US dollar exchange rate, the impact on the Company's gross profit margin is 0.15%.
- (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 profit was NT\$296,618 thousand in 2022, and the consolidated foreign currency exchange loss was NT\$6,769 thousand in Q1 of 2023. 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 86-89 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 2022, the R&D expenses were NT\$630,168 thousand, accounting for 3.4% of the computer department's turnover. In the first quarter of 2023, the R&D expenses were NT\$169,808 thousand, accounting for 3.6% 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.

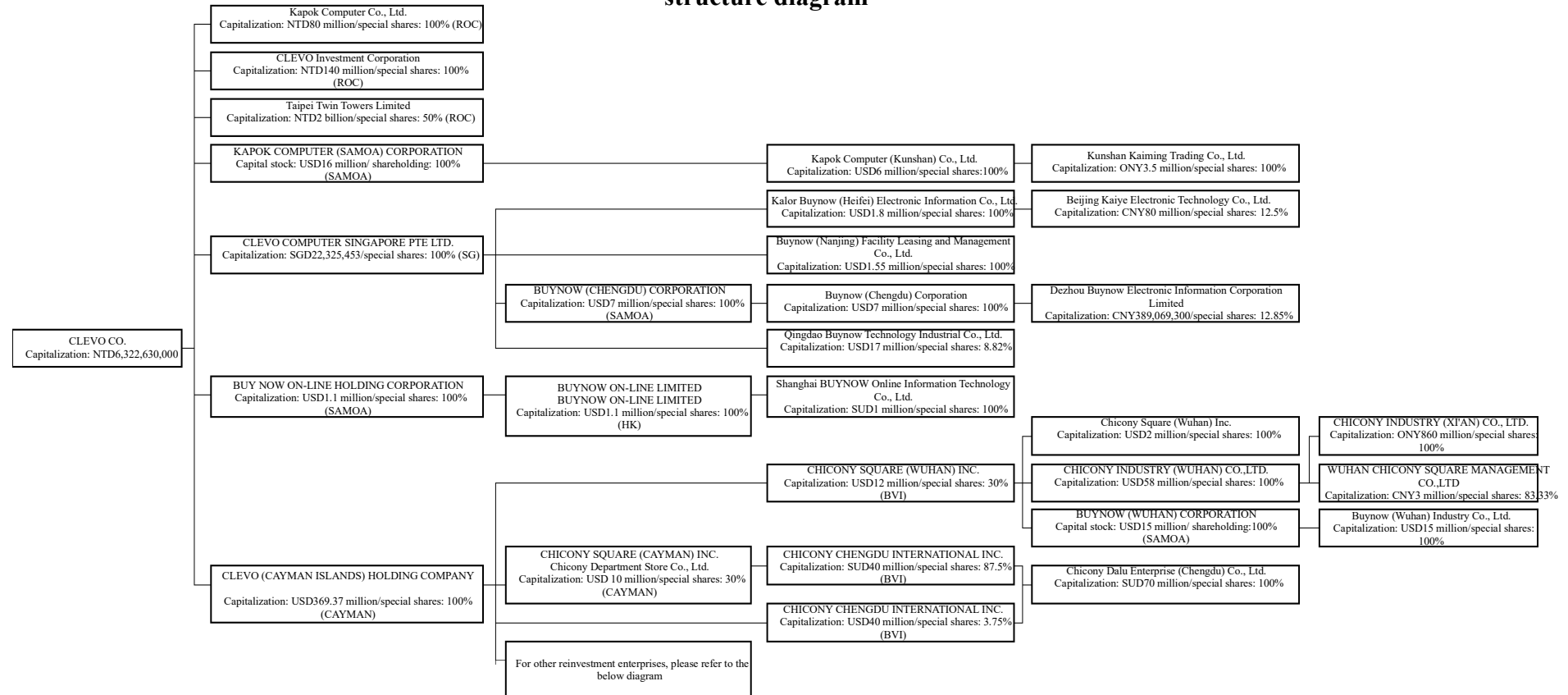
Eight. Additional Information

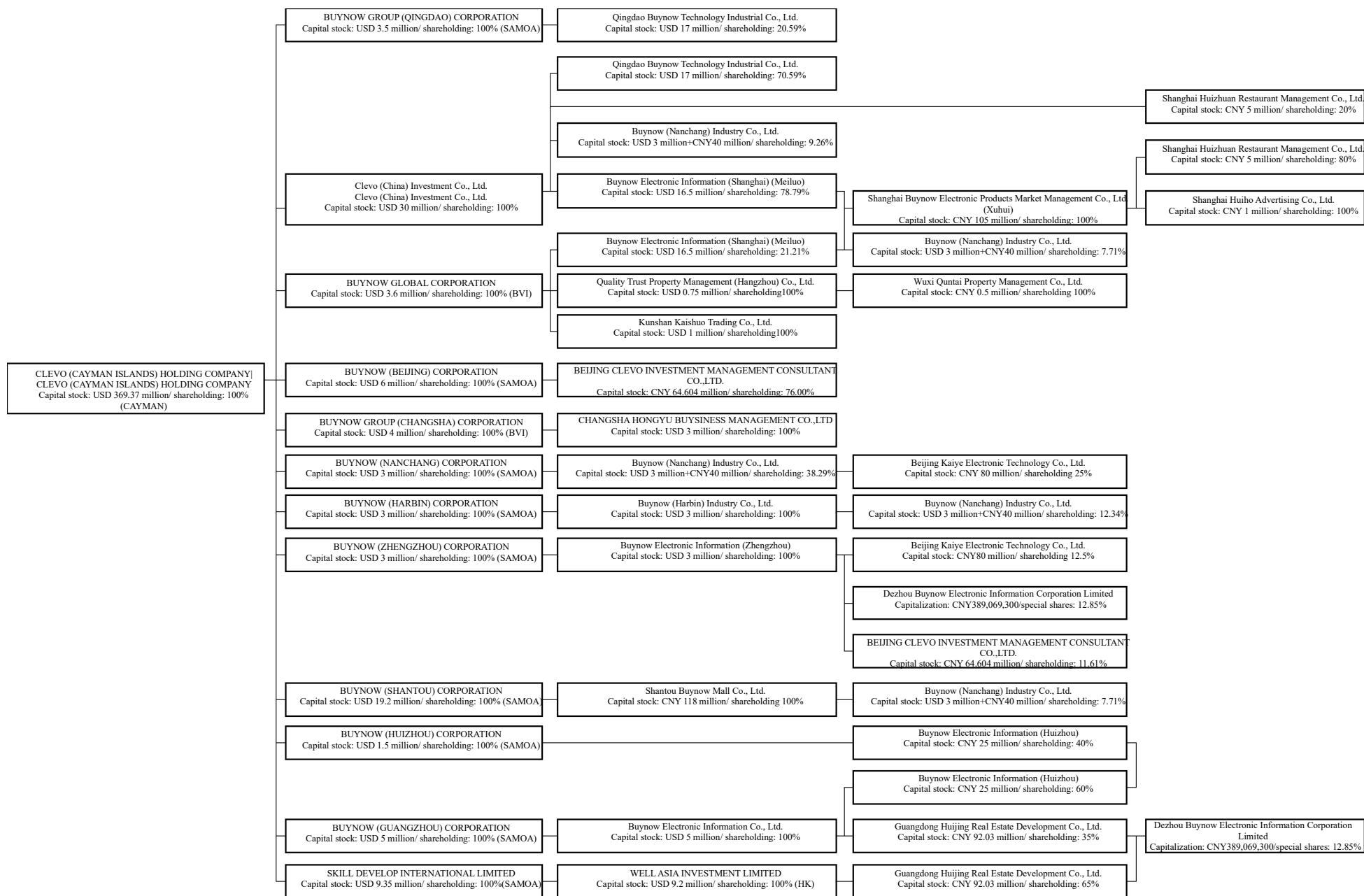
I. Summary of Affiliates

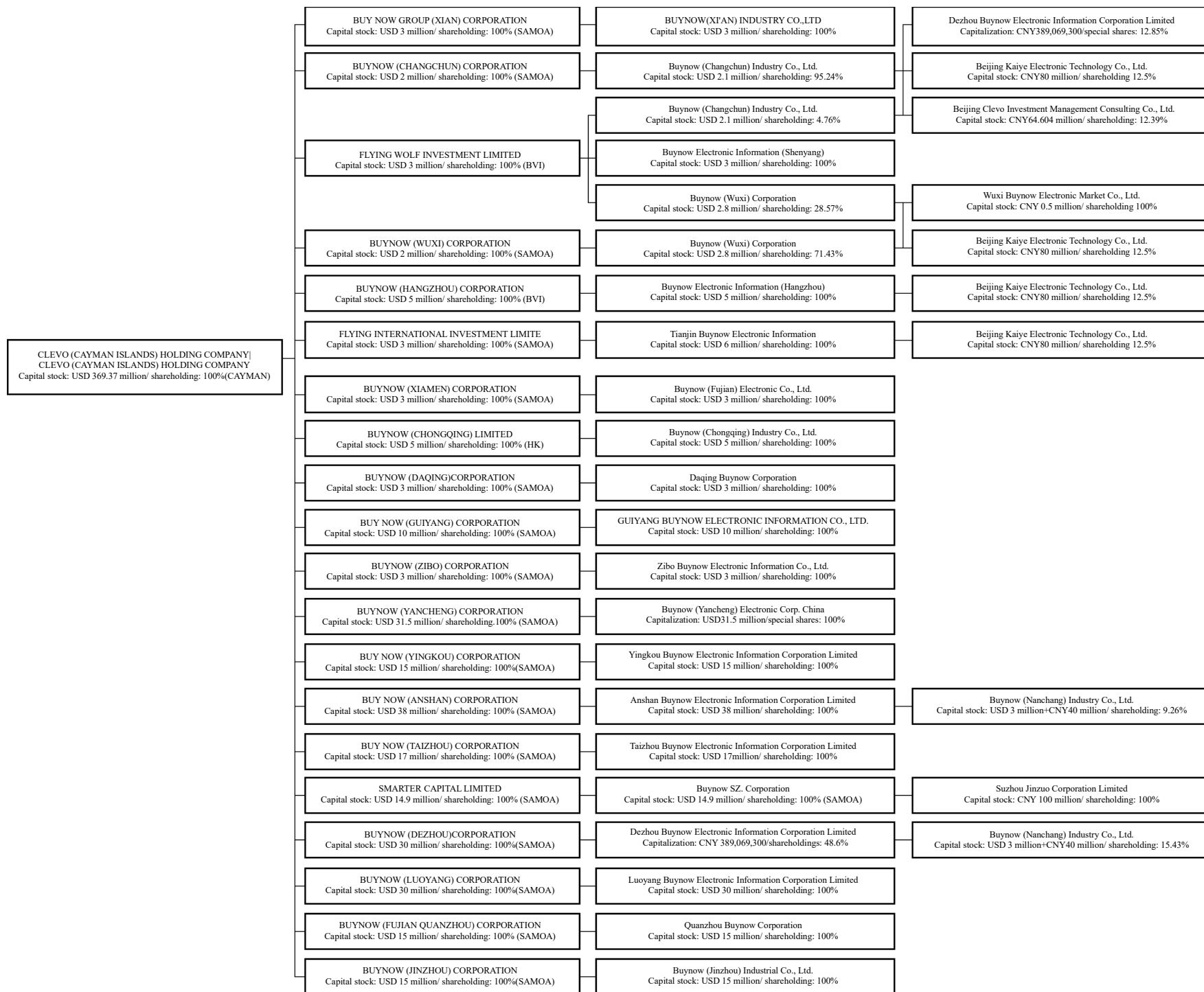
(I) Organization chart of affiliates

(I) Summary of Affiliated Companies

CLEVO CO. 2022.12.31 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 16,000	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 3,600	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	2005/07/28	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
Kunshan Kaishuo Trading Co., Ltd.	2014/01/26	Room 2603, No. 2 Building, Zhongye Kunting, Kunshan Development Zone, Jiangsu Province	USD	1,000	Wholesale and import/export of machinery & parts; cables & wires; refrigeration equipment, construction and decoration materials, firefighting facilities; compressors & parts, elevators & parts; and relevant consultancy services
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
Shanghai Huizhuan Restaurant Management Co., Ltd.	2016/07/04	Shop 1Y03, Section 101, No. 339 Caoxi North Road, Xuhui District, Shanghai	CNY	5,000	Restaurant management; sale of daily essentials
Shanghai Huiho Advertising Co., Ltd.	2014/04/01	Shop XHDF2B01-01, 2nd Floor, No. 339 Caoxi North Road, Xuhui District, Shanghai City	CNY	1,000	Advertising design, marketing

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

		USD	SGD	RMB	JPY
December 31, 2022	Exchange rate	30.694	22.843	4.4071	0.2316

(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 (CHANGCHUN) 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.; Kunshan Kaishuo Trading 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.; Shanghai Huizhuan Restaurant Management Co., Ltd.; Shanghai Huiho Advertising 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	-	-
Kunshan Kaishuo Trading Co., Ltd.	Director	Hsu, Kun-Tai	-	-
	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	-	-

Company name	Title	Name or representative	Number of shares held	
			Number of Shares	% of shareholding
Beijing Kaiye Electronic Technology Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Shantou Buynow Mall Co., Ltd.	Chairman	Hsu, Kun-Tai	-	-
	Director	Tsai, Ming-Hsien	-	-
	Director	Hsueh-Wen Chen	-	-
	Supervisor	Bitao Lin	-	-
Shanghai Huizhuan Restaurant Management Co., Ltd.	Executive director	Weilun Gao	-	-
	Supervisor	Wen-Yuan Li	-	-
Shanghai Huiho Advertising Co., Ltd.	Executive director	Hsueh-Wen Chen	-	-
	Supervisor	Sikai Chen	-	-

(VI) Operational Overview of Affiliated Enterprises for 2022

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	78,088	242	77,847	0	(111)	32,537	4.07
CLEVO Investment Corporation	140,000	79,149	117	79,032	0	(111)	15,408	1.10
KAPOK COMPUTER (SAMOA) CORPORATION	489,985	1,660,391	0	1,660,391	0	(3,599)	(312,334)	(19.52)
Kapok Computer (Kunshan) Co., Ltd.	238,599	8,071,586	6,420,243	1,651,343	13,747,058	130,788	(318,541)	(6.41)
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	15,754,974	43,606,046	463,765	43,142,281	0	(29,124)	(174,273)	(0.47)
BUYNOW (ANSHAN) CORPORATION	1,119,393	828,244	0	828,244	0	0	(102,208)	(2.69)
BUYNOW (BEIJING) CORPORATION	244,256	1,957,246	0	1,957,246	0	0	53,721	8.95
BUYNOW (CHANGCHUN) CORPORATION	64,064	3,031,460	0	3,031,460	0	0	79,683	39.84
BUYNOW (CHENGDU) CORPORATION	278,468	3,551,318	0	3,551,318	0	0	63,184	9.03
BUYNOW (CHONGQING) LIMITED	169,140	1,047,426	0	1,047,426	0	0	(11,478)	(2.30)
BUYNOW (DAQING) CORPORATION	96,894		112,659	(112,659)	0	0	11,071	3.69
BUYNOW (DEZHOU) CORPORATION	881,914	430,454	0	430,454	0	0	35,950	1.20
BUYNOW (GUANGZHOU) CORPORATION	161,745	2,301,899	0	2,301,899	0	0	(9,473)	(1.89)
BUYNOW (GUIYANG) CORPORATION	301,236	261,968	0	261,968	0	0	(495)	(0.05)
BUYNOW (HANGZHOU) CORPORATION	173,107	3,623,464	0	3,623,464	0	0	111,269	22.25
BUYNOW (HARBIN) CORPORATION	99,012	234,230	0	234,230	0	0	(54,144)	(18.05)
BUYNOW (HUIZHOU) CORPORATION	200,737		109,305	(109,305)	0	0	(6,834)	(4.56)
BUYNOW (LUOYANG) CORPORATION	894,346	26,348	0	26,348	0	0	(157,574)	(5.25)
BUYNOW (NANCHANG) CORPORATION	104,484	1,250,742	0	1,250,742	0	0	69,124	23.04
BUYNOW GROUP (QINGDAO) CORPORATION	115,648	98,188	0	98,188	0	0	7,550	2.16
BUYNOW (TAIZHOU) CORPORATION	505,786	315,988	0	315,988	0	0	32,131	1.89
BUYNOW (WUXI) CORPORATION	64,054	1,361,832	0	1,361,832	0	0	48,314	24.16
BUYNOW (XIAMEN) CORPORATION	95,502	1,986,912	0	1,986,912	0	0	37,632	12.54
BUYNOW (YANCHENG) CORPORATION	931,920	777,391	30,694	746,697	0	0	0	0.00
BUYNOW (YINGKOU) CORPORATION	434,082	418,241	0	418,241	0	0	(394)	(0.03)
BUYNOW (ZHENGZHOU) CORPORATION	103,185	3,324,450	0	3,324,450	0	0	85,794	28.60

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		166,843	(166,843)	0	0	(14,168)	(4.72)
BUYNOW GLOBAL CORPORATION	118,490	965,117	0	965,117	0	0	4,944	1.37
BUYNOW GROUP (CHANGSHA) CORPORATION	136,180	233,352	0	233,352	0	0	7,163	1.79
BUYNOW GROUP (XIAN) CORPORATION	96,543	873,172	0	873,172	0	0	27,081	9.03
BUYNOW ON-LINE HOLDING CORPORATION	35,513	4,878		4,878	0	0	464	0.42
BUYNOW ON-LINE LIMITED	35,483	4,878		4,878	0	(45)	464	0.42
BUYNOW SZ. CORPORATION	452,081	1,027,489	0	1,027,489	0	0	5,996	0.40
BUYNOW (FUJIAN QUANZHOU) CORPORATION	446,195	91,869	0	91,869	0	0	(225,322)	(15.02)
BUYNOW (JINZHOU) CORPORATION	448,081	40,478	0	40,478	0	0	(72,283)	(4.82)
BUYNOW (SHANTOU) CORPORATION	578,224	489,061	0	489,061	0	0	24,836	1.29
CLEVO COMPUTER SINGAPORE PTE LTD.	420,061	7,805,875	182	7,805,693	0	(266)	135,859	6.09
FLYING INTERNATIONAL INVESTMENT LIMITED	178,968	2,361,127	0	2,361,127	0	0	10,045	3.35
FLYING WOLF INVESTMENT LIMITED	96,141	3,211,328	0	3,211,328	0	0	59,804	19.93
SKILL DEVELOP INTERNATIONAL LIMITED	581,916	5,203,998	0	5,203,998	0	0	43,058	4.61
SMARTER CAPITAL LIMITED	1,013,693	1,027,489	0	1,027,489	0	0	5,996	0.40
WELL ASIA INVESTMENT LIMITED	277,817	5,204,053	55	5,203,998	0	(151)	43,058	4.68
Shanghai BUYNOW Online Information Technology Co., Ltd.	48,158	2,777	(300)	3,076	74	(24)	214	0.02
Buynow Electronic Information (Shanghai)	521,418	5,071,549	1,926,244	3,145,305	0	(73)	(32,474)	(0.30)
Shanghai Buynow Electronic Products Market Management Co., Ltd.	504,484	6,849,565	2,051,450	4,798,115	196,910	73,173	11,860	0.11
Shanghai Huiho Advertising Co., Ltd.	4,850	4,326	7	4,320	0	(287)	(275)	(0.27)
Shanghai Huizhuan Restaurant Management Co., Ltd.	22,884	3,494	0	3,494	134	(61)	37,050	7.41
Daqing Buynow Corporation	98,158	509,443	622,102	(112,659)	61,474	23,704	11,071	0.54
Tianjin Buynow Electronic Information	224,794	2,815,507	454,380	2,361,127	62,169	10,844	22,115	0.47
Beijing Kaiye Electronic Technology Co., Ltd.	359,053	19,682	42,694	(23,012)	92,177	50,483	50,486	0.63
BEIJING CLEVO INVESTMENT MANAGEMENT CONSULTANT CO.,LTD.	305,459	3,876,490	1,301,167	2,575,324	133,983	100,519	70,685	1.09
Shantou Buynow Mall Co., Ltd.	574,562	1,712,569	1,223,508	489,061	17,887	(15,835)	24,836	0.21
Clevo (China) Investment Co., Ltd.	897,135	3,194,653	631,064	2,563,589	165,728	(66,635)	(74,398)	(0.40)

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(XI'AN) INDUSTRY CO.,LTD	116,528	3,066,432	2,193,261	873,172	113,450	55,047	27,081	1.12
Buynow (Changchun) Industry Co., Ltd.	81,539	3,928,542	745,573	3,182,969	147,391	75,843	83,665	4.93
Buynow (Nanjing) Facility Leasing and Management Co., Ltd.	58,159	2,381,737	380,750	2,000,986	55,399	20,502	18,990	1.57
Buynow (Nanchang) Industry Co., Ltd.	293,328	5,192,769	1,926,271	3,266,498	285,558	244,643	180,527	2.78
Buynow (Harbin) Industry Co., Ltd.	111,364	2,543,917	2,313,500	230,417	2,911	(15,995)	(54,527)	(2.35)
Buynow (Chongqing) Industry Co., Ltd.	164,167	1,835,549	788,124	1,047,425	79,317	22,755	(11,478)	(0.34)
Buynow Electronic Information (Hangzhou)	120,115	466,214	739,476	(273,262)	4,942	(914)	(17,085)	(0.68)
Buynow (Wuxi) Corporation	106,622	2,534,156	627,630	1,906,526	139,818	78,638	67,638	3.05
Buynow (Fujian) Electronic Co., Ltd.	119,117	2,635,574	648,662	1,986,912	106,138	39,804	37,632	1.52
Buynow (Jinzhou) Industrial Co., Ltd.	448,342	1,517,296	1,476,818	40,478	12,592	(12,062)	(72,283)	(0.78)
Buynow (Yancheng) Electronic Corp. China	942,511	746,696	0	746,696	0	0	0	0.00
Buynow (Chengdu) Electronic Information Co., Ltd.	278,468	4,563,396	1,012,079	3,551,318	123,379	60,329	63,184	1.09
Buynow Electronic Information (Hangzhou)	198,848	5,544,727	1,921,262	3,623,464	249,491	151,401	111,269	2.69
Buynow Electronic Information (Zhengzhou)	119,123	4,070,724	746,274	3,324,450	166,703	93,145	85,794	3.46
Buynow Electronic Information (Shenyang)	119,298	3,070,256	555,131	2,515,125	104,937	46,333	36,498	1.47
Kunshan Kaiming Trading Co., Ltd.	17,746	8,273	1,964	6,310	17,541	2,411	2,348	0.67
Kunshan Kaishuo Trading Co., Ltd.	30,198	24,042	(654)	24,696	797	637	(2,223)	(0.36)
CHANGSHA HONGYU BUYSINESS MANAGEMENT CO.,LTD	119,297	882,551	649,200	233,352	28,096	24,618	7,163	0.29
Qingdao Buynow Technology Industrial Co., Ltd.	551,402	2,488,073	2,011,201	476,871	57,498	10,618	36,669	0.32
Quanzhou Buynow Corporation	446,195	103,730	11,861	91,869	(42,429)	(45,037)	(225,322)	(2.44)
Luoyang Buynow Electronic Information Corporation Limited	893,922	1,952,872	1,926,524	26,348	(21,565)	(129,846)	(157,574)	(0.85)
Taizhou Buynow Electronic Information Corporation Limited	507,871	938,731	622,745	315,987	34,636	18,737	32,131	0.30
Zibo Buynow Electronic Information Co., Ltd.	98,012	514,988	681,830	(166,843)	40,059	11,694	(14,168)	(0.69)
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	69,491	2,836,953	486,394	2,350,559	87,095	44,973	50,353	3.48
Wuxi Buynow Electronic Market Co., Ltd.	2,454	2,436	0	2,436	0	0	20	0.04
Wuxi Quntai Property Management Co., Ltd.	2,402	36,663	5,119	31,544	24,455	(444)	2,219	4.44
GUIYANG BUYNOW ELECTRONIC INFORMATION CO., LTD.	303,271	2,216,081	1,954,113	261,968	0	(501)	(495)	(0.01)

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
Quality Trust Property Management (Hangzhou) Co., Ltd.	24,975	349,982	108,716	241,266	237,344	8,600	14,044	2.70
Buynow Electronic Information Co., Ltd.	198,670	2,730,769	430,220	2,300,550	0	(5,489)	(9,609)	(0.23)
Guangdong Huijing Real Estate Development Co., Ltd.	442,167	11,024,757	3,019,147	8,005,610	296,918	150,817	66,398	0.72
Dezhou Buynow Electronic Information Corporation Limited	1,748,220	3,525,700	2,639,992	885,708	3,136	(156,701)	73,971	0.19
Anshan Buynow Electronic Information Corporation Limited	1,150,017	3,811,260	2,983,016	828,244	92,328	42,694	(102,208)	(0.43)
Yingkou Buynow Electronic Information Corporation Limited	464,194	830,285	412,044	418,241	0	(394)	(394)	0.00
Suzhou Jinzuo Corporation Limited	480,460	1,838,659	811,170	1,027,489	68,963	46,671	5,996	0.06

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
2022.12.31	Exchange rate	30.694	22.843	4.4071	0.2316

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%	2022	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%	2022	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 2022.

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.

PWCR22000469

Opinion

We have audited the accompanying consolidated balance sheets of Clevo Co. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, 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 significant 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Auditing and Attestation of Financial Statements by 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 2022 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 2022 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, 2022, the Group's investment properties at fair value amounted to NT\$62,526,250 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(23) for details of operating revenue. As at December 31, 2022, the Group's rental revenue amounted to NT\$2,451,684 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, 2022, the balance of inventory and allowance for inventory valuation losses amounted to NT\$4,151,572thousand and NT\$372,871 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 a subsidiary which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditors. Total assets of this subsidiary amounted to NT\$491,065 thousand, constituting 1% of the consolidated total assets as at December 31, 2022, and the operating revenue amounted to NT\$1,065 thousand, constituting 0% of the consolidated total operating revenue for the year then ended.

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.

Wu, Han-Chi

LIN, PO-CHUAN

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 7,051,419	7	\$ 3,816,041	4
1110	Financial assets at fair value through profit or loss - current	6(2)	2,181,499	2	2,530,073	3
1136	Financial assets at amortised cost - current	6(1) and 8	26,490	-	69,309	-
1170	Accounts receivable, net	6(3)	2,530,507	3	3,426,401	4
1197	Finance lease receivable, net	6(8)	42,430	-	-	-
1220	Current income tax assets		278	-	274	-
130X	Inventories	6(4)	3,778,701	4	4,693,977	5
1470	Other current assets	7	1,441,840	2	1,318,012	1
11XX	Total current assets		17,053,164	18	15,854,087	17
Non-current assets						
1535	Financial assets at amortised cost - non-current	6(1) and 8	1,101,367	1	1,042,867	1
1550	Investments accounted for using equity method, net	6(5) and 7	2,869,141	3	2,649,192	3
1600	Property, plant and equipment	6(6)(12) and 8	4,028,326	4	2,533,892	3
1755	Right-of-use assets	6(7), 7 and 8	4,066,683	4	4,158,671	5
1760	Investment property, net	6(9) and 8	62,526,250	67	62,408,602	68
1780	Intangible assets	6(10)	57,951	-	18,423	-
1840	Deferred income tax assets	6(30)	822,259	1	387,328	-
194D	Long-term finance lease receivable, net	6(8)	80,770	-	-	-
1975	Net defined benefit asset, non-current	6(17)	39,290	-	-	-
1990	Other non-current assets	6(11)	1,521,858	2	2,241,065	3
15XX	Total non-current assets		77,113,895	82	75,440,040	83
1XXX	Total assets		\$ 94,167,059	100	\$ 91,294,127	100

(Continued)

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY			December 31, 2022		December 31, 2021	
	Notes		AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 3,325,719	4	\$ 4,746,423	5
2130	Contract liabilities - current	6(23)	145,214	-	88,153	-
2150	Notes payable		53,283	-	10,124	-
2170	Accounts payable		2,142,671	2	2,393,963	3
2180	Accounts payable - related parties	7	280,722	-	347,988	-
2200	Other payables		1,320,743	1	1,364,019	2
2230	Current income tax liabilities		418,272	1	378,031	-
2250	Provisions for liabilities - current	6(18)	58,523	-	58,523	-
2280	Lease liabilities	7	120,398	-	62,634	-
2320	Long-term liabilities, current portion	6(16)	7,863,802	8	3,798,480	4
2399	Other current liabilities	7	385,227	1	512,461	1
21XX	Total current liabilities		16,114,574	17	13,760,799	15
Non-current liabilities						
2530	Corporate bonds payable	6(15)	5,000,000	6	5,000,000	6
2540	Long-term borrowings	6(16)	17,553,292	19	17,871,867	20
2570	Deferred tax liabilities	6(30)	12,268,089	13	12,002,907	13
2580	Lease liabilities - non-current	7	225,525	-	221,390	-
2670	Other non-current liabilities	6(5) and 7	1,215,227	1	1,126,740	1
25XX	Total non-current liabilities		36,262,133	39	36,222,904	40
2XXX	Total liabilities		52,376,707	56	49,983,703	55
Equity attributable to owners of parent						
	Share capital	6(19)				
3110	Ordinary share		6,322,630	7	6,497,630	7
	Capital surplus	6(20)				
3200	Capital surplus		56,461	-	73,478	-
	Retained earnings	6(21)				
3310	Legal reserve		2,210,652	2	1,908,529	2
3320	Special reserve		35,186,883	37	35,684,459	39
3350	Unappropriated retained earnings		2,614,398	3	3,149,950	3
	Other equity interest					
3400	Other equity interest	6(22)	(3,771,472)	(4)	(4,628,787)	(5)
3500	Treasury shares	6(19)	(829,200)	(1)	(1,374,835)	(1)
31XX	Total equity attributable to owners of parent		41,790,352	44	41,310,424	45
3XXX	Total equity		41,790,352	44	41,310,424	45
	Significant contingent liabilities and unrecognised contract commitments					
	Significant events after the balance sheet date	11				
3X2X	TOTAL LIABILITIES AND EQUITY		\$ 94,167,059	100	\$ 91,294,127	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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Year ended December 31					
	Items	Notes	2022		2021		
			AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(23) and 7	\$ 22,196,860	100	\$ 26,991,842	100	
5000	Operating costs	6(4)(28)(29) and 7	(17,257,626)	(78)	(21,676,266)	(80)	
5900	Net operating margin		4,939,234	22	5,315,576	20	
	Operating expenses	6(28)(29)					
6100	Selling expenses		(1,126,542)	(5)	(1,202,125)	(5)	
6200	General and administrative expenses		(1,189,744)	(5)	(1,384,771)	(5)	
6300	Research and development expenses		(630,168)	(3)	(632,583)	(2)	
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(73,973)	-	(6,258)	-	
6000	Total operating expenses		(3,020,427)	(13)	(3,225,737)	(12)	
6900	Operating profit		1,918,807	9	2,089,839	8	
	Non-operating income and expenses						
7100	Interest income	6(24)	67,691	-	18,191	-	
7010	Other income	6(25)	219,210	1	231,626	1	
7020	Other gains and losses	6(26)	(288,498)	(1)	371,554	1	
7050	Finance costs	6(27) and 7	(741,236)	(4)	(638,943)	(2)	
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method		(284,436)	(1)	178,579	1	
7000	Total non-operating income and expenses		(1,027,269)	(5)	161,007	1	
7900	Profit before income tax		891,538	4	2,250,846	9	
7950	Income tax expense	6(30)	(67,012)	-	(454,496)	(2)	
8200	Profit for the year		\$ 824,526	4	\$ 1,796,350	7	
	Other comprehensive income						
8311	Gain on remeasurements on defined benefit plans	6(17)	\$ 32,888	-	\$ -	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(6,576)	-	-	-	
8310	Other comprehensive income that will not be reclassified to profit or loss		26,312	-	-	-	
	Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(22)	812,675	4	316,774	1	
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(22)	55,801	-	4,215	-	
8399	Income tax relating to the components of other comprehensive income	6(22)(30)	(11,161)	-	(843)	-	
8360	Other comprehensive income that will be reclassified to profit or loss		857,315	4	320,146	1	
8300	Total other comprehensive income for the year		\$ 883,627	4	\$ 320,146	1	
8500	Total comprehensive income for the year		\$ 1,708,153	8	\$ 2,116,496	8	
	Profit attributable to:						
8610	Owners of the parent		\$ 824,526	4	\$ 1,796,350	7	
	Comprehensive income attributable to:						
8710	Owners of the parent		\$ 1,708,153	8	\$ 2,116,496	8	
	Earnings per share (in dollars)	6(31)					
9750	Basic earnings per share		\$ 1.41		\$ 3.03		
9850	Diluted earnings per share		\$ 1.40		\$ 3.00		

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Capital Reserves				Retained Earnings			Other Equity Interest		
Notes	Ordinary share	Total capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Asset revaluation increment	Treasury shares	Total equity
<u>Year ended December 31, 2021</u>											
	\$ 6,697,630	\$ 57,998	\$ 37,866	\$ -	\$ 1,831,206	\$ 36,717,272	\$ 1,118,868	(\$ 4,948,933)	\$ 20,922	(\$ 1,653,691)	\$ 39,879,138
	-	-	-	-	-	-	1,796,350	-	-	-	1,796,350
Other comprehensive income for the year	6(22)	-	-	-	-	-	-	320,146	-	-	320,146
Total comprehensive income	6(21)	-	-	-	-	-	1,796,350	320,146	-	-	2,116,496
Appropriations of 2020 earnings	6(21)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	77,323	-	(77,323)	-	-	-	-
Special reserve		-	-	-	-	507,614	(507,614)	-	-	-	-
Cash dividends		-	-	-	-	-	(373,358)	-	-	-	(373,358)
Treasury stock acquired	6(19)	-	-	-	-	-	-	-	-	(329,063)	(329,063)
Treasury stock retired	6(19)	(200,000)	(1,731)	(37,866)	-	-	(368,322)	-	-	607,919	-
Past due dividends not received by shareholders		-	-	-	983	-	-	-	-	-	983
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	16,228	-	-	-	-	-	-	16,228
Reversal of special reserve		-	-	-	-	(1,540,427)	1,561,349	-	-	-	20,922
Proceeds from disposal of property, plant and equipment		-	-	-	-	-	-	-	(20,922)	-	(20,922)
Balance at December 31, 2021	\$ 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
<u>Year ended December 31, 2022</u>											
	\$ 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
	-	-	-	-	-	-	824,526	-	-	-	824,526
Other comprehensive income for the year	6(22)	-	-	-	-	-	26,312	857,315	-	-	883,627
Total comprehensive income	6(21)	-	-	-	-	-	850,838	857,315	-	-	1,708,153
Appropriations of 2021 earnings	6(21)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	302,123	-	(302,123)	-	-	-	-
Special reserve		-	-	-	-	(493,824)	493,824	-	-	-	-
Cash dividends		-	-	-	-	-	(1,285,752)	-	-	-	(1,285,752)
Treasury stock retired	6(19)	(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

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 891,538	\$ 2,250,846
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(28)	302,949	265,934
Amortisation	6(10)(28)	14,714	10,991
Expected credit loss	12(2)	73,973	6,258
Gain arising from lease modifications	6(7)(26)	(1,057)	(2,747)
Net loss (gain) on financial assets mandatorily measured at fair value through profit or loss	6(2)(26)	246,105	(142,158)
Interest income	6(24)	(67,691)	(18,191)
Interest expense	6(27)	741,236	638,943
Dividend income	6(25)	(49,270)	(33,936)
Share of loss (profit) of associates and joint ventures accounted for using the equity method		284,436	(178,579)
Loss (gain) on disposal of investment property	6(26)	(2,700)	(221,868)
Gain on disposal of property, plant and equipment	6(26)	(3,188)	(438)
Loss on disposal of intangible assets	6(26)	-	2,882
Loss on adjustment of investment properties at fair value	6(9)(26)	333,016	538,288
Impairment loss on property, plant and equipment	6(12)(26)	(-)	(556,573)
Gain on sublease of right-of-use assets	6(7)(26)	(95,066)	-
Impairment loss on non-financial assets	6(26)	74,977	-
Gain arising from transfer of right in sale and lease-back transaction	6(26)	-	(1,080,862)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		191,252	(802,581)
Accounts receivable, net		833,371	(1,182,112)
Inventories		(903,353)	(324,197)
Capitalisation of interest (inventories)	6(4)	(8,595)	(32,107)
Other current assets		(71,184)	(135,419)
Net defined benefit asset, non-current		(8,728)	-
Changes in operating liabilities			
Contract liabilities		77,579	(22,365)
Notes payable		43,159	(1,970)
Accounts payable		(251,292)	(538,508)
Accounts payable - related parties		(67,266)	(105,814)
Other payables		(68,388)	(220,673)
Provisions for liabilities - current		-	5,000
Other non-current liabilities		(127,234)	(36,306)
Other current assets		(6,232)	(11,566)
Cash inflow generated from operations		4,189,167	985,920
Interest received		67,683	19,231
Dividends received	6(32)	49,270	488,327
Income taxes paid		(378,898)	(339,767)
Interest paid		(733,972)	(639,020)
Net cash flows from operating activities		3,193,250	514,691

(Continued)

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(32)	(\$ 87,665)	(\$ 158,235)
Proceeds from disposal of property, plant and equipment		33,050	4,002,931
(Increase) decrease in refundable deposits		(11,587)	2,369
Acquisition of intangible assets	6(10)	(54,119)	(1,442)
Acquisition of investment properties	6(32)	(84,253)	(132,302)
Advance receipts from disposal of property, plant and equipment	6(32)	556,625	215,298
Acquisition of investments using the equity method		(590,000)	-
Interest paid (capitalisation of interest)	6(9)	(108,557)	(148,679)
Decrease in financial assets at amortised cost - current		42,819	810,201
(Increase) decrease in financial assets at amortised cost - non-current		(58,500)	1,518
Increase in other non-current assets		(531,384)	(376,736)
Net cash flows (used in) from investing activities		(893,571)	4,214,923
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings		46,807,737	57,282,997
Repayments of short-term borrowings		(48,243,896)	(59,404,771)
Proceeds from long-term borrowings		43,607,658	37,402,576
Repayments of long-term borrowings		(40,015,777)	(40,511,039)
Decrease in guarantee deposit		(2,428)	(31,624)
Acquisition of treasury stock	6(19)	-	(329,063)
Payments of lease liabilities	6(33)	(100,921)	(27,059)
Cash dividends paid	6(32)	(1,228,952)	(357,130)
Net cash flows from (used in) financing activities		823,421	(5,975,113)
Changes in exchange rates		112,278	143,489
Net increase (decrease) in cash and cash equivalents		3,235,378	(1,102,010)
Cash and cash equivalents at beginning of year		3,816,041	4,918,051
Cash and cash equivalents at end of year		\$ 7,051,419	\$ 3,816,041

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, 2022 AND 2021

(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 15, 2023.

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”) 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 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRSs 2018-2020	January 1, 2022

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 IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC 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

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) IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International A Sta
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	

Amendments to IFRS 16, ‘Lease liability in a sale and
IFRS 17, ‘Insurance contracts’
Amendments to IFRS 17, ‘Insurance con
Amendments to IFRS 17, ‘Initial
comparative information’
Amendments to IAS
non-current’
Ame

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 SIGNIFICANT 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 Interpretations, and SIC 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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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	100	

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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	38.29	38.29	(Note 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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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	100	(Note 4)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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 2)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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 Advertisement Co., Ltd.	Advertising design and marketing	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	80	80	(Note 1)
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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	20	(Note 1)
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, 2022	December 31, 2021	
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	-	(Note 4)
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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, 2022	December 31, 2021	
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 2)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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 2)
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 2)
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 2)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	15.43	15.43	(Note 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	12.34	12.34	(Note 3)
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	9.26	(Note 3)

Investor	Name of subsidiaries	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	9.26	9.26	(Note 3)
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	7.71	(Note 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	7.71	7.71	(Note 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: On May 17, 2021, Dezhou Buynow Electronic Information Co., Ltd. increased its capital, and consequently, the ownership percentage held by Buynow (Dezhou) Corporation decreased from 100% to 48.6%; the ownership percentage held by Buynow (Chengdu)

Electronic Information Co., Ltd., Buynow (Zhengzhou) Electronic Information Co., Ltd., Guangdong Buynow Real Estate Management Co., Ltd. and Buynow (Changchun) Industry Co., Ltd. increased from 0% to 12.85%. The parent company of the Group held 100% of the shares in the subsidiary, and the subsidiary was included in the consolidated financial statements.

Note 3: On November 19, 2021, Buynow (Nanchang) Industry Co., Ltd. increased its capital. Consequently, the equity interest held by Buynow (Nanchang) Corporation decreased from 100% to 38.29% as new shareholders subscribed to the capital increase as follows: Dezhou Buynow Electronic Information Co., Ltd. holding 15.43% equity interest, Buynow (Harbin) Industry Co., Ltd. holding 12.34% equity interest, Clevo (China) Investment Co., Ltd. and Anshan Buynow Electronic Information Co., Ltd. each holding 9.26% equity interest, and Shanghai Buynow Electronic Information Co., Ltd. and Shantou Buynow Mall Co., Ltd. each holding 7.71% equity interest. The parent company of the Group held 100% of the shares in the subsidiary, and the subsidiary was included in the consolidated financial statements.

Note 4: On July 14, 2022, Shanghai Buynow Online Information Technology Co., Ltd. increased its capital. Consequently, the equity interest held by BUYNOW ON-LINE LIMITED decreased from 100% to 64.56%; the equity interest held by Clevo (China) Investment Co., Ltd. increased from 0% to 35.44%. 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, 2022	December 31, 2021	
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 and income statement accounts as of and for the years ended December 31, 2022 and 2021.

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 land 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 ~ 50 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. 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. Hotel revenue

- (a) The main services the Group provides are food services and accommodations.
- (b) Food services revenue is recognised at a point in time when the products are sold to the customers and the payments are charged immediately. The Group's sales policy offers customers the rights of return within a certain time period. The estimate of sales return is evaluated with expected method based on historical experiences at the time of sale, and accumulated revenue the Group recognised shall not be reversed in the following years according to historical experiences. The validity of this assumption and estimated amount of returns are reassess at each reporting date.
- (c) The accommodations revenue is recognised on a straight-line basis throughout the period of stay of the customer. The customer pays at the time specified in the payment schedule.

E. 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.

As of December 31, 2022, the carrying amount of inventories was \$3,778,701.

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, 2022, the carrying amount of investment property was \$62,526,250.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

- 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 pledged to others as collateral for borrowings totaling \$26,490 and \$69,309 were classified as 'financial assets at amortised cost - current' as of December 31, 2022 and 2021, respectively.
- C. Demand deposits pledged to others as collateral for borrowings and bonds payable amounting to \$1,101,367 and \$1,042,867 were classified as 'financial assets at amortised cost - non-current' as of December 31, 2022 and 2021, respectively.

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

<u>Assets items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks		
Beneficiary certificates		
Derivative instruments		
Valuation ad		

- A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 127,707)	(\$ 954)
Beneficiary certificates	(115,671)	133,955
Derivative instruments	(2,727)	9,157
	<u>(\$ 246,105)</u>	<u>\$ 142,158</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:

December 31, 2021

Contract amount

Derivative financial liabilities

Current items:

Forward f

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 and price risk of financial assets at fair value through profit or loss is provided in Notes 12(2) and (3).

(3) Accounts receivable

- A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 1,906,169	\$ 2,232,041
Up to 30 days	563,197	1,071,075
31 to 90 days	47,533	68,487
91 to 180 days	29,613	35,704
Over 180 days	<u>90,407</u>	<u>62,983</u>
	<u>\$ 2,636,919</u>	<u>\$ 3,470,290</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2022, December 31, 2021, and January 1, 2021, the balances of receivables from contracts with customers amounted to \$2,636,919, \$3,470,290, and \$2,288,178, respectively.
C. The Group has no accounts receivable pledged to others.
D. As at December 31, 2022 and 2021, 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 \$2,530,507 and \$3,246,401, 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, 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	<u>55,913</u>	<u>(419)</u>	<u>55,494</u>
	<u>1,989,637</u>	<u>(94,953)</u>	<u>1,894,684</u>
Buildings and land held for sale	<u>2,161,935</u>	<u>(277,918)</u>	<u>1,884,017</u>
	<u>\$ 4,151,572</u>	<u>(\$ 372,871)</u>	<u>\$ 3,778,701</u>
	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,688,736	(\$ 70,557)	\$ 2,618,179
Semi-finished goods	133,279	(5,035)	128,244
Finished goods	6,945	(30)	6,915
Merchandise inventory	<u>33,334</u>	<u>(4,621)</u>	<u>28,713</u>
	<u>2,862,294</u>	<u>(80,243)</u>	<u>2,782,051</u>
Buildings and land held for sale	<u>1,413,828</u>	<u>(271,625)</u>	<u>1,142,203</u>
Construction in progress	<u>769,723</u>	<u>-</u>	<u>769,723</u>
	<u>\$ 5,045,845</u>	<u>(\$ 351,868)</u>	<u>\$ 4,693,977</u>

- A. The cost of inventories recognised as expense for the years ended December 31, 2022 and 2021 were \$17,257,626 and \$21,676,266, respectively, including the amount of \$44,311 and \$26,183, respectively, that the Group wrote down inventories from cost to net realizable value accounted for as cost of goods sold, and \$0 and \$128,569, respectively, that the Group wrote down building and land held for sale from cost to net realizable value accounted for as cost of goods sold.
- B. The capitalised borrowing costs for the years ended December 31, 2022 and 2021 were \$8,595 and \$32,107, respectively, and the capitalised rates were 0%~5% and 0%~5.03%, respectively.
- C. The Group has no inventory pledged to others.

(5) Investments accounted for using equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates:		
Chicony Square (Wuhan) Inc.	\$ 1,305,741	\$ 1,500,494
Chicony Square (Cayman) Inc.	-	121,505
Chicony Chengdu International Inc.	43,153	59,897
Joint ventures:		
TAIPEI TWIN CORPORATION	1,029,182	967,296
Tua Tiann Co., Ltd.	<u>491,065</u>	<u>-</u>
	<u>\$ 2,869,141</u>	<u>\$ 2,649,192</u>
Other non-current liabilities		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Chicony Square (Cayman) Inc.	(\$ 44,580)	\$ -

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>
		December 31, 2022	December 31, 2021		
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

	<u>Chicony Square (Wuhan) Inc.</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 2,075,529	\$ 1,996,774
Non-current assets	4,592,451	4,631,864
Current liabilities	(2,315,512)	(1,626,991)
Total net assets	<u>\$ 4,352,468</u>	<u>\$ 5,001,647</u>
Carrying amount of the associate	<u>\$ 1,305,741</u>	<u>\$ 1,500,494</u>

	<u>Chicony Square (Cayman) Inc.</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 1,918	\$ 1,888
Non-current assets	2,449,525	2,698,329
Current liabilities	(297,994)	(219,574)
Non-current liabilities	(2,302,050)	(2,075,625)
Total net assets	<u>(\$ 148,601)</u>	<u>\$ 405,018</u>
Carrying amount of the associate	<u>(\$ 44,580)</u>	<u>\$ 121,505</u>

	<u>Chicony Chengdu International Inc.</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 33	\$ 30
Non-current assets	1,150,718	1,597,232
Total net assets	<u>\$ 1,150,751</u>	<u>\$ 1,597,262</u>
Carrying amount of the associate	<u>\$ 43,153</u>	<u>\$ 59,897</u>

Statement of comprehensive income

	<u>Chicony Square (Wuhan) Inc.</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
(Loss) profit for the year from continuing operations	(\$ 288,470)	\$ 410,332
Other comprehensive income, net of tax	145,628	2,978
Total comprehensive (loss) income	<u>(\$ 142,842)</u>	<u>\$ 413,310</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ 454,391</u>

	<u>Chicony Square (Cayman) Inc.</u>
	<u>Years ended Dece</u>
	<u>2022</u>
(Loss) profit for the year from continuing operations	
Other comprehensiv	
Total c	

B. Joint ventures

(a) The basic information of the joint venture that is 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, 2022</u>	<u>December 31, 2021</u>		
TAIPEI TWIN CORPORATION	New Taipei City	50%	50%	Financial investment	Equity method
Tua Tiann Co., Ltd.	Taipei City	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, 2022	December 31, 2021
Cash and cash equivalents	\$ 228,937	\$ 1,155,430
Other current assets	144,823	4,793
Total current assets	373,760	1,160,223
Prepaid contract payments	2,808,441	626,767
Other non-current assets	258,636	327,976
Non-current assets	3,067,077	954,743
Total assets	<u>\$ 3,440,837</u>	<u>\$ 2,114,966</u>
Other payables	(\$ 398,222)	(\$ 34,768)
Other current liabilities	(17,519)	(145,607)
Current liabilities	(415,741)	(180,375)
Long-term borrowings	(940,000)	-
Non-current liabilities	(26,732)	-
Total liabilities	(\$ 1,382,473)	(\$ 180,375)
Total net assets	<u>\$ 2,058,364</u>	<u>\$ 1,934,591</u>
Share in joint venture's net assets	<u>\$ 1,029,182</u>	<u>\$ 967,296</u>
Carrying amount of the joint venture	<u>\$ 1,029,182</u>	<u>\$ 967,296</u>

Statement of comprehensive income

TAIPEI TWIN CORPORATION		
	Years ended December 31,	
	2022	2021
Other operating expenses	(\$ 72,109)	(\$ 42,342)
Depreciation and amortisation	(6,688)	(320)
Interest income	2,842	2,478
Other gains and losses	(272)	503
Loss before income tax	(76,227)	(39,681)
Income tax expense	-	-
Loss, net of tax	(\$ 76,227)	(\$ 39,681)
Total comprehensive loss	(\$ 76,227)	(\$ 39,681)
Dividends received from joint venture	<u>\$ -</u>	<u>\$ -</u>

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 \$1.1 billion from both the Company and EPOQUE CORPORATION account

for 50% of the total investment and the shareholding ratio is 50% for each. TAIPEI TWIN CORPORATION will 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, 2022
Cash and cash equivalents	\$ 8,931
Financial assets at amortised cost - current	200,000
Other current assets	7,476
Total current assets	216,407
Prepaid contract payments	467,864
Non-current assets	1,320,180
Total assets	\$ 2,004,451
Current liabilities	(\$ 103)
Total liabilities	(103)
Total net assets	\$ 2,004,348
Share in joint venture's net assets	\$ 491,065
Carrying amount of the joint venture	\$ 491,065

Statement of comprehensive income

	Tua Tiann Co. Ltd.
	Year ended December 31, 2022
Other operating expenses	(\$ 690)
Other gains and losses	5,038
Profit before income tax	4,348
Income tax expense	-
Profit, net of tax	\$ 4,348
Total comprehensive income	\$ 4,348
Dividends received from joint venture	\$ -

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

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 Decemberr 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 impairemt	(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>

2021

	Land	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	\$186,563	\$ 3,111,643	\$ 660,477	\$ 10,903	\$ 68,864	\$ 24,165	\$ 163,013	\$ 47,857	\$ 42,435	\$ 1,589,075	\$ 5,904,995
Accumulated depreciation and impairment	-	(801,151)	(134,140)	(8,751)	(54,302)	(19,362)	(123,078)	(34,191)	(18,414)	-	(1,193,389)
	<u>\$186,563</u>	<u>\$ 2,310,492</u>	<u>\$ 526,337</u>	<u>\$ 2,152</u>	<u>\$ 14,562</u>	<u>\$ 4,803</u>	<u>\$ 39,935</u>	<u>\$ 13,666</u>	<u>\$ 24,021</u>	<u>\$ 1,589,075</u>	<u>\$ 4,711,606</u>
Opening net book amount as at January 1	\$186,563	\$ 2,310,492	\$ 526,337	\$ 2,152	\$ 14,562	\$ 4,803	\$ 39,935	\$ 13,666	\$ 24,021	\$ 1,589,075	\$ 4,711,606
Additions	-	1,771	6,382	9,343	8,084	2,768	1,772	21,737	2,708	11,398	65,963
Reclassifications	-	(352,715)	(97,754)	-	(65)	-	(19,349)	(1,706)	(14,300)	(720,731)	(1,206,620)
Disposals	(186,563)	(130,449)	(145)	-	(466)	(465)	(4,827)	(1,605)	(1,794)	-	(326,314)
Depreciation charge	-	(120,931)	(45,681)	(2,788)	(4,815)	(1,512)	(3,113)	(9,657)	(3,369)	-	(191,866)
Impairment loss	-	(391,692)	-	-	-	-	-	-	-	(164,881)	(556,573)
Net exchange differences	-	19,169	4,200	18	104	39	322	110	166	13,568	37,696
Closing net book amount as at December 31	<u>\$ -</u>	<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>
<u>At Decemberr 31</u>											
Cost	\$ -	\$ 2,908,456	\$ 535,600	\$ 15,168	\$ 68,800	\$ 24,738	\$ 97,532	\$ 68,614	\$ 18,036	\$ 893,310	\$ 4,630,254
depreciation and impairemt	-	(1,572,811)	(142,261)	(6,443)	(51,396)	(19,105)	(82,792)	(46,069)	(10,604)	(164,881)	(2,096,362)
	<u>\$ -</u>	<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>

- 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, 2022 and 2021.
- 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. Impairment information about the property, plant and equipment is provided in Note 6(13).
- E. To activate its assets, the Group entered into a sales and purchase agreement of land and buildings with the non-related party, TransGlobe Life Insurance Inc. (TransGlobe Life), as resolved by the Board of Directors on October 15, 2021, to sell the property, plant and equipment and investment property located on Xingde Rd., Sanchong Dist., New Taipei City in the amount of \$4,100,000. The above transaction was completed in the fourth quarter of 2021. The Group leased back certain levels of the sold building for its operational use for a lease term of 4 years. Refer to Note 6(7)F for details. After deducting the carrying amount of the assets and related transaction costs from proceeds of the transaction, Gains arising from transfer of right in sale and lease-back transaction amounted to \$1,080,862, and gains on disposal of investment property amounted to \$222,594, shown as other gains and losses. All proceeds from the transaction have been collected in December 2021.

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(7) Leasing arrangements - lessee

- A. The Group leases various assets including land use right and office. Rental contracts are typically made for periods of 5 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, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 3,860,771	\$ 4,018,889
Office	205,912	139,782
	<u>\$ 4,066,683</u>	<u>\$ 4,158,671</u>

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 48,506	\$ 47,880
Office	71,495	26,188
	<u>\$ 120,001</u>	<u>\$ 74,068</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$175,634 and \$82,405, respectively.
- E. The information on profit and loss accounts related to lease contracts is as follows:

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
<u>Items affecting profit or loss</u>	<u>2022</u>	<u>2021</u>
Interest expense on lease liabilities	\$ 8,664	\$ 7,410
Expense on short-term lease contracts	\$ 15,417	\$ 12,493
Gain on lease modification	\$ 1,057	\$ 2,747
Gain on sublease of right-of-use assets	\$ 95,066	\$ -

- F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$125,002 and \$46,962, respectively.
- G. The Group sold the building located on No. 129, Xingde Rd., Sanchong Dist., New Taipei City in the amount of \$4,100,000 on November 29, 2021. 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. Buynow (Xian), 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, 2022, the amount was \$19,445), 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 was paid and RMB 20,563 remains unpaid as of December 31, 2022. As of December 31, 2022, 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:

	<u>Year ended December 31, 2022</u>
Finance income from the net investment in the finance lease	\$ 225

- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2022</u>
2023	\$ 43,945
2024	42,314
2025	39,581
	<u>\$ 125,840</u>

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2022</u>	
	<u>Current</u>	<u>Non-current</u>
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, 2022 and 2021, the Group recognised rent income on investment property in the amount of \$2,451,684 and \$2,625,452, 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, 2022</u>	<u>December 31, 2021</u>
2022	\$ -	\$ 349,816
2023	532,608	353,397
2024	574,616	359,046
2025	598,635	368,193
2026	628,249	364,092
2027	636,643	350,821
2028 and after	<u>5,613,966</u>	<u>1,030,282</u>
	<u>\$ 8,584,717</u>	<u>\$ 3,175,647</u>

(9) Investment property

	<u>2022</u>	<u>2021</u>
At January 1	\$ 62,408,602	\$ 63,638,847
Additions from subsequent expenditures	78,456	75,386
Disposals	(10,080)	(2,229,634)
Reclassifications	-	960,856
Transfer to non-current assets held for sale	(581,409)	-
Net losses from fair value adjustment	(333,016)	(538,288)
Net exchange differences	<u>963,697</u>	<u>501,435</u>
At December 31	<u>\$ 62,526,250</u>	<u>\$ 62,408,602</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Years ended December 31,</u>
	<u>2022</u>
Rental income from investment property	<u>\$ 2,451,</u>
Direct operating expenses arising from the investment property that generated rental income during the year	
Direct operating expenses investment pr	
ren	

B. Measurement of investment property at fair value

The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was \$62,526,250 and \$62,408,602, 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 16 years (from 2022 to 2038) for Buynow (Changsha); 20 years (from 2022 to 2042) for Buynow (Nanchang); 20 years (from 2008 to 2028) for Beijing Clevo Investment; 6

years (from 2016 to 2022) for Buynow (Quanzhou); 10 years (from 2017 to 2027) for Suzhou Jinzuo; 6 to 20 years (from 2019 to 2040) for Buynow (Anshan); 15 years (from 2019 to 2034) for Luoyang Buynow, 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 Jia-Hui Chen from Cushman & Wakefield Limited (referred herein as “Cushman & Wakefield”) and Cushman & Wakefield Limited (HK). The appraisal dates are January 1, 2022 and 2021.

Summary of fair value disclosure on investment property:

<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%
<u>Year ended December 31, 2021</u>		<u>Buynow plaza</u>
Comparative information between local rent and similar objective property rent (dollar/square or square meter/month)		\$82~\$4,878
Movements of earnings in the prior year		\$5,621~\$253,399
Average occupancy rates		89%
Discount rate	<u>December 31, 2022</u>	<u>December 31, 2021</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,</u>	
	<u>2022</u>	<u>2021</u>
Amount capitalised	\$108,557	\$148,679
Range of the interest rates for capitalisation	3.70%~5.30%	3.00%~5.30%

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(10) Intangible assets

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
2021			
	Software	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 20,452	\$ 10,253	\$ 30,705
At January 1	\$ 20,452	\$ 10,253	\$ 30,705
Additions-acquired separately	1,442	-	1,442
Disposals	(2,882)	-	(2,882)
Amortisation charge	(10,991)	-	(10,991)
Net exchange differences	67	82	149
At December 31	\$ 8,088	\$ 10,335	\$ 18,423
<u>At December 31</u>			
Cost	\$ 8,088	\$ 10,335	\$ 18,423

Goodwill arose from Buynow segment of the Group.

Details of amortization on intangible assets are as follows:

Years ended December 31,		
	2022	2021
Administrative expenses	\$ 3,245	\$ 5,061
Research and development expenses	11,461	5,930
	\$ 14,706	\$ 10,991

(11) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for construction	\$ 1,099,066	\$ 1,961,414
Guarantee deposits paid	55,141	43,161
Others	367,651	236,490
	<u>\$ 1,521,858</u>	<u>\$ 2,241,065</u>

(12) Impairment of non-financial assets

A. The Group recognised impairment loss for the year ended December 31, 2021 in the amount of \$556,573. Details of such loss are as follows:

	<u>Year ended</u> <u>December 31, 2021</u>
	<u>Recognised in profit or loss</u>
Impairment loss	
— Buildings and structures	\$ 391,692
— Construction in progress and equipment to be inspected	164,881
	<u>\$ 556,573</u>

B. The impairment loss reported by operating segments is as follows:

	<u>Year ended</u> <u>December 31, 2021</u>
	<u>Recognised in profit or loss</u>
Buynow plaza	<u>\$ 556,573</u>

C. In 2021, the current overall outlook for the real estate market in China resulted in an impairment in the Group's property. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of \$556,573 accordingly. The recoverable amount is the property's fair value less costs of disposal, estimated by reference to the transaction price of a property in similar location per square feet in accordance with the market approach and the professional appraisal report. The fair value is classified as a level 3 fair value.

(13) 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 transaction was completed in December 2022.

B. For the year ended December 31, 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.

(14) Short-term borrowings

<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	<u>3,281,648</u>	1.4%~3.95%	Promissory note
	<u>\$ 3,325,719</u>		

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 129,787	4.15%	Investment property
Unsecured borrowings	<u>4,616,636</u>	0.57%~1.00%	Promissory note
	<u>\$ 4,746,423</u>		

(15) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured bonds payable	<u>\$ 5,000,000</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. As of December 31, 2022, the outstanding bonds payable was \$5,000,000.

B. The terms of the secured bonds are as follows:

<u>Type of Bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>	<u>Security</u>
Secured bonds payable	2019/8/26	5 years	\$5,000,000	Not exceeding 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.

(16) Long-term borrowings

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>
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 in installments	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 at maturity date	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
				<u>11,067,094</u>
				25,417,094
Less: Current portion of long-term loans				(<u>7,863,802</u>)
				<u>\$ 17,553,292</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Unsecured borrowings	Borrowing period is from March 19, 2021 to December 17, 2026; interest is payable monthly, principal is payable at maturity date	0.52%~1.05%	Promissory note	\$ 6,750,000
Unsecured borrowings	Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments	1.18%~1.80%	Promissory note	4,800,000
Unsecured borrowings	Borrowing period is from December 28, 2021 to December 28, 2023; interest is payable quarterly, principal is payable at maturity date	0.58%~0.67%	Promissory note	398,012
				<hr/>
				11,948,012
Secured borrowings	Borrowing period is from June 22, 2020 to January 28, 2022; interest is payable monthly, principal is payable at maturity date	4.90%	Investment property	12,501
Secured borrowings	Borrowing period is from August 18, 2018 to August 17, 2028; interest is payable quarterly, principal is payable in installments	5.15%	Property, plant and equipment and investment property	1,367,325
Secured borrowings	Borrowing period is from June 8, 2015 to June 4, 2026; interest is payable monthly, principal is payable in installments	4.77%~5.32%	Investment property	3,574,919
Secured borrowings	Borrowing period is from October 31, 2019 to December 6, 2026; interest is payable quarterly, principal is payable in installments	4.70%~5.30%	Investment property	4,025,874
Secured borrowings	Borrowing period is from December 28, 2021 to December 28, 2023; interest is payable quarterly, principal is payable at maturity date	0.58%~0.67%	Investment property	646,553
Secured borrowings	Borrowing period is from December 28, 2021 to December 28, 2023; interest is payable quarterly, principal is payable at maturity date	0.67%	Right-of-use assets and property, plant and equipment	95,163
				<hr/>
				9,722,335
				21,670,347
Less: Current portion of long-term loans				(3,798,480)
				<hr/>
				\$ 17,871,867

(17) 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:

(c) Movements in net defined benefit liabilities are as follows:

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
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>

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 323,696	(\$ 314,798)	\$ 8,898
Current service cost	267	-	267
Interest expense (income)	1,327	(1,291)	36
	<u>325,290</u>	<u>(316,089)</u>	<u>9,201</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	6,466	-	6,466
Change in financial assumptions	7,159	-	7,159
Experience adjustments	(8,703)	(4,922)	(13,625)
	<u>4,922</u>	<u>(4,922)</u>	<u>-</u>
Pension fund contribution	-	(9,201)	(9,201)
Paid pension	(7,657)	7,657	-
Balance at December 31	<u>\$ 322,555</u>	<u>(\$ 322,555)</u>	<u>\$ -</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, 2022 and 2021 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,	
	2022	2021
Discount rate	<u>1.33%</u>	<u>0.71%</u>
Future salary increases	<u>2.5%</u>	<u>2.00%</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:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 16,874)	\$ 18,101	\$ 17,797	(\$ 16,767)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 18,696)	\$ 20,141	\$ 19,776	(\$ 18,556)

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, 2023 amount to \$9,534.
- (g) As of December 31, 2022, the weighted average duration of the retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

Within 2 years	\$ 260,254
2-5 years	21,445
Over 5 years	9,352
	<u>\$ 291,051</u>

B. Defined contribution plans

- (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, 2022 and 2021 were \$35,094 and \$35,360, respectively.

(18) Provisions

	<u>Warranty</u>	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 58,523	\$ 53,523
Additional provisions	85,122	95,207
Used during the year	(85,122)	(90,207)
At December 31	<u>\$ 58,523</u>	<u>\$ 58,523</u>

Analysis of total provisions:

	<u>December 31, 2022</u>	<u>December 31, 2021</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.

(19) Share capital

- A. As of December 31, 2022, 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:

	<u>2022</u>
At January 1	
Shares retired	
At Decembe	

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, 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

Name of company holding the shares	Reason for reacquisition	December 31, 2021	
		Number of shares	Carrying amount
The Company	To be reissued to employees	37,500 thousand	\$ 1,171,347
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) On May 11, 2021 and February 19, 2021, the Company handled the cancellation of treasury shares by the resolution of the board of directors. The capital reduction amount was \$100,000, consisting of 10,000 thousand shares. The capital reduction ratios were 1.52% and 1.49%, and the capital reduction base dates were June 8, 2021 and April 3, 2021, respectively.
- (d) On October 15, 2021, the Company's board of directors resolved to repurchase 10,000 thousand shares of the Company's shares at a price range of \$28 to \$42 per share from October 18, 2021 to December 17, 2021 to maintain the Company's credit and shareholder rights. When the market price is lower than the lower limit of the originally agreed price range, the Company's shares will continue to be repurchased. By the expiration of the execution period of treasury stocks, a total of 10,000 thousand shares have been repurchased at a total cost of \$329,063.
- (e) 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.
- (f) 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.

- (g) 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.

(20) 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.

(21) 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 2021 and 2020 earnings as resolved by the shareholders on June 15, 2022 and August 26, 2021 are as follows:

	2021		2020	
	Dividends per share		Dividends per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 302,123		\$ 77,323	
Set aside				
(reversal of)				
special reserve	(493,824)		507,614	
Cash dividends	<u>1,285,752</u>	\$ 2.1	<u>373,358</u>	\$ 0.6
	<u>\$ 1,094,051</u>		<u>\$ 958,295</u>	

F. The appropriations of 2022 net income were resolved by the Board of Directors during its meeting on March 15, 2023 as follows:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 71,804	
Reverse of special reserve	(974,795)	
Cash dividends	918,395	\$ 1.5
	<u>\$ 15,404</u>	

As of the financial report date, the Company's 2022 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.

(22) Other equity items

	2022	
	Currency translation	Total
At January 1	(\$ 4,628,787)	(\$ 4,628,787)
Currency translation differences:		
–Group	812,675	812,675
–Associates	55,801	55,801
–Tax on associates	(11,161)	(11,161)
At December 31	<u>(\$ 3,771,472)</u>	<u>(\$ 3,771,472)</u>

	2021		
	Currency translation	Revaluation	Total
At January 1	(\$ 4,948,933)	\$ 20,922	(\$ 4,928,011)
Transferred to retained earnings	-	(20,922)	(20,922)
Currency translation differences:			
–Group	316,774	-	316,774
–Associates	4,215	-	4,215
–Tax on associates	(843)	-	(843)
At December 31	<u>(\$ 4,628,787)</u>	<u>\$ -</u>	<u>(\$ 4,628,787)</u>

(23) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers		
-Sales revenue of computer products	\$ 18,812,645	\$ 22,844,822
-Sales revenue of computer peripherals	363,796	590,916
-Land development and resale	29,498	443,679
-Hotel revenue	-	2,858
-Other revenue	539,237	547,600
Others-rental revenue	2,451,684	2,561,967
	<u>\$ 22,196,860</u>	<u>\$ 26,991,842</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:

Year ended	Computer Segment	Buynow Plaza			
	Computer products	Land development and resale	Computer peripherals	Others	Total
December 31, 2022					
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>

Year ended	Computer Segment	Buynow Plaza		
	Computer products	Land development and resale	Hotel accommodations	Comp
December 31, 2021				
Total segment revenue	\$ 38,810,978	\$ 443,679	\$	
Inter-segment revenue	(15,966,156)	-		
Revenue from external customer contracts	<u>\$</u>			
At a point in time				
Over time				

B. The Group derives hotel accommodations revenue from Hyatt Place Luoyang that was managed by Buynow (Zhengzhou) Electronic Information Co., Ltd. Luoyang Branch. Hyatt Place Luoyang has ceased operations on January 31, 2021.

C. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities:			
Contract liabilities –			
Advance			
sales receipts	\$ 134,656	\$ 45,890	\$ 67,608
Contract liabilities –			
Advance			
real estate receipts	<u>10,558</u>	<u>42,263</u>	<u>112,028</u>
	<u>\$ 145,214</u>	<u>\$ 88,153</u>	<u>\$ 179,636</u>

D. Revenue recognised that was included in the contract liability balance at the beginning of the year.

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognised that was included		
in the contract liability balance at the		
beginning of the year		
Advance sales receipts	\$ 40,562	\$ 67,068
Advance real estate receipts	<u>20,518</u>	<u>69,118</u>
	<u>\$ 61,080</u>	<u>\$ 136,186</u>

(24) Interest income

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 65,446	\$ 18,191
Other interest income	<u>2,245</u>	<u>-</u>
	<u>\$ 67,691</u>	<u>\$ 18,191</u>

(25) Other income

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Dividend income	\$ 49,270	\$ 33,936
Rent income	3,970	63,485
Other income	<u>165,970</u>	<u>134,205</u>
	<u>\$ 219,210</u>	<u>\$ 231,626</u>

(26) Other gains and losses

	Years ended December 31,	
	2022	2021
Foreign exchange gains	\$ 296,618	\$ 82,282
Gain on sublease of right-of-use assets	95,066	-
Losses on disposals of intangible assets	- (	2,882)
Fee expense arising from financial liabilities not at fair value through profit or loss	(3,464) (	7,213)
Gains on disposals of property, plant and equipment	3,188	438
Gains arising from sale and leaseback transactions	-	1,080,862
(Losses) gains on disposals of investment property	(2,700)	221,868
(Losses) gains on financial assets at fair value through profit or loss	(246,105)	142,158
Fee expense arising from trust and fiduciary services	(9,517)	-
Losses on fair value adjustment, investment property	(333,016) (	538,288)
Impairment loss recognised in profit or loss, Property, plant and equipment	- (	556,573)
Miscellaneous expenses	(14,648) (	53,845)
Gains arising from lease modifications	1,057	2,747
Impairment loss recognised in profit or loss, non-current assets held for sale	(74,977)	-
	<u>(\$ 288,498)</u>	<u>\$ 371,554</u>

(27) Finance costs

	Years ended December 31,	
	2022	2021
Bank borrowings	\$ 849,724	\$ 812,319
Less: Capitalisation of qualifying assets	(117,152)	(180,786)
	732,572	631,533
Interest expense on lease liabilities	8,664	7,410
Interest expense	<u>\$ 741,236</u>	<u>\$ 638,943</u>

(28) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 2,045,363	\$ 2,355,365
Depreciation charges on property, plant and equipment	182,948	191,866
Depreciation charges on right-of-use assets	120,001	74,068
Amortisation charges on intangible assets	14,714	10,991
Operating costs and expenses	<u>\$ 2,363,026</u>	<u>\$ 2,632,290</u>

(29) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 1,717,042	\$ 1,979,759
Labour and health insurance fees	57,079	57,069
Pension costs	37,420	35,663
Other personnel expenses	233,822	282,874
	<u>\$ 2,045,363</u>	<u>\$ 2,355,365</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, 2022 and 2021, employees' compensation were accrued at \$108,000 and \$181,800, respectively; while directors' and supervisors' remuneration were accrued at \$10,600 and \$22,200, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2022, 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 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 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.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 416,650	\$ 528,192
Tax on undistributed surplus earnings	36,963	6,895
Prior year income tax overestimation	(26,214)	(6,842)
Total current tax	<u>427,399</u>	<u>528,245</u>
Deferred tax:		
Origination and reversal of temporary differences	(360,387)	(73,749)
Total deferred tax	<u>(360,387)</u>	<u>(73,749)</u>
Income tax expense	<u>\$ 67,012</u>	<u>\$ 454,496</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2022	2021
Currency translation differences	(\$ 11,161)	(\$ 843)
Remeasurement of defined benefit obligations	(6,576)	-
	<u>(\$ 17,737)</u>	<u>(\$ 843)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
Income/(Loss)	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 142,820	\$ 278,861
Effect from expenses disallowed by tax regulation	(39,547)	(144,449)
Taxable loss not recognised as deferred tax assets	232,111	215,257
Change in assessment of realisation of deferred tax assets	(279,121)	104,774
Tax on undistributed surplus earnings	36,963	6,895
Prior year income tax overestimation	(26,214)	(6,842)
Income tax expense	<u>\$ 67,012</u>	<u>\$ 454,496</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Temporary differences:					
Unrealised 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	<u>283,589</u>	<u>436,804</u>	<u>-</u>	<u>-</u>	<u>720,393</u>
	<u>387,328</u>	<u>446,092</u>	<u>(11,161)</u>	<u>-</u>	<u>822,259</u>
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)
Rent by straight-line method	(75,684)	(1,809)	-	-	(77,493)
Unrealised sales losses	(855)	855	-	-	-
Accrued pension liability	(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>

2021					
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Translation differences</u>	<u>December 31</u>
Deferred tax assets:					
Temporary differences:					
Unrealised exchange losses	\$ 1,181	(\$ 1,181)	\$ -	\$ -	\$ -
Allowance for bad debts	8,916	(5,307)	-	-	3,609
Allowance for spare valuation losses	1,581	2,191	-	-	3,772
Allowance for inventory valuation losses	39,015	31,879	-	-	70,894
Unused compensated absences	5,065	-	-	-	5,065
Accrued pension liability	1,781	(1,781)	-	-	-
Currency translation differences	21,241	-	(843)	-	20,398
Fair value adjustment, investment property	43,939	(43,939)	-	-	-
Tax losses	<u>490,115</u>	<u>(206,525)</u>	<u>-</u>	<u>-</u>	<u>283,590</u>
	<u>612,834</u>	<u>(224,663)</u>	<u>(843)</u>	<u>-</u>	<u>387,328</u>
Deferred tax liabilities:					
Temporary differences:					
Unrealised exchange gain	-	(12,215)	-	-	(12,215)
Foreign investment income using equity method	(519,461)	(40,252)	-	-	(559,713)
Rent by straight-line method	(76,731)	1,047	-	-	(75,684)
Unrealised sales losses	(548)	(307)	-	-	(855)
Increase in revaluation	(4,285)	4,285	-	-	-
Accrued pension liability	-	(23)	-	-	(23)
Fair value adjustment, investment property	<u>(11,607,584)</u>	<u>345,877</u>	<u>-</u>	<u>(92,710)</u>	<u>(11,354,417)</u>
	<u>(12,208,609)</u>	<u>298,412</u>	<u>-</u>	<u>(92,710)</u>	<u>(12,002,907)</u>
	<u>(\$ 11,595,775)</u>	<u>\$ 73,749</u>	<u>(\$ 843)</u>	<u>(\$ 92,710)</u>	<u>(\$ 11,615,579)</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, 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

December 31, 2021				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2017	\$ 738,745	\$ 696,032	\$ 322,165	2022
2018	1,121,542	852,018	634,220	2023
2019	1,333,961	1,327,027	1,168,192	2024
2020	962,655	962,651	778,869	2025
2021	1,061,101	1,061,101	861,026	2026

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the temporary differences unrecognised as deferred tax liabilities were \$9,188,459 and \$9,266,942, respectively.

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(31) Earnings per share

	<u>Year ended December 31, 2022</u>	
		Weighted average number of ordinary E shares outstanding
	<u>Amount after tax</u>	<u>(shares in thou</u>
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	<u>\$ 824,526</u>	
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$	
Assumed conversion of all dilutive potential ordinary shares		
Employees' bonus		
Profit attributable to shareholders o		
assume		
p		

	<u>Year ended December 31, 2021</u>	
		Weighted average number of ordinary E shares outstanding
	<u>Amount after tax</u>	<u>(shares in thou</u>
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,796,350</u>	
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$	
Assumed conversion of all dilutive potential ordinary shares		
Employees' bonus		
Profit attributable to shareholders o		
assume		
p		

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2022	2021
Acquisition of property, plant and equipment	\$ 145,797	\$ 65,963
Add: Opening balance of payable	263,725	386,727
Ending balance of prepayment	(287,370)	3,896
Less: Ending balance of payable	5,162	(263,725)
Opening balance of prepayment	(3,896)	(3,139)
Capitalisation of interest	(35,753)	(31,487)
Cash paid during the year	<u>\$ 87,665</u>	<u>\$ 158,235</u>
Acquisition of investment property	\$ 78,456	\$ 75,386
Add: Opening balance of payable	31,257	88,173
Less: Ending balance of payable	(25,460)	(31,257)
Cash paid during the year	<u>\$ 84,253</u>	<u>\$ 132,302</u>
Proceeds from disposal of property, plant and equipment	\$ 556,625	\$ -
Add: Opening balance of receivable	-	215,298
Cash received during the year	<u>\$ 556,625</u>	<u>\$ 215,298</u>
Dividend income	\$ 49,270	\$ 33,936
Add: Dividend received from investments accounted for using the equity method	213,782	932,780
Add: Opening balance of receivable	478,389	-
Less: Ending balance of receivable	(692,171)	(478,389)
Cash received during the year	<u>\$ 49,270</u>	<u>\$ 488,327</u>
	Years ended December 31,	
	2022	2021
Cash dividends	\$ 1,285,752	\$ 373,358
Less: Received cash dividends from the parent company	(56,800)	(16,228)
Cash paid during the year	<u>\$ 1,228,952</u>	<u>\$ 357,130</u>

(33) Changes in liabilities from financing activities

	2021				
	Short-term <u>borrowings</u>	Long-term <u>borrowings</u>	Bonds <u>payable</u>	Lease <u>liabilities</u>	Liabilities from financing <u>activities-gross</u>
At January 1	\$6,856,140	\$24,690,915	\$5,000,000	\$ 112,268	\$ 36,659,323
Changes in cash flow from financing activities	(2,121,774)	(3,108,463)	-	(27,059)	(5,257,296)
Impact of changes in foreign exchange rate	12,057	87,895	-	(1,829)	98,123
Changes in other non-cash items	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,644</u>	<u>200,644</u>
At December 31	<u>\$4,746,423</u>	<u>\$21,670,347</u>	<u>\$5,000,000</u>	<u>\$ 284,024</u>	<u>\$ 31,700,794</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 person
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.	Other related party
Chicony Square (Wuhan) Inc.	Other related party
Chicony Industry (Wuhan) Co., Ltd.	Other related party
Chicony Square (Wuhan) Inc.	Other related party
Chicony Square (Cayman) Inc.	Other related party
Epoque Corporation	Other related party
Hon Hui Si Yuan Co., Ltd.	Other related party
HUA TAI INVESTMENT	Other related party
Taipei Taiwan	Other related party
Taiwan	Other related party

(2) Significant related party transactions

A. Operating revenue

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Sales of goods:		
-Entity with joint control over this entity	\$ 501	\$ 466
Sales of services:		
-Other related parties	3,338	4,781
-Associates	-	139
	<u>\$ 3,839</u>	<u>\$ 5,386</u>

The Group (Buynow (China)) offered the services to related parties.

B. Purchases

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Purchases of goods:		
-Other related parties	\$ 835,132	\$ 1,046,051

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, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
-Chicony Electronics (Suzhou) Co., Ltd.	\$ 199,740	\$ 237,004
-Chicony Power Technology Co., Ltd.	<u>80,982</u>	<u>110,984</u>
	<u>\$ 280,722</u>	<u>\$ 347,988</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, 2022</u>	<u>December 31, 2021</u>
Other receivables - dividends:		
-Chicony SQUARE (WUHAN) INC.	\$ <u>692,171</u>	\$ <u>478,389</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. Acquisition of financial assets

F. Loans from related parties

Loans from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
CHICONY SQUARE (CAYMAN) INC.	\$ <u>432,785</u>	\$ <u>390,218</u>

The loans from associates are payable at maturity within 1~5 years after the loan is made and carry interest at 0% and 0%~5.68% per annum for the years ended December 31, 2022 and 2021, respectively. There was no interest payable (recognised as other payables) as of December 31, 2022 and 2021. Additionally, interest expense recognised for the years ended December 31, 2022 and 2021 were \$0 and \$3,536, respectively.

G Lease transactions - lessee

(a) The Group leased buildings from Hon Hui Si Yuan Co., Ltd. and Honghui Real Estate Company in February 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,	
	2022	2021
Hon Hui Si Yuan Co., Ltd.	\$ 175,634	\$ -

(c) Lease liabilities

(i) Outstanding balance:

	<u>December 31, 2022</u>	<u>December 3</u>
Hon Hui Si Yuan Co., Ltd.	\$	
Honghui Real Estate Company		

(ii) Interest expense

H. Others

(a) The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu for the years ended December 31, 2022 and 2021.

(b) 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 related information is provided in Note 6(5).

(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

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets at amortised cost (current and non- current)	\$ 1,127,857	\$ 1,112,176	STANDBY L/C, long-term and short-term borrowings
Property, plant and equipment	1,125,611	1,195,560	Long-term borrowings
Investment property and right-of-use asset	55,024,429	52,344,330	Long-term and short-term borrowings
	<u>\$ 57,277,897</u>	<u>\$ 54,652,066</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT
COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2022 and 2021, the Company issued guarantee notes amounting to \$25,321,482 and \$22,710,525, respectively, for bank repayment and forward exchange trading.
- B. On December 28, 2018, the Company entered into a syndicated loan agreement with 9 banks including Taiwan Cooperative Bank amounting to \$6,000,000 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, 2022 and 2021, the Group's total contract prices for signed construction contracts amounted to \$5,642,337 and \$8,491,448, of which \$5,113,747 and \$7,667,993 were paid and \$528,590 and \$823,455 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 2022 earnings on March 15, 2023. Details are provided in Note 6(21) 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, 2022, the Group's strategy, which was unchanged from 2021, was to maintain the gearing ratio within 40% to 60%. The gearing ratios at December 31, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total borrowings	\$ 33,742,813	\$ 31,416,770
Less: Cash and cash equivalents	(7,051,419)	(3,816,041)
Net debt	26,691,394	27,600,729
Total equity	41,790,352	41,310,424
Total capital	<u>\$ 68,481,746</u>	<u>\$ 68,911,153</u>
Gearing ratio	39%	40%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 2,181,499	\$ 2,530,073
Financial assets at amortised cost	11,711,849	8,925,923
	<u>\$ 13,893,348</u>	<u>\$ 11,455,996</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	\$ 38,633,964	\$ 36,576,456
Lease liability	<u>\$ 345,923</u>	<u>\$ 284,024</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, time deposits unqualified as cash equivalents and restricted bank deposits; 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, 2022			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(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	1,304,313
<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

December 31, 2021			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 279,233	27.68	\$ 7,729,169
USD:RMB	2,283	6.38	63,214
RMB:NTD	3,653	4.34	15,854
<u>Investments accounted for using the equity method</u>			
USD:NTD	60,762	27.68	1,681,896
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	26,043	27.68	720,870
USD:RMB	225,156	6.38	6,234,390

- 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, 2022 and 2021 amounted to \$296,618 and \$82,282, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022	
	Sensitivity analysis	
		E
	Degree of variation	Effect on profit
(Foreign currency: functional currency)		
<u>Financial assets</u>		
<u>Monetary items</u>		
USD:NTD		
USD:RMB		
RMB:NTD		
<u>Financial liabilities</u>		
<u>Monetary ite</u>		
USD		

	Year ended December 31, 2021		
	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%	\$ 61,833	\$ -
USD:RMB	1%	506	-
RMB:NTD	1%	127	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,767	-
USD:RMB	1%	49,875	-

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, 2022 and 2021 would have increased/decreased by \$20,871 and \$24,408, 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, 2022 and 2021, 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, 2022 and 2021 would have decreased/increased by \$223,631 and \$205,769, 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, 2022 and 2021, 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, 2022 and 2021, the provision matrix is as follows:

		1~90 days	91~180 da
December 31, 2022	Not past due	past due	
Expected loss rate	0.03%~3.34%	0.10%~54.99%	
Total book value	\$ 1,906,169	\$	
Loss allowance	1,146		
	181~270		
Expected loss rate			
Total book v			
Los			

December 31, 2021	Not past due	1~90 days past due	91~180 days past due
Expected loss rate	0.04%~6.83%	0.06%~38.38%	7.59%~57.31%
Total book value	\$ 2,232,041	\$ 1,139,562	\$ 35,704
Loss allowance	715	2,422	965
	181~270 days past due	Over 270 days	Total
Expected loss rate	63.46%~100%	100%	
Total book value	\$ 27,646	\$ 35,337	\$ 3,470,290
Loss allowance	4,450	35,337	43,889

xi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

(c) Liquidity risk

- i. 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.
- ii. 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, 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	-

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>
<u>Non-derivative financial liabilities</u>			
Lease liability	\$ 69,969	\$ 70,390	
Bonds payable	40,000		
Long-term borrowings (including current portion)	3,889,462		
Guarantee deposits received			
Long-term pa			

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, 2022 and 2021 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<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>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 1,104,878	\$ -	\$ -	\$ 1,104,878
Forward foreign exchange contracts	-	2,727	-	2,727
Beneficiary certificates	69,400	1,353,068	-	1,422,468
Investment property (Note 1)	-	-	62,408,602	62,408,602
	<u>\$ 1,174,278</u>	<u>\$ 1,355,795</u>	<u>\$ 62,408,602</u>	<u>\$ 64,938,675</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, 2022 and 2021, 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, 2022 and 2021 is provided in Note 6(9).
- F. For the years ended December 31, 2022 and 2021, 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, 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
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 62,408,602	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: Refer to table 5.

- 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 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.
- 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 8.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Refer to table 9.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 10.
- B. Ceiling on investments in Mainland China: Refer to table 10.
- C. 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 1,2,4,6,7 and 8.

(4) Major shareholders information

Major shareholders information: Refer to table 11.

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) Measurement of segment information

The Group's accounting policies of operating segments are the same as Note 4. Management has determined the Group's operating segment profit or loss is measured based on operating income before tax (not including extraordinary profit and loss) for performance assessment basis. The Group considers the sale and transfer among segments as transactions with third parties. Reporting amount and reports for operating decision-maker are the same.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

<u>Year ended December 31, 2022</u>	<u>Computer Segment</u>	<u>Buynow Plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 18,812,645	\$ 3,383,226	\$ 989	\$22,196,860
Inter-segment revenue	<u>13,744,365</u>	<u>-</u>	<u>-</u>	<u>13,744,365</u>
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>

<u>Year ended December 31, 2021</u>	<u>Computer Segment</u>	<u>Buynow Plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 22,844,822	\$ 4,146,128	\$ 892	\$26,991,842
Inter-segment revenue	<u>15,966,156</u>	<u>-</u>	<u>-</u>	<u>15,966,156</u>
Total segment revenue	<u>\$ 38,810,978</u>	<u>\$ 4,146,128</u>	<u>\$ 892</u>	<u>\$42,957,998</u>
External-segment income (before tax)	<u>\$ 2,896,490</u>	<u>(\$ 651,993)</u>	<u>\$ 6,349</u>	<u>\$ 2,250,846</u>
Segment income (after tax)	<u>\$ 2,536,480</u>	<u>(\$ 746,479)</u>	<u>\$ 6,349</u>	<u>\$ 1,796,350</u>
Segment income (loss), including				
Interest income	<u>\$ 7,503</u>	<u>\$ 10,688</u>	<u>\$ -</u>	<u>\$ 18,191</u>
Interest expense	<u>(\$ 126,468)</u>	<u>(\$ 512,475)</u>	<u>\$ -</u>	<u>(\$ 638,943)</u>
Depreciation and amortisation	<u>\$ 78,349</u>	<u>\$ 198,576</u>	<u>\$ -</u>	<u>\$ 276,925</u>
Gains arising from sale and leaseback transactions	<u>\$ 1,080,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,080,862</u>
Gains (losses) on disposals of investment property	<u>\$ 222,594</u>	<u>(\$ 726)</u>	<u>\$ -</u>	<u>\$ 221,868</u>
Fair value adjustment - investment property	<u>\$ 301,698</u>	<u>(\$ 839,986)</u>	<u>\$ -</u>	<u>(\$ 538,288)</u>
Impairment loss on property, plant and equipment	<u>\$ -</u>	<u>(\$ 556,573)</u>	<u>\$ -</u>	<u>(\$ 556,573)</u>
Income tax expense (benefit)	<u>(\$ 360,010)</u>	<u>(\$ 94,486)</u>	<u>\$ -</u>	<u>(\$ 454,496)</u>

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2022 and 2021 is provided as follows:

	<u>Years ended December 31,</u>	
<u>Revenue</u>	<u>2022</u>	<u>2021</u>
Reportable segments revenue	\$ 35,940,236	\$ 42,957,106
Other segments revenue	989	892
Elimination of intersegment revenue	<u>(13,744,365)</u>	<u>(15,966,156)</u>
Total revenue	<u>\$ 22,196,860</u>	<u>\$ 26,991,842</u>
	<u>Years ended December 31,</u>	
<u>Income/(Loss)</u>	<u>2022</u>	<u>2021</u>
Reportable segments income (after tax)	\$ 830,287	\$ 1,790,001
Other segments (loss) income (after tax)	<u>(5,761)</u>	<u>6,349</u>
Elimination of intersegment transactions	<u>-</u>	<u>-</u>
Income after tax from continuing operations	<u>\$ 824,526</u>	<u>\$ 1,796,350</u>

(5) Information on products and services

	Years ended December 31,	
	2022	2021
Sales of computer products	\$ 18,812,645	\$ 22,844,822
Rental revenue	2,451,684	2,561,967
Sales of computer peripherals	363,796	590,916
Land development and resale from Buynow	29,498	443,679
Hotel revenue	-	2,858
Other revenue	539,237	547,600
	<u>\$ 22,196,860</u>	<u>\$ 26,991,842</u>

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

[illegible]

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as

follows:

		Years ended December 31,	
		2022	2021
		Revenue	Revenue
A		\$ 2,306,945	\$ 3,020,634
B		\$ 2,027,696	\$ 2,354,796

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CLEVO CO. and Subsidiaries
Loans to others
Year ended December 31, 2022

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, 2022 (Note 3)	Balance at December 31, 2022 (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	\$ 120,534	\$ 120,534	\$ 120,534	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	258,829	258,829	258,829	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	35,257	13,221	13,221	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	46,715	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	220,135	206,913	206,913	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	140,146	140,146	140,146	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	15,425	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	35,257	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	411,182	386,062	386,062	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	46,275	13,221	13,221	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	17,628	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	113,042	112,161	112,161	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	132,566	128,599	128,599	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Other receivables - related parties - current	Yes	27,765	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	165,266	165,266	165,266	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	324,583	315,769	315,769	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	26,443	26,443	26,443	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	52,885	52,885	52,885	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	46,275	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	35,257	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	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, 2022 (Note 3)	Balance at December 31, 2022 (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			
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd	Other receivables - related parties - current	Yes	\$ 429,913	\$ 429,913	\$ 429,913	3.70%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	Note 8
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	169,453	165,927	165,927	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	31,290	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	34,375	32,172	32,172	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	176,284	176,284	176,284	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	325,905	193,692	193,692	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	173,199	173,199	173,199	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	173,287	173,287	173,287	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	654,763	654,763	654,763	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	98,719	98,719	98,719	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	89,905	89,905	89,905	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	502,938	489,717	489,717	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	176,284	176,284	176,284	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	83,735	83,735	83,735	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	438,506	438,506	438,506	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	196,557	196,557	196,557	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	558,380	558,380	558,380	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Kunshan Kaishuo Trading Co., Ltd.	Other receivables - related parties - current	Yes	176,284	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	264,426	264,426	264,426	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	157,333	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	64,564	64,564	64,564	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	33,053	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	262,795	262,795	262,795	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	63,110	63,110	63,110	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	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, 2022 (Note 3)	Balance at December 31, 2022 (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			
5	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 83,515	\$ 83,515	\$ 83,515	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	Note 8
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	143,319	143,319	143,319	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	95,943	95,943	95,943	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	82,589	82,589	82,589	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	92,549	66,107	66,107	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	101,892	101,892	101,892	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	48,478	48,478	48,478	1.65%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	105,770	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	45,129	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	124,501	109,076	109,076	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	176,725	158,656	158,656	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	118,815	118,815	118,815	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	26,443	26,443	26,443	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	58,394	51,783	51,783	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	69,456	69,456	69,456	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	201,625	190,607	190,607	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	126,880	124,677	124,677	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	196,116	182,013	182,013	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other receivables - related parties - current	Yes	4,407	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	47,597	47,597	47,597	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	26,443	13,221	13,221	1.65%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	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, 2022 (Note 3)	Balance at December 31, 2022 (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			
9	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 39,664	\$ 39,664	\$ 39,664	3.70%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	Note 8
9	Buynow (Changchun) Industry Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	17,628	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	77,918	70,425	70,425	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	203,828	187,522	187,522	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	22,036	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
11	Quality Trust Property Management Co., Ltd	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	18,510	11,899	11,899	3.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
11	Quality Trust Property Management Co., Ltd	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	221,897	201,184	201,184	3.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
11	Quality Trust Property Management Co., Ltd	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	5,289	-	-	3.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd	Other receivables - related parties - current	Yes	227,847	227,847	227,847	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	283,156	271,257	271,257	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Other receivables - related parties - current	Yes	66,107	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	24,239	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	183,371	183,371	183,371	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	33,053	33,053	33,053	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
13	Wuxi Quntai Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	26,883	26,883	26,883	3.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
14	Beijing Kaiye Electronic Technology Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	22,036	-	-	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
15	Buynow (Chongqing) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	73,599	50,241	50,241	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	131,772	131,772	131,772	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	82,853	82,853	82,853	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	284,655	250,720	250,720	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	199,730	85,586	85,586	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	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, 2022 (Note 3)	Balance at December 31, 2022 (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			
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 331,855	\$ 305,412	\$ 305,412	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	208,985	208,985	208,985	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
16	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Other receivables - related parties - current	Yes	31,731	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	159,096	159,096	159,096	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	69,191	69,191	69,191	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	281,878	251,028	251,028	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	152,239	152,239	152,239	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	4,407	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
17	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	96,912	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other receivables - related parties - current	Yes	22,036	-	-	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	30,850	30,850	30,850	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	270,376	270,376	270,376	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	22,036	22,036	22,036	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	348,161	348,161	348,161	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
18	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	24,900	24,900	24,900	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
19	Beijing Clevo Investment Management Consultant Co.,Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	304,751	271,257	271,257	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
19	Beijing Clevo Investment Management Consultant Co.,Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	304,531	304,531	304,531	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	356,050	356,050	356,050	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	68,310	68,310	68,310	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	73,995	65,181	65,181	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	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, 2022 (Note 3)	Balance at December 31, 2022 (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			
20	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 72,541	\$ 47,200	\$ 47,200	3.70%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	11,018	6,170	6,170	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	19,347	3,085	3,085	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	33,053	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	246,357	243,713	243,713	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	123,399	52,885	52,885	1.65%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	247,459	220,355	220,355	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	93,431	-	-	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
20	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	278,529	272,359	272,359	3.70%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	35,257	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	74,921	70,514	70,514	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Other receivables - related parties - current	Yes	100,923	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	82,413	-	-	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	637,531	616,818	616,818	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	340,448	329,431	329,431	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
21	Shantou Buynow Mall Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	103,126	76,243	76,243	4.50%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
22	Clevo (China) Investment Co., Ltd.	Shanghai Buynow Online Information Technology Co., Ltd.	Other receivables - related parties - current	Yes	11,458	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
22	Clevo (China) Investment Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Other receivables - related parties - current	Yes	1,102	-	-	0.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	Note 8
23	Dezhou Buynow Electronic Information Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	61,699	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,716,141	41,790,352	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, 2022 (Note 3)	Balance at December 31, 2022 (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			
24	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 176,284	\$ -	\$ -	4.50%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,716,141	\$ 41,790,352	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, 2022.

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, 2022

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, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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	\$ 41,790,352	\$ 777,412	\$ 777,412	\$ 661,541	\$ 777,412	0.02	\$ 41,790,352	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,790,352	176,284	176,284	70,514	-	0.00	41,790,352	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	41,790,352	348,161	348,161	304,090	-	0.01	41,790,352	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	3	41,790,352	132,213	-	-	-	-	41,790,352	N	N	Y	-
2	Buynow (Hangzhou) Electronic Information Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	3	41,790,352	132,213	132,213	131,332	132,213	0.00	41,790,352	N	N	Y	-
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,790,352	1,101,775	837,349	327,963	837,349	0.02	41,790,352	N	N	Y	-
4	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	41,790,352	1,586,556	1,586,556	1,256,024	1,586,556	0.04	41,790,352	N	N	Y	-
4	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	41,790,352	777,412	777,412	661,541	-	0.02	41,790,352	N	N	Y	-
5	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,790,352	1,101,775	1,101,775	881,420	1,101,775	0.03	41,790,352	N	N	Y	-
6	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	41,790,352	264,426	-	-	-	-	41,790,352	N	N	Y	-
7	Zibo Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,790,352	202,727	202,727	141,909	202,727	0.00	41,790,352	N	N	Y	-
7	Zibo Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	41,790,352	136,620	136,620	116,127	136,620	0.00	41,790,352	N	N	Y	-
8	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	3	41,790,352	440,710	220,355	44,071	220,355	0.01	41,790,352	N	N	Y	-
8	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	41,790,352	423,082	423,082	380,773	423,082	0.01	41,790,352	N	N	Y	-
8	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,790,352	141,027	141,027	70,514	141,027	0.00	41,790,352	N	N	Y	-
8	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	41,790,352	304,090	304,090	-	304,090	0.01	41,790,352	N	N	Y	-
9	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	41,790,352	857,243	857,243	-	857,243	0.02	41,790,352	N	N	Y	-
10	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,790,352	176,284	176,284	70,514	176,284	0.00	41,790,352	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, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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)											
11	Buynow (Changchun) Industry Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	\$ 41,790,352	\$ 308,497	\$ 308,497	\$ 254,290	\$ 308,497	0.01	\$ 41,790,352	N	N	Y	-
11	Buynow (Changchun) Industry Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	3	41,790,352	158,656	158,656	132,213	158,656	0.00	41,790,352	N	N	Y	-
12	Guangdong Buynow Real Estate Management Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	41,790,352	1,101,775	1,101,775	881,420	1,101,775	0.03	41,790,352	N	N	Y	-
13	Buynow (Harbin) Industry Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	3	41,790,352	2,302,050	2,302,050	2,302,050	2,302,050	0.06	41,790,352	N	N	Y	-
14	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,790,352	396,639	396,639	165,266	396,639	0.01	41,790,352	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, 2022

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	4,697,000	\$ 405,351	0.62%	\$ 405,351	-
Clevo Co.	HOTA INDUSTRIAL MFG. CO., LTD.	-	Financial assets at fair value through profit or loss - current	2,000	134	0.00%	134	-
Clevo Co.	PANION & BF BIOTECH INC.	-	Financial assets at fair value through profit or loss - current	19,000	3,401	0.02%	3,401	-
Clevo Co.	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	203,000	6,049	0.00%	6,049	-
Clevo Co.	CHROMA ATE INC.	-	Financial assets at fair value through profit or loss - current	50,000	9,050	0.01%	9,050	-
Clevo Co.	AUO Corporation	-	Financial assets at fair value through profit or loss - current	874,391	13,116	0.01%	13,116	-
Clevo Co.	VISUAL PHOTONICS EPITAXY CO., LTD.	-	Financial assets at fair value through profit or loss - current	94,000	6,486	0.05%	6,486	-
Clevo Co.	Aerospace Industrial Development Corporation	-	Financial assets at fair value through profit or loss - current	294,000	10,511	0.03%	10,511	-
Clevo Co.	TAIWAN BUSINESS BANK, LTD.	-	Financial assets at fair value through profit or loss - current	8,530,699	110,473	0.11%	110,473	-
Clevo Co.	Mega Financial Holding Company Ltd.	-	Financial assets at fair value through profit or loss - current	74,000	2,246	0.00%	2,246	-
Clevo Co.	CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at fair value through profit or loss - current	2,311,000	51,073	0.01%	51,073	-
Clevo Co.	Getac Holdings Corporation	-	Financial assets at fair value through profit or loss - current	81,000	3,576	0.01%	3,576	-
Clevo Co.	Tripod Technology Corporation	-	Financial assets at fair value through profit or loss - current	120,000	11,280	0.02%	11,280	-
Clevo Co.	Advanced Ceramic X Corporation	-	Financial assets at fair value through profit or loss - current	46,000	8,395	0.07%	8,395	-
Clevo Co.	AURAS Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10,000	1,480	0.01%	1,480	-
Clevo Co.	Swancor Holding Co., LTD.	-	Financial assets at fair value through profit or loss - current	66,000	6,303	0.07%	6,303	-
Clevo Co.	TaiMed Biologics Inc.	-	Financial assets at fair value through profit or loss - current	6,000	424	0.00%	424	-
Clevo Co.	Zhen Ding Technology Holding Limited	-	Financial assets at fair value through profit or loss - current	380,000	39,900	0.04%	39,900	-
Clevo Co.	TRANSCOM, INC.	-	Financial assets at fair value through profit or loss - current	25,000	3,475	0.04%	3,475	-
Clevo Co.	SYSGRATION LTD.	-	Financial assets at fair value through profit or loss - current	170,000	6,511	0.10%	6,511	-
Clevo Co.	SERCOMM CORP.	-	Financial assets at fair value through profit or loss - current	108,000	8,240	0.04%	8,240	-
Clevo Co.	SPORTON INTERNATIONAL INC.	-	Financial assets at fair value through profit or loss - current	5,000	1,048	0.01%	1,048	-
Clevo Co.	TONG HSING ELECTRONIC INDUSTRIES ,LTD.	-	Financial assets at fair value through profit or loss - current	11,600	2,216	0.01%	2,216	-
Clevo Co.	TSEC CORPORATION	-	Financial assets at fair value through profit or loss - current	133,000	4,595	0.03%	4,595	-
Clevo Co.	Anji Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	170,000	7,718	0.14%	7,718	-
Clevo Co.	GlobalWafers Co., Ltd	-	Financial assets at fair value through profit or loss - current	11,000	4,703	0.00%	4,703	-
Clevo Co.	ZILLTEK TECHNOLOGY CORP.	-	Financial assets at fair value through profit or loss - current	20,000	4,680	0.04%	4,680	-
Clevo Co.	Sports Gear Co., Ltd.	-	Financial assets at fair value through profit or loss - current	70,000	5,005	0.04%	5,005	-
Clevo Co.	BOE Technology Group Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200,000	2,979	5.48%	2,979	-
Clevo Co.	ACTRON TECHNOLOGY CORPORATION	-	Financial assets at fair value through profit or loss - current	70,000	11,445	0.08%	11,445	-
Clevo Co.	momo.com Inc.	-	Financial assets at fair value through profit or loss - current	3,000	1,926	0.00%	1,926	-
Clevo Co.	MACAUTO INDUSTRIAL CO., LTD	-	Financial assets at fair value through profit or loss - current	64,000	4,166	0.09%	4,166	-
Clevo Co.	Foxconn Industrial Internet Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,760,000	71,204	0.01%	71,204	-
	Beneficiary certificate							-
Clevo Co.	UG Greater China Multi-Strategy Fund	-	Financial assets at fair value through profit or loss - current	78,788	369,737	-	369,737	-
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	14,059	-	14,059	-
Clevo Co.	Cathay Global Autonomous and Electric Vehicles ETF	-	Financial assets at fair value through profit or loss - current	3,000,000	32,220	-	32,220	-
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	29,350	-	29,350	-
Clevo Co.	SinoPac Taiwan Superior Dividend Highlight Stocks ETF	-	Financial assets at fair value through profit or loss - current	400,000	5,748	-	5,748	-
	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	3,527	0.01%	3,527	-
Kapok Computer Co., Ltd.	CLEVO CO.	The Company	Financial asset measured at fair value through other comprehensive income- non-current	16,966,596	519,178	2.68%	519,178	-

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 Investment Co., Ltd.	CHICONY ELECTRONICS CO., LTD.	Same chairman as the Company	Financial assets at fair value through profit or loss - current	162,072	\$ 13,987	0.02%	13,987	-
Clevo Investment Co., Ltd.	CLEVO CO.	The Company	Financial asset measured at fair value through other comprehensive income- non-current	10,080,669	308,468	1.59%	308,468	-
	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	10,770	-	10,770	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	UG Hidden Dragon Special Opportunity Fund	-	Financial assets at fair value through profit or loss - current	147,988	382,892	-	382,892	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	UG Great Wall Absolute Return Fund	-	Financial assets at fair value through profit or loss - current	120,943	78,562	-	78,562	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	UG Greater China Multi-Strategy Fund	-	Financial assets at fair value through profit or loss - current	59,297	278,267	-	278,267	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	KGI Next Generation Multi-Asset Fund	-	Financial assets at fair value through profit or loss - current	384,911	105,858	-	105,858	-
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BlackRock Global Funds - ESG Multi Asset Fund	-	Financial assets at fair value through profit or loss - current	18,939	27,363	-	27,363	-

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

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, 2022

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~third Quarter of 2022	\$ 1,623,264	\$ 1,201,724	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~third Quarter of 2022	758,502	734,794	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~third Quarter of 2022	1,486,707	1,421,633	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~third Quarter of 2022	1,773,864	1,755,596	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
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Quanzhou Buynow Mall Co., Ltd.	Investment property (non-current asset held for sale)	September 2022	September 2016	\$ 581,409	\$ 556,625	\$ 556,625	(\$ 74,977)	Quanzhou Baisheng Investment Co., Ltd.	None	Active assets	Refer to the appraised amount and resolved by the Board of Directors	Fulfill the rights and obligations based on the agreement mutually signed

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of 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 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.

Note 4: Classified as Impairment loss recognised in profit or loss, non-current assets held for sale.

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, 2022

Table 6

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, 2022	Percentage of total notes/accounts receivable (payable)	
Clevo Co.	Kapok Computer (Kunshan) Co., Ltd.	The Company's ultimate parent company	Purchases	\$ 13,897,287	63.75%	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.	(429,219)	38.73%	-
Kapok Computer (Kunshan) Co., Ltd.	Clevo Co.	The Company as the ultimate parent company	Purchases	(13,897,287)	99.98%	180 days	It is the only supplier, so the price cannot be compared.	-	429,219.00	99.71%	-

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, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the	Allowance for doubtful accounts
					Amount	Action taken		
Kapok Computer (Kunshan) Co., Ltd.	Clevo Co.	The transaction object is a subsidiary of the company.	\$ 429,219	64.76	-	Reclassified to other receivables - related parties - current	\$ -	\$ -

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, 2022

Table 8

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	\$ 13,897,287	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.	62.61%
0	Clevo Co.	Kapok Computer (Kunshan) Co., Ltd.	1	Accounts Payable - related parties	429,219	-	0.46%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	120,534	5.00%	0.13%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	258,829	5.00%	0.27%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	206,913	5.00%	0.22%
1	Buynow (Hangzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	140,146	5.00%	0.15%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	386,062	3.70%	0.41%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	112,161	3.70%	0.12%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	128,599	3.70%	0.14%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other receivables - related parties - current	165,266	3.70%	0.18%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	315,769	3.70%	0.34%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	52,885	3.70%	0.06%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	3	Receivables - related parties	60,884	-	0.06%
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	78,075	-	0.08%

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)
2	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	\$ 50,820	-	0.05%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd	3	Other receivables - related parties - current	429,913	3.70%	0.46%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	165,927	3.70%	0.18%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Receivables - related parties	68,937	-	0.07%
3	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd	3	Receivables - related parties	59,795	-	0.06%
4	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	176,284	4.50%	0.19%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other receivables - related parties - current	193,692	4.50%	0.21%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	173,199	4.50%	0.18%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd	3	Other receivables - related parties - current	173,287	4.50%	0.18%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	654,763	4.50%	0.70%
4	Kapok Computer (Kunshan) Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Other receivables - related parties - current	98,719	4.50%	0.10%
4	Kapok Computer (Kunshan) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	89,905	4.50%	0.10%
4	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other receivables - related parties - current	489,717	4.50%	0.52%
4	Kapok Computer (Kunshan) Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other receivables - related parties - current	176,284	4.50%	0.19%
4	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	83,735	4.50%	0.09%
4	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	438,506	4.50%	0.47%
4	Kapok Computer (Kunshan) Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	196,557	4.50%	0.21%
4	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	558,380	4.50%	0.59%
4	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	264,426	4.50%	0.28%

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)
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	\$ 64,564	5.00%	0.07%
5	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	262,795	5.00%	0.28%
5	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	63,110	5.00%	0.07%
5	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	83,515	5.00%	0.09%
5	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	143,319	5.00%	0.15%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	95,943	3.70%	0.10%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	82,589	3.70%	0.09%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other receivables - related parties - current	66,107	3.70%	0.07%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	101,892	3.70%	0.11%
6	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Receivables - related parties	50,809	-	0.05%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	109,076	3.70%	0.12%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	158,656	3.70%	0.17%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	118,815	3.70%	0.13%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	51,783	3.70%	0.05%
7	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	87,126	-	0.09%

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)
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	\$ 69,456	3.70%	0.07%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	190,607	3.70%	0.20%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Other receivables - related parties - current	124,677	3.70%	0.13%
8	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Corporation	3	Receivables - related parties	52,471	-	0.06%
9	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd	3	Other receivables - related parties - current	182,013	3.70%	0.19%
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	70,425	5.00%	0.07%
10	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	187,522	5.00%	0.20%
11	Quality Trust Property Management Co., Ltd	Daqing Buynow Electronic Information Corporation	3	Other receivables - related parties - current	201,184	3.00%	0.21%
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd	3	Other receivables - related parties - current	227,847	3.70%	0.24%
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	271,257	3.70%	0.29%
12	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	183,371	3.70%	0.19%
13	Buynow (Chongqing) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	50,241	5.00%	0.05%
13	Buynow (Chongqing) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	64,690	-	0.07%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	131,772	5.00%	0.14%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	82,853	5.00%	0.09%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	250,720	5.00%	0.27%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	85,586	5.00%	0.09%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	305,412	5.00%	0.32%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	208,985	5.00%	0.22%

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.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	\$ 112,414	-	0.12%
14	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	76,617	-	0.08%
15	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	159,096	3.70%	0.17%
15	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd	3	Other receivables - related parties - current	69,191	3.70%	0.07%
15	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	251,028	3.70%	0.27%
15	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd	3	Other receivables - related parties - current	152,239	3.70%	0.16%
15	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	59,230	-	0.06%
15	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	63,808	-	0.07%
16	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other receivables - related parties - current	270,376	0.00%	0.29%
16	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	348,161	0.00%	0.37%
17	Beijing Clevo Investment Management Consultant Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	271,257	5.00%	0.29%
17	Beijing Clevo Investment Management Consultant Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	304,531	5.00%	0.32%
17	Beijing Clevo Investment Management Consultant Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Receivables - related parties	53,589	-	0.06%
17	Beijing Clevo Investment Management Consultant Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	51,629	-	0.05%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	356,050	3.70%	0.38%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other receivables - related parties - current	68,310	3.70%	0.07%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	65,181	3.70%	0.07%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	243,713	3.70%	0.26%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	52,885	1.65%	0.06%

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	Other receivables - related parties - current	\$ 220,355	3.70%	0.23%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	272,359	3.70%	0.29%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	153,080	-	0.16%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	67,205	-	0.07%
18	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	91,013	-	0.10%
19	Shantou Buynow Mall Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	70,514	4.50%	0.07%
19	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	616,818	4.50%	0.66%
19	Shantou Buynow Mall Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	3	Other receivables - related parties - current	329,431	4.50%	0.35%
19	Shantou Buynow Mall Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	76,243	4.50%	0.08%
19	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	56,011	-	0.06%
(2) The subsidiaries are numbered in order starting from '1'.							
20	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	113,957	4.50%	0.12%
21	Buynow (Chongqing) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	65,647	-	0.07%

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

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, 2022

Table 9

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, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	No. of shares	Ownership (%)	Book value			
Clevo Co.	CLEVO COMPUTER SINGAPORE PTE LTD.	Singapore	Investment	\$ 420,061	\$ 420,061	22,325,453	100.00	\$ 7,805,693	\$ 135,859	\$ 135,859	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	43,142,281	(174,273)	(174,273)	The subsidiary of the Company
Clevo Co.	KAPOK COMPUTER (SAMOA) CORPORATION	Samoa	Investment	489,985	489,985	16,000,000	100.00	1,660,391	(312,334)	(312,322)	The subsidiary of the Company
Clevo Co.	BUYNOW ON-LINE HOLDING CORPORATION	Samoa	Investment	35,513	35,513	1,100,000	100.00	4,878	464	464	The subsidiary of the Company
Clevo Co.	Clevo Investment Co., Ltd.	Taiwan	Investment	140,000	140,000	14,000,000	100.00	79,032	15,408	(5,761)	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	77,847	32,537	(3,093)	The subsidiary of the Company
Clevo Co.	Taipei Twin Corporation	Taiwan	Commercial real estate	1,100,000	1,000,000	110,000,000	50.00	1,029,182	(76,227)	(38,113)	Long-term equity investment accounted for using equity method
Clevo Co.	Tua Tiann Co., Ltd.	Taiwan	Commercial real estate	490,000	-	49,000,000	24.50	491,065	4,348	1,065	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	3,551,318	63,184	63,184	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GLOBAL CORPORATION	British Virgin Islands	Investment	118,490	118,490	2,600,000	100.00	965,117	4,944	4,944	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	3,623,464	111,269	111,269	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	3,324,450	85,794	85,794	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (CHANGSHA)	British Virgin Islands	Investment	136,180	136,180	4,000,000	100.00	233,352	7,163	7,163	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	1,250,742	69,124	69,124	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	2,301,899	(9,473)	(9,473)	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	3,211,328	59,804	59,804	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	1,986,912	37,632	37,632	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	873,172	27,081	27,081	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	3,031,460	79,683	79,683	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, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	No. of shares	Ownership (%)	Book value			
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW GROUP (QINGDAO) CORPORATION	Samoa	Investment	\$ 115,648	\$ 115,648	3,500,000	100.00	\$ 98,188	\$ 7,550	\$ 7,550	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (CHONGQING) LIMITED	Hong Kong	Investment	169,140	169,140	5,000,000	100.00	1,047,426	(11,478)	(11,478)	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	2,361,127	10,045	10,045	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	1,361,832	48,314	48,314	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	234,230	(54,144)	(54,144)	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	(112,659)	11,071	11,071	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	(166,843)	(14,168)	(14,168)	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	1,957,246	53,721	53,721	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	5,203,998	43,058	43,058	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	746,697	-	-	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	(109,305)	(6,834)	(6,834)	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	418,241	(394)	(394)	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	828,244	(102,208)	(102,208)	The Company as the ultimate parent company
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (GUIYANG) CORPORATION	Samoa	Investment	301,236	301,236	10,000,000	100.00	261,968	(495)	(495)	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	1,305,741	(288,470)	(86,541)	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	(44,580)	(475,920)	(142,776)	Long-term equity investment accounted for using equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (WUHAN) CORPORATION	Samoa	Investment	-	-	4,500,000	30.00	131,876	(72,475)	(21,743)	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	43,153	(481,862)	(18,071)	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	315,988	32,131	32,131	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	1,027,489	5,996	5,996	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	430,454	35,950	35,950	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	26,348	(157,574)	(157,574)	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	91,869	(225,322)	(225,322)	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	40,478	(72,283)	(72,283)	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, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	No. of shares	Ownership (%)	Book value			
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (SHANTOU) CORPORATION	Samoa	Investment	\$ 578,224	\$ 578,224	19,200,000	100.00	\$ 489,061	\$ 24,836	\$ 24,836	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	5,203,998	43,058	43,058	The Company as the ultimate parent company
SMARTER CAPITAL LIMITED	BUYNOW SZ. CORPORATION	Samoa	Investment	452,081	452,081	14,900,000	100.00	1,027,489	5,996	5,996	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	4,878	464	464	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, 2022' 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, 2022' 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, 2022' 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, 2022

Table 10

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	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	\$ 63,184	100.00	\$ 63,184	\$ 3,551,318	\$ -	-
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	18,990	100.00	18,990	2,000,986	-	-
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)	-	-	-	-	50,353	100.00	50,353	2,350,559	-	-
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	(318,541)	100.00	(318,541)	1,651,343	-	-
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)	-	-	-	-	2,348	100.00	2,348	6,310	-	-
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	(55,141)	30.00	(16,542)	797,442	-	-
Wuhan Qunbai Industry Co., Ltd.	Research, development and sales of computer software, hardware and electronic products; sales services; venue rental	58,904	(2) CHICONY SQUARE (WUHAN) INC.	-	-	-	-	(22,761)	30.00	(6,828)	34,054	-	-
Chicony Square (Wuhan) Management Co., Ltd.	Sales of service and non-staple food; cafe operation; venue rental	14,414	(3)	-	-	-	-	6,467	24.99	1,616	7,728	-	-
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)	-	-	-	-	(381,461)	30.00	(114,438)	320,286	-	-
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	111,269	100.00	111,269	3,623,464	-	-
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	(32,474)	100.00	(32,474)	3,145,305	-	-

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 14,044	100.00	\$ 14,044	\$ 272,810	\$ -	-
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)	-	-	-	-	2,219	100.00	2,219	31,544	-	-
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	504,484	(3)	-	-	-	-	11,860	100.00	11,860	4,798,115	-	-
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)	-	-	-	-	50,486	100.00	50,486	(23,012)	-	-
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	180,527	100.00	180,527	3,266,498	-	-
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	7,163	100.00	7,163	233,352	-	-
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	85,794	100.00	85,794	3,324,450	-	-
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	(9,609)	100.00	(9,609)	2,300,550	-	-
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	22,115	100.00	22,115	2,361,127	-	-
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	70,685	100.00	70,685	2,575,324	-	-
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	-	746,696	-	-
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	27,081	100.00	27,081	873,172	-	-
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	37,632	100.00	37,632	1,986,912	-	-
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	(481,862)	30.00	(144,559)	345,215	-	-

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 36,498	100.00	\$ 36,498	\$ 2,515,125	\$ -	-
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	66,398	100.00	66,398	8,005,610	-	-
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	83,665	100.00	83,665	3,182,969	-	-
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	-	-	-	-	(72,475)	30.00	(21,743)	131,876	-	-
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	36,669	100.00	36,669	476,871	-	-
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	67,638	100.00	67,638	1,906,526	-	-
Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	2,454	(3)	-	-	-	-	20	100.00	20	2,436	-	-
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	(54,527)	100.00	(54,527)	230,417	-	-
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	(11,478)	100.00	(11,478)	1,047,425	-	-
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	214	100.00	214	3,076	-	-
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	11,071	100.00	11,071	(112,659)	-	-
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	(17,085)	100.00	(17,085)	(273,262)	-	-
Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	574,562	(2)	574,562	-	-	574,562	24,836	100.00	24,836	489,061	-	-

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	(\$ 14,168)	100.00	(\$ 14,168)	(\$ 166,843)	\$ -	-
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	(394)	100.00	(394)	418,241	-	-
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	(102,208)	100.00	(102,208)	828,244	-	-
Clevo (China) Investment Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	897,135	(2)	897,135	-	-	897,135	(74,398)	100.00	(74,398)	2,563,589	-	-
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	(495)	100.00	(495)	261,968	-	-
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	32,131	100.00	32,131	315,987	-	-
Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	480,460	(2)	1,008,954	-	-	1,008,954	5,996	100.00	5,996	1,027,489	-	-
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	73,971	100.00	73,971	885,708	-	-
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	(157,574)	100.00	(157,574)	26,348	-	-
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	(225,322)	100.00	(225,322)	91,869	-	-
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	(72,283)	100.00	(72,283)	40,478	-	-

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 30,198	(2)	\$ 30,198	-	-	\$ 30,198	(\$ 2,223)	100.00	(\$ 2,223)	\$ 24,696	\$ -	-
Shanghai Huihei Advertisment Co., Ltd.	Advertising design and marketing	4,850	(3)	-	-	-	-	(275)	100.00	(275)	4,320	-	-
Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	22,884	(3)	-	-	-	-	37,050	100.00	37,050	3,494	-	-

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, 2022, 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, 2022	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)	\$ 15,937,639 (USD 456,227 thousand)	\$ 25,074,211

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. (41,790,352 x 60% = 25,074,211)

Note 2: It has been liquidated as of December 31, 2022, and has been approved to invest US\$4,120,000 by the Ministry of Economic Affairs.

Note 3: As of December 31, 2022, 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, 2022

Table 11

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	5.30%

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Clevo Co.

PWCR22000446

Opinion

We have audited the accompanying parent company only balance sheets of Clevo Co. (the “Company”) as at December 31, 2022 and 2021, 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 significant 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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, 2022. 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 and Valuation of investment properties were included in the Company's key audit matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Investments accounted for using equity method - valuation of investment properties

Description

Refer to Notes 4(13) and 4(17) for accounting policies on investments accounted for using equity method and investment properties, respectively, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to the fair value measurement of investment properties, and Note 6(5) for details of investments accounted for using equity method.

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.

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 Company is primarily engaged in manufacturing and sales of notebook computers. 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.

The Company 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 was 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\$491,065 thousand, constituting 1% of the total assets as at December 31, 2022, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$1,065 thousand, constituting 0% of the total comprehensive income for the year then ended.

Responsibilities of management and those charged with governance for the consolidated 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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.

Wu, Han-Chi

LIN, PO-CHUAN

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

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.

	Assets	Notes	AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 5,249,460	8	\$ 2,013,047	3
1110	Financial assets at fair value through profit or loss - current	6(2)	1,280,273	2	1,548,766	3
1170	Accounts receivable, net	6(3)	2,365,541	4	3,246,471	5
1180	Accounts receivable - related parties	6(3) and 7	-	-	1,864,640	3
1197	Finance lease receivable, net	6(8)	42,430	-	-	-
130X	Inventory	6(4)	466,143	1	414,865	1
1410	Prepayments		82,815	-	66,671	-
1479	Other current assets		79,599	-	79,672	-
11XX	Total current assets		<u>9,566,261</u>	<u>15</u>	<u>9,234,132</u>	<u>15</u>
	Non-current assets					
1535	Financial assets at amortised cost - non-current	6(1) and 8	1,046,589	2	1,012,170	1
1550	Investments accounted for under equity method	6(5)	54,290,369	83	53,205,183	84
1600	Property, plant and equipment	6(6)	103,513	-	9,892	-
1755	Right-of-use assets	6(7) and 7	131,726	-	35,452	-
1780	Intangible assets		46,313	-	4,562	-
1840	Deferred income tax assets	6(26)	32,386	-	35,307	-
194D	Long-term finance lease receivable, net	6(8)	80,770	-	-	-
1975	Net defined benefit asset, non-current	6(13)	39,290	-	-	-
1990	Other non-current assets		35,256	-	17,480	-
15XX	Total non-current assets		<u>55,806,212</u>	<u>85</u>	<u>54,320,046</u>	<u>85</u>
1XXX	Total assets		<u>\$ 65,372,473</u>	<u>100</u>	<u>\$ 63,554,178</u>	<u>100</u>

(Continued)

	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	\$ 1,770,000	3	\$ 3,736,477	6
2130	Current contract liabilities	6(19)	134,656	-	45,890	-
2150	Notes payable		53,218	-	10,124	-
2170	Accounts payable		307,838	-	304,129	1
2180	Accounts payable to related parties	7	429,219	1	-	-
2200	Other payables		343,728	1	528,017	1
2230	Current income tax liabilities		311,026	-	242,620	-
2250	Provisions for liabilities - current	6(14)	58,523	-	58,523	-
2280	Lease liabilities - current	7	102,163	-	43,096	-
2320	Long-term liabilities, current portion	6(12)	5,200,000	8	1,800,000	3
2399	Other current liabilities		26,229	-	22,167	-
21XX	Total current liabilities		<u>8,736,600</u>	<u>13</u>	<u>6,791,043</u>	<u>11</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(11)	5,000,000	8	5,000,000	8
2540	Long-term borrowings	6(12)	9,150,000	14	9,750,000	15
2570	Deferred tax liabilities	6(26)	518,076	1	572,806	1
2580	Lease liabilities - non-current	7	162,365	-	129,801	-
2645	Guarantee deposits received		15,080	-	104	-
25XX	Total non-current liabilities		<u>14,845,521</u>	<u>23</u>	<u>15,452,711</u>	<u>24</u>
2XXX	Total liabilities		<u>23,582,121</u>	<u>36</u>	<u>22,243,754</u>	<u>35</u>
	Equity					
	Share capital	6(15)				
3110	Ordinary share		6,322,630	10	6,497,630	10
	Capital surplus	6(16)				
3200	Capital surplus		56,461	-	73,478	-
	Retained earnings	6(17)				
3310	Legal reserve		2,210,652	3	1,908,529	3
3320	Special reserve		35,186,883	54	35,684,459	56
3350	Unappropriated retained earnings		2,614,398	4	3,149,950	5
	Other equity interest					
3400	Other equity interest	6(18)	(3,771,472)	(6)	(4,628,787)	(7)
3500	Treasury stocks	6(15)	(829,200)	(1)	(1,374,835)	(2)
3XXX	Total equity		<u>41,790,352</u>	<u>64</u>	<u>41,310,424</u>	<u>65</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 65,372,473</u>	<u>100</u>	<u>\$ 63,554,178</u>	<u>100</u>

	Items	Notes	2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(19)	\$ 18,800,588	100	\$ 22,839,008	100
5000	Operating costs	6(4)(24)(25) and 7	(16,845,333)	(90)	(20,380,541)	(89)
5900	Net operating margin		1,955,255	10	2,458,467	11
5910	Unrealized (profit) loss from sales		(5,690)	-	(4,277)	-
5920	Realized loss on from sales		(4,277)	-	(2,742)	-
5950	Net operating margin		1,945,288	10	2,460,002	11
	Operating expenses	6(24)(25)				
6100	Selling expenses		(175,805)	(1)	(192,647)	(1)
6200	General and administrative expenses		(307,085)	(2)	(422,260)	(2)
6300	Research and development expenses		(630,168)	(3)	(632,583)	(3)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	-	-	(750)	-
6000	Total operating expenses		(1,113,058)	(6)	(1,248,240)	(6)
6900	Operating profit		832,230	4	1,211,762	5
	Non-operating income and expenses					
7100	Interest income	6(20)	54,423	-	1,115	-
7010	Other income	6(21)	133,790	1	128,931	-
7020	Other gains and losses	6(22)	608,295	3	1,561,387	7
7050	Finance costs	6(23) and 7	(284,646)	(1)	(279,264)	(1)
7070	Share of loss of associates and joint ventures accounted for using equity method, net		(396,175)	(2)	(548,491)	(2)
7000	Total non-operating income and expenses		115,687	1	863,678	4
7900	Profit before income tax		947,917	5	2,075,440	9
7950	Income tax expense	6(26)	(123,391)	(1)	(279,090)	(1)
8200	Profit for the year		\$ 824,526	4	\$ 1,796,350	8
	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(13)	\$ 32,888	-	\$ -	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(6,576)	-	-	-
8310	Other comprehensive income that will not be reclassified to profit or loss		26,312	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		868,476	5	320,989	1
8399	Income tax relating to the components of other comprehensive income	6(26)	(11,161)	-	(843)	-
8360	Other comprehensive income that will be reclassified to profit or loss	6(18)	857,315	5	320,146	1
8300	Total other comprehensive income for the year		\$ 883,627	5	\$ 320,146	1
8500	Total comprehensive income for the year		\$ 1,708,153	9	\$ 2,116,496	9
	Earnings per share (in dollars)	6(27)				
9750	Basic earnings per share		\$ 1.41		\$ 3.03	
9850	Diluted earnings per share		\$ 1.40		\$ 3.00	

CLEVO CO.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Capital Reserves				Retained Earnings			Other Equity Interest			
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Treasury stock transactions	Capital surplus, donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Asset revaluation increment	Treasury shares	Total equity
Year ended December 31, 2021												
Balance at January 1, 2021		\$ 6,697,630	\$ 57,998	\$ 37,866	\$ -	\$ 1,831,206	\$ 36,717,272	\$ 1,118,868	(\$ 4,948,933)	\$ 20,922	(\$ 1,653,691)	\$ 39,879,138
Profit for the year		-	-	-	-	-	-	1,796,350	-	-	-	1,796,350
Other comprehensive income for the year	6(18)	-	-	-	-	-	-	-	320,146	-	-	320,146
Total comprehensive income		-	-	-	-	-	-	1,796,350	320,146	-	-	2,116,496
Appropriations of 2020 earnings	6(17)											
Legal reserve		-	-	-	-	77,323	-	(77,323)	-	-	-	-
Special reserve		-	-	-	-	-	507,614	(507,614)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(373,358)	-	-	-	(373,358)
Treasury stock acquired	6(15)	-	-	-	-	-	-	-	-	-	(329,063)	(329,063)
Treasury stock retired	6(15)	(200,000)	(1,731)	(37,866)	-	-	-	(368,322)	-	-	607,919	-
Past due dividends not received by shareholders		-	-	-	983	-	-	-	-	-	-	983
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	16,228	-	-	-	-	-	-	-	16,228
Reversal of special reserve		-	-	-	-	-	(1,540,427)	1,561,349	-	-	-	20,922
Proceeds from disposal of property, plant and equipment	6(18)	-	-	-	-	-	-	-	-	(20,922)	-	(20,922)
Balance at December 31, 2021		\$ 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
Year ended December 31, 2022												
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(18)	-	-	-	-	-	-	26,312	857,315	-	-	883,627
Total comprehensive income		-	-	-	-	-	-	850,838	857,315	-	-	1,708,153
Appropriations of 2021 earnings	6(17)											
Legal reserve		-	-	-	-	302,123	-	(302,123)	-	-	-	-
Special reserve		-	-	-	-	-	(493,824)	493,824	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,285,752)	-	-	-	(1,285,752)
Treasury stock retired	6(15)	(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

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		\$	947,917	\$	2,075,440
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation	6(6)(24)		12,640		11,797
Depreciation of right-of-use assets	6(7)(24)		51,451		754
Amortisation	6(24)		12,368		7,046
Expected credit loss	12(2)		-		750
Net loss (gain) on financial assets measured at fair value through profit or loss	6(22)		127,644	(	42,997)
Interest expense	6(23)		284,646		279,264
Interest income	6(20)	(	54,423 )	(	1,115)
Dividend income	6(21)	(	49,020 )	(	33,711)
Share of loss of associates and joint ventures accounted for under the equity method			396,175		548,491
Gain on sublease of right-of-use assets	6(7)	(	95,066)		-
Gain arising from transfer of right in sale and lease-back transaction	6(6)(22)		-	(	1,080,862)
Gain on disposal of property, plant and equipment		(	32)		-
Gain on disposal of investment property	6(22)		-	(	222,594)
Gain on adjustments of investment properties at fair value	6(9)(22)		-	(	301,698)
Changes in operating assets and liabilities					
Changes in operating assets					
Financial assets measured at fair value through profit or loss			140,849	(	562,180)
Accounts receivable, net			2,745,570	(	1,607,629)
Inventories		(	51,278)		247,214
Prepayments		(	16,144)		14,712
Net defined benefit asset, non-current		(	8,728)		-
Other current assets			20,094		1,603
Changes in operating liabilities					
Increase (decrease) in contract liabilities			88,766	(	9,496)
Notes payable			43,094	(	1,905)
Accounts payable			3,709	(	82,657)
Accounts payable to related parties			429,219		-
Other payables		(	190,611)		214,852
Provisions for liabilities - current			-		5,000
Other current liabilities			4,062	(	2,530)
Other non-current liabilities			-	(	8,898)
Cash inflow (outflow) generated from operations			4,842,902	(	551,349)
Interest received			34,402		1,115
Dividends received			49,020		33,711
Cash dividends received from subsidiaries			23,948		23,728
Income taxes (paid) received		(	116,535)		20,363
Interest paid		(	277,974 )	(	279,281)
Net cash flows from (used in) operating activities			4,555,763	(	751,713)

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of property, plant and equipment and investment property		\$	200	\$	3,988,880
Acquisition of investments accounted for under the equity method		(	590,000)		-
Acquisition of property, plant and equipment	6(6)	(	106,429 )	(	5,302)
Acquisition of intangible assets		(	54,119 )	(	1,223)
Decrease in other non-current assets			-		8,248
(Increase) decrease in restricted cash - non-current		(	34,419)		10,550
Increase in refundable deposits		(	14,053 )	(	11,875)
Net cash flows (used in) from investing activities		(	798,820)		3,989,278

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings			41,509,431		50,761,063
Decrease in short-term borrowings		(	43,475,908 )	(	52,386,586)
Increase in long-term borrowings			35,760,231		29,400,000
Repayments of long-term borrowings		(	32,960,231 )	(	31,648,571)
Increase (decrease) in guarantee deposit			14,976	(	9,388)
Payments of lease liabilities	6(28)	(	84,004 )	(	7,123)
Cash dividends paid	6(17)	(	1,285,752 )	(	373,358)
Acquisition of treasury stock	6(15)		-	(	329,063)
Past due dividends not received by shareholders			727		983
Net cash flows used in financing activities		(	520,530 )	(	4,592,043)
Net increase (decrease) in cash and cash equivalents			3,236,413	(	1,354,478)
Cash and cash equivalents at beginning of year			2,013,047		3,367,525
Cash and cash equivalents at end of year		\$	5,249,460	\$	2,013,047

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

CLEVO CO.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(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 15, 2023.

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”) 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 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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 IFRSs as endorsed by the FSC but not yet adopted by the Company

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

	Effective date
<u>New Standards, Interpretations and Amendments</u>	Int
Amendments to IAS 1, 'Disclosure of accounti	
Amendments to IAS 8, 'Definitio	
Amendments to IAS	
arising	

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) IFRSs issued by IASB but not yet endorsed by the FSC

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

	Effective date by International Accounting Standards Board
<u>New Standards, Interpretations and Amendments</u>	
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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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 1, 'Classification of liabilities as current or non- current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	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.

4. SUMMARY OF SIGNIFICANT 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 Interpretations, and SIC 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:

Buildings and structures

(including the auxiliary equipment with useful lives of 2 to 10 years) 2 ~ 50 years

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. 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, 2022, the carrying amount of inventories was \$466,143.

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, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 291	\$ 289
Checking accounts and demand deposits	1,657,971	2,012,758
Time deposits	3,591,198	-
	<u>\$ 5,249,460</u>	<u>\$ 2,013,047</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. Demand deposits pledged to others as collateral for bonds payable amounting to \$1,046,589 and \$1,012,170 were classified as 'financial assets at amortised cost - current' as of December 31,

2022 and 2021, respectively.

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

<u>Assets items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 647,964	\$ 900,306
Beneficiary certificates	374,841	396,976
Derivatives	-	2,727
Valuation adjustment	<u>257,468</u>	<u>248,757</u>
	<u>\$ 1,280,273</u>	<u>\$ 1,548,766</u>

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	<u>December 31, 2021</u>	
<u>Derivative financial instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts	<u>USD \$9,000</u>	2021/09/10-2022/09/14

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. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(3).

D. The Company has no financial assets at fair value through profit or loss pledged to others.

(3) Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 2,370,867	\$ 3,251,797
Accounts receivable - related parties	-	1,864,640
Less: Allowance for uncollectible accounts	(5,326)	(5,326)
	<u>\$ 2,365,541</u>	<u>\$ 5,111,111</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 1,827,946	\$ 4,055,234
Up to 30 days	523,367	1,035,354
31 to 90 days	18,884	25,172
91 to 180 days	-	-
Over 180 days	670	677
	<u>\$ 2,370,867</u>	<u>\$ 5,116,437</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables from contracts with customers amounted to \$2,370,867, \$5,116,437, and \$3,508,808, respectively.

C. The Company has no accounts receivable pledged to others.

D. As at December 31, 2022 and 2021, 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 \$2,365,541 and \$5,111,111, 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(3).

(4) Inventories

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
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>
	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 427,103	(\$ 12,309)	\$ 414,794
Semi-finished goods	71	-	71
	<u>\$ 427,174</u>	<u>(\$ 12,309)</u>	<u>\$ 414,865</u>

The cost of inventories recognized as expense for the years ended December 31, 2022 and 2021 was \$16,845,333 and \$20,380,541, respectively, including the amount of \$6,751 and \$2,000, 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

The related information on subsidiaries is provided in Note 4(3) of the 2022 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, 2022</u>	<u>December 31, 2021</u>		
TAIPEI TWIN CORPORATION	New Taipei City	50%	50%	Financial investment	Equity method
Tua Tiann Co., Ltd.	Taipei City	24.5%	0%	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, 2022	December 31, 2021
Cash and cash equivalents	\$ 228,937	\$ 1,155,430
Other current assets	144,823	4,793
Current assets	373,760	1,160,223
Prepaid contract payments	2,808,441	626,767
Other non-current assets	258,636	327,976
Non-current assets	3,067,077	954,743
Total assets	\$ 3,440,837	\$ 2,114,966
Other payables	(\$ 398,222)	(\$ 34,768)
Other current liabilities	(17,519)	(145,607)
Current liabilities	(415,741)	(180,375)
Long-term borrowings	(940,000)	-
Other non-current liabilities	(26,732)	-
Non-current liabilities	(966,732)	-
Total liabilities	(1,382,473)	(180,375)
Total net assets	\$ 2,058,364	\$ 1,934,591
Share in joint venture's net assets	\$ 1,029,182	\$ 967,296
Carrying amount of the joint venture	\$ 1,029,182	\$ 967,296

Statement of comprehensive income

TAIPEI TWIN CORPORATION		
	Year ended December 31, 2022	Year ended December 31, 2021
Other operating expenses	(\$ 72,109)	(\$ 42,342)
Depreciation and amortisation	(6,688)	(320)
Interest income	2,842	2,478
Other gains and losses	(272)	503
Loss before income tax	(76,227)	(39,681)
Income tax expense	-	-
Profit or loss, net of tax	(\$ 76,227)	(\$ 39,681)
Total comprehensive loss	(\$ 76,227)	(\$ 39,681)
Dividends received from joint venture	\$ -	\$ -

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 \$11 billion from both the Company and EPOQUE CORPORATION account for 50% of the total investment and the shareholding ratio is 50% for each. 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, 2022
Cash and cash equivalents	\$ 8,931
Financial assets at amortised cost - current	200,000
Other current assets	7,476
Current assets	216,407
Prepaid contract payments	467,864
Other non-current assets	1,320,180
Total assets	\$ 2,004,451
Current liabilities	(103)
Total liabilities	(103)
Total net assets	\$ 2,004,348
Share in joint venture's net assets	\$ 491,065
Carrying amount of the joint venture	\$ 491,065
	Tua Tiann Co., Ltd.
	Year ended
	December 31, 2022
Other operating expenses	(\$ 690)
Other gains and losses	5,038
Profit before income tax	4,348
Income tax expense	-
Profit or loss, net of tax	\$ 4,348
Total comprehensive income	\$ 4,348
Dividends received from joint venture	\$ -

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

parties based on the joint venture agreement.

(6) Property, plant and equipment

	<u>Machinery</u>	<u>Computers and communication equipment</u>	<u>Transportation equipment</u>	<u>Lease improvements</u>	<u>Others</u>
At January 1, 2022					
Cost	\$ 14,400	\$ 5,321	\$ 2,868	\$ -	\$
Accumulated depreciation	(9,392)	(1,734)	(2,348)		
	<u>\$ 5,008</u>	<u>\$ 3,587</u>	<u>\$ 520</u>	<u>\$</u>	

2022

Opening net book amount as at January 1	\$ 5,008	\$ 3,587	\$		
Additions	8,464	924			
Disposals (costs)	(2,251)				
Disposals (accumulated depreciation)	2,083				
Depreciation charge	(2,269)				
Closing net book amount as at December 31	\$				

At December 31, 2022

Cost
Accumulat

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Computers and communication equipment</u>	<u>Transportation equipment</u>	<u>Others</u>	<u>Total</u>
At January 1, 2021							
Cost	\$ 186,563	\$ 200,994	\$ 14,168	\$ 2,822	\$ 2,268	\$ 6,990	\$ 413,805
Accumulated depreciation	-	(63,347)	(8,315)	(1,124)	(2,268)	(3,493)	(78,547)
	<u>\$ 186,563</u>	<u>\$ 137,647</u>	<u>\$ 5,853</u>	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ 3,497</u>	<u>\$ 335,258</u>
<u>2021</u>							
Opening net book amount as at January 1	\$ 186,563	\$ 137,647	\$ 5,853	\$ 1,698	\$ -	\$ 3,497	\$ 335,258
Additions	-	339	1,436	2,682	600	245	5,302
Disposals (costs)	(186,563)	(201,333)	(1,204)	(183)	-	(4,813)	(394,096)
Disposals (accumulated depreciation)	-	70,885	1,204	183	-	2,953	75,225
Depreciation charge	-	(7,538)	(2,281)	(793)	(80)	(1,105)	(11,797)
Closing net book amount as at December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,008</u>	<u>\$ 3,587</u>	<u>\$ 520</u>	<u>\$ 777</u>	<u>\$ 9,892</u>
At December 31, 2021							
Cost	\$ -	\$ -	\$ 14,400	\$ 5,321	\$ 2,868	\$ 2,422	\$ 25,011
Accumulated depreciation	-	-	(9,392)	(1,734)	(2,348)	(1,645)	(15,119)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,008</u>	<u>\$ 3,587</u>	<u>\$ 520</u>	<u>\$ 777</u>	<u>\$ 9,892</u>

- A. No borrowing costs were capitalized on property, plant and equipment for the years ended December 31, 2022 and 2021.
- B. The significant components of the Company's buildings and structures, including main construction, steel structure and related equipment of underground mezzanine were depreciated over 50 years and 15 years, respectively.
- C. The Company does not provide information on real property, plant and equipment for guarantee.
- D. To activate its assets, the Company entered into a sales and purchase agreement of land and buildings with the non-related party, TransGlobe Life Insurance Inc. (TransGlobe Life), as resolved by the Board of Directors on October 15, 2021, to sell the property, plant and equipment and investment property located on Xingde Rd., Sanchong Dist., New Taipei City in the amount of \$4,100,000. The above transaction was completed in the fourth quarter of 2021. After deducting the carry amount of the assets and related transaction costs from proceeds of the transactions, Gains of disposal amounted to \$1,303,456, shown as other gains and losses. All proceeds from the transaction have been collected in December 2021. From November 29, 2021, the Company leased back certain levels of the sold building for its operational use for a lease term of 4 years.

(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, 2022	Year ended December 31, 2022	December 31, 2021	Year
	Depreciat		
<u>Carrying amou</u>			

Office

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$175,634 and \$36,206, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended</u>
	<u>December 31, 2022</u> <u>Dece</u>
<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	\$
Expense on short-term lease contracts	
Gains arising from transfer of and lease-back tra	
Gain	

F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$89,128 and \$8,997, 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 periods of 1 to 4 years. 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:

Y

Finance incom

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2022</u>
2023	\$ 43,945
2024	42,314
2025	<u>39,581</u>
	<u>\$ 125,840</u>

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2022</u>	
	<u>Current</u>	<u>Non-current</u>
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, 2022 and 2021, the Company recognized rent income in the amounts of \$3,970 and \$63,485, 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:

(9) Investment property

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Year ended December 31, 2021</u>
Rental income from investment property	<u>\$ 63,485</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 11,584</u>

(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 Chunghwa post's board interest rate for two-year time deposit plus 3 point (current is 1.595%), as well as the Company's liquidity, risk, value-added and degree of difficulty of management.

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	<u>\$ 1,770,000</u>	1.40%~1.60%	Promissory note

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ <u>3,736,477</u>	0.75%~1.00%	Promissory note

(11) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured bonds payable	\$ <u>5,000,000</u>	\$ <u>5,000,000</u>

A. On August 22, 2019, Clevo Co. issued \$5,000,000 secured bonds, as approved by the regulatory authority. As of December 31, 2022, the outstanding bonds payable was \$5,000,000.

B. The terms of the secured bonds are as follows:

<u>Type of Bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>	<u>Security</u>
Secured bonds payable	2019/8/26	5 years	\$ 5,000,000	Not exceeding 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.

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
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>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 3
Unsecured borrowings	Borrowing period is from March 19, 2021 to December 17, 2026; interest is payable monthly, principal is payable at maturity date.	0.5157%~1.05%	Promisso	no
Unsecured borrowings	Borrowing period is from August 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments.			

Less: Current

The Company's liquidity risks are described in Note 12(2)C.(C).

(13) 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, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 314,522	\$ 322,555
Fair value of plan assets	(353,812)	(322,555)
Net defined benefit liability	(\$ 39,290)	\$ -

(c) Movements in net defined benefit liabilities are as follows:

	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)	<u>2,311</u>	<u>(2,290)</u>	<u>21</u>
	<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	<u>(4,955)</u>	<u>(24,280)</u>	<u>(29,235)</u>
	<u>(8,608)</u>	<u>(24,280)</u>	<u>(32,888)</u>
Pension fund contribution	-	(8,728)	(8,728)
Paid pension	<u>(4,041)</u>	<u>4,041</u>	<u>-</u>
Balance at December 31	<u>\$ 314,522</u>	<u>(\$ 353,812)</u>	<u>(\$ 39,290)</u>
	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 323,696	(\$ 314,798)	\$ 8,898
Current service cost	267	-	267
Interest expense (income)	<u>1,327</u>	<u>(1,291)</u>	<u>36</u>
	<u>325,290</u>	<u>(316,089)</u>	<u>9,201</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	6,466	-	6,466
Change in financial assumptions	7,159	-	7,159
Experience adjustments	<u>(8,703)</u>	<u>(4,922)</u>	<u>(13,625)</u>
	<u>4,922</u>	<u>(4,922)</u>	<u>-</u>
Pension fund contribution	-	(9,201)	(9,201)
Paid pension	<u>(7,657)</u>	<u>7,657</u>	<u>-</u>
Balance at December 31	<u>\$ 322,555</u>	<u>(\$ 322,555)</u>	<u>\$ -</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, 2022 and 2021 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, 2022	Year ended December 31, 2021
Discount rate	1.33%	0.71%
Future salary increases	2.50%	2.00%

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, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 16,874)	\$ 18,101	\$ 17,797	(\$ 16,767)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 18,696)	\$ 20,141	\$ 19,776	(\$ 18,556)

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, 2023 amount to \$9,534.

(h) As of December 31, 2022, the weighted average duration of the retirement plan is 11 years.

The analysis of timing of the future pension payment was as follows:

Within 2 years	\$	260,254
2-5 years		21,445
Over 5 years		<u>9,352</u>
	\$	<u>291,051</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, 2022 and 2021 were \$35,094 and \$35,360, respectively.

(14) Provisions

	Warranty	
	2022	2021
At January 1	\$ 58,523	\$ 53,523
Additional provisions	85,122	95,207
Used during the year	(85,122)	(90,207)
At December 31	<u>\$ 58,523</u>	<u>\$ 58,523</u>

Analysis of total provisions:

	December 31, 2022	December 31, 2021
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.

(15) Share capital

A. As of December 31, 2022, 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:

	<u>2022</u>	<u>2021</u>
At January 1		
Shares retired		
At December		

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		<u>December 31, 2022</u>
Name of company holding the shares	Reason for reacquisition	Number of share
The Company	To be reissued to employees	
Subsidiary-Kapok	Long	
Computer		
Subsidiary-Cle		
Inve		

		<u>December 31, 2021</u>
Name of company holding the shares	Reason for reacquisition	Number of share
The Company	To be reissued to employees	
Subsidiary-Kapok	Long	
Computer		
Subsidiary-Cle		
Inve		

- (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) On May 11, 2021 and February 19, 2021, the Company handled the cancellation of treasury shares by the resolution of the board of directors. The capital reduction amount was \$100,000, consisting of 10,000 thousand shares. The capital reduction ratios were 1.52% and 1.49%, and the capital reduction base dates were June 8, 2021 and April 3, 2021, respectively.

- (d) On October 15, 2021, the Company's board of directors resolved to repurchase 10,000 thousand shares of the Company's shares at a price range of \$28 to \$42 per share from October 18, 2021 to December 17, 2021 to maintain the Company's credit and shareholder rights. When the market price is lower than the lower limit of the originally agreed price range, the Company's shares will continue to be repurchased. By the expiration of the execution period of treasury stocks, a total of 10,000 thousand shares have been repurchased at a total cost of \$329,063.
- (e) 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.
- (f) 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.
- (g) 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.

(16) 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.

(17) 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 2021 and 2020 earnings had been resolved at the stockholders' meeting on June 15, 2022 and August 26, 2021, respectively. Details are summarised below:

	2021		2020	
	Dividends per share		Dividends per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 302,123		\$ 77,323	
Reverse of special reserve (	493,824)		507,614	
Cash dividends	<u>1,285,752</u>	\$ 2.10	<u>373,358</u>	\$ 0.60
	<u>\$1,094,051</u>		<u>\$ 958,295</u>	

F. The resolution of the appropriations of 2022 earnings was approved by the Board of Directors during its meeting on March 15, 2023 as follows:

	2022
	D
	Amo
Legal reserve	
Reverse of special reserve	
Cash dividends	

As of the financial report date, the Company's 2022 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.

(18) Other equity items

	2022		
	Currency translation	Revaluation	Total
At January 1	(\$ 4,628,787)	\$ -	(\$ 4,628,787)
Currency translation differences:			
–The Company and subsidiaries	<u>857,315</u>	<u>-</u>	<u>857,315</u>
At December 31	<u>(\$ 3,771,472)</u>	<u>\$ -</u>	<u>(\$ 3,771,472)</u>
	2021		
	Currency translation	Revaluation	Total
At January 1	(\$ 4,948,933)	\$ 20,922	(\$ 4,928,011)
Currency translation differences:			
–The Company and subsidiaries	320,146	-	320,146
Disposals transferred to retained earnings	<u>-</u>	<u>(20,922)</u>	<u>(20,922)</u>
At December 31	<u>(\$ 4,628,787)</u>	<u>\$ -</u>	<u>(\$ 4,628,787)</u>

(19) Operating revenue

Year ended Y

Revenue from con

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 products	Asia-Pacific computer products	Other computer produ	
2022				
Total segment revenue	\$ 11,158,199	\$ 6,541,730		
Inter-segment revenue	(4,820,078)			
Revenue from external customer contracts	\$ 6			
Timing of revenue recognition				
At				
2021	China computer products	Asia-Pacific computer products	Other computer products	Total
Total segment revenue	\$ 12,959,520	\$ 8,824,808	\$ 7,442,307	\$ 29,226,635
Inter-segment revenue	(6,387,627)	-	-	(6,387,627)
Revenue from external customer contracts	\$ 6,571,893	\$ 8,824,808	\$ 7,442,307	\$ 22,839,008
Timing of revenue recognition				
At a point in time	\$ 6,571,893	\$ 8,824,808	\$ 7,442,307	\$ 22,839,008

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Contract liabilities – Advance sales receipts	\$ 134,656	\$ 45,890	\$ 55,386

C. Revenue recognised that was included in the contract liability balance at the beginning of the year

	Year ended <u>December 31,</u>	Year en
Revenue recognised that was included in the contract liability balance at the Advance r		

(20) Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income from bank deposits	\$ 54,026	\$ 1,110
Other interest income	397	5
	<u>\$ 54,423</u>	<u>\$ 1,115</u>

(21) Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Rent income	\$ 3,970	\$ 63,485
Dividend income	49,020	33,711
Other income	80,800	31,735
	<u>\$ 133,790</u>	<u>\$ 128,931</u>

(22) Other gains and losses

	Year ended December 31, 2022	Year ended December 31, 2021
Gains on disposals of property, plant and equipment	\$ 32	\$ -
Gains on financial assets and liabilities at fair value through profit or loss	(127,644)	42,997
Foreign exchange gains (losses)	652,186	(70,923)
Gains on fair value adjustment, investment property	-	301,698
Gains on disposals of investment property	-	222,594
Gains arising from sale and leaseback transactions	-	1,080,862
Income from subleasing right-of-use assets	95,066	-
Fee expense arising from financial liabilities not at fair value through profit or loss	(7,827)	(4,257)
Fee expense arising from trust and fiduciary activities	(3,464)	-
Other losses	(54)	(11,584)
	<u>\$ 608,295</u>	<u>\$ 1,561,387</u>

(23) Finance costs

	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense:		
Bank borrowings	\$ 193,049	\$ 189,892
Other interest expense	91,597	89,372
Financial costs	<u>\$ 284,646</u>	<u>\$ 279,264</u>

(24) Expenses by nature

	Year ended December 31, 2022	Year ended December 31, 2021
Employee benefit expense	\$ 833,284	\$ 1,003,201
Depreciation charges on property, plant and equipment	12,640	11,797
Depreciation charges on right-of-use assets	51,451	754
Amortisation charges on intangible assets	12,368	7,046
	<u>\$ 909,743</u>	<u>\$ 1,022,798</u>

(25) Employee benefit expense

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	\$ 704,622	\$ 877,383
Labour and health insurance fees	57,079	57,069
Pension costs	37,420	35,663
Other personnel expenses	34,163	33,086
	<u>\$ 833,284</u>	<u>\$ 1,003,201</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, 2022 and 2021, employees’ compensation was accrued at \$108,000 and \$181,800, respectively; while directors’ and supervisors’ remuneration was accrued at \$10,600 and \$22,200, 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, 2022. The employees’ compensation and directors’ and supervisors’ remuneration as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements, and the employees’ compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 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.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profits for the year	\$ 182,615	\$ 235,726
Tax on undistributed surplus earnings	36,963	6,895
Prior year income tax overestimation	(26,641)	-
Total current tax	<u>192,937</u>	<u>242,621</u>
Deferred tax:		
Origination and reversal of temporary differences	(69,546)	36,469
Total deferred tax	<u>(69,546)</u>	<u>36,469</u>
Income tax expense	<u>\$ 123,391</u>	<u>\$ 279,090</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Currency translation differences	(\$ 11,161)	(\$ 843)
Remeasurement of defined benefit obligations	(6,576)	-
	<u>(\$ 17,737)</u>	<u>(\$ 843)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate	\$ 189,583	\$ 415,088
Tax exempt income by tax regulation	(76,514)	(142,893)
Prior year income tax overestimation	(26,641)	-
Tax on undistributed surplus earnings	<u>36,963</u>	<u>6,895</u>
Income tax expense	<u>\$ 123,391</u>	<u>\$ 279,090</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

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	<u>20,398</u>	<u>-</u>	<u>(11,161)</u>	<u>9,237</u>
	<u>35,307</u>	<u>8,240</u>	<u>(11,161)</u>	<u>32,386</u>
2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange loss	(\$ 12,215)	\$ 6,091	\$ -	(\$ 6,124)
Foreign investment income using equity method	(559,713)	54,360	-	(505,353)
Unrealised sales gain	(855)	855	-	-
Accrued pension liability	<u>(23)</u>	<u>-</u>	<u>(6,576)</u>	<u>(6,599)</u>
	<u>(572,806)</u>	<u>61,306</u>	<u>(6,576)</u>	<u>(518,076)</u>
	<u>(\$ 537,499)</u>	<u>\$ 69,546</u>	<u>(\$ 17,737)</u>	<u>(\$ 485,690)</u>

2021				
	January 1	Recognised		December 31
		Recognised in profit or loss	in other comprehensive income	
Deferred tax assets:				
Temporary differences:				
Unrealised exchange loss	\$ 1,181	(\$ 1,181)	\$ -	\$ -
Allowance for spare valuation losses	1,582	2,191	-	3,773
Allowance for inventory valuation losses	3,490	(1,028)	-	2,462
Allowance for bad debts	8,916	(5,307)	-	3,609
Unused compensated absences	5,065	-	-	5,065
Accrued pension liability	1,781	(1,781)	-	-
Currency translation differences	21,241	-	(843)	20,398
Tax losses	<u>134,000</u>	<u>(134,000)</u>	<u>-</u>	<u>-</u>
	<u>177,256</u>	<u>(141,106)</u>	<u>(843)</u>	<u>35,307</u>
2021				
	January 1	Recognised		December 31
		Recognised in profit or loss	in other comprehensive income	
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange loss	\$ -	(\$ 12,215)	\$ -	(\$ 12,215)
Foreign investment income using equity method	(519,461)	(40,252)	-	(559,713)
Unrealised sales gain	(548)	(307)	-	(855)
Rent by straight-line method	(459)	459	-	-
Increase in revaluation	(4,285)	4,285	-	-
Accrued pension liability	-	(23)	-	(23)
Fair value adjustment, investment property	<u>(152,690)</u>	<u>152,690</u>	<u>-</u>	<u>-</u>
	<u>(677,443)</u>	<u>104,637</u>	<u>-</u>	<u>(572,806)</u>
	<u>(\$ 500,187)</u>	<u>(\$ 36,469)</u>	<u>(\$ 843)</u>	<u>(\$ 537,499)</u>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary differences unrecognised as deferred tax liabilities were \$9,188,459 and \$9,266,092, respectively.

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	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

(28) 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, 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	-	-	-	175,635	175,635
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>
	Short-term borrowings	Long-term borrowings	Corporate bonds payable	Lease liabilities	Liabilities from financing activities- gross
At January 1, 2021	\$5,362,000	\$13,798,571	\$5,000,000	\$ -	\$ 24,160,571
Changes in cash flow from financing activities	(1,625,523)	(2,248,571)	-	(7,123)	(3,881,217)
Changes in other non-cash items	-	-	-	180,020	180,020
At December 31, 2021	<u>\$3,736,477</u>	<u>\$11,550,000</u>	<u>\$5,000,000</u>	<u>\$ 172,897</u>	<u>\$ 20,459,374</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
Clevo (Cayman Islands) Holding Company	Other related party
Kapok Computer (Samoa) 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 \$4,820,078 and \$7,685,603 for the years ended December 31, 2022 and 2021, respectively. The purchases and sales are offset and shown at net amount in the financial statements.

B. Purchases:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Purchases of goods:		
Kapok Computer (Kunshan) Co., Ltd.	<u>\$ 13,897,287</u>	<u>\$ 16,112,238</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, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
Kapok Computer (Kunshan) Co., Ltd.	<u>\$ -</u>	<u>\$ 1,864,640</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:

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, 2022</u>
	<u>Accounts</u>	<u>No. of shares</u> <u>(in thousands)</u>	<u>Objects</u>	<u>Consideration</u>
	Investment			
TAIPEI TWIN	accounted	10,000	Stock	\$ <u>100,000</u>
CORPORATION	using the equity			
	method			

F. Lease transactions — lessee

(a) The Group leased buildings from Hon Hui Si Yuan Co., Ltd. and Honghui Real Estate Company in February 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:

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Hon Hui Si Yuan Co., Ltd.	\$ <u>175,634</u>	\$ <u>-</u>

(c) Lease liabilities

(i) Outstanding balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Hon Hui Si Yuan Co., Ltd.	\$ <u>134,724</u>	\$ <u>-</u>

(ii) Interest expense

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Hon Hui Si Yuan Co., Ltd.	\$ <u>1,577</u>	\$ <u>-</u>

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 2022 and 2021.

(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 Taipei 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, 2022	Year ended December 31, 2021
Salaries and other short-term employee benefits	\$ 54,466	\$ 73,531
Post-employment benefits	1,250	1,244
	<u>\$ 55,716</u>	<u>\$ 74,775</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets at amortised cost - non- current	<u>\$ 1,046,589</u>	<u>\$ 1,012,170</u>	Bonds payable

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

As of December 31, 2022 and 2021, the Company has issued guarantee notes amounting to \$25,321,482 and \$22,710,525, respectively, for bank repayment and forward exchange trading.

10. SIGNIFICANT DISASTER LOSS

None

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors has resolved the appropriation of 2022 earnings on March 15, 2023. Details are provided in Note 6(17).

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, 2022, the Company's strategy, which was unchanged from 2021, was to maintain the gearing ratio under 50%. The gearing ratios at December 31, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total borrowings	\$ 21,120,000	\$ 20,286,477
Less: Cash and cash equivalents	(5,249,460)	(2,013,047)
Net debt	15,870,540	18,273,430
Total equity	<u>41,790,352</u>	<u>41,310,424</u>
Total capital	<u>\$ 57,660,892</u>	<u>\$ 59,583,854</u>
Gearing ratio	28%	31%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 1,280,273</u>	<u>\$ 1,548,766</u>
Financial assets at amortised cost	<u>\$ 8,849,646</u>	<u>\$ 8,181,354</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities at amortised cost	<u>\$ 22,269,083</u>	<u>\$ 21,128,851</u>
Lease liability	<u>\$ 264,528</u>	<u>\$ 172,897</u>

Note: Financial assets measured at amortised cost include cash and cash equivalents, accounts and notes 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, 2022	
	Foreign currency amount (In thousands)	Bo Exchange rate
(Foreign currency: functional currency)		
<u>Financial assets</u>		
<u>Monetary items</u>		
USD:NTD	\$ 255	
RMB:NTD		
HKD:NTD		
JPY:NTD		
<u>Investments accounted for under the equity method</u>		
USD:NTD		
<u>Financial lia</u>		
<u>Mone</u>		

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 239,466	27.68	\$ 6,628,419
RMB:NTD	3,653	4.34	15,854
HKD:NTD	3	3.55	11
JPY:NTD	14	0.24	3
<u>Investments accounted for under the equity method</u>			
USD:NTD	1,881,712	27.68	52,105,007
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	10,934	27.68	302,653

- 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, 2022 and 2021, amounted to \$652,186 and (\$70,923), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2021			
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%	\$ 53,027	\$ -
RMB:NTD	1%	127	-
HKD:NTD	1%	-	-
JPY:NTD	1%	-	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	2,421	-

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, 2022 and 2021 would have increased/decreased by \$10,242 and \$12,390, 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 2022 and 2021, 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, 2022 and 2021 would have decreased/increased by \$128,960 and \$122,292, 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, 2022 and 2021, the provision matrix is as follows:

	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:

	2022
	Accounts receivable
At January 1	\$ 5,326
Provision	-
Write-offs	-
At December 31	<u>\$ 5,326</u>
	2021
	Accounts receivable
At January 1	\$ 4,576
Provision	750
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:

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 year</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Bonds payable	\$ 40,000	\$5,025,9		
Long-term borrowings (including current portion)	5,200,094			
Lease liabilities				
<u>December 31, 2021</u>				
<u>Derivative financial liabilities</u>				
Forward contracts				

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 year</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Bonds payable	\$ 40,000	\$ 40,0		
Long-term borrowings (including current portion)	1,820,814			
Lease liabilities				
<u>December 31, 2020</u>				
<u>Derivative financial liabilities</u>				
Forward contracts				

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

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, 2022 and 2021 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 829,159	\$ -	\$ -	\$ 829,159
Forward exchange contracts	-	-	-	-
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>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,088,176	\$ -	\$ -	\$ 1,088,176
Forward exchange contracts	-	2,727	-	2,727
Beneficiary certificates	<u>-</u>	<u>457,863</u>	<u>-</u>	<u>457,863</u>
	<u>\$ 1,088,176</u>	<u>\$ 460,590</u>	<u>\$ -</u>	<u>\$ 1,548,766</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. 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

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 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 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.
- 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 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, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to page 265-271.

B. Provision of endorsements and guarantees to others: Refer to page 272-273.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to page 274-275.

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 276.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to page 277.
- 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 278.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to page 279.
- 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 page 280-285.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Refer to page 286-288.

(3) Information on investments in Mainland China

- A. Basic information: Refer to page 289-294.
- B. Ceiling on investments in Mainland China: Refer to page 289-294.
- C. 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 Note 13 A, B, E, G, H, J.

(4) Major shareholders information

Major shareholders information: Refer to page 295.

14. SEGMENT INFORMATION

None.